Orana A/S

Rynkebyvej 243, DK-5350 Rynkeby

Annual Report for 1 October 2019 - 30 September 2020

CVR No 21 62 43 06

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 27/12 2020

Mette Ring O'Donnell
Chairman of the General Meeting

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Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Orana A/S for the financial year 1 October 2019 - 30 September 2020.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 September 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2019/20.

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

Rynkeby, 21 December 2020

Executive Board

Niels Olaf Østerberg
Managing Director

Board of Directors

Per Toft Valstorp Chairman	Helle Ringer Gudmand	Lisbeth Juhl Christensen
Jørgen Groth Dirksen	Jens Erik Bjørnsbo Due	Frederik Westergaard Østerberg
Niels Olaf Østerberg		

Independent Auditor's Report

To the Shareholder of Orana A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Orana A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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.

Statement on Management's Review
Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the 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 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 Group's and 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 Group or 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 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 and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

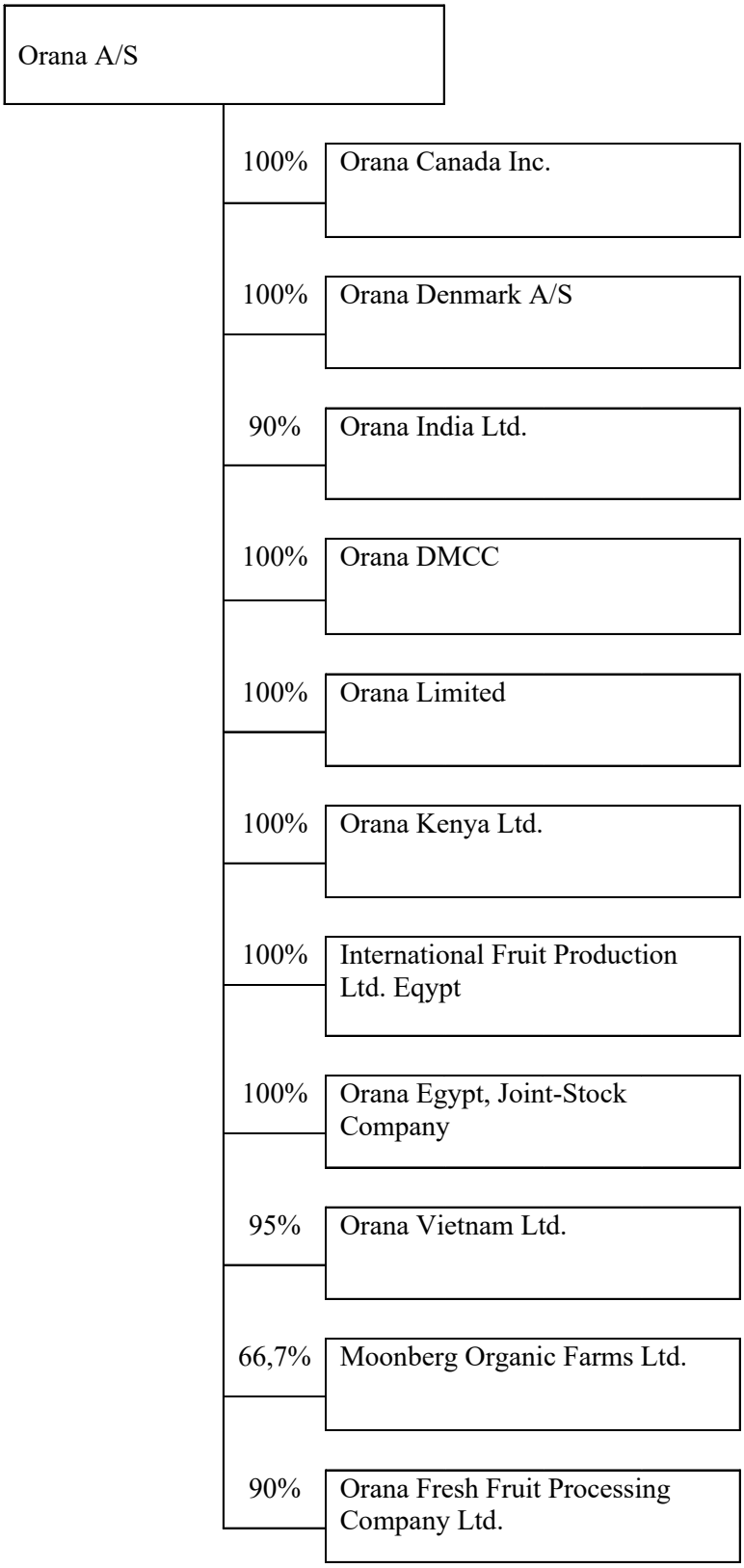
Trekantområdet, 21 December 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
statsautoriseret revisor
mne30224

Company Information

The Company	Orana A/S Rynkebyvej 243 DK-5350 Rynkeby CVR No: 21 62 43 06 Financial period: 1 October - 30 September Municipality of reg. office: Kerteminde
Board of Directors	Per Toft Valstorp, Chairman Helle Ringer Gudmand Lisbeth Juhl Christensen Jørgen Groth Dirksen Jens Erik Bjørnsbo Due Frederik Westergaard Østerberg Niels Olaf Østerberg
Executive Board	Niels Olaf Østerberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle
Group Management	Ms. Mette Ring O'Donnell, Group Director, Food Service Ms. Sia Oskarson, Group Director, Fruit Based Raw Materials Ms. Shalini Yadav, Group Head of Finance Mr. Navdeep Rajpal, Group Production Director

Group Chart


Orana A/S
100%
Orana Canada Inc.
100%
Orana Denmark A/S
90%
Orana India Ltd.
100%
Orana DMCC
100%
Orana Limited
100%
Orana Kenya Ltd.
100%
International Fruit Production Ltd. Eqypt
100%
Orana Egypt, Joint-Stock Company
95%
Orana Vietnam Ltd.
66,7%
Moonberg Organic Farms Ltd.
90%
Orana Fresh Fruit Processing Company Ltd.

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2019/20	2018/19	2017/18	2016/17	2015/16
	T.USD	T.USD	T.USD	T.USD	T.USD
Key figures					
Profit/loss					
Revenue	55,542	50,586	46,199	39,801	40,923
Gross profit/loss	12,286	12,479	12,273	9,632	9,267
Operating profit/loss	2,779	2,947	2,109	1,737	2,108
Profit/loss before financial income and expenses	2,733	2,600	2,558	1,419	1,897
Net financials	-1,157	-773	-1,411	-1,167	-413
Net profit/loss for the year	1,149	1,325	931	155	1,056
Balance sheet					
Balance sheet total	33,362	32,704	30,047	29,881	26,826
Equity	8,150	7,808	6,923	6,578	6,920
Cash flows					
Cash flows from:					
- operating activities	-1,630	1,652	3,909	-905	1,166
- investing activities	-1,467	-911	-2,223	-2,163	-857
including investment in property, plant and equipment	-1,330	-891	-2,223	-2,163	-879
- financing activities	2,846	-488	-1,506	2,648	-652
Change in cash and cash equivalents for the year	-251	253	180	-420	-343
Number of employees	392	404	332	329	315
Ratios					
Gross margin	22.1%	24.7%	26.6%	24.2%	22.6%
Profit margin	4.9%	5.1%	5.5%	3.6%	4.6%
Return on assets	8.2%	8.0%	8.5%	4.7%	7.1%
Solvency ratio	24.4%	23.9%	23.0%	22.0%	25.8%
Return on equity	14.4%	18.0%	13.8%	2.3%	15.4%

For definitions, see under accounting policies.

Management's Review

Consolidated and Parent Company Financial Statements of Orana A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Consolidated and Parent Company Financial Statements have been prepared under the same accounting policies as last year.

Business Model

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 and as co-packing at producers located close to the main markets. Sales are mainly at the markets in the Middle East, Asia, Africa and Europe.

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.

Development in the year

The income statement of the Group for 2019/20 shows a profit of T.USD 1,149, and at 30 September 2020 the balance sheet of the Group shows equity of T.USD 8,150.

The profit of the financial year 2019/20 is satisfactory, but not within our expectations due to COVID-19.

Consolidated revenue increased by USD 5 million compared to last year, corresponding to an increase of 9,7 %. The gross profit percentage decreased from 24.7% to 22.1% due to change in product mix. Net profit decreased by USD 0.176 million (13%) compared to 2018/19. The earnings in 2019/20 are especially influenced by a general increase in industrial sales.

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. Further to this the risk is also spread on product categories.

However, the Group is exposed to fluctuations in the prices of fruit based raw material.

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 the most qualified employees.

Management's Review

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 growth in copacking as well as the Food Service activities, however it is difficult to predict the impact COVID-19 will have on the sales in the future, especially within Food Service.

Business Concept and Objectives

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 most innovative and proactive provider 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.

Targets and expectations for the year ahead

There is a moderate expectation for the financial year 2020/21. We expect minor growth in sales and the net profit is expected to be in line with what we have achieved this year.

Management's Review

Report on Corporate Social Responsibility as per Section 99 a of the Danish Financial Statements

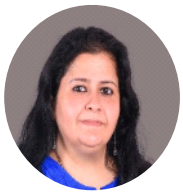
"The Orana Group is committed to sustainability in all business activities and aims to apply highest ethical standards in order to strengthen the long-term success of the Orana Group and its stake-holders. We have in 2019/20 and will continue in 2020/21 to intensify our work on CSR, Sustaina-bility and SDGs for the entire Orana Group."

Niels Østerberg, Director of the Orana Group

Niels Østerberg
Director

Mette Ring O'Donnell
Group Director Food Service

Sia Oskarson
Group Director Fruit Based Raw



Shalini Yadav
Group Head of Finance

Navdeep Rajpal
Group Director Production

The Orana Group ensures that all social, ethical and environmental requirements we pose to ourselves, customers, suppliers and co-operation partners are followed. In support of this, the Orana Group implemented a Supplier Code of Conduct in 2007 and since then all Orana Group production companies have subscribed to the UN Global Compact. Both specify minimum standards expected of Orana and its suppliers and are based on principles for:

Human Rights – Labour – Environment – Anti-Corruption

In the Orana Group, all staff is committed to keeping these principles. The Orana Group further requires its suppliers to explicitly acknowledge and adhere to the principles embodied in the Code of Conduct to ensure that their own suppliers also will comply with these principles. Commitment is also confirmed through supplier audits and questionnaires.

Betina Moldt Rasmussen,

Group CSR Manager

UN's Global Goals (SDGs)

In the Orana Group, we have been actively working on the SDGs since 2016. CSR, Sustainability and SDGs are management driven in the Orana Group as we – as a company – want to ensure that our company is contributing to a sustainable future for everyone. Our goal is to minimize our footprint and ultimately to have a neutral footprint in the world.

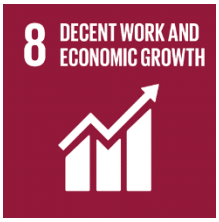
As a global company we are working with a shared set of values and principles for good and ethical business conduct. We see the SDGs as a business driver to support our vision to be a sustainable value-based company and at the same time creating value to the company.

In September 2015, the 193 Member States of the United Nations adopted Agenda 2030 with 17 Sustainable Development Goals (SDGs). The aim of the SDG's is to solve and/or minimize the world's biggest problems by 2030.

Management's Review

For this reason, the Orana Group started participating in a 2 year project starting in 2018 called "From Global Goals to Local Business". This project was facilitated by the Confederation of Danish Industries and ended in August 2020. The aim of the project was for the 21 participating companies to integrate the UN Sustainable Development Goals (SDGs) into each company's strat-egy to ensure a sustainable development.

The following 3 SDGs are the prioritized SDGs which the Orana Group successfully integrated in its strategy:



SDG 8: Decent Work and Economic Growth

Orana is currently having production and innovation centers in Denmark, Egypt, India and Vietnam. Furthermore, Orana is having sales offices in the same countries plus in Canada, China, Kenya, Malaysia, Sri Lanka and the UAE. At all sites, Orana is providing employment and decent work for its staff irrespective of nationality, gender and religion. The Orana Group has policies implemented for forced labour, child labour, wages, benefits, working hours, freedom of association and non-discrimination. We also encourage our staff to participate in or form a labour union so that all staff are able to communicate openly and are able to negotiate collectively. These establishments support economic growth through the purchase of raw materials and services locally.

SDG 5: Gender Equality

In the Orana Group, we are working specifically to create good working conditions and offer opportunities for all of our staff hereunder our many female employees. We have further implemented measures allowing our staff to achieve a work life balance, hereby ensuring that female employees will stay with Orana also after getting married and having children.

SDG 12: Responsible Consumption and Production

Orana is promoting better food quality and food safety and has a strong focus on resource and energy efficiency via continuous improvement on energy consumption per produced ton and via the safe handling, recycling and management of waste and wastewater discharges. Our target is to reduce the non-renewable energy consumption (electricity, water and oil) by 50% per produced unit in 2030 compared to what we used in 2018.

All 3 SDG's are in line with the historical values and beliefs of Orana as we believe that we by offering decent working conditions, securing equality, and by promoting responsible consumption and production can ensure happy, loyal and well trained staff and a continuous focus on resource and energy efficiency which will result in higher productivity and ultimately a higher profit.

Management's Review

We will continue working on the SDGs and our aim is also to extend our scope by also working on the following SDGs:

In 2020, Orana started a joint venture by the name of Moonberg Organic Farm with a local Kenyan partner, Wanda Agriculture. Moonberg Organic Farm is located in a remote area of Kenya in one of the poorest counties with a poverty index of 57%. We expect via this joint venture and more activities to come to be able to positively contribute to SDG 1, 2 and 17.

Other relevant activities:

The Orana Group and its subsidiaries subscribe to the UN Global Compact and Orana A/S is a member of the Global Compact Network Denmark. Both these memberships were a natural step after launching the Orana CSR policy and Code of Conduct in 2007.

The Orana CSR policy and Code of Conduct have been updated several times. The current version specifies 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. Human Rights
2. Social Practices
3. Health and Safety
4. Environment
5. Management Systems
6. Anti-Corruption

Management's Review

Policies

1. Human Rights

The Orana Group supports and respects internationally declared human rights and ensure against contribution to the violation of human rights. The Orana Group expects that all business partners, including suppliers, also do not contribute to the violation of human rights.

The Orana Group's commitment to respect human rights is integrated with and communicated to all sites through its Corporate Values, Code of Conduct and its CSR policy. Moreover, all Orana Group's sites are signatories of the UN Global Compact. All Orana Group sites are continuously working on improving its governance and actions towards human rights.

2. Social Practices

Policies have been implemented at all sites against forced labour and child labour. Policies for wages, benefits and working hours, freedom of association and non-discrimination are also implemented.

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 at all sites. This means short lunch breaks instead of siestas so that the staff will be able to go home to their families earlier instead of later.

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 and negotiate collectively with management regarding working conditions without threat of reprisal, intimidation or harassment.

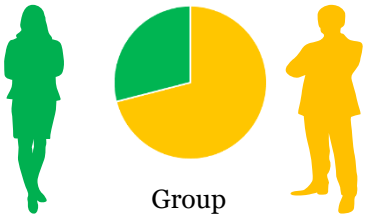
The Orana Group is providing a work place free of discrimination and harassment by always hiring and promoting based on qualifications and objective criteria eliminating discrimination on the basis of gender, age, nationality, ethnicity, race, colour, creed, caste, language, mental or physical disa-bility, organization membership, health status, marital status, sexual orientation, social or political characteristics, etc. In the Orana Group management and in the Board of Directors of the Orana Group subsidiaries, both men and women are represented and in addition many nationalities in-cluding Danish, Indian, Kenyan, Sri Lankan and Vietnamese. The Orana Group ensures that its training programmes are culturally respectful and appropriate. No cases of discrimination were reported in the Orana Group in 2019/20. Currently our grievance mechanism is to inform the labour union representative and/or local management in the event of a case. In Vietnam, we have further established a whistleblowing function at an external lawyer's office as per 1st October 2019. When we finish testing the function in Vietnam, we will expand to other sites.

Management's Review

Share of the underrepresented gender

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

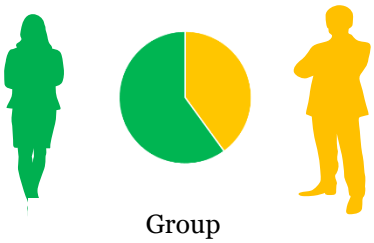
The Board of Directors consists of 2 women (29%) and 5 men (71%). The goal has been to have at least 30% women in the Board by 2020, however as 29% women is very close to the target, the goal is considered achieved.



Group Board of Directors

In the Orana Group Management, the genders represented are divided with 60% women and 40% men and the target is considered met.

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



Group Management

3. 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.

4. Environment

All Orana Group sites comply with local environmental regulations. Licenses are obtained and the reporting requirements followed. The Orana Group is aiming to maintain the same high environmental standard irrespective of country of operation.

All Orana Group sites are working on continuous improvement of environmental performance.

All Orana Group sites have systems in place to ensure the safe handling of waste and waste water discharges. We plan to re-use waste water back into system by using a low temperature evaporator and the sludge so obtained will be rich in organic material mainly carbohydrates and minerals and is non–toxic which can be utilized as high quality manure.

Management's Review

The Orana Group strategy is to have decentralized productions close to the fruits and the customers, and by that strategy aiming at minimizing its carbon foot print.

For carbon foot printing, we have initiated measuring Scope 1, 2 and a few Scope 3 activities as of 1st October 2018. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are from sources not owned or controlled by the company. It is under Scope 3 where the Orana Group is making a difference by having decentralized productions that reduce carbon foot print by reducing raw material and finished goods transportation. By establishing carbon foot print measuring, we will now be able to assess our impact in all areas and to establish initiatives to address opportunities for improvement, see below section on key figures.

The Orana Group certified ISO 14001:2015 (environmental management system) at Orana Vietnam in 2019/20.

5. Management Systems

All Orana Group sites identify and comply with applicable laws, regulations and Orana CSR Policy and Code of Conduct.

The Orana Group is divided into different geographical teams. Each team is having a General Manager and will operate as an independent separate company. The General Manager is hired by a Board of Directors, which is either a separate legal entity with a Board of Directors in its own right or an advisory board because the team is a division under the Orana Group. In addition to this, a business unit structure has been introduced on top of the geographical structure. Each of these business units are managed by a Business Unit Director who is in charge of activities in this unit, irrespective of geographic location.

All Orana Group sites are certified FSSC 22000 (food safety management system). The sites further have the certifications required locally as per the requirements of their markets such as Organic, Halal, Halal Mui, Kosher, etc.

6. Anti-Corruption and Bribery

The Orana Group has a zero-policy for corruption, extortion and embezzle-ment. The Orana Group is conducting its business with fair competition and in compliance with all applicable anti-trust laws. Orana Group staff is not al-lowed to accept any gifts or entertainment and is also not allowed to accept or give kickbacks. For sites located in countries prone to corruption, when deemed necessary, staff are encouraged to go to meetings with the authorities 2 persons at a time in order to discourage corruption. All relationships with customers and suppliers are based entirely on sound business decisions and fair dealings. The Orana Group has not had any breaches to its Code of Conduct in 2019/20 related to corruption, extortion and embezzlement. We are continuously working on improving and identifying gaps in our governance compliance program.

Management's Review

7. Supplier Audits

The Orana Group works systematically with risk assessment and supplier management. Our Code of Conduct for Suppliers defines the Orana Group's CSR requirements. The Orana Group has implemented a supplier risk assessment model for identifying which suppliers pose the highest risk and regular supplier audits are performed for both high risk and lower risk suppliers in order to verify com-pliance. In case of any non-compliance, the non-compliance is addressed with the supplier. All Orana Group sites are buying its raw materials from approved suppliers only.

The Orana Group will continue to support the UN Global Compact and Global Compact Network Denmark and will continue to integrate the ten UN Global Compact principles in its business strategy, CSR policy, Code of Conduct and daily activities.

8. Non-Financial Risks

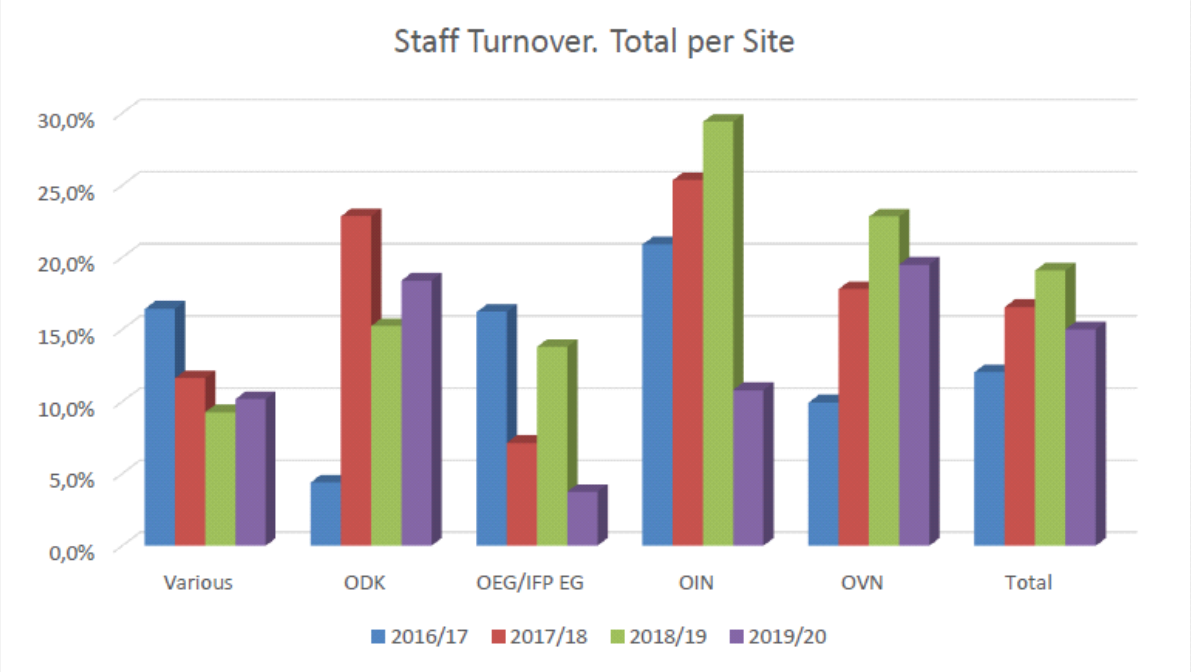
Environmental and climate related risks linked to Orana Group's business activities are considered to be low and are effectively managed through close monitoring of production across all sites. In addition, the by-products from production is non-toxic and biodegradable, further reducing the risk of negative impacts on the surroundings. In terms of respect for human rights and employee condi-tions, the most significant risk relates to unsafe working conditions, which is effectively mitigated through the Group's code of conduct that ensures decent working hours and safety measures are implemented at all sites. Finally, risks relating to corruption and bribery is considered low because of the Groups Code of Conduct and type of interactions with authorities.

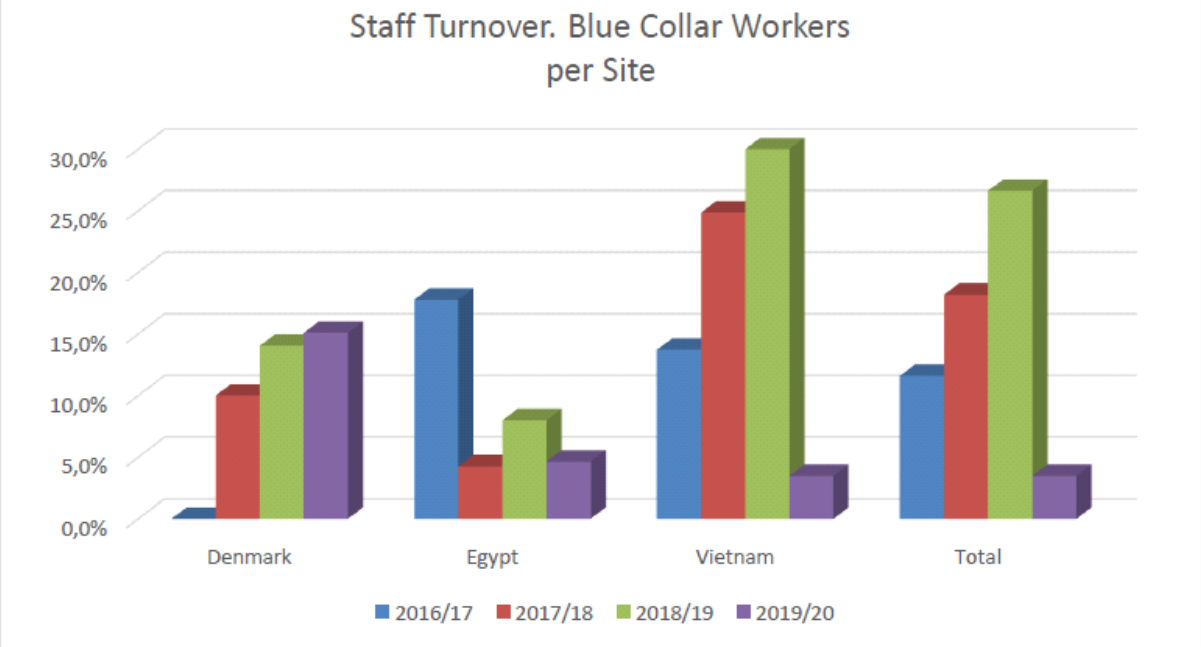
Management's Review

Key Figures
All Orana Group sites are monitoring and setting targets as follows:

1. Staff turnover
2. Accidents
3. Energy consumption
4. Wastewater
5. Carbon Foot Printing

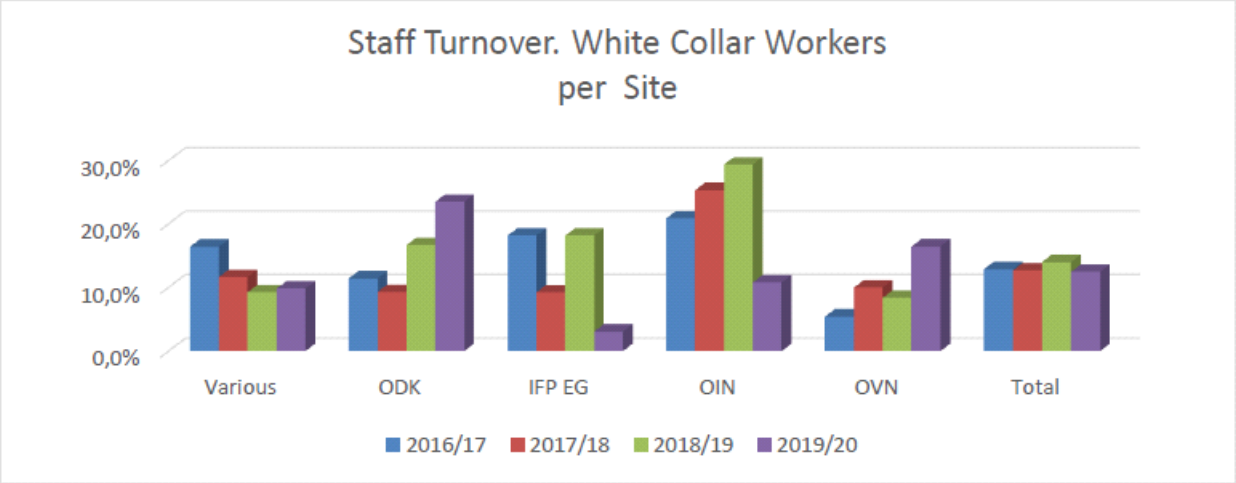
Staff Turnover per site:





Management's Review

From the above it can be seen that staff turnover of blue collar workers increased a little bit while it decreased a little in Egypt. In Vietnam the staff turnover was reduced significantly.



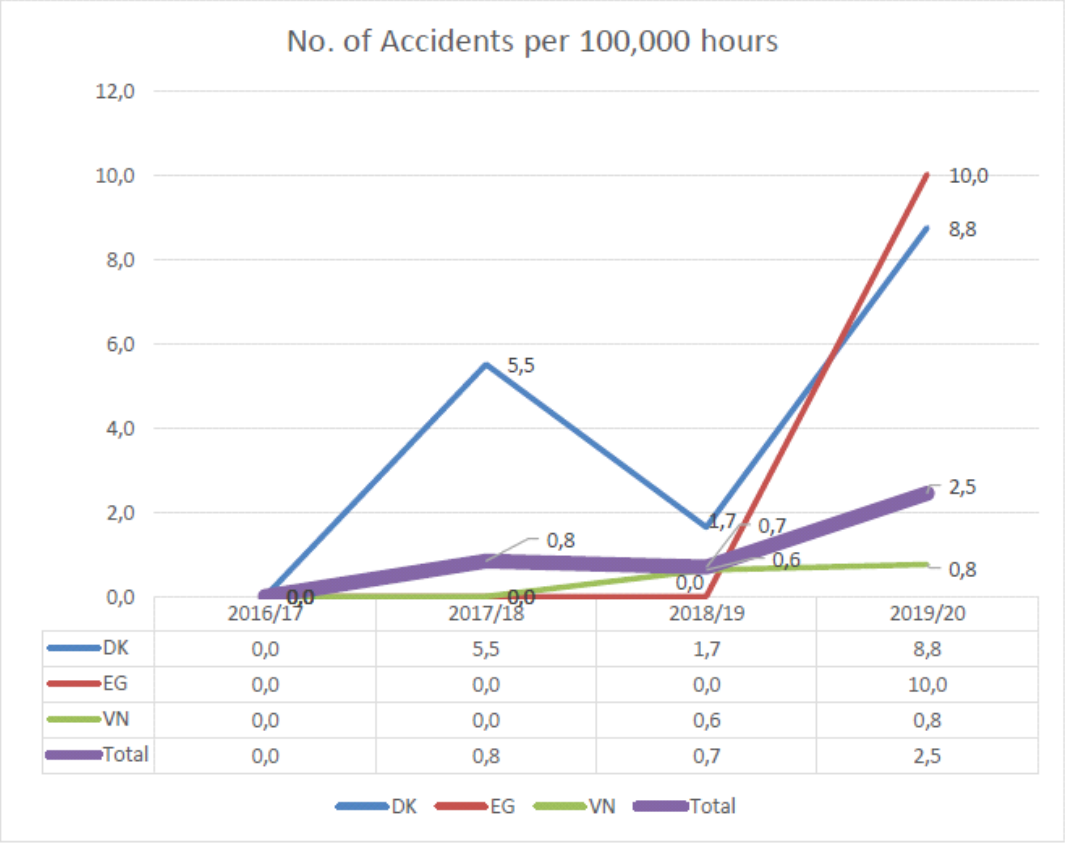
For the white collar workers, the resignation % increased for various, Denmark and Vietnam while decreasing for Egypt and India.

Management's Review

Accidents

Accidents are defined as any unintended event that occurs in the course of work that leads to an injury where the employee involved with be absent from work for 5 consecutive days due to the injury.

Below we have calculated how many accidents have occurred per site per 100,000 hours worked:



	2016/17	2017/18	2018/19	2019/20
DK	0,0	5,5	1,7	8,8
EG	0,0	0,0	0,0	10,0
VN	0,0	0,0	0,6	0,8
Total	0,0	0,8	0,7	2,5

DK EG VN Total

The number of accidents are increasing per 100,000 hours, however, the actual number of accidents are low and there is no critical or major accident during the period. In 2019/20 in Denmark, there were 4 accidents, in Egypt 5 and in Vietnam 3. All accidents were small burns, bruises or where the employee tripped or similar type of cases.

For all sites, all accidents are being reported to the relevant authorities and corrective actions and necessary control measures are taken inclusive of training of staff to avoid similar accidents again and to change the negative trend.

Management's Review

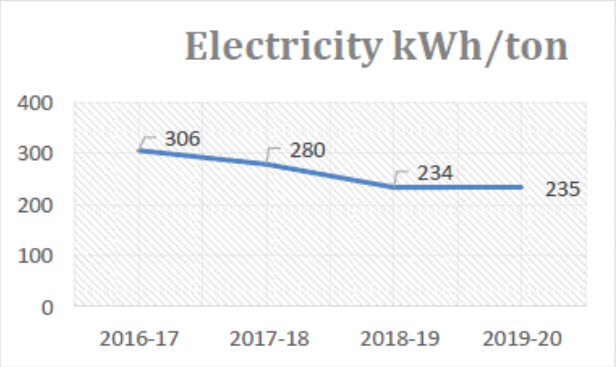
Energy consumption per ton produced:

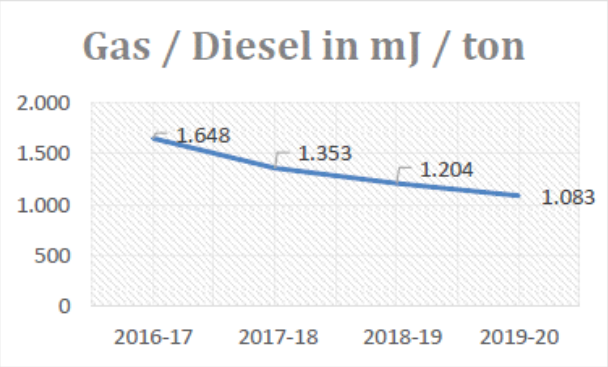
1. Electricity. KwH/ton
2. Oil / gas. l/ton
3. Water. l/ton
4. Waste water. m3/ton

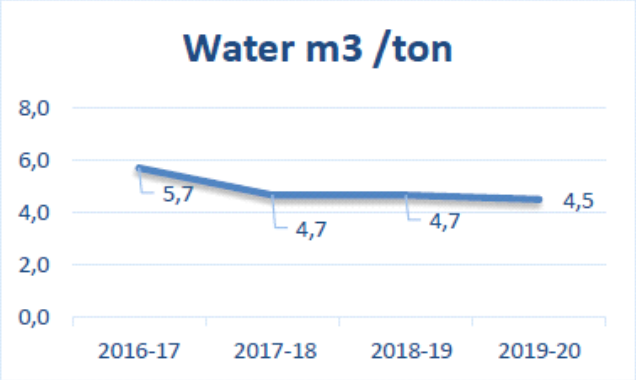
The base data measurement started from year 2016-17 and all the delta comparisons are with current year vs base year and current year vs last year. All measurements are now aligned for produced volumes and we have now excluded volumes for any traded figures which were earlier part of measurement. Also all the consumptions are now based on entire site inclusive of production, offices, warehouses, etc.

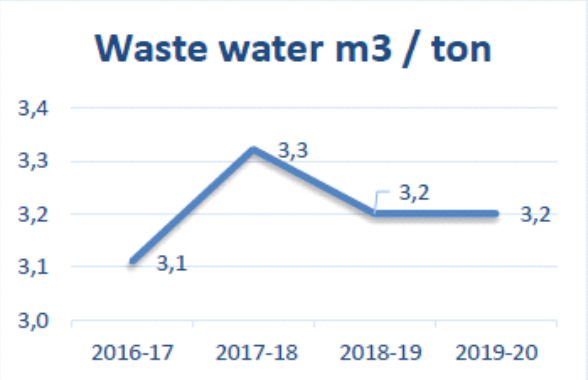
Orana Group

Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	306	280	234	235	-72	-23.4%	+0.8	+0.3%
Gas / Diesel in mJ / ton	1,648	1,353	1,204	1,083	-565	-34.3%	-120.9	-10.0%
Water m³ /ton	5.7	4.7	4.7	4.5	-1.2	-21.0%	-0.2	-3.5%
Waste water m³ / ton	3.1	3.3	3.2	3.2	+0,1	+2,9%	0.0	0.0%





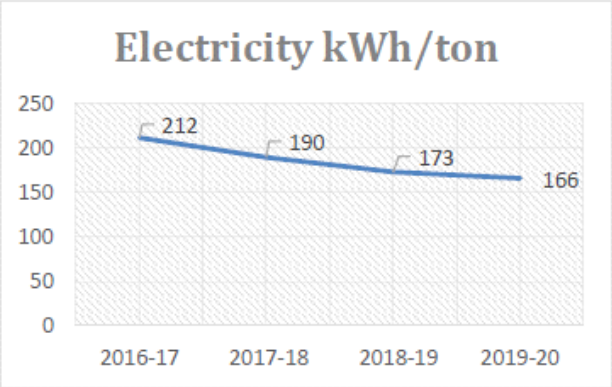


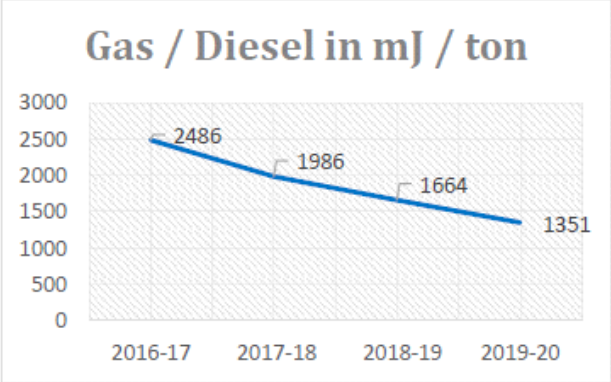


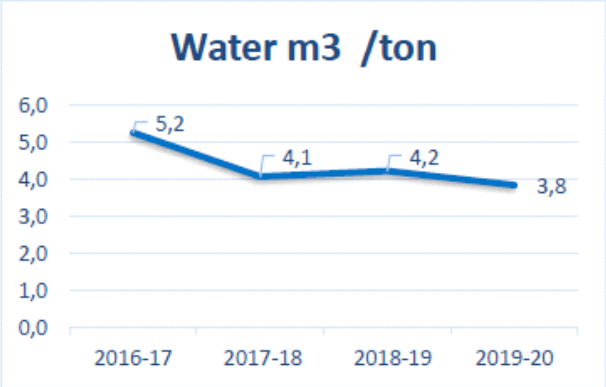
Management's Review

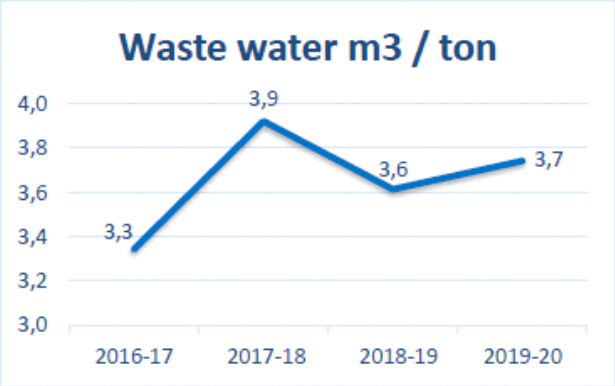
Site Wise. IFP DK

Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	212	190	173	166	-46	-21.6%	-6.8	-3.9%
Gas / Diesel in mJ / ton	2,486	1,986	1,664	1,351	-1,136	-45.7%	-312.8	-18.8%
Water m3 /ton	5.2	4.1	4.2	3.8	-1.4	-27.0%	-0.4	-9.0%
Waste water m3 / ton	3.3	3.9	3.6	3.7	+0.4	+12.0%	+0.1	+3.6%









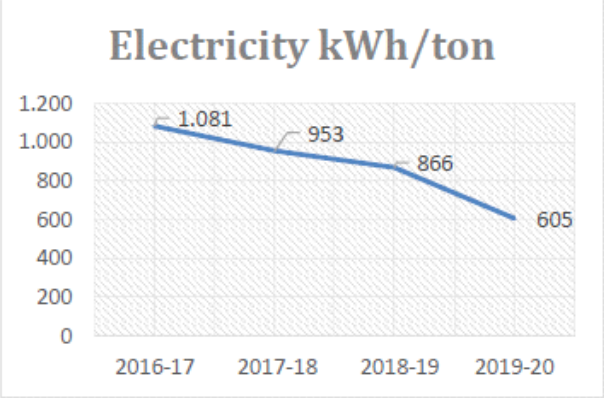
There is a positive development for electricity, gas/diesel and water. This is because of initiatives taken to reduce the energy consumption i.e. energy efficient equipment installed to reduce the electricity consumptions, air leakages arrested, steam optimization in process to reduce the gas consumption, etc.

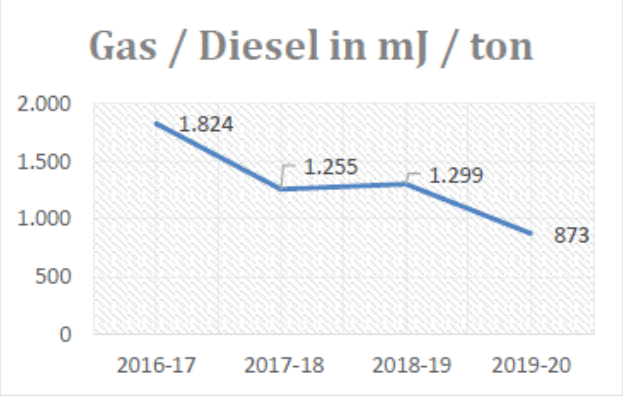
The negative development for wastewater measurements compared to base year is due to small batches, new trials, extra CIP's (cleaning in place) and rain water inter-connecting discharge pipelines.

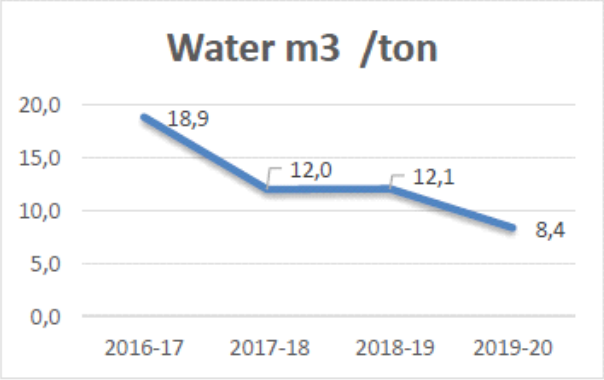
Management's Review

Site Wise. IFP EG

Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	1,081	953	866	605	-476	-44.0%	-260.9	-30.1%
Gas / Diesel in mJ / ton	1,824	1,255	1,299	873	-951	-52.2%	-426.1	-32.8%
Water m3 /ton	18.9	12.0	12.1	8.4	-10.5	-55.6%	-3.7	-30.6%





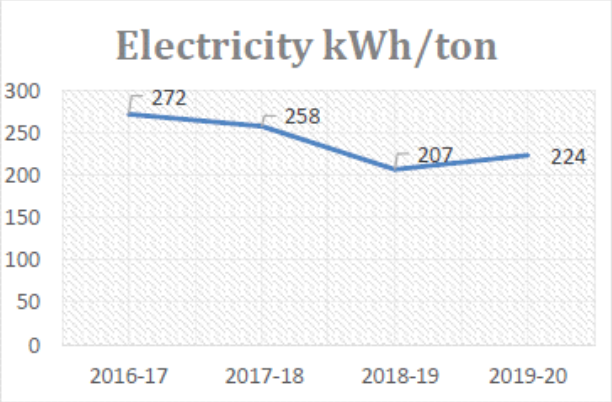


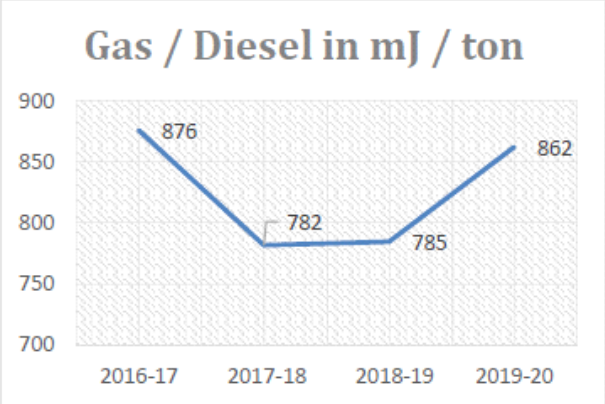
For electricity, diesel and water, we have a very positive development compared to base year and last year. This is due to initiatives taken to reduce the energy consumption i.e. installation of energy efficient LED lights, air leakage arrested inside the plant, steam optimization in process to reduce the diesel consumption, efficient production planning, etc.

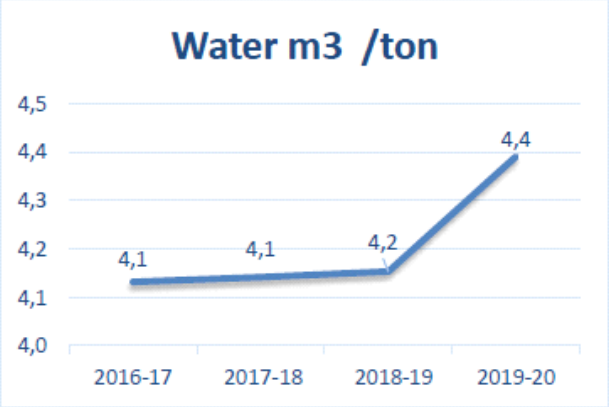
Management's Review

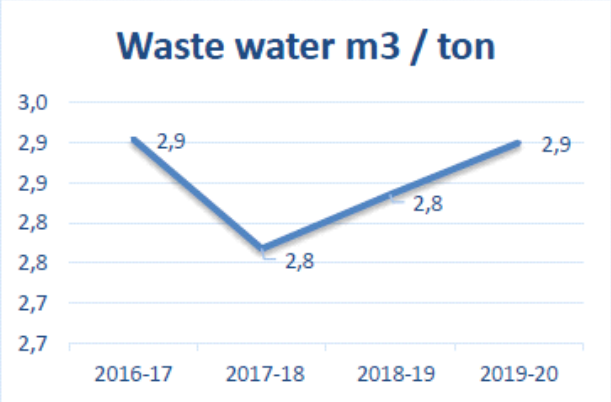
Site Wise. IFP VN

Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	272	258	207	224	-49	-17.9%	+17	+8.0%
Gas / Diesel in mJ / ton	876	782	785	862	-14	-1.6%	+78	+9.9%
Water m3 /ton	4.1	4.1	4.2	4.4	+0.2	+5.9%	+0.2	+5.4%
Waste water m3 / ton	2.9	2.8	2.8	2.9	0.0	+0.7%	+0.1	+3.1









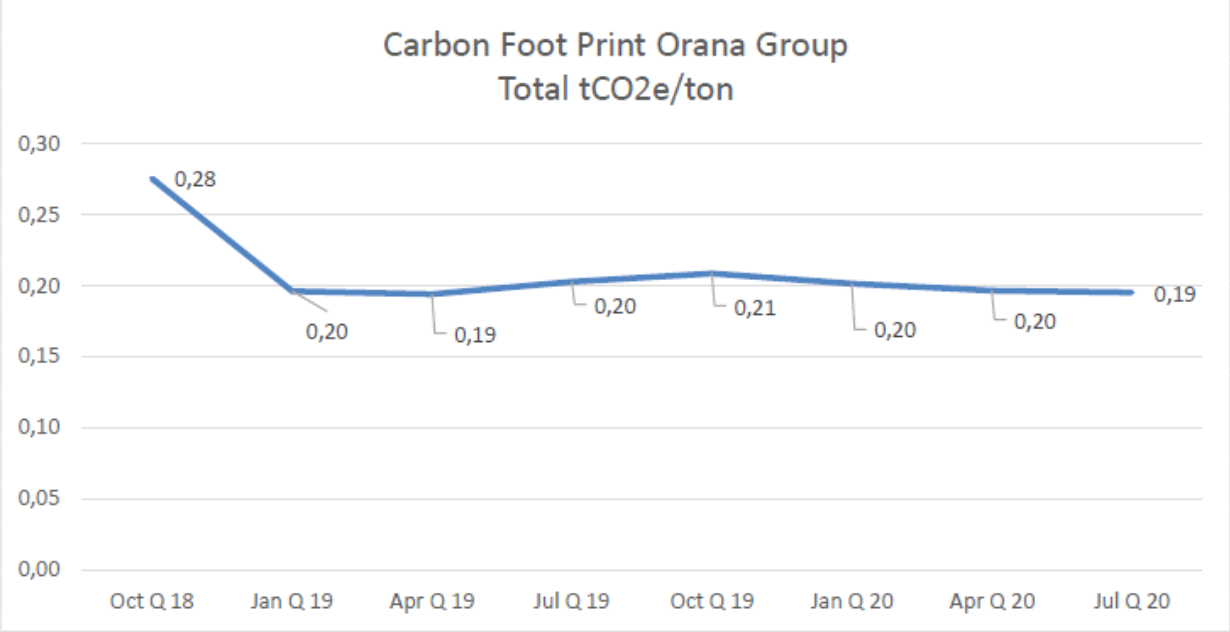
Compared to base year, IFP VN is having a positive development for electricity, gas/diesel and waste water. Compared to last year, IFP VN is only having a positive development for waste water.

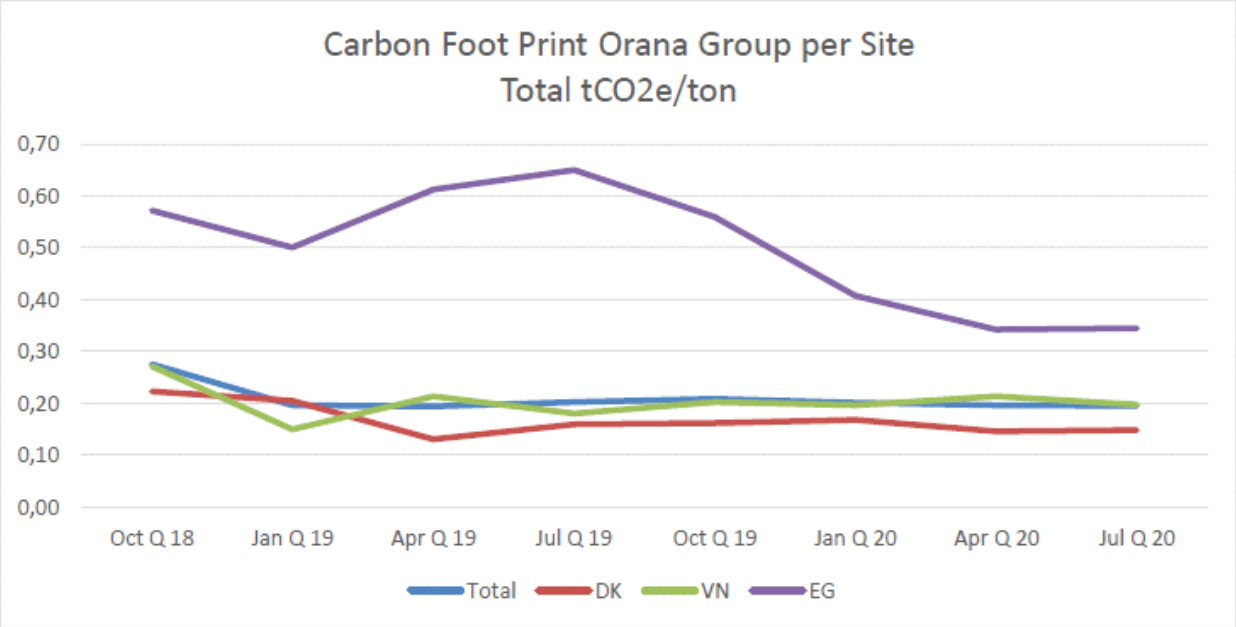
For reason for the increases in electricity, water and oil compared to last year is due to small batches, new trials and extra CIP's (cleaning in place).

Management's Review

Carbon Foot Print:
As stated above, the Orana Group is currently measuring Scope 1, 2 and a few Scope 3 emissions as of 1st October 2018.
Scope 1 emissions are direct emissions from owned or controlled sources.
Scope 2 emissions are indirect emissions from the generation of purchased energy.
Scope 3 emissions are from sources not owned or controlled by the company.
It is under Scope 3 where the Orana Group is making a difference by having decentralized productions that reduce carbon foot print by reducing raw material and finished goods transportation.

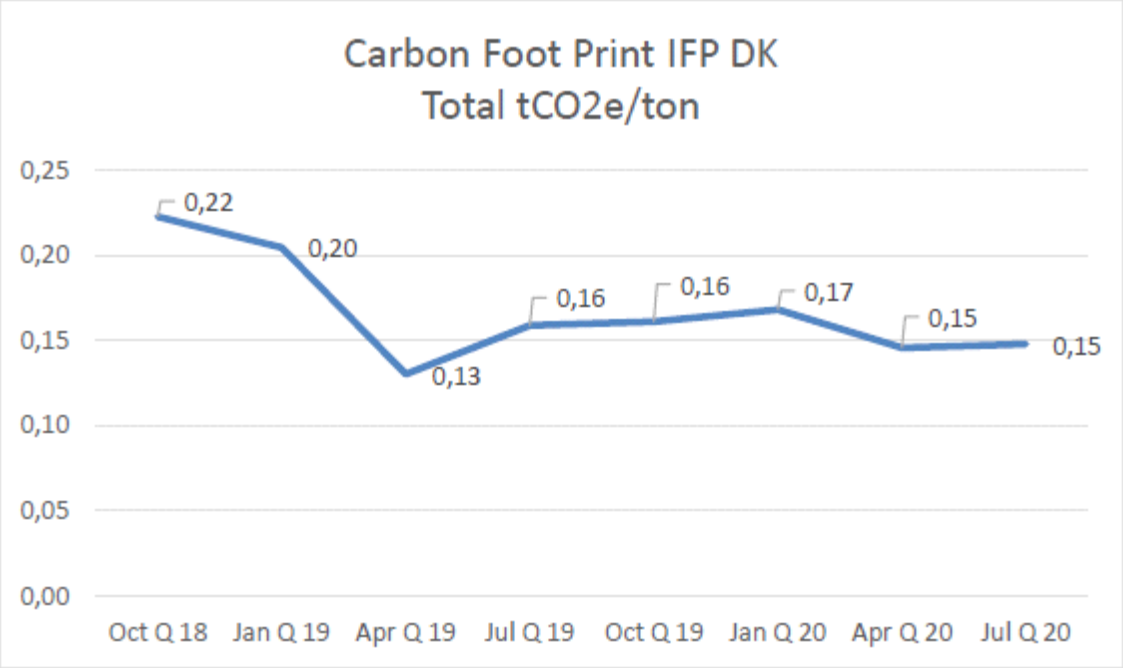
Orana Group



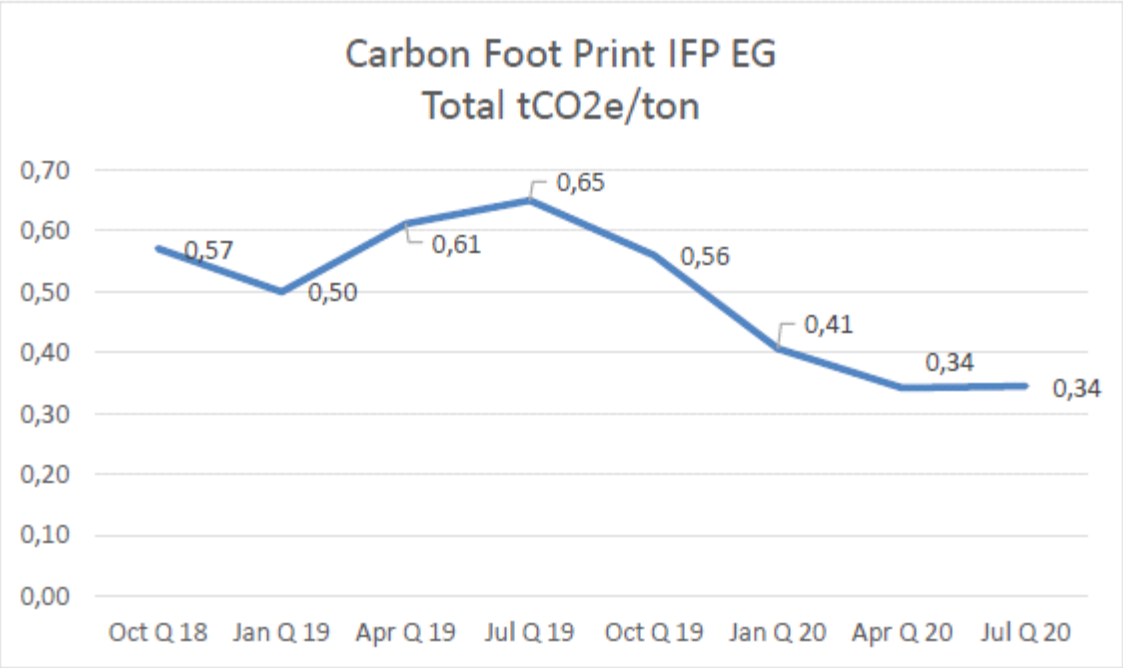


Management's Review

Site Wise - IFP DK

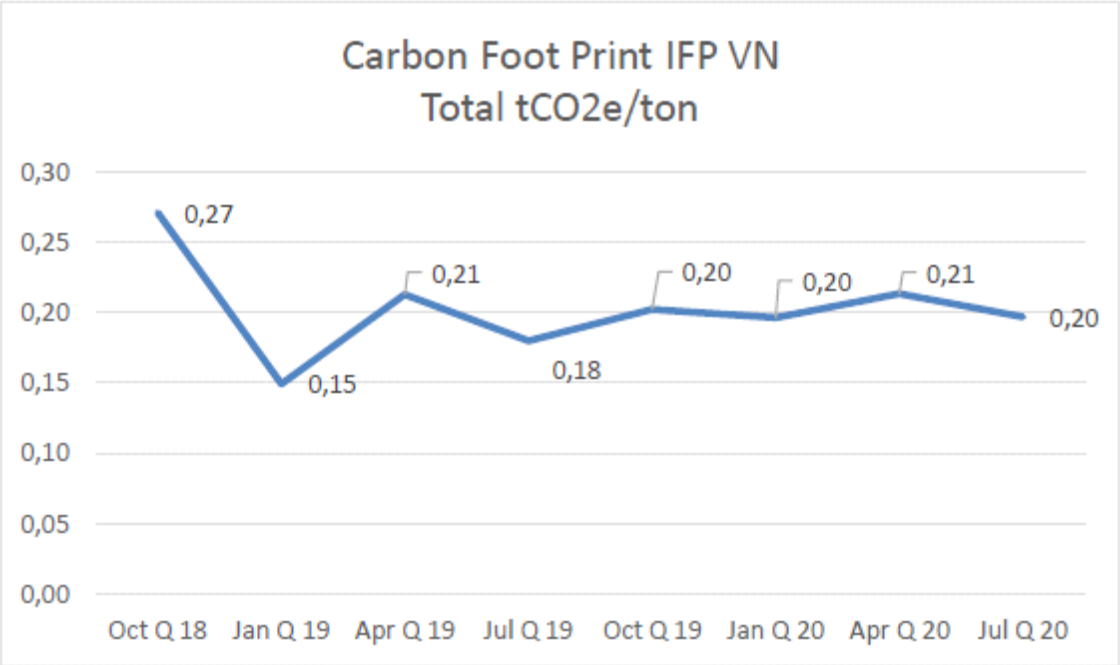


Site Wise - IFP EG



Management's Review

Site Wise - IFP VN



As can seen from the above charts, the pattern is fairly similar for all companies. We are currently investigating whether it is possible to prepare carbon foot print for 2016/17 and 2017/18 also and how to split the numbers into production related and remaining factory. At a later stage, we will fix a goal for reducing the foot print and then prepare action points for how to achieve such a reduction for each factory. Finally, we are working on how to include more Scope 3 activities into the carbon foot print also.

Unusual events

Sales of Food Service products to restaurant chains, cafés and hotels have previously been our largest growth area, but we have this year been hit hard on lacking sales due to COVID-19, especially in India. Besides, we have had higher production costs at all sites due to preventive measures to avoid COVID-19 among our staff, that has affected our result negatively.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 October - 30 September

	Note	Group 2019/20 T.USD	Group 2018/19 T.USD	Parent 2019/20 T.USD	Parent 2018/19 T.USD
Revenue	1	**55,542**	**50,586**	**30,666**	**24,767**
Cost of sales	2	-43,256	-38,107	-25,236	-20,196
Gross profit/loss		**12,286**	**12,479**	**5,430**	**4,571**
Distribution expenses	2	-4,581	-3,682	-2,585	-2,096
Development expenditure	2	-775	-715	-399	-378
Administrative expenses	2	-4,151	-5,135	-2,233	-2,648
Operating profit/loss		**2,779**	**2,947**	**213**	**-551**
Other operating income		226	240	816	546
Other operating expenses		-272	-587	-13	-388
Profit/loss before financial income and expenses		**2,733**	**2,600**	**1,016**	**-393**
Income from investments in subsidiaries		0	0	504	1,711
Financial income	3	665	240	576	266
Financial expenses	4	-1,822	-1,013	-899	-453
Profit/loss before tax		**1,576**	**1,827**	**1,197**	**1,131**
Tax on profit/loss for the year	5	-427	-502	64	77
Net profit/loss for the year		**1,149**	**1,325**	**1,133**	**1,208**

Balance Sheet 30 September

Assets

	Note	Group 2019/20 T.USD	Group 2018/19 T.USD	Parent 2019/20 T.USD	Parent 2018/19 T.USD
Land and buildings		3,297	3,360	0	0
Plant and machinery		6,165	5,618	0	0
Other fixtures and fittings, tools and equipment		617	627	62	76
Leasehold improvements		28	8	11	8
Property, plant and equipment in progress		80	29	0	0
Property, plant and equipment	6	**10,187**	**9,642**	**73**	**84**
Investments in subsidiaries	7	0	0	4,715	6,988
Receivables from group enterprises	8	0	0	1,572	0
Fixed asset investments		**0**	**0**	**6,287**	**6,988**
Fixed assets		**10,187**	**9,642**	**6,360**	**7,072**
Inventories	9	**8,844**	**8,309**	**248**	**174**
Trade receivables		9,527	7,565	4,567	4,253
Receivables from group enterprises		367	2,712	9,808	8,664
Other receivables		1,315	1,550	774	356
Deferred tax asset	10	892	916	455	519
Corporation tax		1,070	549	30	167
Prepayments	11	749	799	252	179
Receivables		**13,920**	**14,091**	**15,886**	**14,138**
Cash at bank and in hand		**411**	**662**	**22**	**13**
Currents assets		**23,175**	**23,062**	**16,156**	**14,325**
Assets		**33,362**	**32,704**	**22,516**	**21,397**

Balance Sheet 30 September

Liabilities and equity

	Note	Group 2019/20 T.USD	Group 2018/19 T.USD	Parent 2019/20 T.USD	Parent 2018/19 T.USD
Share capital		524	524	524	524
Reserve for net revaluation under the equity method		0	0	0	729
Retained earnings		7,298	6,826	7,298	6,097
Proposed dividend for the year		150	150	150	150
Equity attributable to shareholders of the Parent Company		**7,972**	**7,500**	**7,972**	**7,500**
Minority interests		178	308	0	0
Equity		**8,150**	**7,808**	**7,972**	**7,500**
Provision for deferred tax	10	84	79	0	0
Provisions relating to investments in group enterprises		0	0	959	239
Provisions		**84**	**79**	**959**	**239**
Mortgage loans		4,257	5,267	3,162	2,721
Lease obligations		1,044	799	0	0
Other payables		251	1,054	103	518
Long-term debt	13	**5,552**	**7,120**	**3,265**	**3,239**

Balance Sheet 30 September

Liabilities and equity

		Group		Parent	
	Note	2019/20	2018/19	2019/20	2018/19
		T.USD	T.USD	T.USD	T.USD
Mortgage loans	13	2,097	245	2,097	50
Credit institutions		11,192	8,591	3,292	4,431
Lease obligations	13	377	267	0	0
Trade payables		3,631	3,985	977	1,439
Payables to group enterprises		0	1,876	3,615	4,055
Payables to owners and Management		0	66	0	0
Corporation tax		278	537	0	0
Other payables	13	1,660	2,115	339	444
Deferred income	14	341	15	0	0
Short-term debt		**19,576**	**17,697**	**10,320**	**10,419**
Debt		**25,128**	**24,817**	**13,585**	**13,658**
Liabilities and equity		**33,362**	**32,704**	**22,516**	**21,397**
Distribution of profit	12				
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Subsequent events	19				
Accounting Policies	20				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	T.USD	T.USD	T.USD	T.USD	T.USD	T.USD	T.USD
Equity at 1 October	524	0	6,826	150	7,500	308	7,808
Exchange adjustments	0	0	-33	0	-33	-5	-38
Ordinary dividend paid	0	0	0	-150	-150	-116	-266
Other equity movements	0	0	-478	0	-478	-25	-503
Net profit/loss for the year	0	0	983	150	1,133	16	1,149
Equity at 30 September	**524**	**0**	**7,298**	**150**	**7,972**	**178**	**8,150**

Parent

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	T.USD	T.USD	T.USD	T.USD	T.USD	T.USD	T.USD
Equity at 1 October	524	729	6,097	150	7,500	0	7,500
Ordinary dividend paid	0	0	0	-150	-150	0	-150
Exchange adjustments relating to foreign entities	0	-33	0	0	-33	0	-33
Dividend from group enterprises	0	-3,028	3,028	0	0	0	0
Other equity movements	0	-478	0	0	-478	0	-478
Net profit/loss for the year	0	2,810	-1,827	150	1,133	0	1,133
Equity at 30 September	**524**	**0**	**7,298**	**150**	**7,972**	**0**	**7,972**

Cash Flow Statement 1 October - 30 September

	Note	Group 2019/20 T.USD	Group 2018/19 T.USD
Net profit/loss for the year		1,149	1,325
Adjustments	15	2,160	2,300
Change in working capital	16	-2,890	-613
Cash flows from operating activities before financial income and expenses		**419**	**3,012**
Financial income		665	231
Financial expenses		-1,811	-1,002
Cash flows from ordinary activities		**-727**	**2,241**
Corporation tax paid		-903	-589
Cash flows from operating activities		**-1,630**	**1,652**
Purchase of property, plant and equipment		-1,330	-891
Business acquisition		-137	-20
Cash flows from investing activities		**-1,467**	**-911**
Repayment of loans from credit institutions		2,333	-2,404
Increase/repayment of lease obligations		356	-369
Raising of mortgage loans, net		307	2,435
Dividend paid		-150	-150
Cash flows from financing activities		**2,846**	**-488**
Change in cash and cash equivalents		**-251**	**253**
Cash and cash equivalents at 1 October		662	398
Exchange adjustment		0	11
Cash and cash equivalents at 30 September		**411**	**662**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		411	662
Cash and cash equivalents at 30 September		**411**	**662**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	T.USD	T.USD	T.USD	T.USD
1 Revenue				
Business segments				
Food Service (FS)	6,651	7,383	1,063	1,168
Fruit based Raw Material (FBR)	43,240	38,158	28,922	23,043
Co Packing (COP)	5,651	5,045	681	556
	55,542	**50,586**	**30,666**	**24,767**
2 Staff				
Wages and Salaries	8,453	8,018	2,179	1,982
Pensions	827	585	151	184
Other social security expenses	245	135	30	23
Other staff expenses	0	0	6	9
	9,525	**8,738**	**2,366**	**2,198**
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:				
Cost of sales	3,583	4,107	0	0
Distribution expenses	2,269	1,597	958	974
Development expenditure	944	653	103	94
Administrative expenses	2,729	2,381	1,305	1,130
	9,525	**8,738**	**2,366**	**2,198**
Including remuneration to the Executive Board	**404**	**399**	**404**	**399**
Average number of employees	**392**	**404**	**43**	**43**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	T.USD	T.USD	T.USD	T.USD
3 Financial income				
Interest received from group enterprises	0	0	76	94
Other financial income	35	121	36	11
Exchange adjustments	630	119	464	161
	665	**240**	**576**	**266**
4 Financial expenses				
Other financial expenses	910	884	434	427
Exchange loss	912	129	465	26
	1,822	**1,013**	**899**	**453**
5 Tax on profit/loss for the year				
Current tax for the year	376	631	0	0
Deferred tax for the year	51	-91	-64	-77
Adjustment of deferred tax concerning previous years	0	-38	0	0
	427	**502**	**-64**	**-77**

Notes to the Financial Statements

6 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	T.USD	T.USD	T.USD	T.USD	T.USD	T.USD
Cost at 1 October	4,965	10,098	2,158	79	29	17,329
Exchange adjustment	140	384	2	-3	0	523
Additions for the year	58	1,029	160	32	51	1,330
Disposals for the year	0	0	-1	0	0	-1
Cost at 30 September	5,163	11,511	2,319	108	80	19,181
Impairment losses and depreciation at 1 October	1,605	4,480	1,531	71	0	7,687
Exchange adjustment	70	152	3	4	0	229
Depreciation for the year	191	714	169	5	0	1,079
Impairment and depreciation of sold assets for the year	0	0	-1	0	0	-1
Impairment losses and depreciation at 30 September	1,866	5,346	1,702	80	0	8,994
Carrying amount at 30 September	**3,297**	**6,165**	**617**	**28**	**80**	**10,187**
Including assets under finance leases amounting to	0	1,419	0	0	0	1,419

Notes to the Financial Statements

6 Property, plant and equipment (continued)

Parent

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	T.USD	T.USD	T.USD
Cost at 1 October	678	79	757
Additions for the year	0	6	6
Kostpris at 30 September	678	85	763
Impairment losses and depreciation at 1 October	602	71	673
Depreciation for the year	14	3	17
Impairment losses and depreciation at 30 September	616	74	690
Carrying amount at 30 September	**62**	**11**	**73**

7 Investments in subsidiaries

	Parent	
	2019/20	2018/19
	T.USD	T.USD
Cost at 1 October	5,924	5,965
Exchange adjustment	0	-61
Additions for the year	137	20
Cost at 30 September	6,061	5,924
Value adjustments at 1 October	730	4,088
Exchange adjustment	-33	-28
Net profit/loss for the year	504	1,712
Dividend to the Parent Company	-3,028	-5,042
Other equity movements, net	-478	0
Value adjustments at 30 September	-2,305	730
Equity investments with negative net asset value amortised over receivables	0	95
Equity investments with negative net asset value transferred to provisions	959	239
Carrying amount at 30 September	**4,715**	**6,988**

Notes to the Financial Statements

7 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Orana Canada Inc.	Edmonton Canada	CAD 100	100%
Orana Denmark A/S	Rynkeby Denmark	DKK 10.000.000	100%
Orana India Ltd.	Delhi Indien	INR 3.438.490	90%
Orana DMCC	Dubai UAE	AED 100.000	100%
Orana Limited	Dubai UAE	AED 100.000	100%
Orana Kenya Ltd.	Nairobi Kenya	KSH 8.000.000	100%
International Fruit Production Joint-Stock Company	Cairo Egypten	EGP 18.500.000	100%
Orana Egypt, Joint-Stock Company	Cairo Eqypten	EGP 1.500.000	100%
Orana Vietnam Ltd.	Ho Chi Minh City Vietnam	USD 420.000	95%
Moonberg Organic Farms Ltd.	Nairobi Kenya	KSH 7.000.000	66.67%
Orana Fresh Fruit Processing Company Ltd.	Nairobi Kenya	KSH 5.000.000	90%

8 Other fixed asset investments

	Parent
	Receivables from group enterprises
	T.USD
Cost at 1 October	0
Additions for the year	1,572
Cost at 30 September	1,572
Carrying amount at 30 September	**1,572**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	T.USD	T.USD	T.USD	T.USD

9 Inventories

Raw materials and consumables	6,071	5,254	0	0
Work in progress	595	310	0	0
Finished goods and goods for resale	2,178	2,745	248	174
	8,844	**8,309**	**248**	**174**

10 Deferred tax asset

Deferred tax asset at 1 October	837	746	519	442
Amounts recognised in the income statement for the year	-51	91	-64	77
Adjustment of tax concerning previous years	22	0	0	0
Deferred tax asset at 30 September	**808**	**837**	**455**	**519**

The recognised tax asset comprises difference between accounting and tax values and tax loss carry-forwards expected to be utilised within the next three to four years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Company having implemented efficiency measures which are expected to increase the Company's gross margin ratio.

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a postitive fair value.

12 Distribution of profit

Proposed dividend for the year	150	150
Reserve for net revaluation under the equity method	2,810	1,711
Retained earnings	-1,827	-653
	1,133	**1,208**

Notes to the Financial Statements

13 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	T.USD	T.USD	T.USD	T.USD
Mortgage loans				
After 5 years	0	0	32	0
Between 1 and 5 years	4,257	5,267	3,130	2,721
Long-term part	4,257	5,267	3,162	2,721
Within 1 year	2,097	245	2,097	50
	6,354	**5,512**	**5,259**	**2,771**
Lease obligations				
Between 1 and 5 years	1,044	799	0	0
Long-term part	1,044	799	0	0
Within 1 year	377	267	0	0
	1,421	**1,066**	**0**	**0**
Other payables				
Between 1 and 5 years	251	1,054	103	518
Long-term part	251	1,054	103	518
Other short-term payables	1,660	2,115	339	444
	1,911	**3,169**	**442**	**962**

Notes to the Financial Statements

14 Deferred income

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

	Group	
	2019/20	2018/19
	T.USD	T.USD

15 Cash flow statement - adjustments

Financial income	-665	-240
Financial expenses	1,822	1,013
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,079	1,025
Tax on profit/loss for the year	427	502
Other equity movements	-503	0
	2,160	**2,300**

16 Cash flow statement - change in working capital

Change in inventories	-535	417
Change in receivables	-1,710	-646
Change in trade payables, etc	-645	-384
	-2,890	**-613**

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	T.USD	T.USD	T.USD	T.USD

17 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Mortgage deeds registered to the mortgagor, providing security on land and buildings as well as other property, plant and equipment, trade receivables, intangible assets and inventories at a total carrying amount of (facility T.DKK. 29.500)	10,736	10,545	4,888	4,110

Mortgage deeds registered to the mortgagor, providing security in shares in Moonberg Organic Farms Ltd, Orana Egypt for Food Products and Development company, International Fruit Production Company , Orana India Pvt. Ltd.

Rental and lease obligations

The company has signed lease-agreements where the remaining leases commitment amounts to	497	315	0	5
The company has signed rental commitments with 12-month period of irrevocability for a total of	203	122	0	0

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 Østerberg Holding ApS, which is the management company of the joint taxation purposes. 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.

As security for any outstanding balance that Osterberg Ice Cream A/S, Osterberg Service & Trading A/S, Østerberg Holding ApS and Orana Denmark A/S may have with the Bank, the parent company has given suretyship.

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations (continued)

As security for Orana Vietnam Ltd.'s balance with Vietinbank, the parent company has given suretyship for a facility of VND 45,000 million.

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 loans of T.USD 2.570 for International Fruit Production where the outstanding debt per 30/9 2020 amount to T.USD 535.

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 amount of funds which may be necessary in order for Orana India Pvt. Ltd. to continue its operations.

Notes to the Financial Statements

18 Related parties

	Basis
Controlling interest	
OSTERBERG SERVICE & TRADING A/S, Rynkebyvej 243, 5350 Rynkeby, Denmark	Main shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

Name	Place of registered office
ØSTERBERG HOLDING ApS	Kerteminde, Denmark

The Group Annual Report of ØSTERBERG HOLDING ApS may be obtained at the following address:

Planen 1
5300 Kerteminde
Denmark

19 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Orana A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Some minor reclassifications have been made in the Financial Statements. In these cases comparatives are adjusted to reflect the new classifications. The reclassifications have not affected the profit for the year nor the equity as of 30 September 2019.
There has been a textual update of the accounting policies. The textual update has not affected the recognition and measurement of the accounting items.

The Consolidated and Parent Company Financial Statements for 2019/20 are presented in T.USD.

No note for the "Fee to auditors appointed at the general meeting" have been prepared for Orana A/S as the Company is included in the Consolidated Financial Statements of Østerberg Holding ApS.

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.

Basis of consolidation

The Consolidated 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. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income

20 Accounting Policies (continued)

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.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised 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 alternative borrowing rate 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 capitalised and recognised 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 recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

20 Accounting Policies (continued)

Translation policies

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Notes to the Financial Statements

20 Accounting Policies (continued)

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 Group.

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

Cost of sales

Cost of sales comprises 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 and management of factories.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Development expenditure

Development expenditure indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

20 Accounting Policies (continued)

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 Danish group affiliated companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

20 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Land and buildings	10 - 30	years
Plant and machinery	5 - 20	years
Other fixtures and fittings, tools and equipment	3 - 5	years
Leasehold improvements	5	years

Depreciation period and residual value are reassessed annually.

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 amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised 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 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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Subsidiaries with a negative net asset value are recognised at USD 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 receivables from group enterprises.

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 with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Prepayments

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

Equity

Dividend

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other 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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$