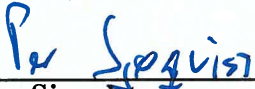


COOP TRADING A/S

ANNUAL REPORT

2017

**The Annual Report has been presented and adopted
at the Company's Annual General Meeting
on 11/4 2018**



Per Sjøqvist
Chairman of the Meeting

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Coop Trading A/S

COMPANY INFORMATION

Company Coop Trading A/S
P.O. Box 255
Helgeshøj Allé 57
2630 Taastrup
Denmark

Telephone: +45 88 53 00 00

Website: www.cooptrading.com

CVR No.: 20 40 61 94

Registered Office: Høje Taastrup Kommune

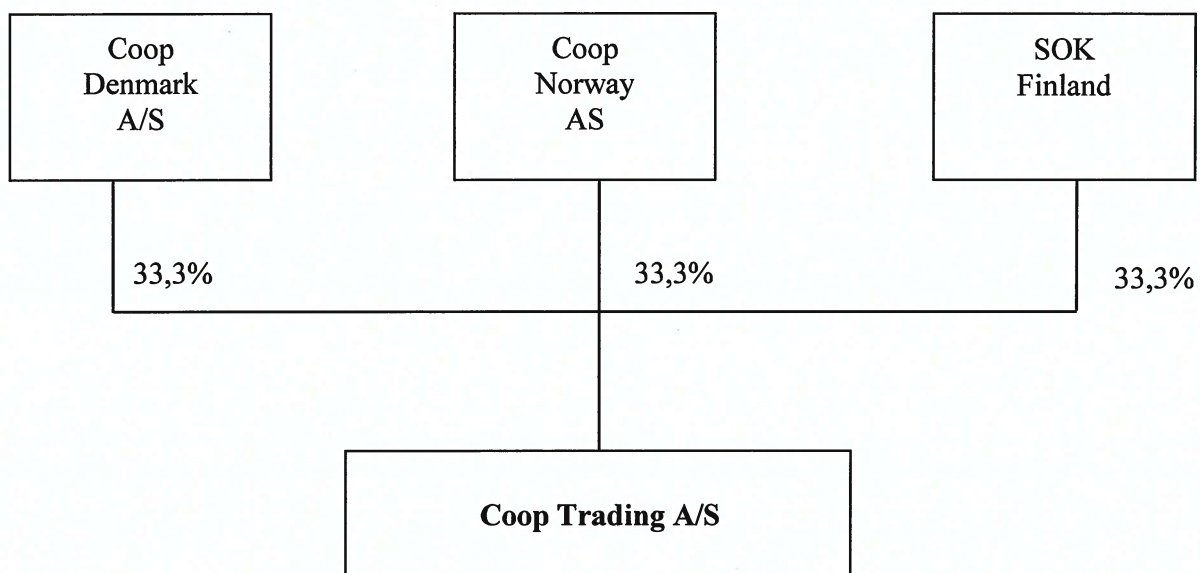
Financial Year 1. january – 31. december

Board of Directors Jens Visholm Uglebjerg, Chairman
Tor Helge Gundersen
Aud Lundstad
Peter Høggsted Nielsen
Jari Juhani Simolin
Kim Mikael Strömsholm

Management Jan Lundgren

Auditor BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 København V

GROUP STRUCTURE



STATEMENT BY BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management have discussed and approved the Annual Report of Coop Trading A/S for the financial year 1 January to 31 December 2017.

The Annual Report is presented 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 2017 and the results of the Company's operations for the financial year 1 January to 31 December 2017.

The management's review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend that the Annual Report be approved at the annual general meeting.


Taastrup, on 14 March 2018

Management:



Jan Lundgren

Board of Directors:



Jens Visholm Uglebjerg
Chairman



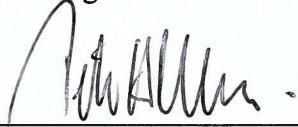
Aud Lundstad



Jari Juhani Simolin



Tor Helge Gundersen



Peter Høgsted Nielsen

Kim Mikael Strömsholm

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Jan Lundgren

Board of Directors:

Jens Visholm Uglebjerg
Chairman

Tor Helge Gundersen

Aud Lundstad

Peter Høgsted Nielsen

Jari Juhani Simolin



Kim Mikael Strömsholm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Coop Trading A/S

Opinion

We have audited the Financial Statements of Coop Trading A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and a summary of significant accounting policies. 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 the Company at 31 December 2017, and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2017 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 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 Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Coop Trading A/S

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

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish 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 Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 14 March 2018

BDO Statsautoriseret revisionsaktieselskab
CVR-no. 20 22 26 70


Brian Olsen Halling
State Authorised Public Accountant
MNE-nr. 32094

KEY FIGURES

DKK ('000)

	2017	2016	2015	2014	2013
Income statement					
Gross profit	90,316	90,838	87,000	91,749	88,151
Operating profit.....	243	-1,259	-150	-2,138	236
Financial income and expenses, net.....	0	0	0	593	807
Profit for the year	243	-1,259	-150	-2,138	236
Balance sheet					
Balance sheet total	93,069	92,370	92,324	150,367	150,397
Equity	74,134	73,891	75,150	130,807	132,945
Employees					
Average number of employees	91	86	82	85	90

MANAGEMENT'S REVIEW

Principal activities

The principal activities are like previous year's development and sourcing of Private Brand, Indirect Goods and preparation of common, Nordic supplementary agreements with common Nordic Branded Goods suppliers for the company's current and former owners in Denmark, Sweden, Norway and Finland.

In addition, Coop Trading A/S has an office in Valencia from which fruit and vegetables are sourced from the Southern European countries.

Principal events 2017

In 2017, Coop Trading A/S has primarily focused on maintaining our large portfolio (4500+ products) of private label products.

Results for the year

The result for the year shows a profit of DKK ('000) 243, which is in accordance with Management's expectations.

Risk management

Financial risks

Coop Trading A/S' results and capital are affected by the usual financial risk factors. These financial risks are controlled by the company in cooperation with Coop Danmark A/S' central finance department in accordance with well-defined frames and authorizations by the Board of Directors.

Liquidity Risk

Coop Trading A/S' cash requirements are covered by the company's cash deposits. There is no need for bank overdraft facilities or committed credit facilities.

Foreign currency risk

As the main part of the future transactions in foreign currencies will be intercompany transactions, the company has decided not to hedge these transactions.

MANAGEMENT'S REVIEW

Events after the end of the financial year

No events have occurred from the balance sheet date and to this date that will change the assessment of the annual report.

Expectations to 2018

Operating profit expected to be at budget.

ACCOUNTING POLICIES

The annual report of Coop Trading A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for large enterprises in reporting class C.

The annual report has been presented in accordance with the accounting policies used last year.

General information about recognition or measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

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

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

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition or measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

INCOME STATEMENT

Sale of services

Sale of services is recognised in the income statement when the income generating activities have taken place.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Depreciation, amortisation and write-down

Depreciation, amortisation and write-down of material and immaterial assets consists of the accounting year's depreciations and write-downs, calculated based on both the calculated residual values and the expected useful lives of the of the assets, and testing of the write-down, and through profit and loss through sale of both material and immaterial assets.

ACCOUNTING POLICIES

Other operating expenses

Other operating expenses include expenses, incurred during the year in relation to the management and administration of the enterprise, including expenses related to office premises, stationery etc.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life
Other plants, fixtures and equipment	3-10 Years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised as depreciation in the income statement.

Fixed asset investment

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Accounts receivable

Accounts receivable are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash

Cash include cash and current investments.

Provision for liabilities

Provisions for liabilities include the expected cost of warranty commitments, restructuring etc. and deferred tax.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. The tax rate applied for the current year is 22%.

ACCOUNTING POLICIES

Liabilities

Other liabilities which include debt to suppliers, affiliates and associates and other debt are measured at amortised cost which usually corresponds to the nominal value. Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.

The income statements of foreign subsidiary enterprises and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of the foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash of the year and cash at beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital, corporation tax paid, and payment of dividend to shareholders.

Cash flows from investing activities

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt.

INCOME STATEMENT 1 JANUARY – 31 DECEMBER

(DKK '000)

	Note	2017	2016
Sale of services	1	90,316	90,838
GROSS PROFIT		90,316	90,838
Staff costs	2	(65,272)	(63,727)
Other operating expenses	3	(24,984)	(27,916)
Depreciation, amortisation and write-down.....		(13)	(270)
OPERATING PROFIT		47	(1,075)
Financial income.....	4	868	86
Financial expenses.....	4	(672)	(270)
PROFIT BEFORE TAX		243	(1,259)
Tax on profit for the year.....	5	0	0
PROFIT FOR THE YEAR		243	(1,259)
PROPOSED DISTRIBUTION OF PROFIT			
Retained profit		243	(1,259)
TOTAL		243	(1,259)

Coop Trading A/S

BALANCE SHEET 31 DECEMBER

(DKK '000)

ASSETS	Note	2017	2016
Other plants, fixtures and equipment	6	0	13
Tangible fixed assets.....		0	13
Other receivables	7	7	7
Fixed asset investments.....		7	7
FIXED ASSETS.....		7	20
Amounts due from associates.....		36,077	65,059
Prepayments.....	8	2,324	1,924
Other receivables		938	8,340
Accounts receivable.....		39,339	75,323
Cash.....		53,724	17,027
CURRENT ASSETS.....		93,063	92,350
ASSETS		93,069	92,370

Contingent assets

9

BALANCE SHEET 31 DECEMBER

(DKK '000)

EQUITY AND LIABILITIES	Note	2017	2016
Share capital.....	10	75,000	75,000
Retained profit		(866)	(1,109)
EQUITY.....		74,134	73,891
Amounts due to associates		0	0
Other debt		18,936	18,479
Current liabilities.....		18,936	18,479
LIABILITIES		18,936	18,479
EQUITY AND LIABILITIES		93,069	92,370
Contingencies etc.	9		
Charges and securities	11		
Related parties	12		

Coop Trading A/S

**Equity
DKK ('000)**

	Share capital	Retained earnings	Total
Equity 1 January 2017	75,000	(1,109)	73,891
Proposed distribution of profit for the year	0	243	243
Equity 31 December 2017	75,000	(866)	74,134

CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

(DKK '000)

	Note	2017	2016
Result before financial items.....		47	(1,075)
Depreciation		13	270
Changes in working capital.....	13	7,459	(1,567)
Cash flow generated from operation before financial items.....		7,519	(2,372)
Interests received		867	86
Interests paid		(672)	(270)
CASH FLOWS FROM OPERATING ACTIVITIES		7,714	(2,556)
Purchase of tangible fixed assets		0	0
Sale of tangible fixed assets		0	0
CASH FLOW FROM INVESTMENT ACTIVITIES		0	0
Repayment of debt to associates		0	(4,755)
Payments of debt from associates.....		28,982	(61,790)
CASH FLOW FROM FINANCING ACTIVITIES.....		28,982	(66,545)
CASH FLOW FOR THE YEAR.....		36,693	(69,101)
Cash and cash equivalents at 1 January.....		17,027	86,128
Reduction of share capital		0	0
CASH AND CASH EQUIVALENTS AT 31 DECEMBER.....		53,724	17,027

Coop Trading A/S

NOTES

(DKK '000)

Note

Sale of services

1

The item includes fee for joint administration of purchase of groceries and nonfood to the retail chains.

Split of sales and services per activity and geography is not disclosed in accordance with section 96 of the Danish Financial Statements Act.

	2017	2016	
Staff costs			2
Average number of employees.....	91	86	
Amount of total staff costs:			
Wages and salaries	(52,501)	(49,607)	
Pensions.....	(5,463)	(5,207)	
Other social security costs.....	(1,798)	(1,752)	
Other staff-related costs	(5,510)	(7,161)	
Total.....	(65,272)	(63,727)	

Remuneration of management is not disclosed in accordance with section 98 b(3) of the Danish Financial Statements Act.

Fee to auditors appointed by the General Meeting

3

Fee regarding statutory audit	(89)	
Services other than audit:	0	
Total.....	(89)	

Coop Trading A/S

NOTES

(DKK '000)

	2017	2016	Note
Financial figures			4
Income			
Interest income from banks	458	23	
Interest income from associates	410	64	
Other financial income	0	0	
Total.....	868	87	
Expenses			
Other financial costs	(644)	(253)	
Interest expenses from associates.....	(28)	(17)	
Total.....	(672)	(270)	
Tax on profit for the year			5
Computed tax on taxable income of the year	0	0	
Adjustment of deferred tax.....	0	0	
Adjustment of tax previous years.....	0	0	
Total.....	0	0	

Coop Trading A/S

NOTES

(DKK '000)

Tangible fixed assets

Note

6

	Other plants, fix- tures and equipment
Cost 1 January 2017.....	1,491
Additions	0
Disposals	0
Cost 31 December 2017.....	1,491
Depreciation and write-down 1 January 2017.....	1,478
Reversal of depreciation of assets disposed of.....	0
Depreciation of the year	13
Depreciation 31 December 2017	1,491
Carrying amount at 31 December 2017.....	0
Carrying amount at 31 December 2016.....	13

Coop Trading A/S

NOTES

(DKK '000)

	2017	2016	Note
Deposits			7
Cost 1 January	7	7	
Cost 31 December.....	7	7	
Carrying amount 31 December.....	7	7	

(DKK '000)

	2017	2016	Note
Prepayments			8
Prepaid expenses.....	2,324	1,924	
Total.....	2,324	1,924	

NOTES

Contingent assets

9

The company has deferred tax asset at DKK ('000) 2,632 which is not recognized in the financial statement. The deferred tax asset comprises deferred tax on tangible fixed assets and tax losses to be carried forward.

Contingent liabilities

The company's total rental and lease liabilities are DKK ('000) 2,113 at the balance sheet date. The average duration is approximately 1 year.

10

Share capital	2017	2016	2015	2014	2013
Share capital has developed as follows:					
Shared capital at 1. January	75,000	75,000	144,000	144,000	144,000
Capital decrease	0	0	69,000	0	0
Total	75,000	75,000	75,000	144,000	144,000

Share capital consist of 3 shares in the denomination of DKK ('000) 25,000

The share capital is owned by Coop Danmark A/S, Coop Norge AS and Suomen Osuuskauppojen Keskuskunta, Finland.

Coop Trading A/S

NOTES

(DKK '000)

			Note
Charges and securities			11
The company had no charges and securities.			
Transactions with related parties			12
Transactions with related parties are settled on market terms.			
Changes in working kapital	2017	2016	13
Prepayments and accrued income	(400)	(957)	
Other receivables.....	7,402	(6,380)	
Other debt.....	457	5,770	
Total.....	7,459	(1,567)	