Thornico A/S

Havnegade 36, DK-5000 Odense

Annual Report for 2018

CVR No 15 96 02 05

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 7/6 2019

Thor Stadil
Dirigent
Chairman

Contents

Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Thornico A/S for the financial year 1 January – 31 December 2018.

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

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and the Group and of the results of the Company and Group operations and cash flows for 2018.

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

Odense, 7/6 2019

Executive Board

Christian Nicholas
Rosenkrantz Stadil

Supervisory Board

Thor Stadil	Kirsten Malling Stadil	Christian Nicholas Rosenkrantz Stadil

Independent Auditor's Report

To the Shareholders of Thornico A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Thornico A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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.

Statement on Management's Review

Management is responsible for Management's Review.
Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 judgment and maintain professional skepticism throughout the 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Odense, den 7. juni 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Line Hedam

State Authorised Public Accountant
mne27768

Company Information

The Company	Thornico A/S Havnegade 36 DK-5000 Odense C	
	Telephone:	+45 65 48 02 00
	CVR No:	15 96 02 05
	Financial period:	1 January - 31 December
	Financial year:	27^{th} financial year
	Municipality of reg. office:	Odense
Supervisory Board	Thor Stadil Christian Nicholas Rosenkrantz Stadil Kirsten Malling Stadil	
Executive Board	Christian Nicholas Rosenkrantz Stadil	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab	
Consolidated financial statements	The company is included in the group annual report of the Parent Company Thornico Holding A/S.	

Group Chart

* Approx. 50-70% ownership

Financial Highlights of the Group

	2018	2017	2016	2015	2014
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Profit/loss					
Revenue	8.393.609	7.556.182	7.456.946	6.362.173	5.873.060
Gross profit	1.800.003	1.731.359	1.766.805	1.950.496	1.515.631
EBITDA	659.550	610.251	747.270	791.676	510.061
Profit/loss before financial income and expenses	345.218	461.882	245.130	449.764	344.622
Net financials	-37.449	-137.209	-139.360	-154.305	-38.550
Net profit/loss for the year	224.240	253.724	34.010	211.586	235.480
Balance sheet					
Balance sheet total	6.696.722	6.322.594	6.483.709	6.109.325	5.347.205
Equity	2.072.778	2.056.831	1.940.254	1.978.813	1.890.781
Investment in property, plant and equipment	372.759	310.595	824.700	384.130	669.603
Cash flows					
Cash flows from:					
- operating activities	356.689	178.429	492.321	8.616	417.636
- investing activities	-352.041	-81.989	-680.136	-338.562	-606.372
- financing activities	9.740	-195.473	242.213	424.108	257.903
Changes for the year in cash and cash equivalents	14.388	-99.033	54.398	94.162	69.167
Number of employees	3.928	3.907	3.820	3.468	3.170

Financial Highlights of the Group

	2018	2017	2016	2015	2014
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Ratios					
Gross margin	21,4%	22,9%	23,7%	30,7%	25,8%
Profit margin	4,1%	6,1%	3,3%	7,1%	5,9%
Return on assets	5,2%	7,3%	3,8%	7,4%	6,4%
Solvency ratio	31,0%	32,5%	29,9%	32,4%	35,4%
Return on equity	10,8%	12,3%	1,8%	10,7%	12,5%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Review

Main activity

The Parent company's activity comprises investments in other companies primarily wholly owned subsidiaries within the food industry, sport and fashion, real estate and ships/shipping.

Development in activities and financial circumstances

The Annual Report for the Group shows consolidated sales of DKK 8,393,609k. Consolidated EBITDA is DKK 659,550k compared to DKK 610,251k in 2017, an increase of DKK 49,299k. This is considered satisfactory, however, the Group's target is even better profits.

In the Parent Company the shares in Brødrene Hartmann A/S have been valued at share price, which means that the Parent Company shows an added value of DKK 666,661k compared to the consolidated financial statements using book value figures.

Record first quarter in 2019

Increased profit is expected in 2019, a year that has started positively with the first quarter showing an all time historical earnings record for the Group.

Significant turnover growth from 2017 to 2018

The Group has seen a substantial turnover increase from 2017 to 2018 of DKK 837,427k. Some of this comes though from outgoing business for which reason the number will be normailized in 2019.

Capital resources

Via its positive earnings and development the Group has sound and adequate capital resources available for new investments and growth.

Special risks

The Group faces no special risks other than ordinary commercial risks. Part of the Group's loan facilities are in foreign currency. No material negative deviations are expected in this connection.

Strategy and objectives

The spreading of the Group's investments seems well balanced between the different main areas, see our comments in the above paragraph Main activity. The Group's intention is to improve its market position in the individual areas. The Group is market leading in several areas within foods, and the Group intends to achieve a more dominant role in other areas within the respective industries.

Review

Research and development

The Group incurs material expenses for both research and development to create a basis for the future positive financial development. The Group still recruits and retains competent employees, who currently receive in-house training.

Environment

Efforts are being made to diminish the Group's impact on both the internal and external environment through environmental counter measures.

Subsequent events

In Management's opinion no events materially affecting the Group's operations for 2018 have occurred during the period 31 December 2018 and up to date.

The past year and follow-up on development expectations from last year

In the Annual Report for 2017 Management expected improved results for 2018 compared to 2017. This expectation has been met with an increase in EBITDA for the Group of DKK 49,299k.

Report on Corporate Social Respsonsibility, cf. Section 99 a of the Danish Financial Statements Act and Report on the Gender Composition in Management, cf. Section 99 b of the Danish Financial Statements Act

Reference is made to the following link to the Group's CSR report including the Group's policy on gender equality at:
http://www.thornico.com/Company-Karma/Company-Karma-Report

Accounting Policies

Basis of Preparation

The Annual Report of Thornico A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies remain unchanged and are in accordance with the accounting policies applied in previous years. The Consolidated Financial Statements for 2018 are presented in DKK thousands whereas the Parent Company Financial Statements are presented in DKK.

Recognition and measurement

The Annual Report has been prepared under the historical cost method.

Revenues are recognised in the income statement as earned including value adjustments of financial assets and liabilities. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs 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.

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Thornico A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the purchase method). Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life. Any remaining negative differences are immediately recognised in the income statement.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

In the consolidated financial statements amortisation of goodwill is allocated to the funtions to which goodwill is related.

Minority interests

Minority interests form part of the consolidated equity. In the proposed distribution of profit, the net profit or loss of the year is allocated to minority interests and to equity belonging to the parent company.
Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.
On subsequent changes to minority interests, where the Group retains a controlling interest in the subsidiary, the purchase price is recognised directly on equity.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Segment information is given on the basis of business areas. The segment allocation is in accordance with the company's internal reporting and areas of responsibility. Revenues have been reported for the following business areas: Food & food technology, packaging, real estate, sport & fashion, and shipping. These business areas constitute the company's main activities.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for administration, sale, distribution, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairmentlosses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in associates

The item “Income from investments in associates” in the income statement includes the proportionate share of the profit for the year less goodwill amortisation as regards associates that are not listed on the stock exchange.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and 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.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish subsidiaries. The Danish tax is allocated to the jointly taxed Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management’s experience with the individual business areas. The amortisation period is usually 20 years for strategically acquired companies with a strong market position.

Other intangible assets

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover production, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 years.

Patents, licences and trademarks are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents, licences and trademarks are amortised over the remaining patent period or a shorter useful life. The periods of amortisation are 3-20 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	10-50 years
Ships	25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-8 years

Investment property

Investment properties are initially measured at cost. Subsequently, investment properties are measured to fair value. Fair value adjustments are measured in income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

In Management's opinion it has not been possible this year to determine fair value through market information, and, consequently, valuation has been determined by using a return-based model.

The fair value of investment properties has been determined at 31 December 2018 for each property by using a return-based model. The calculations are based on property budgets for the upcoming year, adjusted for movements, which are caused by isolated events.

The expected cash flow is multiplied with an individually determined rate of return.
The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet, by which the fair value emerge.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in group enterprises and associates

Investments in group enterprises and associates are measured at fair value through equity if the investments are held as part of the Company's investment portfolio. Other investments held with a view to operating the enterprises in question as part of the Company's business object are measured at net asset value.

The items “Investments in group enterprises” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the Parent Company with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Associates and group enterprises 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.

The total net revaluation of investments in associates and group enterprises is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition.

Other fixed asset investments

Other fixed asset investments consist of long term receivables, etc.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company’s experience from previous years.

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment and fixed asset investments as well as dividend received from non-consolidated subsidiaries and associates.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Explanation of financial ratios

Gross margin	=	$\dfrac{Gross\ profit\ x\ 100}{Revenue}$
Profit margin	=	$\dfrac{Profit\ before\ financials\ x\ 100}{Revenue}$
Return on assets	=	$\dfrac{Profit\ before\ financials\ x\ 100}{Total\ assets}$
Solvency ratio	=	$\dfrac{Equity\ at\ year\ end\ x\ 100}{Total\ assets}$
Return on equity	=	$\dfrac{Net\ profit\ for\ the\ year\ x\ 100}{Equity\ at\ year\ end}$

Consolidated Income Statement 1 January-31 December

	Note	2018	2017
		DKK '000	DKK '000
Revenue	1	8.393.609	7.556.182
Other operating income		9.938	0
Expenses for raw materials and consumables		-4.344.975	-3.870.877
Other external expenses		-2.258.569	-1.953.946
Gross profit		**1.800.003**	**1.731.359**
Staff expenses	2	-1.140.453	-1.121.108
EBITDA		**659.550**	**610.251**
Fair value evaluation of investment property	9	1.012	5.885
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	3	-315.344	-136.279
Other operational expenses		0	-17.975
Profit/loss before financial income and expenses		**345.218**	**461.882**
Income from investments in associates after tax	4	7.658	4.237
Financial income	5	142.128	77.896
Financial expenses	6	-187.235	-219.342
Profit/loss before tax		**307.769**	**324.673**
Tax on profit/loss for the year	7	-83.529	-70.949
Net profit/loss for the year		**224.240**	**253.724**

Consolidated Balance Sheet at 31 December

Assets

	Note	2018 DKK '000	2017 DKK '000
Goodwill	8	188.235	195.649
Other intangible assets	8	86.842	53.636
Intangible assets		**275.077**	**249.285**
Land and buildings	9	654.567	566.326
Plant and machinery	9	781.398	793.788
Other fixtures, fittings, tools and equipment	9	92.831	91.692
Investment Property	9	872.731	869.339
Ships	9	518.582	584.806
Property, plant and equipment in progress	9	74.286	61.217
Property, plant and equipment		**2.994.395**	**2.967.168**
Investments in associates	10	57.098	53.244
Other fixed asset investments	11	24.824	8.565
Fixed asset investments		**81.922**	**61.809**
Fixed assets		**3.351.394**	**3.278.262**

Consolidated Balance Sheet at 31 December

Assets

	Note	2018 DKK '000	2017 DKK '000
Inventories		**1.091.813**	**1.044.357**
Trade receivables		1.413.578	1.327.671
Receivables from group companies		4.643	13.081
Receivables from associates		4.110	126
Receivable corporation tax		1.405	35.301
Deferred tax asset	12	110.450	70.454
Other receivables		381.275	229.676
Receivables		**1.915.461**	**1.676.309**
Cash at bank and in hand		**338.054**	**323.666**
Current assets		**3.345.328**	**3.044.332**
Assets		**6.696.722**	**6.322.594**

Consolidated Balance Sheet at 31 December

Liabilities and equity

	Note	2018 DKK '000	2017 DKK '000
Share capital		1.000	1.000
Retained earnings		1.877.348	1.884.219
Proposed dividend for the year		20.000	20.000
Equity excl. minority interests		**1.898.348**	**1.905.219**
Minority interests		174.430	151.612
Equity		**2.072.778**	**2.056.831**
Provision for deferred tax	12	167.984	159.644
Other provisions	13	73.770	100.774
Provisions		**241.754**	**260.418**

Consolidated Balance Sheet at 31 December

Liabilities and equity

	Note	2018 DKK '000	2017 DKK '000
Mortgage debt	15	206.928	231.345
Credit institutions	16	1.007.020	1.428.842
Other payables	17	120.472	27.063
Long-term debt	14	**1.334.420**	**1.687.250**
Mortgage debt	15	14.843	24.152
Credit institutions	16	1.269.024	877.145
Trade payables		1.133.867	781.599
Payables to group companies		41.394	22.703
Payables to associates		9.644	6.115
Corporation tax		84.678	0
Other payables	17	494.320	606.381
Short-term debt		**3.047.770**	**2.318.095**
Debt		**4.382.190**	**4.005.345**
Liabilities and equity		**6.696.722**	**6.322.594**

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Statement of changes in consolidated Equity

	Share capital	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2018	1.000	1.884.219	20.000	1.905.219	151.612	2.056.831
Correction previous years		-5.264		-5.264	-5.057	-10.321
Adjusted equity at 1 January 2018	1.000	1.878.955	20.000	1.899.955	146.555	2.046.510
Dividends	0	0	-20.000	-20.000	0	-20.000
Other equity movements	0	-162.957	0	-162.957	81.742	-81.215
Tax on other equity movements	0	8.868	0	8.868	0	8.868
Exchange adjustments, foreign enterprises	0	-68.823	0	-68.823	-36.802	-105.625
Net profit/loss for the year	0	221.305	20.000	241.305	-17.065	224.240
Equity at 31 December 2018	**1.000**	**1.877.348**	**20.000**	**1.898.348**	**174.430**	**2.072.778**

Consolidated Cash Flow Statement

	Note	2018	2017
		DKK '000	DKK '000
Net profit/loss for the year		224.240	253.724
Adjustments	21	407.545	315.199
Change in working capital	22	-242.246	-249.048
Cash flows from operating activities before financial income and expenses		**389.539**	**319.875**
Financial income		142.128	77.896
Financial expenses		-187.235	-219.342
Income taxes received		12.257	0
Cash flows from operating activities		**356.689**	**178.429**
Purchase of intangible assets		-60.303	-19.705
Purchase of property, plant and equipment		-372.759	-310.595
Purchase of financial assets		-12.455	-26.078
Sale of property, plant and equipment		93.476	99.492
Exchange adjustment fixed assets		0	174.897
Cash flows from investing activities		**-352.041**	**-81.989**

Consolidated Cash Flow Statement

	Note	2018	2017
		DKK '000	DKK '000
Raising/repayment of mortgage loans		-33.726	108.260
Raising/repayment og loans from credit institutions		63.466	-283.733
Dividends paid		-20.000	-20.000
Cash flows from financing activities		**9.740**	**-195.473**
Changes in cash and cash equivalents		**14.388**	**-99.033**
Cash and cash equivalents at 1 January		323.666	422.699
Cash and cash equivalents at 31 December		**338.054**	**323.666**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		338.054	323.666
Cash and cash equivalents at 31 December		**338.054**	**323.666**

		2018	2017
		DKK '000	DKK '000
1	**Revenue**		
	Food & food technology	2.266.710	1.999.543
	Packaging	2.249.922	2.243.255
	Real estate	43.676	47.981
	Sport & fashion	1.256.813	1.305.951
	Shipping	2.576.488	1.959.452
		8.393.609	**7.556.182**
2	**Staff expenses**		
	Salaries	-993.193	-958.682
	Pensions	-76.696	-88.929
	Other social security expenses	-70.564	-73.497
		-1.140.453	**-1.121.108**
	Including remuneration to Executive and Supervisory Boards	-1.662	-1.631
	Average number of employees	3.928	3.907

		2018 DKK '000	2017 DKK '000
3	**Amortisation, depreciation and impairment of property, plant and equipment and intangible assets**		
	Patents, goodwill and finished development projects	-25.611	-15.932
	Buildings	-35.159	-34.082
	Ships	-95.182	-87.122
	Impairment ships, reversed	0	162.537
	Plant and machinery	-136.354	-136.087
	Other fixtures, fittings, tools and equipment	-23.038	-25.593
		-315.344	**-136.279**
4	**Income from investments in associates before tax**		
	Share of profit in associates	7.658	4.237
		7.658	**4.237**
5	**Financial income**		
	Exchange adjustmens	44.359	17.337
	Value adjustments, current asset investments	0	45
	Other financial income	97.769	60.514
		142.128	**77.896**

		2018	2017
		DKK '000	DKK '000
6	**Financial expenses**		
	Exchange adjustments	-87.568	-62.689
	Other financial expenses	-99.667	-156.653
		-187.235	**-219.342**

		2018	2017
7	**Tax on profit/loss for the year**		
	Current tax for the year	-109.191	-22.147
	Deferred tax for the year	28.145	-70.242
	Adjustment concerning previous years	-2.483	21.440
	Total tax for the year	**-83.529**	**-70.949**

		Goodwill	Other intangible assts
		DKK '000	DKK '000
8	**Intangible assets**		
	Cost at 1 January	261.256	166.322
	Exchange adjustment, beginning of year	-6.000	2.200
	Additions for the year	14.836	45.467
	Disposals for the year	-3.724	-206
	Cost at 31 December	266.368	213.783
	Impairment losses and amortisation at 1 January	-65.607	-112.686
	Exchange adjustment, beginning of year	0	-1.027
	Impairment losses and amortisation for the year	-12.526	-13.272
	Impairment losses and amortisation on assets sold	0	44
	Impairment losses and amortisation at 31 December	-78.133	-126.941
	Carrying amount at 31 December	**188.235**	**86.842**
	Amortised over	20 years	3-20 years

Management is of the opinion that the chosen depreciation period is in accordance with the value of the acquired companies in view of the profitability and expectations concerning the future development of each of these companies.

9 Property, plant and equipment

	Land and buildings	Plant and machinery	Oth. fixtures, fittings, tools and equipment	Property, pland and equipment in progress
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2018	1.097.017	2.761.506	320.639	61.217
Exchange adjustment, beg.	-2.391	-22.899	-7.537	0
Additions during the year	127.019	130.138	39.719	74.286
Disposals during the year	-33.241	-218.386	-30.345	-61.217
Cost at 31 December 2018	1.188.404	2.650.359	322.476	74.286
Revaluation at 1 January 2018	3.013	0	0	0
Disposals during the year	-578	0	0	0
Revaluation at 31. December 2018	2.435	0	0	0

9 Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Oth. fixtures, fittings, tools and equipment	Property, pland and equipment in progress
	DKK '000	DKK '000	DKK '000	DKK '000
Impairment losses and depreciation at 1 January 2018	-533.704	-1.967.718	-228.947	0
Exchange adjustment, beg.	3.471	28.495	6.364	0
Depreciation for the year	-35.159	-136.354	-23.518	0
Impairment losses and depreciation on assets sold	29.120	206.616	16.456	0
Impairment losses and depreciation at 31. december 2018	-536.272	-1.868.961	-229.645	0
Carrying amount at 31. december 2018	**654.567**	**781.398**	**92.831**	**74.286**
Depreciated over	10-50 years	5-10 years	3-8 years	

9 Property, plant and equipment (continued)

	Investment property
	DKK '000
Cost at 1 January 2018	437.348
Exchange adjustment, beg.	1.345
Reclassification	20.072
Additions during the year	429
Cost at 31 December 2018	459.194
Fair value evaluation at 1. Januar 2018	431.991
Exchange adjustment, beg.	606
Reclassification	-20.072
Fair value evaluation for the year	1.012
Fair value evaluation at 31. December 2018	413.537
Carrying amount at 31 December	**872.731**

9 Property, plant and equipment (continued)

Sensitivity in determination of fair value of investment properties

In assessing the fair market value at 31 December, 2018 the required rate of return has been determined individually for each property. The main properties in the Group include properties in the Netherlands, these properties have been valued on the basis of a required rate of return of 4.6%. Other properties are located in Denmark and include both residential and business properties which are valued on the basis of a required rate of return in the range of 4.6-8.3%. Market and rental income have been taken into account in connection with the valuation of the Group's properties.

The average required rate of return is determined at 4.94%.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,50%	Basis	0,50%
Rate of return	4,44%	4,94%	5,44%
Fair value	954.000	872.731	778.741
Change in fair value	81.259	0	-93.990

9 Property, plant and equipment (continued)

	Ships
	DKK '000
Cost at 1 January 2018	901.749
Exchange adjustment, beg.	39.426
Reclassification	-116.562
Additions during the year	156
Disposals during the year	-562
Cost at 31 December 2018	824.207
Impairment losses and depreciation at 1 January 2018	-316.943
Exchange adjustment, beg.	-12.609
Reclassification	116.562
Depreciation for the year	-95.182
Impairment losses and depreciation on assets sold	2.547
Impairment losses and depreciation at 31 December 2018	-305.625
Carrying amount at 31. December 2018	**518.582**
Depreciated over	25 years

9 Property, plant and equipment (continued)

Management assesses annually the carrying value of the vessels in order to determine whether there are any indications of impairment in excess of the amount provided for by normal depreciations. If there is an indication that the carrying amount of an asset may exceed the expected future cash flows from the asset, an impairment test is conducted. The recoverable amount of the asset is determined as the higher of the net selling price and the value-in-use. The net selling price is determined based on independent broker valuations obtained by Management. In consequence of the current unusual market and competitive environment, broker valuations are, in Management's opinion, subject to a high level of uncertainty. Therefore, the calculation has been made of value-in-use stated as the present value of total expected cash flows in the remaining useful life of the vessels.

In the value-in-use calculation, Management's assessment of future freight and time charter rates are especially highly judgmental. As regards the earnings of the vessels, a rate based on average earnings in 2018 + 5% is applied for 2019; equal to approximately, the earnings realized up to date in 2019.

As of 2020 and for the remaining useful life of the vessels, an average of the historical earnings for the period 2008-2018 of the individual vessel types is used, which, in Management's opinion, constitutes a fair level of the long-term rate expectations for the MPP segment (normal rates). The historical average rates are close to the realized rates in 2019. As of 2020 and for the remaining useful life of the vessels, the expected rate earnings are added a percentage increase of 2.25% per year. Further, when calculating the present value of the expected cash flows, a discount rate of 8.4% has been applied. The operating costs of the vessels have been calculated on the basis of historical costs with an expected percentage increase of 2% per year.

Due to the major uncertainty relating to the market and, in particular, market expectations, the calculation is highly sensitive to even minor changes in the assumptions applied. However, as regards long-term earnings, it is Management's assessment that the developments in both net earnings, operating costs and residual value applied for calculation purposes are probable. Should it turn out that the market does not recover, it will be necessary to further impair the vessel values in the long term. Management is, however, convinced that the market will recover within a few years.

Due to the matters described above, the value of vessels is subject to considerable uncertainty. A sale within a short time frame must be expected to result in an accounting loss.

		2018	2017
		DKK '000	DKK '000
10	**Investments in associates**		
	Cost at 1 January	43.016	20.713
	Exchange adjustment, beginning of year	26	0
	Additions during the year	250	22.303
	Disposals during the year	-18.753	0
	Cost at 31 December	24.539	43.016
	Valuation adjustments at 1 January	10.228	6.216
	Exchange adjustment, beginning of year	-32	-225
	Net profit/loss for the year	7.658	4.237
	Impairment losses and depreciation, disposals	14.705	0
	Revaluations at 31 December	32.559	10.228
	Carrying amount at 31 December	**57.098**	**53.244**

Specification of investments in associates:

Name:	Registered office	Company capital	Share of ownership and votes
		DKK'000	
K/S Generatorvej 4	Odense	1.900	40%
DanFiber A/S	Allerød	1.000	32%
Nikro s.r.o.	Slovakiet	25.754	50%
Shipping Company Groningen B.V.	Holland	149	20%

		2018 DKK '000	2017 DKK '000
11	**Other fixed asset investments**		
	Cost at 1 January	8.565	8.565
	Additions during the year	16.769	
	Cost at 31 December	25.334	8.565
	Valuation adjustments at 1 January	0	0
	Net profit/loss for the year	-510	0
	Revaluations at 31 December	-510	0
	Carrying amount at 31 December	**24.824**	**8.565**
12	**Provision for deferred tax**		
	Provision for deferred tax at 1 January	89.190	15.890
	Amounts recognized in the income statement for the year	-28.145	70.242
	Exchange adjustment	0	3.058
	Amounts recognised in equity for the year	-3.511	0
	Provision for deferred tax at 31 December	**57.534**	**89.190**
	Deferred tax asset	-110.450	-70.454
	Provision for deferred tax	167.984	159.644
	Provision for deferred tax at 31 December	**57.534**	**89.190**

Provision for deferred tax consists mainly of temporary differences between the carrying amount and the tax base of tangible fixed assets, provisions and other items. Tax loss carry-forwards and other negative differences have been set off against provisions for deferred tax. Deferred tax assets have been set off aginst provisions in the same legal tax entity and jurisdiction.

		2018	2017
		DKK '000	DKK '000
13	**Other provisions**		
	Other provisions at 1 January	100.774	153.752
	Amounts for the year	-27.004	-52.978
	Other provisions at 31 December	**73.770**	**100.774**

Other provisions comprise pension obligations concerning defined benefit plans and warranty commitments.

14 Debt

Payments falling due within one year are stated under short-term debt.

Other debt is recognised in long-term debt.

		2018	2017
		DKK '000	DKK '000
15	**Mortgage loans**		
	After 5 years	95.861	98.805
	Between 1 and 5 years	111.067	132.540
	Long-term part	206.928	231.345
	Within 1 year	14.843	24.152
		221.771	**255.497**

		2018 DKK '000	2017 DKK '000
16	**Credit institutions**		
	After 5 years	0	1.014.663
	Between 1 and 5 years	1.007.020	414.179
	Long-term part	1.007.020	1.428.842
	Within 1 year	1.269.024	877.145
		2.276.044	**2.305.987**
17	**Other payables**		
	After 5 years	39.071	0
	Between 1 and 5 years	81.401	27.063
	Long-term part	120.472	27.063
	Within 1 year	494.320	606.381
		614.792	**633.444**
18	**Proposed distribution of profit**		
	Proposed dividend for the year	20.000	20.000
	Minority interests' share of net profit/loss of subsidiaries	-17.065	-64.721
	Retained earnings	221.305	298.445
		224.240	253.724

19 Contingent liabilities and other financial obligations

Security

The following has been placed as security for foreign loans and other bank loans:
- Mortgage deed registered to the owner, DKK 1 million.

Mortgage loan in property in the Netherlands is secured by first-priority pledge of all rental income of the property, insurance revenues and shares of the borrower.

Mortgage in Danish and foreign properties has been registered as security for mortgage debt.

As part of its ordinary activities, the Group has issued guarantees concerning deliveries, refunds received, letter of credit obligations, current credits, etc.

Rental and lease obligations

Rental and lease obligations of the group amount to DKK 155 million.

Contingent liabilities

As part of its ordinary activities, the Group has entered into sponsorship contracts.

A subsidiary in the group is party to a dispute with district heating company Tønder Fjernvarme as to the pricing of district heating supplied by the subsidiary's combined heat and power plant. The matter concerns the years 2003-2015.
The subsidiary believes that the case is very likely to be referred back once more to the Danish Energy Board of Appeal. In management's opinion, renewed consideration by the Danish Energy Board of Appeal is likely to result in an adjustment of the principle governing the fixing of heating prices. The subsidiary wrote down the receivable from Tønder Fjernvarme by 12 million in 2017.
The subsidiary has estimated the related costs at abount DKK 15 million and the cash flow effect at a positive DKK 24 million. Tønder Fjernvarme on its part has raised a claim of DKK 88 million, which the subsidiary has rejected.

19 Contingent liabilities and other financial obligations (continued)

Shipping Group

Securities mentioned in this section are contingent liabilites of the Shipping Group.

The Shipping Group partners as a joint owner of a ship in limited partnerships where the remaining liability in respect of non-paid-up equity amounts to approx. DKK 24 mio. (2017: DKK 31 mio.)

Vessels with a carrying amount of DKK 519 million (2017: 584 million) have been placed as security with bankers.

As part of its shipping activities the Shipping Group made purchase and guarantee commitments to banks, financial institutions and shipping companies which amount to approx. DKK 400 million. (2017: 437 million)

Lease obligations, Shipping Group

The Shipping Group have entered into an agreement on lease of vessels on a time charter basis for expiry in the financial year 2026. The total obligation amounts to DKK 688 million at 31 December 2018 (2017: DKK 1,605 million).

Contingent liabilities in relation to jointly taxed income.

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income etc.

20 Group relations

Sanovo Eiprodukte GmbH & Co. KG, Zeven/Germany, which is a subsidiary of the company and fully consolidated in the consolidated financial statements, made use of the exemption exemption pursuant to Section 264b of the German Commercial Code (HGB).

		2018	2017
		DKK '000	DKK '000
21	**Cash flow statement - adjustments**		
	Financial income	-142.128	-77.896
	Financial expenses	187.235	219.342
	Depreciation and impairment losses, incl. gain and loss on sale	315.344	136.279
	Exchange adjustment fixed assets	-27.765	
	Fair value evaluation of investment property	-1.012	-5.885
	Income on investments in associates	-7.658	-4.237
	Other operating expenses	0	17.975
	Income tax in income statement	83.529	29.621
		407.545	**315.199**

22	**Cash flow statement - change of working capital**		
	Change in inventories	-47.456	41.236
	Change in receivables	-233.052	-47.260
	Change in other provisions	-27.004	-52.978
	Exchange regulation, equity	-115.946	-124.749
	Change in suppliers etc	262.427	-65.297
	Fair value adjustment of hedging instruments in the year	-81.215	0
		-242.246	**-249.048**

Parent Company Income Statement 1 January - 31 December

	Note	2018	2017
Fee income		3.183.573	3.143.616
Staff expenses	1	-5.909.895	-4.594.495
Other external expenses		-2.855.267	-7.520.253
Profit/loss before financial income and expenses		**-5.581.589**	**-8.971.132**
Income from investments in group enterprises	2	241.534.239	353.644.732
Financial income	3	6.175.367	12.754.615
Financial expenses	4	-21.298.910	-17.451.646
Profit/loss before tax		**220.829.107**	**339.976.569**
Tax on profit/loss for the year, income	5	2.297.451	2.945.782
Net profit/loss for the year		**223.126.558**	**342.922.351**

Parent Company Balance Sheet at 31 December

Assets

	Note	2018	2017
Intangible fixed assets	6	120.000.000	0
Intangible assets		**120.000.000**	**0**
Investments in group enterprises	2	2.889.634.960	3.341.860.632
Fixed asset investments		**2.889.634.960**	**3.341.860.632**
Fixed assets		**3.009.634.960**	**3.341.860.632**
Receivables from group enterprises		66.247.567	115.970.108
Receivable corporation tax		7.076.474	3.723.542
Deferred tax		0	1.510.476
Receivables		**73.324.041**	**121.204.126**
Cash at bank and in hand		**1.814.825**	**5.266.706**
Current assets		**75.138.866**	**126.470.832**
Assets		**3.084.773.826**	**3.468.331.464**

Parent Company Balance Sheet at 31 December

Liabilities and equity

	Note	2018	2017
Share capital		1.000.000	1.000.000
Reserve for revaluation under the equity method		1.883.307.827	2.436.776.703
Retained earnings		660.700.338	446.999.540
Proposed dividend for the year		20.000.000	20.000.000
Equity		**2.565.008.165**	**2.904.776.243**
Provisions for deferred tax		1.560.844	0
Provisions		**1.560.844**	**0**
Payables to group enterprises		58.681.227	40.044.902
Long-term debt		**58.681.227**	**40.044.902**
Bank loans		251.816.497	133.085.270
Payables to group enterprises		182.683.127	364.148.557
Other payables		25.023.967	26.276.492
Short-term debt		**459.523.591**	**523.510.319**
Debt		**518.204.818**	**563.555.221**
Liabilities and equity		**3.084.773.826**	**3.468.331.464**
Proposed distribution of profit	7		
Security/Contintent liabilities	8		
Related parties and ownership	9		

Statement of changes in Equity for Parent Company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	1.000.000	2.436.776.703	446.999.540	20.000.000	2.904.776.243
Dividends	0	0	0	-20.000.000	-20.000.000
Exchange regulations	0	-68.823.266	-25.366	0	-68.848.632
Adjustment for the year	0	-474.046.004	0	0	-474.046.004
Net profit/loss for the year	0	-10.599.606	213.726.164	20.000.000	223.126.558
Equity 31. December 2018	**1.000.000**	**1.883.307.827**	**660.700.338**	**20.000.000**	**2.565.008.165**

Notes to the Parent Company Annual Report

		2018	2017
1	**Staff**		
	Salaries	-5.459.394	-4.285.935
	Pensions	-398.051	-272.490
	Other social security expenses	-52.450	-36.070
		-5.909.895	**-4.594.495**
	Incl. remuneration to Executive and Supervisory Boards	1.462.424	1.444.976
	Average number of employees	7	6
2	**Investments in group enterprises**		
	Cost at 1 January	447.838.985	441.188.985
	Additions during the year	50.000	6.650.000
	Cost at 31 December	447.888.985	447.838.985
	Revaluation at 1 January	2.436.776.703	2.570.796.215
	Revaluation for the year	-301.335.031	115.980.488
	Dividend	-252.133.845	-250.000.000
	Revaluation at 31 December	1.883.307.827	2.436.776.703
	Carrying amount at 31 December	**2.331.196.812**	**2.884.615.688**

2 Investments in group enterprises (continued)

	2018	2017
The carrying amount is specified as follows in the balance sheet:		
Fixed asset investments	2.889.634.960	3.341.860.632
Set off against receivables	-558.438.148	-457.244.944
	2.331.196.812	2.884.615.688
The carrying amount at 31 December is specified as follows:		
Carrying amount at 1 January	2.884.615.688	3.011.985.200
Additions, cost	50.000	6.650.000
Net profit/loss for the year after tax	241.534.239	353.644.732
Distribution of dividend	-252.133.845	-250.000.000
Fair value adjustment of hedging	0	-26.953.000
Fair value adjustment, other	-474.046.004	-123.017.997
Exchange adjustments	-68.823.266	-87.693.247
Carrying amount at 31 December	**2.331.196.812**	**2.884.615.688**

Specification of investments in associates:

Name:	Registered office	Company capital	Share of owneship and votes
Thornico Food & Food Technology Group A/S	Odense (DK)	59.900.000	100%
Stanico A/S	Odense (DK)	5.000.000	100%
Hummel Holding A/S	Aarhus (DK)	10.000.000	100%
Havnegade Capital A/S	Odense (DK)	6.700.000	100%
TCT Shipping Holding ApS	Odense (DK)	9.896	97%

		2018	2017
3	**Financial income**		
	Interest income, group enterprises	6.175.367	6.827.596
	Guarantee commission	0	-2.637.403
	Gain, foreign exchange	0	8.564.422
		6.175.367	**12.754.615**
4	**Financial expenses**		
	Interest, group enterprises	-12.330.355	-13.832.081
	Interest, others	-322.503	-1.305.951
	Interest, bank	-2.915.727	-2.304.833
	Interest, sundry	-128.746	-8.781
	Loss, foreign exchange	-5.601.579	0
		-21.298.910	**-17.451.646**
5	**Tax on profit/loss for the year**		
	Tax on profit/loss for the year is specified as follows:		
	Adjustment conc. previous years, Parent	-1.723.384	-165.290
	Provision for the year for deferred tax	-3.071.320	-612.470
	Tax on taxable income, Parent	7.092.154	3.723.542
		2.297.451	**2.945.782**

No corporation tax has been paid in the financial year.

		2018	2017
6	**Intangible fixed assets**		
	Cost at 1 January	0	0
	Additions during the year	120.000.000	0
	Cost at 31 December	**120.000.000**	**0**

		2018	2017
7	**Proposed distribution of profit**		
	Proposed dividend for the year	20.000.000	20.000.000
	Reserve for net revaluation under the equity method	-10.599.606	353.644.732
	Retained earnings	213.726.164	-30.722.381
		223.126.558	**342.922.351**

8 Security/Contingent liabilities

The company guarantees debts and guarantees of group enterprises of DKK 515,738k.

Contingent liabilities in relation to jointly taxed income.

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income etc.

9 Related parties and ownership

	Basis
Controlling interest	
Thornico Holding A/S	Controlling shareholder
Other related parties	
Supervisory and Executive Boards	Management control