



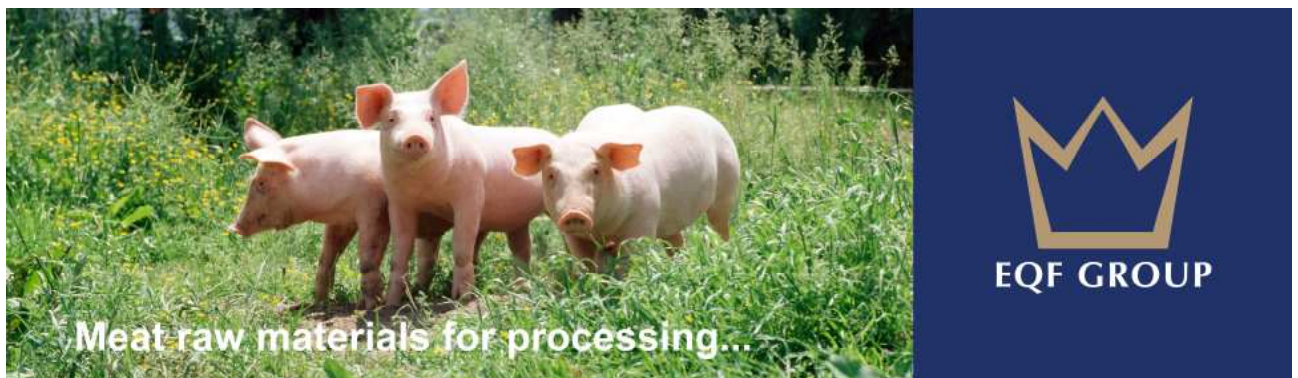
EUROPEAN QUALITY FOOD A/S
Central Business Registration No 25366816
Fjordvej 90
6000 Kolding

Annual report 2015

The Annual General Meeting adopted the annual report on 31.03.2016

Chairman of the General Meeting

Name: Jørgen Meyer



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Entity details

Entity

EUROPEAN QUALITY FOOD A/S

Fjordvej 90

6000 Kolding

Central Business Registration No: 25366816

Registered in: Kolding

Financial year: 01.01.2015 - 31.12.2015

Phone: +4570220200

Fax: +4570220400

Internet: WWW.EQF.DK

E-mail: DK@EQF.DK

Board of Directors

Jørgen Meyer, Chairman

Morten Koed Refshauge

Ole Koed-Madsen

Executive Board

Ole Koed-Madsen, Chief Executive Officer

Bank

Danske Bank A/S

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of EUROPEAN QUALITY FOOD A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the consolidated financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

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.

Kolding, 31.03.2016

Executive Board

Ole Koed-Madsen
Chief Executive Officer

Board of Directors

Jørgen Meyer
Chairman

Morten Koed Refshauge

Ole Koed-Madsen

Independent auditor's reports

To the owners of EUROPEAN QUALITY FOOD A/S Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of EUROPEAN QUALITY FOOD A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 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 consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

Independent auditor's reports

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Kolding, 31.03.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Finn Schlebaum

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	68,476	118,172	239,016	301,173	231,239
Gross profit/loss	8,276	12,828	21,140	18,789	20,636
Operating profit/loss	786	1,465	4,507	3,948	3,353
Net financials	(597)	(284)	94	(597)	(473)
Profit/loss for the year	112	1,031	3,540	1,583	1,565
Total assets	33,800	22,141	62,336	58,810	48,652
Investments in property, plant and equipment	0	7	1,403	113	1,389
Equity	18,057	18,440	18,536	16,177	15,341
Cash flows from (used in) operating activities	(5,861)	5,097	(46)	6,113	(4,867)
Cash flows from (used in) investing activities	744	1,677	102	(113)	(384)
Cash flows from (used in) financing activities	(200)	(100)	(6,940)	(1,196)	(2,196)
Ratios					
Gross margin (%)	12.1	10.9	8.8	6.2	8.9
Net margin (%)	0.2	0.9	1.5	0.5	0.7
Return on equity (%)	0.6	5.6	20.4	10.0	10.0
Equity ratio (%)	53.4	83.3	29.7	27.5	31.5

From January 2013 FOODIES AS is no longer included in the consolidated accounts due to sale of the controlling interest. The figures from previous years have not been adjusted accordingly and therefore not comparable.

Management commentary

Primary activities

During the financial year, the company's activity has been export of meat raw materials from Canada, South America and EU to the meat processing industry.

Development in activities and finances

The year 2015 in outline

In 2015 EUROPEAN QUALITY FOOD A/S also achieved an AAA (triple A) rating.

The company disposes of sufficient non used credit facilities in Danske Bank A/S.

The conditions on the markets where the company is operating have been very difficult due to low price level for locally produced pork. At the same time local currencies weakened considerably towards USD and EURO.

Those facts combined with a significant decrease of purchasing power among end consumers were leading to a heavy decrease of imported products.

During the year a substantial amount has been spent renovating the company domicile in Kolding and the result for the year a profit of DKK 188,727 before tax is considered to be acceptable.

Commercial, financial and other risks

Debtors constitute the greatest asset, which means that giving credit is a very vital element. The risk is reduced through efficient management when credit is authorized as well as during the continued trade. The debtors are insured against loss, if needed.

The significant financial risk that the company is faced with is related to changes in exchange rates, as purchasing as well as sale takes place in foreign currency. In order to counteract this risk, the company is using derivative financial instruments on all significant commercial transactions or when the management finds it appropriate.

Events after the end of the financial year

No conditions that disturb the assessment of the annual report have occurred.

Outlook

The management expects a satisfactory result for the current year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Fixed assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Production costs

Costs of sales comprises direct and indirect costs incurred to earn revenue. Cost of sales includes consumption of goods as well as freight and customs charges.

Distribution costs

Distribution costs comprise costs incurred for storage, handling and freight costs, various certificates, salaries to sales and store employees as well as sales campaigns, including advertising costs.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for the administrative staff and the Management, stationery and office supplies as well as depreciation and amortisation.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with its Parent company. The tax is fully allocated among the jointly taxed companies.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	2-5 years
--	-----------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Accounting policies

Other investments

Other investments comprise unlisted shares which are measured at fair value (market price) at the balance sheet date.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise unlisted shares measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

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

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

Cash flows 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, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights

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

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.

Accounting policies

Return on equity (%)

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

The Entity's return on capital invested in the Entity by the owners.

Equity ratio (%)

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

The financial strength of the Entity.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Revenue		68,475,896	118,172
Production costs		<u>(60,200,270)</u>	<u>(105,344)</u>
Gross profit/loss		8,275,626	12,828
Distribution costs	1, 2	(2,183,800)	(4,411)
Administrative costs	1, 2	<u>(5,306,066)</u>	<u>(6,952)</u>
Operating profit/loss		785,760	1,465
Income from investments in associates		0	519
Other financial income	3	196,447	55
Other financial expenses	4	<u>(793,480)</u>	<u>(858)</u>
Profit/loss from ordinary activities before tax		188,727	1,181
Tax on profit/loss from ordinary activities	5	<u>(78,755)</u>	<u>(154)</u>
Consolidated profit/loss		109,972	1,027
Minority interests' share of profit/loss		<u>1,773</u>	<u>4</u>
Profit/loss for the year		111,745	1,031
Proposed distribution of profit/loss			
Dividend for the financial year		200,000	200
Reserve for net revaluation according to the equity method		0	519
Retained earnings		<u>(88,255)</u>	<u>312</u>
		111,745	1,031

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		85,528	116
Property, plant and equipment	6	<u>85,528</u>	<u>116</u>
Investments in associates		0	1,288
Other investments		616,750	0
Other receivables		249,100	249
Fixed asset investments	7	<u>865,850</u>	<u>1,537</u>
Fixed assets		<u>951,378</u>	<u>1,653</u>
Manufactured goods and goods for resale		4,339,398	3,677
Inventories		<u>4,339,398</u>	<u>3,677</u>
Trade receivables		12,532,154	8,090
Receivables from group enterprises		1,678,709	772
Receivables from associates		0	1
Deferred tax assets	9	24,461	39
Other short-term receivables		4,416,605	2,515
Prepayments	10	4,027	75
Receivables		<u>18,655,956</u>	<u>11,492</u>
Other investments		1,050	1
Other investments		<u>1,050</u>	<u>1</u>
Cash		<u>9,852,537</u>	<u>5,318</u>
Current assets		<u>32,848,941</u>	<u>20,488</u>
Assets		<u>33,800,319</u>	<u>22,141</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital		1,000,000	1,000
Reserve for net revaluation according to the equity method		0	1,088
Retained earnings		16,857,183	16,152
Proposed dividend		<u>200,000</u>	<u>200</u>
Equity		<u>18,057,183</u>	<u>18,440</u>
Minority interests	11	<u>18,115</u>	<u>22</u>
Bank loans		9,923,958	72
Trade payables		3,294,107	1,911
Income tax payable		162,391	103
Other payables	12	2,333,137	1,547
Deferred income		<u>11,428</u>	<u>46</u>
Current liabilities other than provisions		<u>15,725,021</u>	<u>3,679</u>
Liabilities other than provisions		<u>15,725,021</u>	<u>3,679</u>
Equity and liabilities		<u>33,800,319</u>	<u>22,141</u>
Subsidiaries	8		
Contingent liabilities	14		
Consolidation	15		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revaluati- on according to the equity method DKK	Retained ear- nings DKK	Proposed di- vidend DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	1,000,000	1,088,442	16,151,754	200,000
Ordinary dividend paid	0	0	0	(200,000)
Exchange rate adjustments	0	0	(294,758)	0
Transfer to reserves	0	(1,088,442)	1,088,442	0
Profit/loss for the year	0	0	(88,255)	200,000
Equity end of year	<u>1,000,000</u>	<u>0</u>	<u>16,857,183</u>	<u>200,000</u>
				<u>Total</u>
				<u>DKK</u>
Equity beginning of year				18,440,196
Ordinary dividend paid				(200,000)
Exchange rate adjustments				(294,758)
Transfer to reserves				0
Profit/loss for the year				111,745
Equity end of year				<u>18,057,183</u>

Consolidated cash flow statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Operating profit/loss		785,760	1,465
Amortisation, depreciation and impairment losses		29,805	239
Working capital changes	13	<u>(6,002,459)</u>	<u>5,637</u>
Cash flow from ordinary operating activities		(5,186,894)	7,341
Financial income received		123,918	54
Financial income paid		(793,480)	(858)
Income taxes refunded/(paid)		<u>(4,831)</u>	<u>(1,440)</u>
Cash flows from operating activities		(5,861,287)	5,097
Acquisition etc of property, plant and equipment		0	(7)
Sale of property, plant and equipment		0	1,000
Disposal of enterprises		644,221	484
Dividends received from associates		<u>100,000</u>	<u>200</u>
Cash flows from investing activities		744,221	1,677
Dividend paid		<u>(200,000)</u>	<u>(100)</u>
Cash flows from financing activities		(200,000)	(100)
Increase/decrease in cash and cash equivalents		(5,317,066)	6,674
Cash and cash equivalents beginning of year		<u>5,245,645</u>	<u>(1,428)</u>
Cash and cash equivalents end of year		<u>(71,421)</u>	<u>5,246</u>
Cash and cash equivalents at year-end are composed of:			
Cash		9,852,537	5,318
Short-term debt to banks		<u>(9,923,958)</u>	<u>(72)</u>
Cash and cash equivalents end of year		<u>(71,421)</u>	<u>5,246</u>

Notes to consolidated financial statements

	2015	2014
	DKK	DKK'000
1. Staff costs		
Wages and salaries	2,734,244	3,313
Pension costs	314,609	339
Other social security costs	26,295	89
Other staff costs	146,523	151
	3,221,671	3,892
Average number of employees	8	18
	Remuneration of management	Remuneration of management
	2015	2014
	DKK	DKK'000
Total amount for management categories	1,251,682	1,697
	1,251,682	1,697
	2015	2014
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation on property, plant and equipment	29,805	55
Profit/loss from sale of intangible assets and property, plant and equipment	0	184
	29,805	239
	2015	2014
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	62,160	54
Interest income	27,446	0
Fair value adjustments	106,800	0
Other financial income	41	1
	196,447	55

Fair value adjustments comprise value adjustment of other investments which in 2014 was an associate.

Notes to consolidated financial statements

	2015	2014
	DKK	DKK'000
4. Other financial expenses		
Interest expenses	184,795	382
Other financial expenses	608,685	476
	793,480	858
	2015	2014
	DKK	DKK'000
5. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	64,137	180
Change in deferred tax for the year	14,618	(30)
Effect of changed tax rates	0	4
	78,755	154
		Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment		
Cost beginning of year		2,057,360
Cost end of year		2,057,360
Depreciation and impairment losses beginning of the year		(1,940,772)
Depreciation for the year		(31,060)
Depreciation and impairment losses end of the year		(1,971,832)
Carrying amount end of year		85,528

Notes to consolidated financial statements

	Investments in associates DKK	Other invest- ments DKK	Other recei- vables DKK
7. Fixed asset investments			
Cost beginning of year	200,000	0	249,100
Transfer to and from other items	(100,000)	100,000	0
Disposals	(100,000)	0	0
Cost end of year	0	100,000	249,100
Revaluations beginning of year	1,088,442	0	0
Revaluations	0	72,529	0
Reversal of revaluations	0	(100,000)	0
Other adjustments	(544,221)	544,221	0
Reversal regarding disposals	(544,221)	0	0
Revaluations end of year	0	516,750	0
Carrying amount end of year	0	616,750	249,100

	Registered in	Corpo- rate form	Equity inte- rest %
8. Subsidiaries			
EUROPEAN QUALITY FOOD LLC	Moscow	LLC	99.0

	2015 DKK	2014 DKK'000
9. Deferred tax		
Property, plant and equipment	20,847	28
Liabilities other than provisions	3,614	11
	24,461	39

10. Prepayments

Prepayments consist of prepaid marketing expenses and insurance.

11. Minority interests

Minority interests' share of equity in EUROPEAN QUALITY FOOD LLC.

Notes to consolidated financial statements

	2015	2014
	DKK	DKK'000
12. Other short-term payables		
Wages and salaries, personal income taxes, social security costs, etc payable	2,937	0
Holiday pay obligation	67,500	112
Other costs payable	2,262,700	1,435
	2,333,137	1,547

	2015	2014
	DKK	DKK'000
13. Change in working capital		
Increase/decrease in inventories	(662,225)	(1,648)
Increase/decrease in receivables	(7,178,775)	34,418
Increase/decrease in trade payables etc	2,133,299	(26,106)
Other changes	(294,758)	(1,027)
	(6,002,459)	5,637

14. Contingent liabilities

As security for bank balance a company pledge of nom. t.DKK 5,000 has been issued comprising unsecured debt, inventories, operating equipment etc. At 31.12.2015 the carrying amount of assets pledged amounts to t.DKK 9,438.

The Company has entered into foreign exchange contracts as security for transactions in RUR. At 31.12.2015 the market value hereof is positive.

EUROPEAN QUALITY FOOD A/S is included in a Danish joint taxation with KM Holding DK A/S as administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

15. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

KM HOLDING DK A/S, Fjordvej 90, Strandhuse, 6000 Kolding

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Revenue		44,231,665	68,884
Production costs		<u>(38,643,898)</u>	<u>(59,899)</u>
Gross profit/loss		5,587,767	8,985
Distribution costs	1, 2	(1,111,776)	(2,444)
Administrative costs	1, 2	<u>(3,837,601)</u>	<u>(5,614)</u>
Operating profit/loss		638,390	927
Income from investments in group enterprises		(168,508)	391
Income from investments in associates		0	519
Other financial income	3	196,447	55
Other financial expenses	4	<u>(480,660)</u>	<u>(784)</u>
Profit/loss from ordinary activities before tax		185,669	1,108
Tax on profit/loss from ordinary activities	5	<u>(73,924)</u>	<u>(77)</u>
Profit/loss for the year		<u>111,745</u>	<u>1,031</u>
Proposed distribution of profit/loss			
Dividend for the financial year		200,000	200
Reserve for net revaluation according to the equity method		(109,275)	886
Retained earnings		<u>21,020</u>	<u>(55)</u>
		<u>111,745</u>	<u>1,031</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		79,070	105
Property, plant and equipment	6	<u>79,070</u>	<u>105</u>
Investments in group enterprises		1,793,419	2,197
Investments in associates		0	1,288
Other investments		616,750	0
Other receivables		249,100	249
Fixed asset investments	7	<u>2,659,269</u>	<u>3,734</u>
Fixed assets		<u>2,738,339</u>	<u>3,839</u>
Manufactured goods and goods for resale		1,017,403	318
Inventories		<u>1,017,403</u>	<u>318</u>
Trade receivables		8,341,963	1,534
Receivables from group enterprises		6,001,382	8,893
Receivables from associates		0	1
Deferred tax assets	8	24,461	39
Other short-term receivables		1,933,303	360
Prepayments	9	4,027	75
Receivables		<u>16,305,136</u>	<u>10,902</u>
Other investments		1,050	1
Other investments		<u>1,050</u>	<u>1</u>
Cash		<u>9,848,699</u>	<u>5,307</u>
Current assets		<u>27,172,288</u>	<u>16,528</u>
Assets		<u>29,910,627</u>	<u>20,367</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	10	1,000,000	1,000
Reserve for net revaluation according to the equity method		1,581,981	3,074
Retained earnings		15,275,202	14,166
Proposed dividend		200,000	200
Equity		<u>18,057,183</u>	<u>18,440</u>
Bank loans		9,923,958	72
Trade payables		1,595,080	1,518
Income tax payable		162,391	103
Other payables	11	160,587	188
Deferred income	12	11,428	46
Current liabilities other than provisions		<u>11,853,444</u>	<u>1,927</u>
Liabilities other than provisions		<u>11,853,444</u>	<u>1,927</u>
Equity and liabilities		<u><u>29,910,627</u></u>	<u><u>20,367</u></u>
Contingent liabilities	13		
Ownership	14		

Parent statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revaluati- on according to the equity method DKK	Retained ear- nings DKK	Proposed di- vidend DKK
Equity beginning of year	1,000,000	3,074,456	14,165,740	200,000
Ordinary dividend paid	0	0	0	(200,000)
Exchange rate adjustments	0	(294,758)	0	0
Transfer to reserves	0	(1,088,442)	1,088,442	0
Profit/loss for the year	0	(109,275)	21,020	200,000
Equity end of year	1,000,000	1,581,981	15,275,202	200,000
				Total DKK
Equity beginning of year				18,440,196
Ordinary dividend paid				(200,000)
Exchange rate adjustments				(294,758)
Transfer to reserves				0
Profit/loss for the year				111,745
Equity end of year				18,057,183

Notes to parent financial statements

	2015	2014
	DKK	DKK'000
1. Staff costs		
Wages and salaries	2,067,438	2,398
Pension costs	217,884	167
Other social security costs	17,840	33
Other staff costs	146,523	150
	2,449,685	2,748
Average number of employees	2	10
	Remuneration of management	Remuneration of management
	2015	2014
	DKK	DKK'000
Total amount for management categories	1,251,682	1,697
	1,251,682	1,697
	2015	2014
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation on property, plant and equipment	25,779	52
Profit/loss from sale of intangible assets and property, plant and equipment	0	184
	25,779	236
	2015	2014
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	62,160	54
Interest income	27,446	0
Fair value adjustments	106,800	0
Other financial income	41	1
	196,447	55

Fair value adjustments comprise value adjustment of other investments which in 2014 was an associate.

Notes to parent financial statements

	2015	2014
	DKK	DKK'000
4. Other financial expenses		
Interest expenses	184,795	382
Other financial expenses	295,865	402
	480,660	784
	2015	2014
	DKK	DKK'000
5. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	59,306	103
Change in deferred tax for the year	14,618	(30)
Effect of changed tax rates	0	4
	73,924	77
		Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment		
Cost beginning of year		1,993,142
Cost end of year		1,993,142
Depreciation and impairment losses beginning of the year		(1,888,293)
Depreciation for the year		(25,779)
Depreciation and impairment losses end of the year		(1,914,072)
Carrying amount end of year		79,070

Notes to parent financial statements

	Investments in group enter- prises DKK	Investments in associates DKK	Other invest- ments DKK	Other recei- vables DKK
7. Fixed asset invest- ments				
Cost beginning of year	211,438	200,000	0	249,100
Transfer to and from other items	0	(100,000)	100,000	0
Disposals	0	(100,000)	0	0
Cost end of year	211,438	0	100,000	249,100
Revaluations beginning of year	1,986,014	1,088,442	0	0
Exchange rate adjustments	(294,758)	0	0	0
Share of profit/loss for the year	(168,508)	0	0	0
Adjustment of intra-group profits	59,233	0	0	0
Revaluations	0	0	72,529	0
Reversal of revaluations	0	0	(100,000)	0
Other adjustments	0	(544,221)	544,221	0
Reversal regarding disposals	0	(544,221)	0	0
Revaluations end of year	1,581,981	0	516,750	0
Carrying amount end of year	1,793,419	0	616,750	249,100

	2015 DKK	2014 DKK'000
8. Deferred tax		
Property, plant and equipment	20,847	28
Liabilities other than provisions	3,614	11
	24,461	39

9. Prepayments

Prepayments consist of prepaid marketing expenses and insurance.

	Number	Par value DKK	Nominal value DKK
10. Contributed capital			
Ordinary shares	1,000	1,000	1,000,000
	1,000		1,000,000

There has been no changes in the contributed capital since the establishment.

Notes to parent financial statements

	2015	2014
	DKK	DKK'000
11. Other short-term payables		
Wages and salaries, personal income taxes, social security costs, etc payable	2,937	0
Holiday pay obligation	67,500	112
Other costs payable	90,150	76
	160,587	188

12. Short-term deferred income

Deferred income concerns profit on goodwill in connection with the sale of an associate. The deferred income is recognised in the income statement in step with the amortisation being realised in the former associate.

13. Contingent liabilities

As security for bank balance a company pledge of nom. t.DKK 5,000 has been issued comprising unsecured debt, inventories, operating equipment etc. At 31.12.2015 the carrying amount of assets pledged amounts to t.DKK 9,438.

The Company has entered into foreign exchange contracts as security for transactions in RUR. At 31.12.2015 the market value hereof is positive.

EUROPEAN QUALITY FOOD A/S is included in a Danish joint taxation with KM Holding DK A/S as administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

14. Ownership

The Company's share capital is wholly-owned by the following shareholder:

KM HOLDING DK A/S, Fjordvej 90, Strandhuse, 6000 Kolding, Denmark