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# ***Danimex-Food A/S***

Inge Lehmanns Gade 10, DK-8000 Aarhus C

## **Annual Report for 1 January - 31 December 2019**

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CVR No 21 35 50 70

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
14/8 2020

Peter Worre Bech  
Chairman of the General  
Meeting



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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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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

Aarhus, 14 August 2020

## Executive Board

Carl Bruun Jørgensen

## Board of Directors

Peter Worre Bech  
Chairman

Eric Gue Thierry Delarue

Pascale Denise Delarue

Søren Karim Bech

# 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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.

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

# Independent Auditor's Report

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.

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, 14 August 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Rasmus Møllergaard Stenskrøg  
State Authorised Public Accountant  
mne34161

Steffen Damsgaard 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

### **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

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Gross profit/loss</b>		<b>3,260,702</b>	<b>2,709,273</b>
Staff expenses	3	<u>-603,433</u>	<u>-573,439</u>
<b>Profit/loss before financial income and expenses</b>		<b>2,657,269</b>	<b>2,135,834</b>
Income from investments in subsidiaries		1,656,583	1,276,606
Financial income		988,508	1,999,720
Financial expenses	4	<u>-1,925,195</u>	<u>-3,254,953</u>
<b>Profit/loss before tax</b>		<b>3,377,165</b>	<b>2,157,207</b>
Tax on profit/loss for the year	5	<u>-379,500</u>	<u>-194,392</u>
<b>Net profit/loss for the year</b>		<b><u>2,997,665</u></b>	<b><u>1,962,815</u></b>

## Distribution of profit

### Proposed distribution of profit

Reserve for net revaluation under the equity method	1,656,583	1,276,606
Retained earnings	<u>1,341,082</u>	<u>686,209</u>
	<b><u>2,997,665</u></b>	<b><u>1,962,815</u></b>

# Balance Sheet 31 December

## Assets

	Note	2019 DKK	2018 DKK
Investments in subsidiaries	6	13,479,072	11,653,591
Deposits	7	56,655	74,843
<b>Fixed asset investments</b>		<b>13,535,727</b>	<b>11,728,434</b>
<b>Fixed assets</b>		<b>13,535,727</b>	<b>11,728,434</b>
<b>Inventories</b>		<b>173,960</b>	<b>444,934</b>
Trade receivables		5,616,436	3,600,350
Receivables from group enterprises		17,985,020	17,693,629
Other receivables		2,287,547	945,949
<b>Receivables</b>		<b>25,889,003</b>	<b>22,239,928</b>
<b>Cash at bank and in hand</b>		<b>1,556,885</b>	<b>80,161</b>
<b>Currents assets</b>		<b>27,619,848</b>	<b>22,765,023</b>
<b>Assets</b>		<b>41,155,575</b>	<b>34,493,457</b>



# Balance Sheet 31 December

## Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		1,000,000	1,000,000
Reserve for net revaluation under the equity method		7,033,199	5,207,718
Retained earnings		5,853,384	4,512,302
<b>Equity</b>	<b>8</b>	<b>13,886,583</b>	<b>10,720,020</b>
Credit institutions		1,318,708	3,917,128
Trade payables		16,328,695	7,900,495
Payables to group enterprises		9,227,246	10,718,497
Payables to owners and Management		0	600,966
Corporation tax		379,500	194,392
Other payables		14,843	5,446
Deferred income		0	436,513
<b>Short-term debt</b>		<b>27,268,992</b>	<b>23,773,437</b>
<b>Debt</b>		<b>27,268,992</b>	<b>23,773,437</b>
<b>Liabilities and equity</b>		<b>41,155,575</b>	<b>34,493,457</b>
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# Notes to the Financial Statements

## 1 Subsequent events

The implications of COVID-19, with many governments across the world deciding to shut down their countries, will have great impact on the world economy. Management considers these implications a subsequent event occurring after the balance sheet date (31 December 2019), and therefore they will not have any effect on the Annual Report or the results for 2019.

However according to Group Management's evaluation, the COVID-19 crisis will have a negative effect on the results for 2020, because many of our customers in the food industry in Algeria have been forced to shut down (entirely or partially) their production for a certain period. We consider that the crisis will lead to a loss of turnover of approximately 10% with a correspondingly lower profit. Furthermore, the very low oil price in 2020 have led to a devaluation of the Algerian dinar, which will also impact the result negatively. We have estimated the total impact and taken it into account in the revised budget for 2020. Together with the banks, Management has secured sufficient liquidity to face the challenges of the year, as a going concern.

## 2 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.

## 3 Staff expenses

	2019 DKK	2018 DKK
Wages and salaries	583,396	552,728
Other staff expenses	20,037	20,711
	<b>603,433</b>	<b>573,439</b>
<b>Average number of employees</b>	<b>4</b>	<b>3</b>

## 4 Financial expenses

Interest paid to group enterprises	300,000	336,167
Other financial expenses	589,126	638,819
Exchange adjustments, expenses	1,036,069	2,279,967
	<b>1,925,195</b>	<b>3,254,953</b>

## Notes to the Financial Statements

	2019 DKK	2018 DKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	379,500	194,392
	<b>379,500</b>	<b>194,392</b>
<b>6 Investments in subsidiaries</b>		
Cost at 1 January	6,445,873	6,445,873
Cost at 31 December	6,445,873	6,445,873
Value adjustments at 1 January	5,207,718	3,563,140
Exchange adjustment	168,898	367,972
Net profit/loss for the year	1,656,583	1,276,606
Value adjustments at 31 December	7,033,199	5,207,718
<b>Carrying amount at 31 December</b>	<b>13,479,072</b>	<b>11,653,591</b>

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%

### 7 Other fixed asset investments

	Deposits DKK
Cost at 1 January	74,843
Disposals for the year	-18,188
Cost at 31 December	56,655
<b>Carrying amount at 31 December</b>	<b>56,655</b>

# Notes to the Financial Statements

## 8 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	5,207,718	4,512,302	10,720,020
Exchange adjustments	0	168,898	0	168,898
Net profit/loss for the year	0	1,656,583	1,341,082	2,997,665
<b>Equity at 31 December</b>	<b>1,000,000</b>	<b>7,033,199</b>	<b>5,853,384</b>	<b>13,886,583</b>

## 9 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 2019.

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

### Rental and lease obligations

Rental obligations, non-cancellable period, 6 months. Total amount DKK	69,576	64,968
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### Other contingent liabilities

The 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. Moreover, the 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.

# Notes to the Financial Statements

## 10 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

## 11 Accounting Policies

The Annual Report of Danimex-Food A/S for 2019 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.

The Financial Statements for 2019 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 SKB Equity ApS, 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

## 11 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

## 11 Accounting Policies (continued)

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### 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

## 11 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

## 11 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.