

Quantum ApS

Østre Allé 6, 9530 Støvring, Denmark

CVR no. 20 10 70 30



Annual report 2016

Approved at the annual general meeting of shareholders on 17 January 2017

Chairman:



Esben Nielsen



Building a better
working world

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Quantum ApS for the financial year 1 January - 31 December 2016.

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

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Støvring, 17 January 2017
Executive Board:

A handwritten signature in blue ink, appearing to read 'Esben Nielsen'.

Esben Nielsen

Independent auditors' report

To the shareholders of Quantum ApS

Opinion

We have audited the financial statements of Quantum ApS 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016, and of the results of its operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditors' report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 Group and the company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 the Management's review.


Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aalborg, 17 January 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Evan Christensen
State Authorised Public Accountant



Martin Bøgsted
State Authorised Public Accountant

Management's review

Company details

| | |
|----------------------------|--|
| Name | Quantum ApS |
| Address, Postal code, City | Østre Alle 6, DK-9530 Støvring |
| CVR no. | 20 10 70 30 |
| Established | 12 May 1997 |
| Registered office | Rebild |
| Financial year | 1 January - 31 December |
| Website | www.quantum.eu |
| Telephone | +45 98 39 34 35 |
| Telefax | +45 98 39 34 36 |
| Executive Board | Esben Nielsen |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, P.O. Box 710, 9100 Aalborg, Denmark |

Management's review

Financial highlights

| DKK'000 | 2016 | 2015 | 2014 | 2013 | 2012 |
|------------------------------|--------|--------|--------|--------|-------|
| Key figures | | | | | |
| Gross margin | 4,079 | 4,450 | 1,393 | 4,491 | 4,413 |
| Profit before net financials | 988 | 1,602 | 120 | 2,182 | 2,215 |
| Net financials | -1 | 32 | 49 | -233 | -44 |
| Profit/loss for the year | 769 | 1,259 | 121 | 1,460 | 1,628 |
| Financial ratios | | | | | |
| Total assets | 10,219 | 10,261 | 10,234 | 13,135 | 9,710 |
| Equity | 4,392 | 4,882 | 3,623 | 4,960 | 4,626 |
| Financial ratios | | | | | |
| Return on assets | 9.6% | 15.6% | 1.0% | 19.1% | 23.6% |
| Solvency ratio | 43.0% | 47.6% | 35.4% | 37.8% | 47.6% |
| Average number of employees | 4 | 4 | 2 | 4 | 4 |

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Business review

As in previous years, the company has been engaged in the import of and trading in foodstuffs - both for own account and on a commission basis.

Financial review

The company reported a profit of DKK 769 thousand for the period 1 January - 31 December 2016 as against a profit of DKK 1,259 thousand in 2015.

Management considers the results to be satisfactory.

Total assets represented DKK 10,219 thousand at 31 December 2016, where as equity came in at DKK 4,392 thousand, corresponding to 43.0% against 47.6% at 31 December 2015.

Events after the balance sheet date

No events have occurred after the balance sheet significantly affecting the company's financial position.

Financial statements for the period 1 January - 31 December

Income statement

| Note | DKK'000 | 2016 | 2015 |
|------|---|--------|--------|
| | Gross margin | 4,079 | 4,450 |
| 3 | Staff costs | -3,091 | -2,848 |
| | Profit before net financials | 988 | 1,602 |
| | Financial income | 48 | 132 |
| 4 | Financial expenses | -49 | -100 |
| | Profit before tax | 987 | 1,634 |
| 5 | Tax for the year | -218 | -375 |
| | Profit for the year | 769 | 1,259 |
| | | | |
| | Proposed profit appropriation | | |
| | Proposed dividend recognised under equity | 768 | 1,259 |
| | Retained earnings | 1 | 0 |
| | | 769 | 1,259 |

Financial statements for the period 1 January - 31 December

Balance sheet

| Note | DKK'000 | 2016 | 2015 |
|------|--|--------|--------|
| | ASSETS | | |
| | Current assets | | |
| | Inventories | | |
| | Finished goods and goods for resale | 0 | 422 |
| | | 0 | 422 |
| | Receivables | | |
| | Trade receivables | 6,713 | 7,289 |
| | Receivables from group entities | 0 | 282 |
| | Receivables from associates | 41 | 0 |
| | Other receivables | 20 | 627 |
| | | 6,774 | 8,198 |
| | Cash at bank and in hand | 3,445 | 1,641 |
| | Total current assets | 10,219 | 10,261 |
| | TOTAL ASSETS | 10,219 | 10,261 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 6 | Share capital | 125 | 125 |
| | Retained earnings | 3,499 | 3,498 |
| | Dividend proposed for the year | 768 | 1,259 |
| | Total equity | 4,392 | 4,882 |
| | Liabilities other than provisions | | |
| | Current liabilities other than provisions | | |
| | Bank debt | 0 | 533 |
| | Prepayments received from customers | 227 | 427 |
| | Trade payables | 2,407 | 3,649 |
| | Payables to group entities | 1,526 | 0 |
| | Payables to associates | 0 | 131 |
| | Income taxes payable | 108 | 146 |
| | Other payables | 1,559 | 493 |
| | | 5,827 | 5,379 |
| | Total liabilities other than provisions | 5,827 | 5,379 |
| | TOTAL EQUITY AND LIABILITIES | 10,219 | 10,261 |

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Currency risks
- 8 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

| DKK'000 | Share capital | Retained earnings | Dividend proposed for the year | Total |
|----------------------------|---------------|-------------------|--------------------------------|--------|
| Equity at 1 January 2016 | 125 | 3,498 | 1,259 | 4,882 |
| Profit/loss for the year | 0 | 1 | 768 | 769 |
| Dividend distributed | 0 | 0 | -1,259 | -1,259 |
| Equity at 31 December 2016 | 125 | 3,499 | 768 | 4,392 |

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

Quantum ApS' annual report for 2016 has been prepared in accordance with the provisions which apply to reporting class B entities under the Danish Financial Statements Act.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies no changes in the recognition and measurement, the accounting policies are therefore consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transactions date.

Derivative financial instruments

Derivative financial instruments are initially recognized 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.

Changes in the fair value 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 changes in the fair value 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 and 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 are 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 are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Income statement

Revenue

Revenue from the sale of goods and services is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end (the completed-contract method).

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

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

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

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.

Tax

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.

Balance sheet

Inventories

Inventories are recognized at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Income taxes

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

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 crystallize as current tax. Changes in deferred tax following changes in tax rates are recognized in the income statement.

Liabilities

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

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

| | |
|------------------|--|
| Return on assets | $\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$ |
| Solvency ratio | $\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$ |

2 Events after the balance sheet date

No events have occurred after the balance sheet significantly affecting the company's financial position.

| DKK'000 | 2016 | 2015 |
|---|--------------|--------------|
| 3 Staff costs | | |
| Wages/salaries | 2,551 | 2,358 |
| Pensions | 414 | 416 |
| Other social security costs | 126 | 74 |
| | <u>3,091</u> | <u>2,848</u> |
| Average number of full-time employees | <u>4</u> | <u>4</u> |
| 4 Financial expenses | | |
| Interest expenses, associates | 5 | 6 |
| Other financial expenses | 44 | 94 |
| | <u>49</u> | <u>100</u> |
| 5 Tax for the year | | |
| Estimated tax charge for the year | 218 | 375 |
| | <u>218</u> | <u>375</u> |

6 Share capital

The Company's share capital has remained DKK 125 thousand over the past 5 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Currency risks

Analysis of the Company's balances in foreign currency as well as related hedging transactions at 31 December 2016:

| Currency (DKK'000) | Payment/maturity | Receivable | Hedging transactions | Net position |
|--------------------|------------------|------------|----------------------|--------------|
| USD | < 1 year | 10,475 | -10,621 | -146 |

8 Related parties

Quantum ApS' related parties comprise the following:

Information about consolidated financial statements

| Parent | Domicile | Requisitioning of the parent company's consolidated financial statements |
|-------------|-----------------|--|
| Rücker GmbH | Aurich, Germany | Egelser Str. 111, 26605 Aurich, Germany |