
Danimex-Food A/S

Inge Lehmanns Gade 10, DK-8000 Aarhus C

Annual Report for 1 January - 31 December 2018

CVR No 21 35 50 70

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23/5 2019

Peter Worre Bech
Chairman



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Danimex-Food A/S for the financial year 1 January - 31 December 2018.

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

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

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

Aarhus, 23 May 2019

Executive Board

Carl Bruun Jørgensen

Board of Directors

Peter Worre Bech
Chairman

Eric Gue Thierry Delarue

Pascale Denise Delarue

Søren Karim Bech

Steen Bitsch

Independent Auditor's Report

To the Shareholder of Danimex-Food A/S

Opinion

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

We have audited the Financial Statements of Danimex-Food A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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 audit of the Financial Statements

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

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Independent Auditor's Report

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.

Aarhus, 23 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Møllgaard Stenskov
State Authorised Public Accountant
mne34161

Steffen Damgaard Sørensen
State Authorised Public Accountant
mne35804

Company Information

The Company

Danimex-Food A/S
Inge Lehmanns Gade 10
DK-8000 Aarhus C

CVR No: 21 35 50 70
Financial period: 1 January - 31 December
Incorporated: 11 December 1998
Municipality of reg. office: Aarhus

Board of Directors

Peter Worre Bech, Chairman
Eric Gue Thierry Delarue
Pascale Denise Delarue
Søren Karim Bech
Steen Bitsch

Executive Board

Carl Bruun Jørgensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Bankers

Nordea Bank Danmark A/S

Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Gross profit/loss		2,709,273	4,083,395
Staff expenses	2	-573,439	-670,886
Profit/loss before financial income and expenses		2,135,834	3,412,509
Income from investments in subsidiaries		1,276,606	1,282,573
Financial income		1,999,720	2,495,685
Financial expenses	3	-3,254,953	-5,427,731
Profit/loss before tax		2,157,207	1,763,036
Tax on profit/loss for the year	4	-194,392	-105,688
Net profit/loss for the year		1,962,815	1,657,348

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	1,276,606	1,282,573
Retained earnings	686,209	374,775
	1,962,815	1,657,348

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Investments in subsidiaries	5	11,653,591	10,009,013
Deposits	6	74,843	28,500
Fixed asset investments		11,728,434	10,037,513
Fixed assets		11,728,434	10,037,513
Inventories		444,934	168,741
Trade receivables		3,600,350	3,401,706
Receivables from group enterprises		17,693,629	16,684,117
Other receivables		945,949	281,774
Receivables		22,239,928	20,367,597
Cash at bank and in hand		80,161	327,922
Currents assets		22,765,023	20,864,260
Assets		34,493,457	30,901,773

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		1,000,000	1,000,000
Reserve for net revaluation under the equity method		5,207,718	3,563,140
Retained earnings		4,512,302	3,826,093
Equity	7	10,720,020	8,389,233
Credit institutions		3,917,128	2,993,847
Trade payables		7,900,495	7,481,505
Payables to group enterprises		10,718,497	11,826,622
Payables to owners and Management		600,966	0
Corporation tax		194,392	105,688
Other payables		5,446	104,878
Deferred income		436,513	0
Short-term debt		23,773,437	22,512,540
Debt		23,773,437	22,512,540
Liabilities and equity		34,493,457	30,901,773
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Notes to the Financial Statements

1 Key activities

The Company's main activity is trading and agency activities within ingredients and raw materials for the food and refrigeration industry in selected export markets.

	2018 DKK	2017 DKK
2 Staff expenses		
Wages and salaries	552,728	666,054
Other staff expenses	20,711	4,832
	573,439	670,886
Average number of employees	3	3
3 Financial expenses		
Interest paid to group enterprises	336,167	634,743
Other financial expenses	638,819	738,966
Exchange adjustments, expenses	2,279,967	4,054,022
	3,254,953	5,427,731
4 Tax on profit/loss for the year		
Current tax for the year	194,392	105,688
	194,392	105,688

Notes to the Financial Statements

	2018 <u>DKK</u>	2017 <u>DKK</u>
5 Investments in subsidiaries		
Cost at 1 January	6,445,873	6,445,873
Cost at 31 December	<u>6,445,873</u>	<u>6,445,873</u>
Value adjustments at 1 January	3,563,140	4,202,956
Exchange adjustment	367,972	-1,922,389
Net profit/loss for the year	<u>1,276,606</u>	<u>1,282,573</u>
Value adjustments at 31 December	<u>5,207,718</u>	<u>3,563,140</u>
Carrying amount at 31 December	<u>11,653,591</u>	<u>10,009,013</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danimex Algeria EURL	Algeria	DZD 30.000.000	100%

6 Other fixed asset investments

	<u>Deposits</u> <u>DKK</u>
Cost at 1 January	28,500
Additions for the year	<u>46,343</u>
Cost at 31 December	<u>74,843</u>
Carrying amount at 31 December	<u>74,843</u>

Notes to the Financial Statements

7 Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	3,563,140	3,826,093	8,389,233
Exchange adjustments relating to foreign entities	0	367,972	0	367,972
Net profit/loss for the year	0	1,276,606	686,209	1,962,815
Equity at 31 December	1,000,000	5,207,718	4,512,302	10,720,020

Notes to the Financial Statements

	2018 DKK	2017 DKK
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8 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Nordea has received a floating charge in Danimex-Food A/S in the form of a letter of indemnity of DKK 6,000,000 with security in trade receivables, inventories, equipment and goodwill.

The Company has provided a guarantee for the parent company's bank debt amounting to DKK 0 at 31 December 2018.

The Company has provided a guarantee maximized to EUR 800,000 for the Algerian subsidiary's bank debt.

The Company has provided a guarantee maximized to EUR 800,000 for the subsidiary Danimex Algeria EURL.

Rental and lease obligations

Rental obligations, non-cancellable period, 6 months. The monthly rent generally amounts to DKK 11,369; after reduction of discount for size, the monthly rent is DKK 10,828.

64,968	0
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Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SKB Equity ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9 Related parties

The Company is included in the Group Annual Report for the Parent Company:

Name	Place of registered office
SKB Equity ApS	Aarhus

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Danimex-Food A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

A few reclassifications have been made in the comparative figures. The reclassifications do not effect profit and equity.

The Financial Statements for 2018 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Danimex-Food Holding A/S, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Notes to the Financial Statements

10 Accounting Policies (continued)

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

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

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

10 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the parent company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

10 Accounting Policies (continued)

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

10 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.