

ORANA A/S

CVR no. 21 62 43 06

Annual report for the period

1 October 2015 – 30 September 2016



The Annual General Meeting
adopted the annual report at,
Rynkeby, the 22 December 2016.

A handwritten signature in blue ink, consisting of several loops and strokes, positioned above the text 'Chair of the meeting'.

Chair of the meeting

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Management statement

The Board of Directors and the Executive Management have today considered and approved the annual report of Orana A/S for the financial year 1 October 2015 – 30 September 2016.

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

In our opinion the financial statements gives a true and fair view of the Group and the Company's financial position at 30 September 2016, and of the Group and Company's financial performance and cash flow for the financial year 1 October - 30 September 2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.


Rynkeby, Monday 5 December 2016

Executive Management



Niels Østerberg

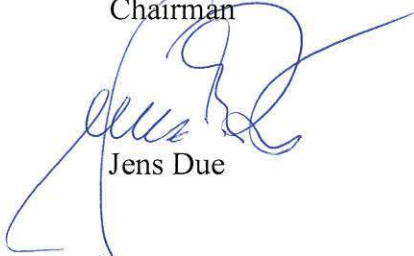
Board of Directors



Per Valstorp
Chairman



Jørgen Dirksen



Jens Due



Frederik Østerberg



Britt Meelby Jensen



Niels Østerberg

Independent Auditor's report

To the Shareholders of Orana A/S

Report on Group Financial Statements and Parent Company Financial Statements

We have audited the Group Financial Statements and the Parent Company Financial Statements of Orana A/S for the financial year 1 October 2015 to 30 September 2016, which comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes for both the Group and the Parent Company. The Group Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Group Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Group Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Group Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Group Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Group Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Group Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 30 September 2016 and of the results of the Group and Company operations as well as the cash flows for the financial year 1 October 2015 – 30 September 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's commentary

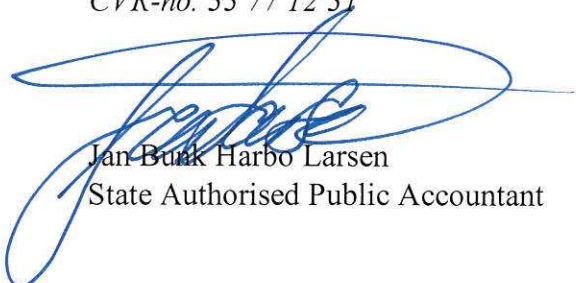
We have read Management's commentary in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Group Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's commentary is consistent with the Group Financial Statements and the Parent Company Financial Statements.

Trekantområdet, 5 December 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33 77 12 31



Jan Bunk Harbo Larsen
State Authorised Public Accountant

Company details

The Company

Orana A/S
Rynkebyvej 243
DK-5350 Rynkeby, Denmark
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E-Mail address: orana@orana.dk
Web-page: www.orana.dk

CVR-no. 21 62 43 06
Financial Year: 1 October– 30 September
Municipality: Kerteminde, Denmark

Board of Directors

Director Per Valstorp, Chairman
Director Jørgen Dirksen
Director Jens Due
Ph. D. Frederik Østerberg
Director Britt Meelby Jensen
Director Niels Østerberg

Executive Management

Niels Østerberg

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle, Denmark

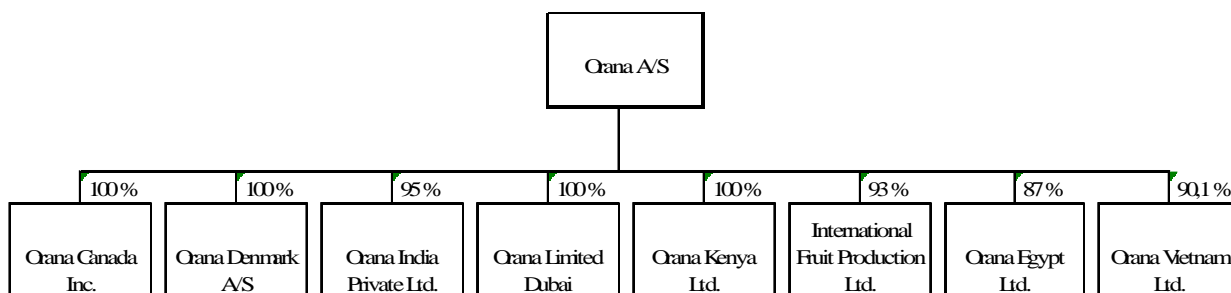
Group Management

General Director Mette Ring
Group Production Director Navdeep Rajpal
Group Purchase Director Carsten Pedersen
Group Finance Director Flemming Hansen
Group Project / Administration Manager Betina Moldt Rasmussen

Group Accounts

The Company's financial statements are a part of the group financial statements for Østerberg Holding ApS, Planen 1, DK-5300 Kerteminde, Denmark.

Group Company Overview for Orana A/S



Financial highlights for the Group

The development in the Group can be described by financial highlights as follows:

	2015-2016 USD '000	2014-2015 USD '000	2013-2014 USD '000	2012-2013 USD '000	2011-2012 USD '000
Key figures					
Income statement					
Turnover	40.923	40.487	35.031	35.161	29.337
Gross profit	9.267	9.596	7.840	7.557	7.308
Operating profit	2.108	2.013	1.112	2.098	1.670
Profit before financials	1.897	2.237	1.140	*2.044	1.552
Net financials	-413	-357	-472	-694	-420
Profit for the year	993	1.275	438	*902	718
Balance:					
Total assets	26.826	25.936	24.474	18.953	17.152
Equity	6.283	5.930	4.901	4.232	3.374
Group cash flow					
Cash flow from:					
- operation activities	1.167	1.061	-2.123	1.238	689
- investment activities	-857	-2.583	-1.419	-1.942	-2.066
Of which investment in Tangible assets	-879	-2,603	-1,337	-1,882	-2,017
- financing activities	-652	-111	2.368	-273	824
Changes in cash for the year	-342	-1.734	-1.174	-977	-553
Average no. of employees					
	315	283	248	202	165
Key figure ratios					
Gross margin	22,6	23,7	22,4	21,5	24,9
Operating margin	4,6	5,5	3,3	6,8	5,3
Return on assets	7,1	8,1	4,7	4,8	9,1
Equity ratio	23,4	22,9	20,0	22,3	19,7
Return on equity	16,3	22,8	9,6	21,3	23,5

Conversion from DKK to USD have been done by using the average of the exchange rate beginning of year and end of year.

*Adjusted figures for compensation received in Egypt in 2012/13 which related to financial year 2009/10.
Profit before financials inclusive the compensation was T.USD 2.394 and profit for the year inclusive the compensation was T.USD 1.251.

Managements commentary

The Financial Statement for Orana A/S for 2015/2016 has been prepared in accordance with the provision of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The financial statements are prepared using the same accounting policies as last year with addition of CSR policy as the company has grown from a medium-sized class C company to report as a large class C company.

The reporting currency has been changed from DKK to USD in order to reflect the activities in the company and as most of the transactions in the company are in USD.

Main activity

The Group's main activity is innovation, sales and production of fruit based semi-manufactures and Food Service products. The processing is done at the group companies Orana Denmark A/S (Danish Fruit Production A/S), Orana Vietnam Ltd. and International Fruit Production Ltd. (Egypt) and as co-packing at producers located close to the main markets. Sales are mainly at the markets in the Middle East, Asia, Europe and Africa.

The Group's strategy is to grow organically, and through various alliances to exploit local market knowledge and thereby increase the Group's overall growth.

Business Development in the year

The profit of the financial year 2015/2016 is not satisfactory and is below our expectations.

Consolidated revenue increased by 0.4 million USD compared to last year, corresponding to an increase of 1.1%. The gross profit percentage decreased from 23.7% to 22.7% due to a change in the product mix. Net profit decreased by 0.3 million USD compared to 2014/15.

Especially the markets in Africa and India have been difficult in 2015/16. In general sales in Africa have been affected by bad markets conditions which also have had impact on the production facility and sales in Egypt. In addition the markets in Middle East are influenced by the decreasing oil price.

After year-end, no special factors that significantly influence the financial statement have occurred.

Business Concept, Objectives and Outlook for the coming year

The Group's business concept is to develop, produce and sell tailor made fruit based semi-manufactures and Food Service products to the global market. The company is also involved in processing of fresh fruit.

The Group aims to be among the best providers of fruit based semi-manufactures and fruit based food service products by developing and produce high quality products in line with demand in individual markets.

There are positive expectations for the financial year 2016/17. We expect increase in sales and net profit as we expect that some of the expense and losses we have had in 2015/16 will turn into profit in 2016/17. Raw material prices are expected to fluctuate as in previous years.

Business risk and other risks

The business risk is spread and lowered in the Group as a part of the Group strategy being close to the customers and near to the raw materials.

However the Group is exposed to fluctuations in the prices of fruit based raw material and in order to minimize this risk the Group signs annual purchase contracts for the fruits where the quantity used is significant.

The Group has disposed so that the Group wherever possible is neutral to the fluctuations in the exchange rates for various currencies.

Intellectual capital resources

Derived from the Group's business concept it is essential that the company's employees maintain and develop their knowledge resources. This is both in regards to sales, development and production.

It is therefore important for the company to attract and retain well-trained employees.

External Environment

Through continuous optimization of processes the Group ensures the least possible strain on the environment, including work on lowering energy consumption per unit produced and to reduce waste.

The Group companies comply with group policies and local statutory and regulatory requirements in regards to both external environment and work environment.

Development

The Group wants to remain among the leaders in its field. The Group expects that the activities within fruit based raw materials will be further enhanced and strengthened in the coming years. In addition, the Group expects a significant growth in the Food Service Sector.

Statutory report on corporate social responsibility

The Orana Group is committed to sustainability in all business activities and aims to apply highest ethical standards in order to ensure the long-term success of the Orana Group and its stakeholders. In support of this goal, the Orana Group and all subsidiaries have subscribed to the UN Global Compact.

In 2007, the Orana Group launched its first CSR policy and Code of Conduct. These specify minimum standards for the Orana Group inclusive of all subsidiaries and for all suppliers and are based on the UN Global Compact principles for:

- 1) Social Practices
- 2) Work Place Health and Safety
- 3) Environment
- 4) Management System

Policies

Social Practices

Policies have been implemented for forced labour, child labour, wages, benefits and working hours, freedom of association and non-discrimination.

The Orana Group has zero tolerance for use of forced labour and child labour.

In regards to wages and benefits, we are paying all staff according to applicable wage laws, including minimum wages, overtime hours and mandated benefits.

As to working hours, the Orana Group has implemented Danish style working hours in its subsidiaries in Vietnam and in Egypt.

For all our sites, the Orana Group encourage its staff to participate in or form a labour union so that staff is able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.

The Orana Group provides a workplace free of harassment and discrimination. The Orana Group always hires and promotes based on qualifications only.

Work Place Health and Safety

The Orana Group ensures that all staff is provided safe, suitable and sanitary work facilities as per ILO convention Article 120.

The Orana Group is further protecting its staff against processes, substances and techniques which are unhealthy, toxic or harmful. All relevant staff are provided with protective equipment and training necessary to safely perform the functions of their positions.

Environment

All Orana Group sites are complying with all applicable Orana Group and local environmental regulations. All required environmental permits and licenses are obtained and their reporting requirements followed.

All Orana Group sites have systems in place to ensure the safe handling of waste and wastewater discharges.

Management Systems

All Orana Group sites identify and comply with applicable laws, regulations and standards here-under quality, safety and environmental standards.

The Orana Group has a zero-policy for corruption and extortion and embezzlement are prohibited. The Orana Group is conducting its business with fair competition and in compliance with all applicable anti-trust laws. Orana Group staff is not allowed to accept any gifts or entertainment and is also not allowed to accept or give kickbacks. All relationships with customers and suppliers are based entirely on sound business decisions and fair dealings.

Finally, the Orana Group routinely carries through audit of suppliers in order to evaluate the quality of raw materials supplied and to verify compliance with its Supplier Code of Conduct.

Key Figures

All Orana Group sites are measuring as follows:

- 1) Absence of staff from work
- 2) Accidents and near-accidents
- 3) Energy consumption
- 4) Wastewater and waste management

Results achieved during 2015/16 are as follows:

Absence of staff has generally developed positively to lower absence.

Accidents and near accidents are being registered and corrective actions are being implemented.

For energy consumption, the site in Denmark has decreased its consumption of electricity and oil/gas per produced ton whereas there is a minor increase in consumption of water per ton. For Egypt, the consumption of electricity is increasing per ton produced, however consumption of oil/gas and water are decreasing. For Vietnam consumption of electricity and water per ton produced has increased whereas consumption of oil/gas has decreased.

In regard to wastewater and waste management, we are seeing a decrease per ton produced in Denmark, Egypt and a minor increase in Vietnam.

Both consumption of energy and wastewater / waste management is being treated on Management Review meetings at all sites where quality goals have been identified and where evaluation and follow-up on results is being done.

Share of the underrepresented sex

The Group follows the Danish Business Authority's recommendation about the underrepresented sex.

In the Board of Directors one woman is elected and the goal is to have at least two women in the Board in 2020.

In the Group's management the sexes represented are equally and the target is considered met.

In general the Group hires the most qualified candidates to vacant positions without considerations about the sex of the candidate. The Groups goal is that on management level the two sexes shall be equally represented and the goal is considered achieved.

In connection with Denmark hosting the 4th Global Confederation of United Nation's Women Deliver in May 2016, the Confederation of Danish Industries presented the photo exhibition "Women Empower Business" where Orana was one of eight companies showcasing how a work-life balance can be achieved.

Group income statement

1 October - 30 September

	Note	2015-2016 T.USD	2014-2015 T.USD
Turnover	1	40.923	40.487
Production costs		(31.656)	(30.891)
Gross profit		9.267	9.596
Sales - and distribution costs		(2.779)	(2.786)
Laboratory costs		(939)	(967)
Administration costs		(3.440)	(3.511)
Operating profit		2.108	2.332
Other income		4	148
Other expenses		(216)	(243)
Profit before financials		1.897	2.237
Financial income	2	522	512
Financial expenses	3	(935)	(869)
Profit before tax		1.484	1.880
Tax for the year	4	(428)	(580)
Profit before minorities		1.056	1.299
Minority interests		(63)	(25)
Profit for the year		993	1.275

Group balance sheet at 30 September

Assets

	Note	2016 T.USD	2015 T.USD
Leasehold improvements		18	26
Land and buildings		4.031	3.914
Plant and machinery		4.265	4.295
Fixtures and fittings		1.177	736
Construction in progress		116	675
Tangible fixed assets	5	9.608	9.647
Fixed assets		9.608	9.647
Inventories	6	7.373	6.617
Trade receivables		6.926	6.973
Receivables from group enterprises		266	309
Other receivables		1.610	2.028
Deferred tax asset	8	181	10
Prepayments		219	229
Receivables		9.201	9.550
Current assets investment		5	7
Current assets		5	7
Cash		639	116
Total current assets		17.218	16.289
Total assets		26.826	25.936

Group balance sheet at 30 September

Liabilities

	Note	2016 T.USD	2015 T.USD
Contributed capital		524	524
Retained earnings		5.609	5.256
Proposed dividend		150	150
Equity	7	6.283	5.930
Minority interests		637	492
Deferred tax	8	0	0
Deferred liabilities		0	0
Credit institutions	9	3.357	4.055
Liabilities to IFU	10	1.191	1.074
Corporate tax		143	263
Long-term liabilities		4.691	5.392
Other credit institutions		8.609	7.744
Credit institutions	9	1.510	1.432
Trade payables		3.323	3.353
Corporate tax		346	148
Other payables		1.427	1.445
Short-term liabilities		15.215	14.122
Total liabilities other than deferred		19.906	19.514
Total liabilities		26.826	25.936
Contingencies and other financial liabilities	11		
Other notes	12-15		

Group cash flow statement for 1 October - 30 September

	Note	2015-2016 T.USD	2014-2015 T.USD
Net profit for the year		993	1.275
Other adjustments	14	1.109	1.478
Changes in working capital	15	(190)	(923)
Cash flow from operations before financial items and tax		1.913	1.830
Financial income		522	512
Financial expenses		(935)	(869)
Cash flow from operations before tax		1.500	1.473
Corporate tax		(333)	(412)
Cash flow from operating activities		1.167	1.061
Investment in tangible assets		(879)	(2.603)
Sold tangible fixed assets		22	19
Cash flow from investment activities		(857)	(2.583)
Paid dividend		(150)	(150)
Financing from debt		0	913
Liabilities to IFU		117	102
Repayment of debt		(619)	(977)
Cash flow from financing activities		(652)	(111)
Change in cash		(342)	(1.634)
Cash 1 October		(7.628)	(5.994)
Cash 30 September		(7.970)	(7.628)

Notes to group account

	2015-2016 T.USD	2014-2015 T.USD
1 Turnover		
Turnover by geographic markets are as follow:		
Denmark	3.073	3.112
Export	37.850	37.375
	40.923	40.487
2 Financial income		
Financial income is specified as follows:		
Foreign exchange gains	510	494
Other financial income	12	18
	522	512
3 Financial expenses		
Financial expenses is specified as follows:		
Foreign exchange losses	198	133
Other financial expenses	738	736
	936	869

Notes to group account

	2015-2016 T.USD	2014-2015 T.USD
4 Corporate tax		
Expensed corporate tax is specified as follows:		
Tax for the year	414	581
Adjustment relating to previous years	133	35
Change in deferred tax for the year	(120)	(35)
	428	580
Corporate tax on operating profit is explained as follows:		
Calculated 22.0 % tax on profit before taxes	326	442
Tax adjustment relating to previous years	133	35
Effect of change in tax rates of difference in deferred and temporary tax	11	(6)
Tax effect of:		
Non- deductible costs	23	26
Change in interest derivatives	(17)	3
None-capitalized losses in foreign companies	104	148
Differences in tax rates in foreign companies	(152)	(67)
	428	580
Corporate taxes paid during the year	333	412

Notes to group account

5 Tangible assets

Investments and write-downs and depreciation on tangible assets specified as follows:

	Leasehold improve- ments	Land and buildings	Plant and machinery	Fixtures and fittings	Construction in progress	Total
Opening balance cost	71	4.634	6.530	2.006	719	13.960
Opening adjustments/transfers	0	0	0	1	0	1
Exchange rate adjustments	0	0	0	0	0	0
Additions during the year	0	446	550	486	189	1.670
Disposals during the year	0	0	-22	0	-792	-813
Closing balance cost	71	5.080	7.058	2.493	116	14.818
Opening balance depreciation	44	929	2.238	1.069	0	4.279
Opening adjustments/transfers	0	0	0	0	0	0
Exchange rate adjustments	0	0	0	0	0	0
Depreciation during the year	9	120	555	247	0	931
Reversed depreciation relating to disposals	0	0	0	0	0	0
Closing balance depreciation	53	1.049	2.793	1.316	0	5.210
Carrying amount at 30 September	18	4.031	4.265	1.177	116	9.608

Carrying amount of financial leased assets 190

Notes to group account

	2016 T.USD	2015 T.USD
6 Inventories		
Inventories can be specified as follows:		
Raw materials	4.829	4.366
Work in progress	274	191
Finished goods	2.270	2.060
	7.373	6.617

7 Equity

Transactions in equity are specified as follows:

	Contributed capital	Retained earnings	Proposed dividend	Total
Equity 1 October	524	5.256	150	5.930
Other equity movements	0	(347)	0	(347)
Paid dividend	0	0	(150)	(150)
Exchange rate adjustments relating to independent foreign entities	0	(80)	0	(80)
Profit for the year	0	843	150	993
Net fair value adjustments	0	(63)	0	(63)
Equity 30 September	524	5.609	150	6.283

The contributed capital consists of 3.500 shares with a nominal value of DKK 1.000. No shares carry special rights.

Notes to group account

	2016 T.USD	2015 T.USD
8 Deferred tax		
Transactions in deferred tax are specified as follows:		
Deferred tax 1 October	(10)	25
Adjustments beginning of year	(51)	(2)
Deferred tax during the year	(120)	(33)
Deferred tax 30 September	(181)	(10)
Deferred tax are specified as follows:		
Tangible assets	112	89
Inventories	18	32
Trade receivables	(3)	(3)
Tax value of loan costs	25	(2)
Prepayments	3	36
Tax value of losses carried forward	(24)	0
Not specified for subsidiaries	(311)	(161)
	(181)	(10)
9 Credit institutions		
Payments, due after 5 years	737	1.404
Payments, due after 1 year and within 5 years	2.621	2.651
Long-term liabilities	3.357	4.055
Payments, due within 1 year	1.510	1.432
	4.868	5.487
10 Liabilities to IFU		
Payments, due after 1 year and within 5 years	1.191	1.074
Long-term liabilities	1.191	1.074

Notes to group account

11 Contingencies and other financial liabilities

	2016 T.USD	2015 T.USD
Contingencies:		
Rental and lease agreements		
The company has signed lease-agreements where the remaining leases commitment amounts to	<u>208</u>	<u>153</u>
The company has signed rental commitments with 12-month period of irrevocability for a total of	<u>489</u>	<u>567</u>
Collateral security		
The following assets are pledged as security for credit institutions		
Land and buildings with a carrying amount of	<u>2.321</u>	<u>2.203</u>
Plant and machinery with a carrying amount of	<u>3.129</u>	<u>2.755</u>

In addition, as security for any outstanding balances with the Banks of the Company mortgage deeds totaling nom. T.DKK. 2.240 are issued, secured on the Groups land and buildings, as well as business mortgage maximized to T.DKK. 20.000 lien on assets, accounts receivable and inventories.

As security for any outstanding balance that Osterberg Ice Cream A / S may have with the Bank, the parent company has given suretyship (facility T.DKK. 1.000).

As security for any outstanding balance that Osterberg Service & Trading A / S may have with the Bank, the parent company has given suretyship (facility T.DKK. 3.000).

As security for Orana Vietnam Ltd.'s balance with The Investment Fund for Developing Countries (IFU) the parent company has given suretyship for 50% of any outstanding, which may arise in connection with the of IFU provided loan of T.USD 1,500 for Orana Vietnam Ltd. where the outstanding debt per 30/9 2016 amount to T.USD 938.

As security for International Fruit Production balance with The Investment Fund for Developing Countries (IFU) the group company has given suretyship for 50% of any outstanding, which may arise in connection with the of IFU provided loan of T.USD 1.570 for International Fruit Production where the outstanding debt per 30/9 2016 amount to T.USD 589.

As security for International Fruit Production balance with The Investment Fund for Developing Countries (IFU) the group company has given demand guarantee of any outstanding, which may arise in connection with the of IFU provided loan of T.USD 1.000 for International Fruit Production where the outstanding debt per 30/9 2016 amount to T.USD 750.

The Group's Danish companies are jointly and severally liable for tax on consolidated taxable income. As Østerberg Holding ApS is the management company the total amount of income tax payable are shown in its Annual Report.

Notes to group account

	2015-2016 T.USD	2014-2015 T.USD
12 Staff costs		
Staff costs amount to:		
Wages and salaries	6.316	5.889
Pension contribution	557	532
Other social security expenses	317	315
	7.191	6.736
and are expensed as follows:		
Production costs	2.376	2.245
Sales- and distribution costs	1.743	1.603
Laboratory costs	667	706
Administration costs	2.405	2.182
	7.191	6.736
Salaries and remuneration to:		
Executive Management and Board of Directors	592	483
Average number of employees	315	283
13 Fee to auditors elected at the Annual General Meeting		
Audit fee	45	42
Other fees	20	10
	65	52
14 Other adjustments (cash flow)		
Depreciation and amortisation of intangible and tangible assets	931	815
Financial income	(522)	(512)
Financial expenses	935	869
Opening- and exchange rate adjustments	(1)	(66)
Other adjustments	(234)	371
	1.109	1.478
15 Change in working capital (cash flow)		
Change in inventories	(756)	1.204
Change in receivables	520	(1.719)
Prepaid tax and withholding tax abroad (tax receivables)	94	(29)
Change in trade payables and other liabilities	(48)	(378)
	(190)	(923)

Parent income statement

1 October - 30 September

	Note	2015-2016 T.USD	2014-2015 T.USD
Turnover	1	25.765	32.488
Production costs		(20.975)	(26.355)
Gross profit		4.790	6.133
Sales - and distribution costs		(2.050)	(2.062)
Laboratory costs		(267)	(641)
Administration costs		(1.736)	(2.322)
Operating profit		737	1.108
Other income		333	470
Other expenses		(184)	(212)
Profit before financials		886	1.366
Income from investments in group enterprises	6	474	208
Financial income	2	410	505
Financial expenses	3	(436)	(438)
Profit before tax		1.334	1.642
Tax for the year	4	(340)	(367)
Profit for the year		993	1.275

Distribution of profit

Proposed distribution of profit

Transferred to reserve for net revaluation under the equity method	64	259
Proposed dividend	150	150
Retained earnings	779	866
	993	1.275

Parent balance sheet at 30 September

Assets

	Note	2016 T.USD	2015 T.USD
Leasehold improvements		18	26
Land and buildings		0	731
Plant and machinery		0	863
Fixtures and fittings		226	251
Construction in progress		0	419
Tangible fixed assets	5	243	2.291
Investments in group enterprises	6	7.305	4.850
Fixed asset investments		7.305	4.850
Fixed assets		7.549	7.141
Inventories	7	221	2.759
Trade receivables		4.475	5.942
Receivables from group enterprises		6.581	5.262
Other receivables		435	489
Deferred tax asset	10	17	0
Prepayments	8	125	162
Receivables		11.632	11.856
Current assets investment		5	7
Current assets		5	7
Total current assets		11.858	14.622
Total assets		19.407	21.763

Parent balance sheet at 30 September

Liabilities

	Note	2016 T.USD	2015 T.USD
Contributed capital		524	524
Reserve for net revaluation under the equity method		2.474	2.369
Retained earnings		3.136	2.887
Proposed dividend		150	150
Equity	9	6.283	5.930
Deferred tax	10	0	151
Deferred liabilities		0	151
Credit institutions	11	983	2.170
Liabilities to IFU	12	1.190	1.074
Corporate tax		143	263
Long-term liabilities		2.316	3.507
Other credit institutions		5.241	6.083
Credit institutions	11	150	343
Trade payables		1.508	2.528
Payables to group enterprises		3.204	2.321
Corporate tax		241	59
Other payables		464	840
Short-term liabilities		10.808	12.175
Total liabilities other than deferred		13.124	15.683
Total liabilities		19.407	21.763
Contingencies and other financial liabilities	13		
Other notes	14-18		

Parent cash flow statement for 1 October - 30 September

	Note	2015-2016 T.USD	2014-2015 T.USD
Net profit for the year		993	1.275
Other adjustments	17	(35)	352
Changes in working capital	18	2.528	(1.725)
Cash flow from operations before financial items and tax		3.486	(99)
Financial income		410	505
Financial expenses		(436)	(438)
Cash flow from operations before tax		3.460	(31)
Corporate tax		(102)	(173)
Cash flow from operating activities		3.358	(204)
Investment in financial fixed assets		(2.518)	0
Transfer financial fixed assets from demerger		1.497	0
Investment in tangible fixed assets		(81)	(581)
Cash flow from investment activities		(1.102)	(581)
Paid dividend		(150)	(150)
Liabilities to IFU		116	102
Repayment of debt		(1.381)	(340)
Cash flow from financing activities		(1.415)	(388)
Change in cash		842	(1.173)
Cash 1 October		(6.083)	(4.910)
Cash 30 September		(5.241)	(6.083)

Notes to parent account

	2015-2016 T.USD	2014-2015 T.USD
1 Turnover		
Turnover by geographic markets are as follow:		
Denmark	0%	9%
Export	100%	91%
	25.765	29.516
	25.765	32.488
2 Financial income		
Financial income is specified as follows:		
Foreign exchange gains	284	380
Financial income group enterprises	115	112
Other financial income	11	14
	410	505
3 Financial expenses		
Financial expenses is specified as follows:		
Foreign exchange losses	108	32
Other financial expenses	329	406
	436	438

Notes to parent account

	2015-2016 T.USD	2014-2015 T.USD
4 Corporate tax		
Expensed corporate tax is specified as follows:		
Tax for the year	168	304
Adjustment relating to previous years	133	5
Tax asset achieved during the year	88	0
Change in deferred tax for the year	(49)	58
Total Tax	340	367
Corporate tax on operating profit is explained as follows:		
Calculated 22.0 % tax on profit before taxes	293	386
Tax adjustment relating to previous years	133	5
Effect of change in tax rates of difference in deferred and temporary tax	11	(4)
Tax effect of:		
Results for subsidiaries	(104)	(49)
Non- deductible costs	23	26
Change in interest derivatives	(17)	3
	340	367
Corporate taxes paid during the year	102	173

Notes to parent account

5 Tangible assets

Investments and write-downs and depreciation on tangible assets specified as follows:

	Leasehold improve- ments	Land and buildings	Plant and machinery	Fixtures and fittings	Construction in progress	Total
Opening balance cost	71	1.301	1.937	824	419	4.552
Transfer demerger to Orana Denmark A/S	0	(1.301)	(1.937)	(247)	(419)	(3.904)
Additions during the year	0	0	0	81	0	81
Disposals during the year	0	0	0	0	0	0
Closing balance cost	71	0	0	657	0	728
Opening balance depreciation	45	570	1.074	573	0	2.261
Transfer demerger to Orana Denmark A/S	0	(570)	(1.074)	(204)	0	(1.848)
Depreciation during the year	9	0	0	63	0	72
Reversed depreciation relating to disposals	0	0	0	0	0	0
Closing balance depreciation	54	0	0	432	0	485
Carrying amount at 30. September	18	0	0	226	0	243

Distribution of depreciation is as follows

Laboratory costs	0	0	0	13	0	13
Administration costs	9	0	0	50	0	59
	9	0	0	63	0	72

Notes to parent account

	2016 T.USD	2015 T.USD
6 Investments in subsidiaries		
Opening balance cost	2.258	2.278
Additions during the year	2.518	0
Disposals during the year	0	(20)
Closing balance cost	4.776	2.258
Revaluation 1 October	2.369	1.879
Exchange rate adjustment	41	246
Profit share	474	196
Net fair value adjustments	(410)	48
Revaluation 30 September	2.474	2.369
Carrying amount 30 September	7.250	4.627
Negative investments is offset against receivables	55	223
Investments in subsidiaries	7.305	4.850

Investments in subsidiaries is specified as follows:

Name	Home	Company capital	Owned share consolidated in the annual report
Orana Canada Inc.	Edmonton Canada	0	100,0%
Orana Denmark A/S being formed	Rynkeby Denmark	DKK 10.000.000	100,0%
Orana India Ltd.	Delhi Indien	INR 3.638.494	95,0%
Orana Limited	Dubai UAE	0	100,0%
Orana Kenya Ltd.	Nairobi Kenya	KSH 1.000.000	100,0%
International Fruit Production Joint-Stock Company	Cairo Egypten	EGP 18.500.000	93,0%
Orana Egypt, Joint-Stock Company	Cairo Egypten	EGP 1.500.000	87,0%
Orana Vietnam Ltd.	Ho Chi Minh City, Vietnam	USD 420.000	90,1%

Notes to parent account

6 Investments in subsidiaries - (continued)

Specifications of the individual subsidiaries

(T.USD)	Orana Denmark A/S being formed	Orana India Ltd.	Orana Kenya Ltd.	International Fruit Production Ltd. Egypten	Orana Egypt Ltd.	Orana Vietnam Ltd.	Total
Opening balance cost	0	77	10	1.469	48	655	2.258
Additions during the year	1.497			1.021			2.518
Closing balance cost	1.497	77	10	2.490	48	655	4.776
Revaluations 1 October	0	213	(74)	(1.628)	(48)	3.905	2.369
Profit share	20	(213)	6	(429)	0	1.090	474
Exchange rate adjustment	1	(2)	3	(12)		51	41
Net fair value adjustments	4			(414)			(410)
Revaluations 30 September	25	(1)	(65)	(2.483)	(48)	5.046	2.474
Carrying amount at 30 September	1.522	76	(55)	7	0	5.701	7.250
Negative investments is offset against receivables							55
Investments in subsidiaries							7.305

Notes to parent account

	2016 T.USD	2015 T.USD
7 Inventories		
Inventories can be specified as follows:		
Raw materials	0	1.803
Finished goods	221	956
	221	2.759

8 Prepayments

Prepayments consist of prepaid expenses related to rent, insurance, fees, subscriptions etc.

9 Equity

Transactions in equity are specified as follows:

(T.USD)	Contributed capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity 1 October	524	2.369	2.889	150	5.932
Adjustments re demerger from Orana to Orana Denmark A/S	0	0	(122)	0	(122)
Paid dividend	0	0	0	(150)	(150)
Exchange rate adjustments relating to independent foreign entities	0	41	0	0	41
Profit for the year	0	64	779	150	993
Net fair value adjustments	0	0	(410)	0	(410)
Equity 30 September	524	2.474	3.136	150	6.283

Contributed capital for the past 5 years specified as follows:

	2015/16	2014/15	2013/14	2012/13	2011/12
Contributed capital	524	524	524	524	524
Transactions during the year	0	0	0	0	0
Closing balance cost	524	524	524	524	524

The contributed capital consists of 3.500 shares with a nominal value of DKK 1.000.
No shares carry special rights.

Notes to parent account

	2016 T.USD	2015 T.USD
10 Deferred tax		
Transactions in deferred tax are specified as follows:		
Deferred tax 1 October	151	96
Adjustments beginning of year, demerger	(119)	0
Change in deferred tax during the year	(49)	55
Deferred tax 30 September	(17)	151
Deferred tax are specified as follows:		
Tangible assets	(42)	89
Inventories	0	32
Trade receivables	(2)	(3)
Prepayments	27	36
Tax value of loan costs	0	(2)
	(17)	151
11 Credit institutions		
Payments, due after 5 years	384	981
Payments, due after 1 year and within 5 years	599	1.189
Long-term liabilities	983	2.170
Payments, due within 1 year	150	343
	1.132	2.513
12 Liabilities to IFU		
Payments, due after 1 year and within 5 years	1.190	1.074
Long-term liabilities	1.190	1.074

Notes to parent account

	2016 T.USD	2015 T.USD
13 Contingencies and other financial liabilities		
Rental and lease agreements		
The company has signed lease-agreements maturing on 1/10 2018.		
The remaining leases commitment amounts to	86	59
The company has signed rental commitments with 12-month period of irrevocability, but not earlier than 1/7 2024 for a total of	442	496
Collateral security		
The following assets are pledged as security for credit institutions		
Land and buildings with a carrying amount of	0	731
Plant and machinery with a carrying amount of	0	863
In addition, as security for any outstanding balances with the Banks of the Company a business mortgage are issued maximized to T.DKK. 20.000 lien on assets, accounts receivable and inventories.		
As security for any outstanding balance that Osterberg Ice Cream A / S may have with the Bank, the parent company has given suretyship (facility T.DKK. 1.000).		
As security for any outstanding balance that Osterberg Service & Trading A / S may have with the Bank, the parent company has given suretyship (facility T.DKK. 3.000).		
As security for Orana Vietnam Ltd.'s balance with The Investment Fund for Developing Countries (IFU), the parent company has given suretyship for 50% of any outstanding, which may arise in connection with the of IFU provided loan of T.USD 1,500 for Orana Vietnam Ltd. where the outstanding debt per 30/9 2016 amount to T.USD 938.		
As security for International Fruit Production balance with The Investment Fund for Developing Countries (IFU) the group company has given suretyship for 50% of any outstanding, which may arise in connection with the of IFU provided loan of T.USD 1.570 for International Fruit Production where the outstanding debt per 30/9 2016 amount to T.USD 589.		
As security for International Fruit Production balance with The Investment Fund for Developing Countries (IFU) the group company has given demand guarantee of any outstanding, which may arise in connection with the of IFU provided loan of T.USD 1.000 for International Fruit Production where the outstanding debt per 30/9 2016 amount to T.USD 750.		
The Parent company has given a letter of support to Orana India Pvt. Ltd. wherein it is stated that Orana A/S will support Orana India Pvt. Ltd. With the fund which may be necessary in order for Orana India Pvt. Ltd. to continue its operations.		

Notes to parent account

	2016 T.USD	2015 T.USD
14 Staff costs		
Staff costs amount to:		
Wages and salaries	1.645	3.494
Pension contribution	191	422
Other social security expenses	98	177
	1.934	4.094
and are expensed as follows:		
Production costs	0	1.410
Sales- and distribution costs	723	772
Laboratory costs	147	487
Administration costs	1.064	1.426
	1.934	4.094
Salaries and remuneration to:		
Executive Management and Board of Directors	275	246
	275	246
Average number of employees	31	61
15 Fee to auditors elected at the Annual General Meeting		
Audit fee	19	19
Other fees	4	4
	23	23

16 Related parties

Related parties comprise the Board of Directors, the Executive Management and General Managers in the group enterprises as well as companies in which these persons have significant interests.

The Company is included in the consolidated financial statements of the ultimate parent company, Østerberg Holding ApS.

Transactions among group enterprises have been done at arm-length principle.

Apart from intercompany transactions and usual remuneration of the management, there have not been carried transactions through with Board of Directors, Executive Management, other management, shareholders, associated companies or other related parties.

Notes to parent account

	2016 T.USD	2015 T.USD
17 Other adjustments (cash flow)		
Depreciation and amortisation of intangible and tangible assets	72	261
Income from investments	(474)	(208)
Other foreign exchange adjustments	1	(1)
Financial income	(410)	(505)
Financial expenses	436	438
Tax for the year	340	367
	(35)	352
18 Change in working capital (cash flow)		
Change in inventories	2.538	(224)
Change in receivables	241	(2.714)
Change in negative investments, in offset against receivables	168	(218)
Prepaid tax and withholding tax abroad (tax receivables)	94	(29)
Change in trade payables and other liabilities	(513)	1.459
	2.528	(1.725)

Accounting policies

Basis of Preparation

The Annual Report of Orana A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

For 2015/16 the management has chosen to pre-implement the Financial Statements Act § 123 paragraph 2 regarding the consolidation method which is effective for fiscal years commencing 1 January 2016 or later according to Law no. 738 of 1 June 2015. The pre-implementation means that the Groups intercompany associations are regarded as happened at the time of the acquisition at the values stated in the financial statements based on which the comparison figures have not been changed. Other changes in the Danish Financial Statements Act, which comes into force on 1 January 2016 are not implemented in the annual report.

A few reclassifications have been made in the Annual Report. In these occasions the comparison figures have been adjusted in order to follow the new classification. The reclassification has no impact on the profit of the year nor on the equity as per 30 September 2016.

As the main part of the Groups transactions are in USD the Annual Report for 2015/16 is presented in T.USD which is a change compared to previous years which was presented in DKK. Apart from the change in the presentation currency the accounting policies applied remain unchanged from last year.

Basis of consolidation

The Group Financial Statements comprise the Parent Company, Orana A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. The Group consists of Orana A/S, Orana Denmark A/S, Orana Vietnam Ltd., Orana India Ltd, Orana Kenya Ltd., Orana Egypt Ltd., International Fruit Production Ltd., Orana Limited Dubai and Orana Canada Inc.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized.

Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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.

Change in presentation currency

The presentation currency has been changed from DKK to USD. The comparative figures of the income statement have been translated into USD at the average exchange rate for USD/DKK of 6,298 for 2014/15. The comparative figures of the balance sheet have been translated into USD at the year-end rate for USD/DKK of 6,680 at 30 September 2015.

The average exchange rate for 2015/16 for USD/DKK is 6,678 and the year-end rate for USD/DKK is 6,676 at 30 September 2016.

Policies re transactions in foreign currency

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are recorded at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

The income statement of foreign subsidiaries which are legal entities are recognized at a yearly average exchange rate. Balances are translated at the exchange rate at the year-end date. Exchange differences from changing the legal entities equity beginning of year are posted direct at the equity.

Hedging

The Company uses foreign exchange and interest rate instruments to hedge future transactions. The value of these instruments is recognized in the balance sheet. The change in fair value is recognized in the equity as retained earnings.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Income statement**Turnover**

Revenue from the sale of goods for resale and finished goods is recognized in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Turnover is recognized exclusive of VAT and net of discounts relating to sales.

Production costs

Production costs comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc., as well as operation, administration, management of factories and external production costs.

Sales- and distribution costs

Sales- and distribution costs comprise costs for sales- and distribution employees, advertisement and marketing costs and depreciation of goodwill.

Laboratory costs

Laboratory costs include costs for laboratory and construction employees, laboratory equipment including supporting aids and amortization of know-how and fixtures and fittings with the part that is related to laboratory activity.

Administration costs

Administration costs comprise for Management, administrative staff, office expenses, rent of offices, depreciation, etc. Amortization of fixtures and fittings with the part that is related to administration activity.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises.

Income from investments in Group enterprises

In the profit and loss statement, the proportionate share of the net profit for the year is calculated under the items: "Income from investments in Group enterprises".

Since 2001/02, Orana A/S has co-operated with the Investment Fund for Developing Countries (IFU) on Orana Vietnam Ltd. In 2004/05, the co-operation was extended to also include Orana India Ltd., and finally Orana Egypt and International Fruit Production Egypt was included in 2006/07.

Exit Agreements between Orana A/S and IFU contain a term defining that Orana A/S after a period has to buy back IFU's shares at a predetermined price calculated as original deposited share capital plus an annual rate of return. Based on a substantive consideration, the shares are therefore considered transferred from IFU to Orana A/S.

Above listed companies are recognized as subsidiaries with the current shareholding percentage of each subsidiary.

An obligation has been calculated to IFU in the annual report on IFU's original paid in share capital plus an annual return of investment.

The annual interest rate is recorded as an interest expense.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realized and unrealized exchange adjustments, price adjustment of securities, amortization of

mortgage loans.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance sheet

Tangible fixed assets

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	5 years
Land and buildings	10 - 20 years
Plant and machinery	5 - 20 years
Other fixtures and fittings, tools and equipment	3 - 5 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the parent company's accounting policy.

The total net revaluation of investments in subsidiaries and associates 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 subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognized at USD 0 and the negative balance is deducted in receivable and second recognized as provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value. The net realizable value of inventories is calculated as the amount expected to be generated in the ordinary course of business less sales and completion costs. The net realizable value is calculated taking into account marketability, obsolescence and development in expected sales.

The cost of finished goods and work in progress includes the cost of raw materials, direct labor costs and production overheads. Indirect production costs include indirect materials and salaries, maintenance of machinery and equipment as well as workshop, warehouse and production management. And finally costs in connection with quality control.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest etc.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Dividend

Dividend distribution proposed by the Board of Directors 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, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by setoff 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized 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.

Tax receivables and liabilities are offset to the extent that there is a legal right to do so and the items are expected to be settled net or simultaneously.

Financial debts

Other debts are measured at amortized cost, substantially corresponding to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing, and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flow from operating activities

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operation items, working capital changes and income taxes paid.

Cash flow from investing activities

Cash flow from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investment as well as purchase and sale of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flow from operating activities

Cash flow from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, installments on interest-bearing debt and payment of dividend.

Cash

Cash and cash equivalents comprise cash and less short-term bank debt.

The cash flow statement cannot be inferred from the published financial statements.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analyst.

The key figures are calculated as follows:

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Turnover}}$	Equity ratio	=	$\frac{\text{Equity year-end} \times 100}{\text{Balance sheet total}}$
Operating margin	=	$\frac{\text{Profit before financials} \times 100}{\text{Turnover}}$	Return on equity	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$
Return on assets	=	$\frac{\text{Profit before financials} \times 100}{\text{Balance sheet total}}$			