

Danika Grønt A/S

Stilbjergvej 2g, 7190 Billund

Company reg. no. 19 71 01 49

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 29 May 2019.

Martin Kuper
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the executive board have today presented the annual report of Danika Grønt A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

7190 Billund, 29 May 2019

Executive board

Lene Vinge Rasmussen

Jørgen Bonde Østergaard

Board of directors

Stefan Wernsing

Martin Kuper

Martin Zwinkels

Independent auditor's report on extended review

To the shareholders of Danika Grønt A/S

Opinion

We have performed extended review of the annual accounts of Danika Grønt A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the annual accounts

Our responsibility is to express an opinion on the annual accounts. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our extended review of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 29 May 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen

State Authorised Public Accountant
mne30153

Company data

The company

Danika Grønt A/S
Stilbjergvej 2g
7190 Billund

Phone +45 76 98 50 50
Web site www.flensted.dk

Company reg. no. 19 71 01 49
Domicile: Billund
Financial year: 1 January - 31 December

Board of directors

Stefan Wernsing
Martin Kuper
Martin Zwinkels

Executive board

Lene Vinge Rasmussen
Jørgen Bonde Østergaard

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

WFG Denmark A/S

Management's review

The principal activities of the company

Like previous years, the principal activities are the production and sales of potatoes and related activities.

Development in activities and financial matters

The result for the year amount to DKK 2.8m (last year 2.3m) and is in line with the management expectations.

Accounting policies used

The annual report for Danika Grønt A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, cost of goods sold, changes in inventories and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on and writedown relating to tangible fixed assets respectively.

Accounting policies used

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Buildings	25 years
Technical plants and machinery	5-10 years
Other plants, operating assets, fixtures and furniture	3-5 years

Accounting policies used

Minor assets with an expected useful life of less than one year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accounting policies used

Prepaid expenses

Prepaid expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax 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 previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Danika Grønt A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	17.702.601	16.193.605
1 Staff costs	-11.641.655	-10.941.948
Depreciation and writedown relating to tangible fixed assets	-2.677.446	-2.479.390
Operating profit	3.383.500	2.772.267
Other financial income from group companies	79.652	0
Other financial income	176.436	220.314
Other financial costs	-16.001	-17.587
Results before tax	3.623.587	2.974.994
2 Tax on ordinary results	-797.459	-652.250
Results for the year	2.826.128	2.322.744
Proposed distribution of the results:		
Allocated to results brought forward	2.826.128	2.322.744
Distribution in total	2.826.128	2.322.744

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Fixed assets			
3	Land and property	11.319.258	12.059.866
4	Production plant and machinery	7.462.207	8.161.658
	Tangible fixed assets in total	<u>18.781.465</u>	<u>20.221.524</u>
	Fixed assets in total	<u>18.781.465</u>	<u>20.221.524</u>
Current assets			
	Raw materials and consumables	1.937.758	3.415.176
	Manufactured goods and trade goods	1.031.681	698.504
	Inventories in total	<u>2.969.439</u>	<u>4.113.680</u>
	Trade debtors	13.726.214	14.181.416
	Receivables at group companies	12.857.477	5.096.701
	Prepaid expenses	34.238	0
	Debtors in total	<u>26.617.929</u>	<u>19.278.117</u>
	Available funds	<u>6.778.171</u>	<u>5.191.838</u>
	Current assets in total	<u>36.365.539</u>	<u>28.583.635</u>
	Assets in total	<u>55.147.004</u>	<u>48.805.159</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
5	Contributed capital	600.000	600.000
6	Results brought forward	39.207.830	36.381.702
	Equity in total	39.807.830	36.981.702
Provisions			
	Provisions for deferred tax	520.518	423.055
	Provisions in total	520.518	423.055
Liabilities			
	Trade creditors	7.567.029	7.063.396
	Debt to group companies	1.228.202	112.664
	Corporate tax	699.996	420.670
	Other debts	5.323.429	3.803.672
	Short-term liabilities in total	14.818.656	11.400.402
	Liabilities in total	14.818.656	11.400.402
	Equity and liabilities in total	55.147.004	48.805.159

7 Contingencies

8 Related parties

Notes

All amounts in DKK.

	2018	2017
	<hr/>	<hr/>
1. Staff costs		
Salaries and wages	10.941.578	10.338.207
Pension costs	464.159	445.900
Other costs for social security	235.918	157.841
	<hr/>	<hr/>
	11.641.655	10.941.948
	<hr/>	<hr/>
Average number of employees	18	17
	<hr/>	<hr/>
2. Tax on ordinary results		
Tax of the results for the year	699.996	420.670
Adjustment for the year of deferred tax	97.463	231.580
	<hr/>	<hr/>
	797.459	652.250
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Notes

All amounts in DKK.

	31/12 2018	31/12 2017
3. Land and property		
Cost 1 January 2018	21.947.349	21.826.990
Additions during the year	79.873	120.359
Cost 31 December 2018	22.027.222	21.947.349
Depreciation and writedown 1 January 2018	-9.887.483	-9.070.731
Depreciation and writedown for the year	-820.481	-816.752
Depreciation and writedown 31 December 2018	-10.707.964	-9.887.483
Book value 31 December 2018	11.319.258	12.059.866
4. Production plant and machinery		
Cost 1 January 2018	43.139.442	36.412.730
Additions during the year	1.157.514	6.726.712
Cost 31 December 2018	44.296.956	43.139.442
Depreciation and writedown 1 January 2018	-34.977.784	-33.372.423
Depreciation and writedown for the year	-1.856.965	-1.605.361
Depreciation and writedown 31 December 2018	-36.834.749	-34.977.784
Book value 31 December 2018	7.462.207	8.161.658
5. Contributed capital		
Contributed capital 1 January 2018	600.000	600.000
	600.000	600.000

The share capital consists of 600 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

Within the latest 5 years, the following changes in the share capital have taken place:

Capital increase, in connection with merger, paid 100.000 DKK at rate 44,817.77, 15 September 2014.

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
6. Results brought forward		
Results brought forward 1 January 2018	36.381.702	34.058.958
Profit or loss for the year brought forward	<u>2.826.128</u>	<u>2.322.744</u>
	<u>39.207.830</u>	<u>36.381.702</u>

7. Contingencies

Joint taxation

Wernsing Scandinavia ApS, company reg. no 30507029 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

8. Related parties

Consolidated annual accounts

The consolidated annual accounts for Wernsing Scandinavia ApS can be obtained on <https://datacvr.virk.dk/data/>. The ultimate parent company in which the company is included as a subsidiary is Wernsing Food Family Group GmbH & Co. KG, Germany. The consolidated annual accounts can be obtained on www.bundesanzeiger.de.