HAMLET PROTEIN A/S

Saturnvej 51 8700 Horsens, Denmark

CVR no. 16 04 94 41

Annual report 2016

Approved at the Company's annual general meeting on May 11, 2017

Chairman:

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Contents

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of HAMLET PROTEIN A/S for the financial year 1 January - 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December2016 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters and the results of the Group's and the parent company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Horsens, 2 May 2017
Executive Board:

Søren Munch	Søren Bank Rasmussen

Board of Directors:

Kjeld Johannesen Chairman	Michael Specht Bruun Deputy chairman	Søren Dan Johansen Deputy chairman
Christoffer Lorenzen	Sarah Vawda	Torben Gosvig Madsen

Independent auditor's report

To the shareholders of HAMLET PROTEIN A/S

Opinion

We have audited the financial statements of HAMLET PROTEIN A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies as well as statement of cash flows. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of company at 31 December 2016, and of the results of the company operations as well as the cash flows for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis of 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company 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 a 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.

Auditors' responsibility for the audit of the consolidated financial statements and the parent company 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 the 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.

Independent auditor's report

- 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 in-adequate, to modify our opinion. Our conclusion is 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.

Statement on the 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 Financial Statements Act.

Based on the work we have performed, we conclude that Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's review.

Horsens, 2 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr State Authorised Public Accountant	Morten Klarskov Larsen State Authorised Public Accountant

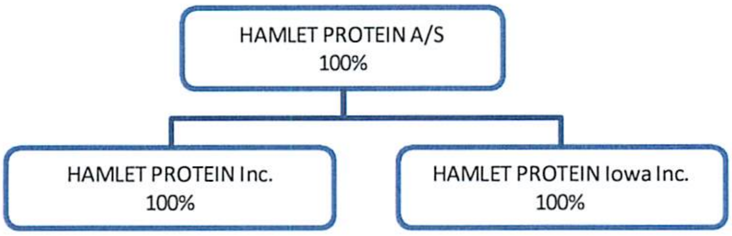
Management's review

Company details

Name	HAMLET PROTEIN A/S
Address, Postal code, City	Saturnvej 51, 8700 Horsens
CVR no.	16 04 94 41
Established	16 March 1992
Registered office	Horsens
Financial year	1 January - 31 December
Website	www.hamletprotein.com
E-mail	info@hamletprotein.dk
Telephone	+45 7563 1020
Telefax	+45 7563 1025
Board of Directors	Kjeld Johannesen, Chairman Michael Specht Bruun, Deputy chairman Søren Dan Johansen, Deputy chairman Christoffer Lorenzen Sarah Vawda Torben Gosvig Madsen
Executive Board	Søren Munch Søren Bank Rasmussen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

In DKK'000, except for per share data	2016	2015	2014	2013	2012
Key figures					
Revenue	567,572	599,790	568,340	501,479	397,564
Gross margin	133,076	136,725	126,762	109,870	83,166
EBITDA	63,579	71,267	68,119	55,037	33,549
EBITA	15,244	32,182	36,428	23,470	-5,834
Profit/loss for the year	3,508	15,009	16,129	10,017	-10,946
Total assets	541,559	535,863	451,737	410,939	424,312
Equity	212,674	207,191	118,837	97,431	88,518
Cash flows from operating activities	48,789	55,477	36,896	48,406	-8,217
Cash flow from investing activities	-73,385	-50,400	-52,888	-15,204	-45,738
Financial ratios					
Operating margin	2.7%	5.4%	6.4%	4.7%	-1.5%
Gross margin	23.4%	22.8%	22.3%	21.9%	20.9%
EBITDA margin	11.2%	11.9%	12.0%	11.0%	10.4%
Return on assets	2.8%	6.5%	8.4%	5.6%	-1.4%
Equity ratio	39.3%	38.7%	26.3%	23.7%	20.9%
Return on equity	1.7%	9.2%	14.9%	10.8%	-11.6%
Average number of full-time employees	105	88	86	80	77

Management's review

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Operating profit/loss x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Management's review

Operating review

Hamlet Protein Group

HAMLET PROTEIN A/S' business strategy is to develop, produce and sell vegetable protein solutions used in high value-add animal feed for young animals. The company services more than 50 countries from its two production facilities in Horsens, Denmark and Findlay, Ohio, USA.

HAMLET PROTEIN A/S is located in Denmark, and handles the development, production and distribution of products globally, as well as selected group functions.

The subsidiary, HAMLET PROTEIN Inc., is located in Ohio, USA, and handles the production and distribution of products, primarily to North America and Asia.

The subsidiary, HAMLET PROTEIN Iowa Inc. has no operating activities.

The Group is owned by New Nutrition ApS, which handles selected group functions and is owned by New Nutrition Holding ApS. The Danish top-holding company is owned by New Nutrition Holding S.à.r.l., Luxembourg, which ultimately is owned by Goldman Sachs Group Inc. ("GS Group") and Altor Fund IV Holding AB.

Operational development

In 2016, sales showed positive development in Denmark, China and other key markets, offset by weakness in certain segments of Europe and Asia. In particular the historically low prices on milk have led to changed market conditions within the Calf industry in Western Europe causing negative influence on our sales into that market. In spite of some stabilisation, the segment will continue to face difficult market conditions in 2017. In addition, HAMLET PROTEIN has been negatively affected by the current trade embargo in Russia and Belarus regarding food products from EU.

Within more well-established markets, we have maintained our strong market share through improved competitive positioning, mainly within piglets. We are solely specialized in young animals and the strong market position is maintained and expanded via profound and specific know-how within the individual animals, combined with ongoing documentation from an increasing number of feeding trials across the world.

As demand for safe and affordable meat products continue to grow in all regions of the world so does the demand for quality feed protein. The growth is underpinned by structural mega trends such as population growth, transition from backyard farming towards more industrialized farming practises as well as greater focus on antibiotic free feed practices and feed safety. Especially the North American and Asian markets have accounted for a considerable growth, driven by the need for continued optimisation while eliminating antibiotics in animal feed. Finally demand is fostered by increased feed security by reducing the use of animal protein in favour of secure, high-efficient products such as HAMLET PROTEIN's soy-based products.

The third production line in Findlay Ohio USA commissioned late 2015 became fully operational in 2016 and highlights HAMLET PROTEIN's dedication to this important market. Combined with a strengthened local organisation HAMLET PROTEIN is ready to pursue the significant growth opportunities in North America.

Also our sales organisation in Asia has been significantly strengthened in 2016 and a fully owned sales subsidiary has been set up in China in beginning of 2017 to become operational in 2017 with direct sales to large customers.

Management's review

Operational development (continued)

As an integral part of HAMLET PROTEIN's DNA we continuously document the value-adding performance of HAMLET PROTEIN products in international trials, and at any one time, at least 30 feeding trials are underway at farms and universities.

In collaboration with academic partners, we also support research studies and PhD projects that investigate the efficiency and nutritional benefits of our proteins.

Trials and study findings are published as meta-analyses, white papers and other technical documents. All data is collected and analyzed in accordance with recognized statistical standards. Changing market needs and scientific discovery drive our innovation towards ever-better proteins for young animal nutrition

At the HAMLET PROTEIN Innovation Center, we draw on our knowledge of bioavailability, biotechnology, bioconversion and the practical application of our feed ingredients to meet all these demands. Every year, we run hundreds of tests in our pilot production plant to verify efficacy and customer value.

Many of our innovation projects are run in partnership with customers and external research institutes. Together, we aim to lead the way to bigger and better achievements within specialty proteins for young animals.

Financial development

Profit for the year was DKK 3.508 thousand, which is DKK 11,501 thousand lower than last year due to lower sales in certain markets while investing in long term growth.

Cash flows from operating activities amounted to DKK 48,789 thousand for 2016 compared to DKK 55,477 thousand last year after financial items and taxes paid.

HAMLET PROTEIN Group is part of the New Nutrition Holding Group and has financed its operations partly through group credit facilities.

Total group-borrowings (New Nutrition Holding Group) at year-end in the amount of DKK 347,081 thousand are subject to usual financial covenants, which include leverage, interest coverage ratios and investment amounts. All such financial covenants were in compliance during the year and as at 31 December 2016.

Management has early 2017 entered into a new financing agreement with the lender ensuring a more flexible financing solution to better fit both the short and long term expectations regarding investment and growth profile.

Management's review

Operational development (continued)

Non-financial matters

Quality

Both our plants in Denmark and USA meet the criteria of the feed safety standard GMP+ and the food safety management standard ISO 22000. On top of that our strict Feed Safety Policy ensures full traceability of both GMO and non-GMO products, allowing any batch to be easily traced if need be. Every week, our laboratory team analyses 200 protein samples, taken round-the-clock from our production lines. These analyses are an important part of our customer service and guarantee of high product quality.

Shareholders

The Company is owned by New Nutrition ApS, which is owned by New Nutrition Holding ApS. The Danish top-holding company is owned by New Nutrition Holding S.à.r.l., Luxembourg, which ultimately is owned by Goldman Sachs Group Inc. ("GS Group") and Altor Fund IV Holding AB.

The Company's share capital is not divided into share classes, and the Company's articles of association do not stipulate any limits for ownership or voting right.

The Board of Directors regularly assesses whether the Company's capital structure is sound. The overall objective is to ensure that the Company's capital structure supports its growth strategy.

The Board of Directors' duties

The Board of Directors of the Company ensures that the Executive Board complies with the decisions, strategies and business procedures adopted by the Board of Directors. The Board of Directors meets according to a fixed schedule. In 2016, the Board of Directors held ten meetings.

The Board of Directors does not rely on any subcommittees due to the size and complexity of the Company. Accordingly, the entire Board of Directors has focused on significant accounting policies and significant accounting estimates, transactions with related parties, if any, as well as uncertainties and risks in its financial reporting process. Together with the auditors, the quality of the Company's internal control systems is assessed on a regular basis, just as the auditors' independence is verified. Areas that are identified as particularly critical, such as foreign currency policy, procurement policy and insurance matters, are regularly discussed within the Board of Directors.

Management's review

Specific risks

The pricing of the HAMLET PROTEIN's raw materials and finished goods is influenced by the price development on international commodity exchanges, which, together with the price development on substitute goods, will influence the Company's and customers' competitive situation, resulting in uncertainty about forecasted results.

A substantial part of the Company's products is sold to the agricultural sector. The market conditions for these customers are subject to high volatility, meaning that the market situation may change rapidly and be difficult to predict. HAMLET PROTEIN strives at encountering such conditions by setting up our production, sales and distribution channels as flexible as possible.

It is company policy to hedge risks on transactions denominated in selected foreign currencies and purchases of raw materials. The Company's exposure to changes in the interest rate of loans is regularly assessed, and interest hedging is made at group level. Currency risks on the investment in the US subsidiary have partly been hedged by means of taking up loans denominated in USD.

Impact on the external environment

Ever since we designed our production process in the early 1990s, we have focused on optimizing our use of energy and water and reducing waste. This means that both our plants in Denmark and the USA are certified to the ISO 50001:2011 energy management system standard. Apart from steam our emission is close to zero.

The objective at HAMLET PROTEIN is to remain certified in accordance with ISO 50001:2011.

On both factories, we have made considerable investments in thermal incineration plants, which mean that we are capable of reducing energy consumption per produced tonne of finished goods by more than 10%.

In general, our energy policy and measures taken contributed to a reduction of the Group's environmental impact in 2016.

Research and development activities

In 2016, HAMLET PROTEIN incurred research and development costs for products for both new and existing customers. All development costs are capitalised in the balance sheet.

Recommendations for active ownership and corporate governance for private equity funds

Being owned by Private Equity funds, HAMLET PROTEIN A/S is subject to the guidelines for active ownership and corporate governance for equity funds and their controlled enterprises as issued by the Danish Venture Capital and Private Equity Association ("DVCA").

In general, HAMLET PROTEIN A/S complies with these recommendations apart from the incidents where the Company's Management assesses that the disclosure of specific information will be detrimental to the Group's and the Company's competitive situation.

Statutory CSR report

Corporate social responsibility

HAMLET PROTEIN strives to define its corporate social responsibility within the areas of energy and environment, responsible sourcing, organisation and human resource issues.

We believe that human rights should be observed and respected in all respects. Our predominant raw material is soy which we acquire partly from producers in South America, and we are aware that there is a potential risk of lacking compliance with human rights in the production chain. The risk is, however, mitigated by means of our policy for responsible sourcing of raw materials.

Management's review

Responsible sourcing

HAMLET PROTEIN's objective is to be leading within product quality and product integrity, and we constantly strive to strengthen our supply chain towards sustainability but at the same time balancing the need for an effective and reliable flow of raw materials to our production units.

Our aim is always to use soy producers that demonstrate social and environmental responsibility.

We buy our raw materials from the world's leading soy producers in North and South America and have since day one paid a surcharge to reach our goal proven by certifications since 2005.

HAMLET PROTEIN solely buys soy from suppliers who are approved according to our quality management system before goods are delivered.

In the US, we buy from internationally recognised suppliers; either members of NOPA (National Oilseed Processors Association) or related members.

In South America, we require the following from our suppliers:

- The supplier is not involved or supports the use of child labour, forced labour, discrimination or harassment
- The supplier supports voluntary unionism of employees and the right to negotiate collective agreements for all employees
- The supplier does not buy soy from land in the Amazon Biome cleared after 24 July 2006.
- The supplier does not buy soy grown from land where natives' residences have been removed after May 2009 - except if in accordance with national legislation
- The supplier supports the use of pesticides in accordance with local legislation, the Stockholm Convention and the Rotterdam Convention.

Alternatively, we require that our soy suppliers are certified according to the ProTerra Standard or committed to the Soy Moratorium or in any other way are able to document that they live up to the Basel Criteria (4th edition 16.02.2005).

Our goal is that minimum 90% of our soy supplies should comply with these conditions. In recent years, the compliance rate has exceeded this minimum.

As new and improved soy certification programmes become available, we will consider implementing these programmes in our standard basis for sourcing.

Organisation and employees

One of the Company's strategic drivers is to attract and retain qualified and motivated employees.

The Company provides its employees a safe and healthy workplace and follows procedures intended to safeguard all employees and avoid workplace accidents and maintain compliance.

To maintain and improve its safety standards, the Company focuses on avoiding occupational accidents, and security in our facilities is our top priority. We have established Safety Committees that are committed to workplace safety, who regularly follow up and document workplace accidents. In 2016, there were no accidents in the US facility or the Danish facility.

To ensure and improve the general working environment, the Company follows up on staff turnover, capability development and absence due to sickness. We continuously work with a number of activities which help in promoting an attractive and motivating working environment which the Company wishes to offer to all its employees.

We work diligently and are dedicated to the recruitment and integration of new employees, just as we focus on maintaining and developing our employees' personal and professional skills. The annual performance reviews are an important part of these efforts.

Management's review

2016 objectives for absence due to sickness, staff turnover and capability development

In our Danish company we measure short term and long term absence due to sickness. For 2016 short term absence due to sickness was 1.5 %, which is well below the objective of 2.5%. Absence due to sickness totaled 0.63% in the US subsidiary.

At year-end, the Group had 110 employees. 29 new employees were hired in and 16 employees left during 2016. Staff turnover thus represented 15.5%. The Company is expected to have a turnover of approx. 15% in 2017.

In 2016, 88% of the performance reviews were performed in the Danish company. In the US subsidiary, 71% of performance reviews were carried out. We see this as very positive and as an indication that we focus on maintaining and developing our employees' professional and personal skills.

Account of the gender composition of management

HAMLET PROTEIN A/S' supreme governing body, the Board of Directors, consists at year end of one female and five male members. The continuous goal is to have at least one female board member. The goal is seen to be ambitious, based on a business in which the basis of recruitment primarily consists of men.

Our goal is to represent a minimum of 40% of each gender in other management levels within our enterprise. This goal is not fulfilled for 2016 as the gender composition was 69% male and 31% female by year-end. In previous years we have succeeded in fulfilling this objective but during 2016 we have added a number of management level positions, all of which were assigned to male candidates.

We are an equal opportunity employer and aim at maintaining and reaching the gender ratio objective for each management group, but we will always employ the person who is best qualified for the job. Both male and female employees are encouraged to apply for advertised positions and to develop their skills and careers.

Post balance sheet events

No significant events have occurred subsequent to the financial year end.

Outlook

For 2017 we expect the global trend towards increasing demand for quality protein to continue and expect sales growth on the back of increasing customer demand. In order to further strengthen our platform for global growth we will continue to expand and invest in our organisation.

Through the combination of sales growth, and improved utilisation of our production facilities, we expect improved earnings compared to 2016.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent	
Note	DKK'000	2016	2015	2016	2015
3	Revenue	567,572	599,790	399,148	441,046
4	Other operating income	591	63	12	1,670
6	External expenses	-435,087	-463,128	-300,064	-347,695
	Gross profit	133,076	136,725	99,096	95,021
5	Staff costs	-69,216	-64,992	-48,136	-46,806
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-48,335	-39,085	-22,229	-21,193
	Other operating expenses	-281	-466	-20,547	0
	Operating profit/loss	15,244	32,182	8,184	27,022
	Share of net profit/loss in subsidiaries	0	0	-473	234
7	Financial income	2,185	114	8,996	5,016
8	Financial expenses	-10,480	-9,754	-9,928	-10,618
	Profit/loss before tax	6,949	22,542	6,779	21,654
9	Tax for the year	-3,441	-7,533	-3,271	-6,645
	Profit/loss for the year	3,508	15,009	3,508	15,009

	Breakdown of the consolidated results of operations:		
	Shareholders	3,508	15,009
	Non-controlling interests	0	0
		3,508	15,009

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2016	Group 2015	Parent 2016	Parent 2015
	ASSETS				
	Non-current assets				
10	**Intangible assets**				
	Completed development projects	194	538	194	538
	Acquired intangible assets	7,353	6,261	7,353	6,251
	Goodwill	71,354	78,204	71,354	78,204
		78,901	85,003	78,901	84,993
11	**Property, plant and equipment**				
	Land and buildings	76,816	78,165	38,574	40,947
	Plant and machinery	217,700	214,020	43,451	45,702
	Fixtures and fittings, plant and equipment	7,764	8,286	6,618	6,935
	Property, plant and equipment under construction	10,163	9,026	9,736	2,386
		312,443	309,497	98,379	95,970
	Other non-current assets				
12	Investments in subsidiaries	0	0	54,615	52,675
	Deposits	233	0	233	0
		233	0	54,848	52,675
	Total non-current assets	391,577	394,500	232,128	233,638
	Current assets				
	Inventories				
	Raw materials and consumables	11,794	14,880	7,988	11,248
	Finished goods and goods for resale	20,197	18,089	9,776	10,150
		31,991	32,969	17,764	21,398
	Receivables				
	Trade receivables	68,271	78,758	56,634	57,145
	Deferred tax assets	0	0	0	0
	Receivables from subsidiaries	0	0	179,653	146,278
	Other receivables	9,111	9,263	7,965	7,887
	Prepayments	676	1,223	676	1,223
		78,058	89,244	244,928	212,533
	Cash	39,933	19,150	24,036	8,444
	Total current assets	149,982	141,363	286,728	242,375
	TOTAL ASSETS	541,559	535,863	518,856	476,013

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent	
Note	DKK'000	2016	2015	2016	2015
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	4,710	4,710	4,710	4,710
	Reserve for net revaluation according to the equity method	0	0	3,308	2,193
	Reserve for development costs	1,546	0	1,546	0
	Retained earnings	206,418	202,481	203,110	200,288
	Total equity	212,674	207,191	212,674	207,191
	Non-current liabilities				
14	Deferred tax	11,074	10,831	10,714	10,646
15	Mortgage credit institutions	13,358	15,883	3,801	5,841
	Total non-current liabilities	24,432	26,714	14,515	16,487
	Current liabilities				
15	Mortgage credit institutions	2,892	2,797	2,037	1,980
16	Credit institutions	47,911	24,071	47,911	24,071
	Trade payables	31,367	57,647	24,835	14,341
16	Payables to group companies	205,152	181,532	205,152	181,532
	Income tax	0	6,243	0	6,243
	Other payables	17,131	29,668	11,732	24,168
	Total current liabilities	304,453	301,958	291,667	252,335
	Total liabilities	328,885	328,672	306,182	268,822
	TOTAL LIABILITIES	541,559	535,863	518,856	476,013

1 Accounting policies
2 Special items
17 Contractual obligations and contingencies
18 Mortgages and collateral
19 Currency and interest rate risks and use of derivative financial instruments
20 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group			
Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2015	4,710	0	114,127	118,837
	Capital increase	0	0	68,649	68,649
21	Appropriation of profit/loss	0	0	15,009	15,009
	Foreign exchange adjustments, foreign subsidiary	0	0	4,847	4,847
	Revaluations in the year	0	0	-198	-198
	Tax on equity transactions	0	0	47	47
	Equity at 1 January 2016	4,710	0	202,481	207,191
21	Appropriation of profit/loss	0	1,546	1,962	3,508
	Foreign exchange adjustments, foreign subsidiary	0	0	1,588	1,588
	Value adjustment of hedging instruments, year-end	0	0	709	709
	Reversal of value adjustment of hedging instruments, beginning of year	0	0	-213	-213
	Tax on equity transactions	0	0	-109	-109
	Equity at 31 December 2016	4,710	1,546	206,418	212,674

		Parent				
Note	DKK'000	Share capital	Net revaluation acc. to the equity method	Reserve for developme nt costs	Retained earnings	Total
	Equity at 1 January 2015	4,710	1,493	0	112,634	118,837
	Capital increase	0	0	0	68,649	68,649
21	Appropriation of profit/loss	0	234	0	14,775	15,009
	Foreign exchange adjustments, foreign subsidiaries	0	4,847	0	0	4,847
	Equity transferred to reserves	0	-4,381	0	4,381	0,0
	Revaluations in the year	0	0	0	-198	-198
	Tax on equity transactions	0	0	0	47	47
	Equity at 1 January 2016	4,710	2,193	0	200,288	207,191
21	Appropriation of profit/loss	0	-473	1,546	2,435	3,508
	Foreign exchange adjustments, foreign subsidiary	0	1,588	0	0	1,588
	Value adjustments of hedging instruments at 31 December	0	0	0	709	709
	Reversal of value adjustment of hedging instruments, beginning of year	0	0	0	-213	-213
	Tax on equity transactions	0	0	0	-109	-109
	Equity at 31 December 2016	4,710	3,308	1,546	203,110	212,674

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Cash flow statement

Note	DKK'000	Group 2016	Group 2015
	Profit/loss for the year	3,508	15,009
22	Adjustments	59,993	56,200
	Cash generated from operations before changes in working capital	63,501	71,209
23	Changes in working capital	-174	-4,265
	Cash generated from operations	63,327	66,944
	Interest received	2,185	114
	Interest paid	-10,480	-9,754
	Income taxes paid	-6,243	-1,827
	Cash flows from operating activities	48,789	55,477
10	Acquisition of intangible assets	-2,466	-1,214
11	Acquisition of property, plant and equipment	-37,639	-83,274
	Change in payables related to acquisition of property, plant and equipment, etc.	-33,730	33,730
	Disposal of property, plant and equipment	683	358
	Acquisition of depoits	-233	0
	Cash flows from investing activities	-73,385	-50,400
	Loan financing:		
	Repayment of non-current liabilities	-2,430	-131,391
	Change in payables to group entities	23,620	181,532
	Increase in debt to credit institutions	0	68,649
	Shareholders:		
	Dividend distribution	0	0
	Cash flows from financing activities	21,190	118,790
	Net cash flows	-3,406	123,867
	Cash and cash equivalents, beginning of year	-4,921	-129,138
	Foreign exchange adjustments	349	350
24	**Cash and cash equivalents, year-end**	-7,978	-4,921

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 **Accounting policies**

The annual report of HAMLET PROTEIN A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The financial statements have been presented in accordance with the same accounting policies as were applied last year.

Consolidated financial statements

The consolidated financial statements comprise the parent, HAMLET PROTEIN A/S, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding together like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated. Investments in consolidated entities are set off by the parent's proportionate share of the consolidated entity's fair value of assets and liabilities at the time of acquisition.

Recently acquired or sold subsidiaries are recognised in the consolidated income statement for the period in which the parent controls such entities. Comparative figures are not restated for recently acquired or sold entities.

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

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Notes

1 **Accounting policies (continued)**

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity must be transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity must be transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Income statement

Revenue

Income from the sale of goods and finished goods comprising protein products is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating Income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of certain non-current assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost for completed development is amortised on a straight-line basis over the expected useful life. The amorisation period is usually five years and is not to exceed ten years. Acquired intangible assets include patents and rights. Patents are amortised over the remaining patent period, and rights are amortised over the agreed period, although not exceeding 20 years.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature, earnings and market position of the acquired entity as well as the stability of the industry and the dependence on key staff.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	30 years
Plant and machinery	10-20 years
Other fixtures and fittings, plant and equipment	3-10 years

Land is not depreciated.

In case of changes in the amortisation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Income from Investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets include development projects and other acquired intangible rights, including patents and rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling priceless selling expenses and the carrying amount at the time of sale.

Consolidated financial statements and parent company financial statements
1 January - 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The cost of self-constructed non-current assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

Investments in subsidiaries

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

The purchase method of accounting is applied to corporate takeovers as described under 'intra-group business combinations'.

Impairment of assets

Every year, intangible assets and property. plant and equipment as well as investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or groups of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Dividend

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured using the statement of financial position liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes 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 Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash less short-term bank debt (operating credits).

Special items

Special items comprise significant income and expenses of a special nature relative to the Group's revenue generating operating activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses relating thereto and which over time are of significant importance. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's operating activities.

As disclosed in the Management's review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

		Group		Parent	
	DKK'000	2016	2015	2016	2015
2	**Special items**				
	Income				
	Grant income	101	106	0	0
		101	106	0	0
	Expenses				
	Consultancy, strategy and legal compliance	5,711	11,385	4,429	11,385
		5,711	11,385	4,429	11,385
	Special items are recognised in the below financial statement items				
	Other operating income	101	106	0	0
	Other external expenses	-5,711	-11,385	-4,429	-11,385
	Profit/loss from special items	-5,610	-11,279	-4,429	-11,385

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Notes

	DKK'000	Group 2016	Group 2015	Parent 2016	Parent 2015
3	**Revenue**				
	Geographical segmentation				
	Europe	301,550	338,839	301,550	338,839
	Asia	164,148	156,761	91,622	88,326
	Americas	96,654	98,838	672	8,529
	Africa	5,220	5,352	5,304	5,352
		567,572	599,790	399,148	441,046

The Group solely sells products used for animal feed.

		Group 2016	Group 2015	Parent 2016	Parent 2015
4	**Other operating income**				
	Licence income, group companies	0	0	0	1,607
	Gain on the sale of property, plant and equipment	78	58	0	58
	Other operating income	513	6	12	6
		591	64	12	1,671
5	**Staff costs**				
	Wages/salaries	59,074	54,725	41,946	40,276
	Pensions	2,907	2,680	2,836	2,680
	Other social security costs	3,856	3,031	473	429
	Other staff costs	3,379	4,556	2,881	3,421
		69,216	64,992	48,136	46,806
	Average number of full-time employees	105	88	71	62
	Total remuneration to Executive Board	4,980	5,807		
	Total remuneration to Board of Directors	1.048	594		
		6,028	6,401		

The remuneration to the Executive Board is paid by the parent.

		Group 2016	Group 2015	Parent 2016	Parent 2015
6	**Fees paid to auditors appointed at the annual general meeting**				
	Fee for statutory audit	208	212	208	212
	Fees for tax advisory services	45	39	45	39
	Other assistance	81	420	81	420
	Total fee to EY	334	671	334	671

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Group 2016	Group 2015	Parent 2016	Parent 2015
7 Financial income				
Interest income from subsidiaries	0	0	6,810	4,941
Foreign exchange gains	2,185	0	2,186	0
Other interest income	0	114	0	75
	2,185	114	8,996	5,016
8 Financial expenses				
Interest expenses, Group Enterprises	6,941	1,867	6,941	1,867
Foreign exchange losses	0	806	0	2,077
Other interest expenses	2,472	7,081	1,920	6,674
Other financial expenses	1,067	0	1,067	0
	10,480	9,754	9,928	10,618
9 Tax for the year				
Current tax charge for the year	3,204	6,685	3,204	6,654
Adjustment of the deferred tax charge for the year	237	848	67	-9
	3,441	7,533	3,271	6,645

Group
Net tax paid during the year t.DKK 6,243 (2015: t.DKK 1,827)
In addition. Tax on equity t.DKK 109.

Parent company
Net tax paid during the year t.DKK 6,243 (2015: t.DKK 1,827)
In addition. Tax on equity t.DKK 109.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

10 Intangible assets

DKK'000	Group			
	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2016	1,501	7,161	137,000	145,662
Disposals	0	-774	0	-774
Additions	0	2,466	0	2,466
Cost at 31 December 2016	1,501	8,853	137,000	147,354
Amortisation and impairment losses at 1 January 2016	963	900	58,796	60,659
Disposals	0	-774	0	-774
Impairment losses	0	0	0	0
Amortisation/depreciation in the year	344	1,374	6,850	8,568
Amortisation and impairment losses at 31 December 2016	1307	1,500	65,646	68,453
Carrying amount at 31 December 2016	194	7,353	71,354	78,901

Completed development projects are related to product development.

DKK'000	Parent			
	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2016	1,501	7,115	137,000	145,616
Disposals	0	-774	0	-774
Additions	0	2,466	0	2,466
Cost at 31 December 2016	1,501	-764,419	137,000	147,308
Amortisation and impairment losses at 1 January 2016	963	864	58,796	60,623
Disposals	0	-774	0	-774
Impairment losses	0	0	0	0
Amortisation/depreciation in the year	344	1,364	6,850	8,558
Amortisation and impairment losses at 31 December 2016	1307	1,454	65,646	68,407
Carrying amount at 31 December 2016	194	7,353	71,354	78,901

Completed development projects are related to product development.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

11 Property, plant and equipment

	Group				
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2016	118,781	449,552	27,670	9,026	605,029
Exchange rate adjustment relating to foreign entities	1,378	7,192	86	0	8,656
Additions	1,284	26,329	2,249	7,777	37,639
Transferred	0	6,640	-263	-6,640	-263
Disposals	0	-362	-1,852	0	-2,214
Cost at 31 December 2016	121,443	489,351	27,890	10,163	648,847
Depreciation and impairment losses at 1 January 2016	40,616	235,532	19,384	0	295,532
Exchange rate adjustment relating to foreign entities	228	2,697	51	0	2,976
Depreciation	3,783	33,442	2,543	0	39,768
Disposals	0	-20	-1,852	0	-1,872
Depreciation and impairment losses at 31 December 2016	44,627	271,651	20,126	0	336,404
Carrying amount at 31 December 2016	76,816	217,700	7,764	10,163	312,443

Note 18 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

11 Property, plant and equipment (continued)

	Parent				
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, plant and equipment	Property, plant and equipment under con-struction	Total
Cost at 1 January 2016	75,900	235,749	25,072	2,386	339,107
Additions	105	7,109	1,858	7,350	16,422
Disposals	0	-362	-1,852	0	-2,214
Cost at 31 December 2016	76,005	242,496	25,078	9,736	353,315
Depreciation and impairment losses at 1 January 2016	34,953	190,047	18,137	0	243,137
Depreciation	2,478	9,018	2,175	0	13,671
Disposals	0	-20	-1,852	0	-1,872
Depreciation and impairment losses at 31 December 2016	37,431	199,045	18,460	0	254,936
Carrying amount at 31 December 2016	38,574	43,451	6,618	9,736	98,379

Note 18 provides more details on security for loans, etc. as regards property, plant and equipment.

		Parent	
DKK'000		2016	2015
	Deposits	Investments in subsidiaries	
12 Other non-current assets			
Cost at 1 January	0	44,241	44,241
Additions	233	0	0
Cost at 31 December	233	44,241	44,241
Value adjustments at 1 January	0	8,434	-2,889
Foreign exchange adjustment	0	1,588	4,848
Profit/loss for the year	0	-473	234
Transferred (set off against receivables)	0	825	6,241
Value adjustments at 31 December	0	10,374	8,434
Carrying amount at 31 December	233	54,615	52,675

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

12 Investments in subsidiaries (continued)

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
HAMLET PROTEIN Inc., Ohio, USA	100 %	128	54,615
HAMLETPROTEIN Iowa Inc., Iowa, USA	100 %	-601	-7,067

13 Share capital

The share capital comprises:

47,100 shares of DKK 100 each

The share capital has remained unchanged for the past five years.

	Group		Parent	
DKK'000	2016	2015	2016	2015
14 Deferred tax				
The deferred tax charge relates to:				
Intangible assets	-1,481	-1,177	-1,481	-1,177
Property, plant and equipment	-20,735	-17,345	-9,233	-9,733
Liabilities	0	264	0	264
Tax loss carry-forwards	11,142	7,427	0	0
	-11,074	-10,831	-10,714	-10,646
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax assets	0	0	0	0
Deferred tax liabilities	11,074	-10,831	-10,714	-10,646
	11,074	-10,831	-10,714	-10,646
Deferred tax liabilities are expected to be set off within:				
0-1 year	-1,340	-2,300	-1,165	-2,213
1-5 years	-9,734	-8,531	-9,549	-8,433
> 5 years	0	0	0	0
	-11,074	-10,831	-10,714	-10,646

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Group 2016	Group 2015	Parent 2016	Parent 2015
15 Debt to mortgage credit institutions and other credit institutions				
Analysis of liabilities:				
Mortgage credit institutions				
Long-term	13,358	15,883	3,801	5,841
Short-term	2,892	2,797	2,037	1,980
	16,250	18,680	5,838	7,821
Total liabilities	16.250	18,680	5,838	7,821
The liabilities are recognised in the balance sheet as follows:				
Non-current liabilities	13,358	15,883	3,801	5,841
Current liabilities	2,892	2,797	2,037	1,980
	16,250	18,680	5,838	7,821
Non-current liabilities falling due more than five years after the financial year-end (carrying amount)	7,214	7,942	0	879

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

16 Credit institutions and payables to group companies

The credit facilities of the New Nutrition Holding Group are subject to usual financial covenants, which include leverage, interest coverage ratios and investment amounts. All such financial covenants were in compliance during the year and as at 31 December 2016.

17 Contractual obligations and contingencies, etc.

Contingent assets

The group and the parent Company has contingent deferred tax asset in total DKK 222 thousand. Contingent assets are expected to increase the Company's financial resources at 31 December 2019 at the latest.

Other financial obligations

	Group		Parent	
DKK'000	2016	2015	2016	2015
Rent and lease liabilities	6,360	5,196	6,360	5,196

Group

The Group has concluded regular forward purchase contracts for raw materials.

The Group Is liable for total bank loans in the New Nutrition Holding Group. At year-end 2016 total credit facilities amounted to DKK 571 million.

Parent company

The Company is jointly taxed with its parent, New Nutrition Holding ApS, which acts as management company, and other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes for the income years 2015 for the period after 18 September and withholding taxes falling due for payment on or after the similar date in the group of jointly taxed entities.

The Company has concluded regular forward purchase contracts for raw materials.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

18 **Mortgages and collateral**

Group

A mortgage of USD 2,000 thousand secured upon the Group's properties has been provided as collateral for transactions with Ohio Department of Development.

The carrying amount of mortgaged properties amounted to USD 4,640 thousand.

As collateral for commitments with banks, the following has been deposited:

- Mortgage of DKK 25,083 thousand secured on the property Saturnvej 51, Horsens.
- Owner's mortgage of DKK 20,000 thousand and letter of indemnity of DKK 18,000 thousand secured on the Company's property Saturnvej 51, Horsens.

The carrying amount of mortgaged properties amounted to DKK 38,574 thousand.

As collateral for commitments with banks, the following has been deposited:

- Letter of indemnity on movables of DKK 12,000 thousand and chattel mortgage registered to the owner of DKK 22,000 thousand secured upon machinery and fixtures and fittings, etc.

The carrying amount of assets provided as collateral amounted to DKK 50,069 thousand.

Parent

As collateral for commitments with banks. the following has been deposited:

- Mortgage of DKK 25,083 thousand secured on the property Saturnvej 51, Horsens.
- Owner's mortgage of DKK 20,000 thousand and letter of indemnity of DKK 18,000 thousand secured on the Company's property Saturnvej 51, Horsens.

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The carrying amount of assets provided as collateral amounted to DKK 50,069 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

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19 **Currency and interest rate risks and use of derivative financial instruments**

The Group uses hedging instruments such as forward exchange contracts to hedge recognised and non-recognised transactions.

Recognised transactions

Hedging of recognised transactions primarily includes receivables and payables.

Forecast transactions

The Group uses forward exchange contracts to hedge expected currency risks relating to sale and purchase of goods in the coming year. Furthermore, a few large potential high-risk transactions after the next year are hedged through currency options.

		Contractual value		Gains and losses recognised in equity	
DKK'000	Period	2016	2015	2016	2015
Forward exchange contracts	0-12 months	709	89	709	213

20 **Related parties**

Group

HAMLET PROTEIN A/S' related parties comprise the following:

Parties exercising control

New Nutrition ApS, Horsens, Denmark
New Nutrition ApS holds the majority of the share capital in the entity.

Consolidated financial statements
HAMLET PROTEIN A/S is included in the consolidated financial statements of New Nutrition Holding ApS, Denmark and New Nutrition Holding S.á.r.l., Luxembourg. The consolidated financial statements of New Nutrition Holding ApS are available with Erhvervsstyrelsen and the consolidated financial statements New Nutrition Holding S.á.r.l. at the registered office.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Parent 2016	Parent 2015
21 **Appropriation of profit/loss**		
Recommended appropriation of profit/loss		
Net revaluation reserve according to the equity method	-473	234
Reserve for development costs	1,546	0
Retained earnings	2,435	14,775
	3,508	15,009

DKK'000	Group 2016	Group 2015
22 **Adjustments**		
Amortisation/depreciation and impairment losses	48,335	39,085
Gain/loss on the sale of fixed assets	-78	-58
Financial income	-2,185	-114
Financial expenses	10,480	9,754
Tax for the year	3,441	7,533
	59,993	56,200

DKK'000	Group 2016	Group 2015
23 **Changes in working capital**		
Change in inventories	1,346	-9,161
Change in receivables	12,012	297
Change in trade and other payables	-13,532	4,750
Other adjustments in working capital	0	-151
	-174	-4,265

DKK'000	Group 2016	Group 2015
24 **Cash and cash equivalents**		
Cash and cash equivalents according to the balance sheet	39,933	19,150
Short-term debt to banks	-47,911	-24,071
	-7,978	-4,921