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# ***Danimex-Food Holding A/S***

Graven 20, DK-8000 Aarhus C

## **Annual Report for 1 January - 31 December 2017**

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CVR No 15 15 03 78

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2018

Peter Worre Bech  
Chairman



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Danimex-Food Holding A/S for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 31 May 2018

## Executive Board

Carl Bruun Jørgensen

## Board of Directors

Peter Worre Bech  
Chairman

Eric Gue Thierry Delarue

Pascale Denise Delarue

Søren Karim Bech

Steen Bitsch

# Independent Auditor's Report

To the Shareholders of Danimex-Food Holding A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Danimex-Food Holding A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the

# Independent Auditor's Report

audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 31 May 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Kristian B. Lassen  
State Authorised Public Accountant  
mne23430

Rasmus Møllergaard Stenskrøg  
State Authorised Public Accountant  
mne34161

## Company Information

### **The Company**

Danimex-Food Holding A/S  
Graven 20  
DK-8000 Aarhus C

CVR No: 15 15 03 78  
Financial period: 1 January - 31 December  
Incorporated: 1 May 1991  
Municipality of reg. office: Aarhus

### **Board of Directors**

Peter Worre Bech, Chairman  
Eric Gue Thierry Delarue  
Pascale Denise Delarue  
Søren Karim Bech  
Steen Bitsch

### **Executive Board**

Carl Bruun Jørgensen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

### **Bankers**

Nordea Bank Danmark A/S

## Income Statement 1 January - 31 December

|   | Note | 2017<br>DKK      | 2016<br>DKK      |
|---|------|------------------|------------------|
| Income from investments in subsidiaries                 | 2    | 1.657.348        | 4.353.240        |
| Other external expenses                                 |      | -63.297          | -5.625           |
| <b>Profit/loss before financial income and expenses</b> |      | <b>1.594.051</b> | <b>4.347.615</b> |
| Other financial income                                  | 3    | 644.453          | 725.319          |
| Other financial expenses                                |      | -200.230         | -334.037         |
| <b>Profit/loss before tax</b>                           |      | <b>2.038.274</b> | <b>4.738.897</b> |
| Tax on profit/loss for the year                         | 4    | -87.780          | -85.558          |
| <b>Net profit/loss for the year</b>                     |      | <b>1.950.494</b> | <b>4.653.339</b> |

## Distribution of profit

### Proposed distribution of profit

|   |                  |                  |
|---|------------------|------------------|
| Proposed dividend for the year                      | 0                | 2.000.000        |
| Reserve for net revaluation under the equity method | 1.657.348        | 4.353.240        |
| Retained earnings                                   | 293.146          | -1.699.901       |
|   | <b>1.950.494</b> | <b>4.653.339</b> |

## Balance Sheet 31 December

### Assets

|                                    | Note | 2017<br>DKK       | 2016<br>DKK       |
|------------------------------------|------|-------------------|-------------------|
| Investments in subsidiaries        | 5    | 8.389.233         | 8.654.274         |
| <b>Fixed asset investments</b>     |      | <b>8.389.233</b>  | <b>8.654.274</b>  |
| <b>Fixed assets</b>                |      | <b>8.389.233</b>  | <b>8.654.274</b>  |
| Receivables from group enterprises |      | 11.826.622        | 14.197.826        |
| Prepayments                        |      | 44.800            | 0                 |
| <b>Receivables</b>                 |      | <b>11.871.422</b> | <b>14.197.826</b> |
| <b>Cash at bank and in hand</b>    |      | <b>89.056</b>     | <b>89.144</b>     |
| <b>Currents assets</b>             |      | <b>11.960.478</b> | <b>14.286.970</b> |
| <b>Assets</b>                      |      | <b>20.349.711</b> | <b>22.941.244</b> |



# Balance Sheet 31 December

## Liabilities and equity

|  | Note | 2017<br>DKK              | 2016<br>DKK              |
|--|------|--------------------------|--------------------------|
| Share capital  |      | 1.500.000                | 1.500.000                |
| Reserve for net revaluation under the equity method            |      | 8.383.629                | 8.755.004                |
| Retained earnings  |      | 6.435.340                | 6.035.860                |
| Proposed dividend for the year                                 |      | <u>0</u>                 | <u>2.000.000</u>         |
| <b>Equity</b>  | 6    | <b><u>16.318.969</u></b> | <b><u>18.290.864</u></b> |
| Subordinate loan capital                                       |      | <u>2.500.000</u>         | <u>3.500.000</u>         |
| <b>Long-term debt</b>  | 7    | <b><u>2.500.000</u></b>  | <b><u>3.500.000</u></b>  |
| Subordinate loan capital                                       | 7    | 1.000.000                | 975.000                  |
| Corporation tax  |      | 69.780                   | 85.558                   |
| Other payables   |      | <u>460.962</u>           | <u>89.822</u>            |
| <b>Short-term debt</b>   |      | <b><u>1.530.742</u></b>  | <b><u>1.150.380</u></b>  |
| <b>Debt</b>  |      | <b><u>4.030.742</u></b>  | <b><u>4.650.380</u></b>  |
| <b>Liabilities and equity</b>                                  |      | <b><u>20.349.711</u></b> | <b><u>22.941.244</u></b> |
| Key activities   | 1    |                          |                          |
| Contingent assets, liabilities and other financial obligations | 8    |                          |                          |
| Related parties  | 9    |                          |                          |
| Accounting Policies  | 10   |                          |                          |

# Notes to the Financial Statements

## 1 Key activities

The Company's main activity is investment in other enterprises within ingredients and raw materials for the food industry and within machinery for the food and refrigeration industry in selected export markets.

|  | <u>2017</u><br>DKK      | <u>2016</u><br>DKK      |
|--|-------------------------|-------------------------|
| <b>2 Income from investments in subsidiaries</b> |                         |                         |
| Share of profits of subsidiaries                 | 1.657.348               | 4.353.240               |
|  | <u><b>1.657.348</b></u> | <u><b>4.353.240</b></u> |
| <b>3 Other financial income</b>                  |                         |                         |
| Interest received from group enterprises         | 634.743                 | 725.319                 |
| Other financial income                           | 9.710                   | 0                       |
|  | <u><b>644.453</b></u>   | <u><b>725.319</b></u>   |
| <b>4 Tax on profit/loss for the year</b>         |                         |                         |
| Current tax for the year                         | 87.780                  | 85.558                  |
|  | <u><b>87.780</b></u>    | <u><b>85.558</b></u>    |

## Notes to the Financial Statements

|                                       | 2017<br>DKK             | 2016<br>DKK             |
|---------------------------------------|-------------------------|-------------------------|
| <b>5 Investments in subsidiaries</b>  |                         |                         |
| Cost at 1 January                     | 4.000.000               | 4.000.000               |
| Disposals for the year                | <u>0</u>                | <u>0</u>                |
| Cost at 31 December                   | <u>4.000.000</u>        | <u>4.000.000</u>        |
| Value adjustments at 1 January        | 4.654.274               | 222.986                 |
| Exchange adjustment                   | -1.922.389              | 78.048                  |
| Net profit/loss for the year          | <u>1.657.348</u>        | <u>4.353.240</u>        |
| Value adjustments at 31 December      | <u>4.389.233</u>        | <u>4.654.274</u>        |
| <b>Carrying amount at 31 December</b> | <b><u>8.389.233</u></b> | <b><u>8.654.274</u></b> |

Investments in subsidiaries are specified as follows:

| Name             | Place of registered office | Share capital | Votes and ownership |
|------------------|----------------------------|---------------|---------------------|
| Danimex-Food A/S | Aarhus                     | DKK 1.000.000 | 100%                |

## 6 Equity

|   | Share capital<br>DKK    | Reserve for net revaluation under the equity method<br>DKK | Retained earnings<br>DKK | Proposed dividend for the year<br>DKK | Total<br>DKK             |
|---|-------------------------|--|--------------------------|---------------------------------------|--------------------------|
| Equity at 1 January                               | 1.500.000               | 8.755.004  | 6.035.860                | 2.000.000                             | 18.290.864               |
| Ordinary dividend paid                            | 0                       | 0  | 0                        | -2.000.000                            | -2.000.000               |
| Exchange adjustments relating to foreign entities | 0                       | -1.922.389   | 0                        | 0                                     | -1.922.389               |
| Other equity movements                            | 0                       | -106.334   | 106.334                  | 0                                     | 0                        |
| Net profit/loss for the year                      | <u>0</u>                | <u>1.657.348</u>   | <u>293.146</u>           | <u>0</u>                              | <u>1.950.494</u>         |
| <b>Equity at 31 December</b>                      | <b><u>1.500.000</u></b> | <b><u>8.383.629</u></b>                                    | <b><u>6.435.340</u></b>  | <b><u>0</u></b>                       | <b><u>16.318.969</u></b> |

# Notes to the Financial Statements

## 7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

|                                 | <u>2017</u><br>DKK      | <u>2016</u><br>DKK      |
|---------------------------------|-------------------------|-------------------------|
| <b>Subordinate loan capital</b> |                         |                         |
| Between 1 and 5 years           | <u>2.500.000</u>        | <u>3.500.000</u>        |
| Long-term part                  | 2.500.000               | 3.500.000               |
| Within 1 year                   | <u>1.000.000</u>        | <u>975.000</u>          |
|                                 | <b><u>3.500.000</u></b> | <b><u>4.475.000</u></b> |

## 8 Contingent assets, liabilities and other financial obligations

The Company has provided a guarantee for the Danish subsidiary's bank debt amounting to DKK 2,994,000 at 31 December 2017.

The Company has provided its shares in the Danish subsidiary as collateral for the subsidiary's bank debt amounting to DKK 2,994,000.

The Company has provided a guarantee maximized to EUR 1,800,000 for the Algerian subsidiary's bank debt.

### Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 9 Related parties

### Consolidated Financial Statements

Selskabet indgår i koncernrapporten for moderselskabet

| <u>Name</u>    | <u>Place of registered office</u> |
|----------------|-----------------------------------|
| SKB Equity ApS | Aarhus                            |

# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Danimex-Food Holding A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of SKB Equity ApS, the Company has not prepared consolidated financial statements.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Other external expenses

Other external expenses comprise expenses for administration.

### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Balance Sheet

#### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

#### Equity

##### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax



# Notes to the Financial Statements

## 10 Accounting Policies (continued)

entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.