Lallemand Denmark A/S

Annual report 2015/16

The annual report was presented and adopted at the Company's annual general meeting on

19 May 2016

chairman

CVR no. 26 01 49 80
Bredstrupvej 33
DK-8500 Grenaa

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lallemand Denmark A/S for the financial year 1 February 2015 – 31 January 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 January 2016 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 February 2015 – 31 January 2016.

Further, in our opinion, the Management's review includes a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Grenaa, 19. May 2016

Executive Board:

Nicolai Francis Jensen

Board of Directors:

William John Nankervis Chairman	Francois Leblanc	Antoine Chagnon

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V
Denmark

Telephone +45 70 70 77 60
www.kpmg.dk
CVR no. 25 57 81 98

Independent auditors' report

To the shareholders of Lallemand Denmark A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Lallemand Denmark A/S for the financial year 1 February 2015 – 31 January 2016. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 January 2016 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 February 2015 – 31 January 2016 in accordance with the Danish Financial Statements Act.

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V
Denmark

Telephone +45 70 70 77 60
www.kpmg.dk
CVR no. 25 57 81 98

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, 19 May 2016

KPMG
Statsautoriseret Revisionspartnerselskab

Jon Beck	Jakob Westerdahl
State Authorised	*State Authorised*
Public Accountant	*Public Accountant*

Management's review

Company details

Lallemand Denmark A/S
Bredstrupvej 33
DK-8500 Grenaa

Telephone:	+45 87 58 24 00
CVR no.:	26 01 49 80
Established:	1 May 2001
Registered office:	Grenaa
Financial year:	1 February – 31 January

Board of Directors

William John Nankervis
Francois Leblanc
Antoine Chagnon

Executive Board

Nicolai Francis Jensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Financial highlights

DKK'000	2015/16	2014/15	2013/14	2012/13	2011/12

Key figures - consolidated

Revenue	249.880	234.278	265.282	273.589	281.061
Gross profit	95.922	87.025	84.216	92.446	96.897
Operating profit	15.609	6.495	800	10.392	13.441
Loss from financial income and expenses	-6.166	-5.541	-6.298	-15.260	-13.042
Profit/loss for the year	**7.817**	**1.682**	**-739**	**7.064**	**-1.715**
Total assets	292.757	309.971	304.445	345.498	362.699
Investment in property, plant and aquipment	23.933	9.938	11.621	9.724	17.440
Equity	**24.431**	**16.614**	**14.932**	**15.671**	**22.731**

Financial ratios

Operating margin	6,2%	2,8%	0,3%	3,8%	4,8%
Return on invested capital	5,3%	2,2%	0,3%	3,0%	4,0%
Gross margin	38,4%	37,1%	31,7%	33,8%	34,5%
Current ratio	134,7%	153,5%	61,7%	65,1%	72,1%
Solvency ratio	9,1%	5,4%	4,9%	4,5%	6,3%
Return on equity	36,1%	10,7%	-4,8%	-36,8%	-7,3%
Average number of full-time employees	**127**	**128**	**132**	**134**	**128**

Key figures - Parent Company

Revenue	23.565	22.937	20.987	20.235	19.205
Gross profit	18.463	17.026	15.507	14.247	13.971
Operating profit	1.876	1.634	1.185	1.363	1.586
Loss from financial income and expenses	-4.451	12.956	1.260	29.495	-7.811
Profit/loss for the year	**-1.915**	**14.850**	**6.297**	**30.605**	**-3.485**
Total assets	255.282	272.922	257.002	285.602	254.352
Investment in property, plant and aquipment	1.334	773	1.176	551	178
Equity	**74.421**	**76.336**	**61.486**	**55.189**	**24.584**

Financial ratios

Operating margin	8,0%	7,1%	5,6%	6,7%	8,3%
Return on invested capital	0,7%	0,6%	0,4%	0,5%	0,6%
Gross margin	78,3%	74,2%	73,9%	70,4%	72,7%
Current ratio	153,2%	459,5%	182,9%	26,1%	47,1%
Solvency ratio	29,2%	28,0%	23,9%	19,3%	9,7%
Return on equity	-2,5%	21,5%	10,8%	76,7%	-13,2%
Average number of full-time employees	**35**	**33**	**30**	**29**	**27**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, see the accounting policies.

Management's review

Operating review

Ownership and activities

The Company is a wholly-owned subsidiary of Lallemand Inc.

Principal activities of the Company

The Company is primarily engaged in packaging and distribution as well as in the holding of investments in subsidiaries.

Financial year

For the year under review, the Company's income statement showed a loss of DKK 1,915 thousand, and equity stood at DKK 74,421 thousand at 31 January 2016.

For the year under review, the Group's income statement showed an income of DKK 7,817 thousand, and equity stood at DKK 24,431 thousand at 31 January 2016.

The development in operating profit is considered satisfactory and in line with last year's expectations.

The Danish Tax Authorities have finalized a transfer pricing audit of the company and result hereof are reflected in the financial statement.

Outlook

The Company is expected to continue improving its profitability and will continue focus on its teams, customers and services.

Development in activities and financial position

Lallemand Denmark A/S

Operating result for the year were considered satisfactory and should continue in 2016/17.

Lallemand Human Nutrition A/S

Result for the year were considered satisfactory and should continue in 2016/17.

Management's review

Operating review

De Danske Gærfabrikker A/S

Financial results were satisfactory. Market conditions for bakers' yeast were characterised by continued strong competition.

The price of molasses will continue to influence the market opportunities for bakers' yeast in the coming year. The consumption of yeast in artisanal bakeries is declining, but a positive development in the sale of organic yeast, imported yeast from group companies as well as new delivery formats for conventional yeast, are expected to compensate for some of this decline. Markets for wine yeast, yeast extracts and whole-cell inactivated yeast remain promising.

Aktieselskabet Dansk Gærings-Industri

Results for the year were affected by operating income in the form of contributions from foundation investments.

Investments

Capital expenditure focus on products and application areas expected to generate growth in the coming years. Investments in production equipment are expected to remain at a constant level compared to 2015/16.

Particular risks

No particular risks have been identified.

General risks

Leading up to the liberalization of the European Sugar market in 2017, uncertainties over the price point and availability of local beet molasses for fermentation purposes are expected.

The introduction of new Danish environmental taxes and regulations are likely to further influence the competitiveness of Lallemand Denmark A/S and De Danske Gærfabrikker A/S

Financial risks

Strict account opening procedures and a stringent collection policy are applied for controlling credit risks.

The companies have no external debt so its only exposed to minimum interest rate risks.

Currency risk are considered minimal since companies are doing business in euro or in Danish Crown only.

Management's review

Operating review

Intellectual capital

The companies maneuver on markets dominated by knowledge-driven companies. Management will increasingly focus on securing, maintaining and developing the human, structural and relational capital of the companies.

Environment

The Company focuses on maintaining high environmental standards, adhering to or exceeding national regulations. This includes updating environmental approvals whilst keeping in close contact with local authorities on the local effects of our presence and production.

Research and development activities

The company's research and development activities are primarily conducted in the subsidiary Aktieselskabet Dansk Gærings-industri. These activities focus on new processed and specialised products.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the financial position of the Company at 31 January 2016.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

The annual report of Lallemand Denmark A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class C entities (medium-sized) under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements and the parent company financial statements comprise the parent company, Lallemand Denmark A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Business combinations

Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or windings-up.

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Provisions are recognised to cover costs arising from planned and announced restructuring processes in the acquired entity as part of the acquisition. The tax effect of revaluations is recognised as deferred tax.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life, however, not exceeding 20 years. Negative differences (negative goodwill) reflecting projected unfavourable development in the relevant entities are recognised in the balance sheet as deferred income and recognised in the income statement as the unfavourable development materialise. Negative goodwill up to an amount not exceeding the fair value of non-monetary assets that does not relate to projected unfavourable development is recognised in the balance sheet as deferred income. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets. Any residual negative goodwill is recognised in the income statement at the date of acquisition.

Goodwill and negative goodwill from acquired entities may be adjusted until the end of the year after the year of acquisition.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity. Moreover, comparative figures for previous financial years are restated.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue includes invoiced sales from the repacking and storage of goods primarily for group entities and income from the sale of goods for resale and finished goods, comprising the sale

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

of yeast and is recognised when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.
Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Raw materials and consumables

Cost of raw materials and consumables comprise raw materials and consumables used to generate revenue for the year.

Other income

Other operating income comprises items secondary to the activities to the company.

Other external costs

Other external costs comprise expenses incurred during the year for distribution, sales campaigns, advertising, administration, office premises, bad debts, operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The parent company is covered by the Danish rules on compulsory joint taxation of the Lallemand Denmark Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

Current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the estimated useful life of the asset, which is determined on the basis of Management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 5-10 years.

Trademarks

Trademarks are measured at cost less accumulated amortisation and impairment losses. Trademarks are amortised on a straight-line basis over their estimated residual lives, however, not exceeding 20 years when related to the core business of the Group.

Gains and losses on the disposal of trademarks are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10-30	years
Plant and machinery	10-20	years
Fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	5	years

Land is not depriciated.

Non-current assets under construction are recognized and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Impairment of non-current assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the projected net income from the use of the asset or the group of assets.

Leases

On initial recognition, leases for non-current assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost. The interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Investments

Investments in subsidiaries are measured at cost. Where the recoverable amount is lower than cost, investments are written down to this lower value. Dividends received are recognised in the income statement. Cost is written down to the extent that dividends distributed exceed accumulated earnings after the acquisition date.

Inventories

Inventories are measured at cost in accordance with the average method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of expected cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Tax receivable from jointly taxed companies" or "Tax payable by jointly taxed companies".

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set- off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company'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 profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with the acquisition and disposal of entities and activities and of intangible assets, property, plant and equipment and investments.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are freely negotiable into cash and which are subject to an insignificant risk of changes in value.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Accounting policies

Key figures and financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss x 100}}{\text{Average invested capital}}$
Invested capital	Operationel intagible assets and property, plant and equipment as well as net working capital
Operating assets	Operating assets are total assets less cash at hand and in bank and other interest-bearing assets (incl. shares)
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$

Consolidated financial statements and parent company financial statements for the year ended 31 January

Income statement

		Consolidated		Parent Company	
DKK'000	Note	2015/16	2014/15	2015/16	2014/15
Revenue		249,880	234,278	23,565	22,937
Changes in inventories of finished goods and work in progress		-3,459	975	0	0
Raw materials and consumables		-107,985	-95,823	-466	-758
Other income		194	249	0	0
Other external costs		-42,708	-52,654	-4,636	-4,782
Gross profit		95,922	87,025	18,463	17,397
Staff costs	1	-60,773	-61,137	-15,754	-15,061
Depreciation/amortisation	2	-19,540	-19,393	-833	-702
Operating profit		15,609	6,495	1,876	1,634
Financial income	3	6	606	339	17,886
Financial expenses	4	-6,172	-6,147	-4,790	-4,930
Profit/loss before tax		9,443	954	-2,575	14,590
Tax on profit/loss for the year	5	-1,626	728	660	260
Profit/loss for the year		7,817	1,682	-1,915	14,850
Proposed profit appropriation/distribution of loss					
Retained earnings		7,817	1,682	-1,915	14,850
		7,817	1,682	-1,915	14,850

Consolidated financial statements and parent company financial statements for the year ended 31 January

Balance sheet

DKK'000	Note	Consolidated 2015/16	Consolidated 2014/15	Parent Company 2015/16	Parent Company 2014/15
ASSETS					
Non-current assets					
Intangible assets					
Goodwill	6	0	0	0	0
Trademark		12,000	13,000	0	0
		12,000	13,000	0	0
Property, plant and equipment	7				
Land and buildings		30,031	31,946	0	0
Plant and machinery		150,696	144,299	0	0
Fixtures and fittings, tools and equipment		4,584	3,925	3,807	3,484
Property, plant and equipment under construction		12,782	13,477	0	773
Leasehold improvements		1,241	294	1,239	288
		199,334	193,941	5,046	4,545
Investments					
Investment in subsidiary	8	0	0	244,172	244,172
Total non-current assets		211,334	206,941	249,218	248,717
Current assets					
Inventories					
Raw materials and consumables		26,869	31,715	0	0
Work in progress		2,625	2,717	0	0
Finished goods and goods for resale		23,228	25,889	0	0
		52,722	60,321	0	0
Receivables					
Trade receivables		11,228	9,696	12	5
Receivables from group entities		9,344	26,099	2,931	22,479
Tax receivable from the tax authorities		0	0	585	170
Other receivables		1,092	588	286	31
Prepayments		2,021	1,658	741	470
Deferred tax asset		0	0	181	1,048
		23,685	38,041	4,736	24,203
Cash at bank and in hand		5,016	4,668	1,328	2
Total current assets		81,423	103,030	6,064	24,205
TOTAL ASSETS		292,757	309,971	255,282	272,922

Consolidated financial statements and parent company financial statements for the year ended 31 January

Balance sheet

		Consolidated		Parent Company	
DKK'000	Note	2015/16	2014/15	2015/16	2014/15
EQUITY AND LIABILTIES					
Equity	9				
Share capital		2,100	2,100	2,100	2,100
Retained earnings		22,331	14,514	72,321	74,236
Total equity		24,431	16,614	74,421	76,336
Provisions					
Deferred tax		30,979	34,918	0	0
Total provisions		30,979	34,918	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions	10				
Payables to group entities		176,902	191,318	176,902	191,318
		176,902	191,318	176,902	191,318
Current liabilities other than provisions					
Bank loans		0	35	0	35
Trade payables		9,791	17,172	88	973
Payables to group entities		24,448	31,673	918	1,090
Corporate tax		5,677	676	0	0
Other payables		20,529	17,565	2,953	3,170
		60,445	67,121	3,959	5,268
Total liabilities other than provisions		237,347	258,439	180,861	196,586
TOTAL EQUITY AND LIABILITIES		292,757	309,971	255,282	272,922

Contingent liabilities, charges, etc.	11
Related parties	12

Consolidated financial statements and parent company financial statements for the year ended 31 January

Statement of changes in equity

	Consolidated			
DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 February 2014	2,100	12,832	0	14,932
Transferred: see the profit appropriation/distribution of loss	0	1,682	0	1,682
Equity at 31 January 2015	2,100	14,514	0	16,614
Equity at 1 February 2015	2,100	14,514	0	16,614
Transferred: see the profit appropriation/distribution of loss	0	7,817	0	7,817
Equity at 31 January 2016	2,100	22,331	0	24,431

	Parent Company			
DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 February 2014	2,100	59,386	0	61,486
Transferred: see the profit appropriation/distribution of loss	0	14,850	0	14,850
Equity at 31 January 2015	2,100	74,236	0	76,336
Equity at 1 February 2015	2,100	74,236	0	76,336
Transferred: see the profit appropriation/distribution of loss	0	-1,915	0	-1,915
Equity at 31 January 2016	2,100	72,321	0	74,421

Consolidated financial statements and parent company financial statements for the year ended 31 January

Cash flow statement

DKK'000	Note	Consolidated 2015/16	2014/15
Profit for the year before tax		9,443	954
Depreciation/amortisation		19,540	19,393
Cash generated from operations (operating activities) before changes in working capital		28,983	20,347
Changes in working capital	13	10,313	-13,400
Corporation tax		-564	257
Cash flows from operationg activities		38,732	7,204
Acquisition of property, plant and equipment	7	-23,933	-9,938
Disposal of property, plant and equipment	7	0	1,379
Cash flows from investing activities		-23,933	-8,559
Increase in bank loans and overdrafts		-35	35
Repayment of long-term debt (Group entities)		-14,416	-476
Cash flows from financing activities		-14,451	-441
Net cash flows from operating, investing and financing activities		348	-1,796
Cash and cash equivalents at 1 February 2015		4,668	6,464
Cash and cash equivalents at 31 January 2016		5,016	4,668

The cash flow statement cannot be directly derived from the other components of the consolidated and the parent company financial statements.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Notes

	DKK'000	Consolidated 2015/16	Consolidated 2014/15	Parent Company 2015/16	Parent Company 2014/15
1	**Staff costs**				
	Wages and salaries	53,951	55,207	13,786	13,301
	Pensions	4,839	4,583	1,040	987
	Other social security costs	799	587	291	225
	Other staff costs	1,184	760	637	548
		60,773	61,137	15,754	15,061
	Average number of full-time employees	128	128	35	33

Remuneration of the Executive Board of Lallemand Denmark A/S is not disclosed separately referring to section 98b (3) of the Danish Financial Statements Act. No remuneration was paid to the Board of Directors.

	DKK'000	Consolidated 2015/16	Consolidated 2014/15	Parent Company 2015/16	Parent Company 2014/15
2	**Depreciation/amortisation**				
	Trademark	1,000	1,000	0	0
	Land and buildings	2,190	2,182	0	0
	Plant and machinery	15,100	15,202	0	0
	Fixtures and fittings, tools and equipment	927	944	677	639
	Leasehold improvements	160	65	156	63
	Gain/loss on the disposal of non-current assets	163	0	0	0
		19,540	19,393	833	702
3	**Financial income**				
	Interest income from group entities	0	0	339	909
	Other financial income	0	131	0	2
	Foreign exchange gains	6	475	0	475
	Dividends received	0	0	0	16,500
		6	606	339	17,886
4	**Financial income**				
	Interest expense to group entities	4,946	5,648	4,293	4,924
	Other financial expenses	490	390	2	6
	Foreign exchange loss	736	109	495	0
		6,172	6,147	4,790	4,930

Consolidated financial statements and parent company financial statements for the year ended 31 January

Notes

DKK'000	Consolidated 2015/16	Consolidated 2014/15	Parent Company 2015/16	Parent Company 2014/15
5 Corporation tax				
Current tax for the year	-1,994	-818	0	0
Adjustment of deferred tax	2,337	1,636	-917	350
Adjustment of taxes in respect of prior years	-1,969	-90	1,577	-90
	-1,626	728	660	260

6 **Intangible assets**	Consolidated Goodwill	Consolidated Trademark
Cost at 1. February 2015	48,502	20,000
Cost at 31. January 2016	48,502	20,000
Impairment losses and amortisation at 1 February 2015	48,502	7,000
Amortisation	0	1,000
Impairment losses and amortisation at 31 January 2016	48,502	8,000
Carrying amount at 31 January 2016	0	12,000
Amortised over	5-10 years	20 years

Consolidated financial statements and parent company financial statements for the year ended 31 January

Notes

7 **Property, plant and equipment**

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Leasehold improvements
	Consolidated				
Cost at 1 February 2015	65,927	284,693	17,581	13,477	1,123
Adjustment of prior period	0	-528	528	0	0
Additions	0	0	315	22,511	1,107
Transferred	275	22,158	773	-23,206	0
Disposals	0	-3,581	-165	0	0
Cost at 31 January 2016	66,202	302,742	19,032	12,782	2,230
Depreciation and impairment losses at 1 February 2015	33,981	140,394	13,656	0	829
Adjustment of prior period	0	-30	30	0	0
Depreciation	2,190	15,100	927	0	160
Reversed depreciation of disposals for the year	0	-3,418	-165	0	0
Depreciation and impairment losses at 31 January 2016	36,171	152,046	14,448	0	989
Carrying amount at 31 January 2016	30,031	150,696	4,584	12,782	1,241
Depreciated over	10-30 years	10-20 years	3-7 years		5 years

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction
	Parent Company		
Cost at 1 February 2015	12,294	957	773
Additions	227	1,107	0
Transferred	773	0	-773
Cost at 31 January 2016	13,294	2,064	0
Depreciation and impairment losses at 1 February 2015	8,810	669	0
Depreciation	677	156	0
Depreciation and impairment losses at 31 January 2016	9,487	825	0
Carrying amount at 31 January 2016	3,807	1,239	0
Depreciated over	3-5 years	5 years	

Consolidated financial statements and parent company financial statements for the year ended 31 January

Notes

8 **Investments**

Investments in subsidiary

DKK'000	Parent Company 2015/16	Parent Company 2014/15
Cost at 1 February 2015	244,172	244,172
Cost at 31 January 2016	244,172	244,172

Investments in subsidiaries are specified as follows:

DKK'000 Name	Stake	Share Capital DKK'000	Equity DKK'000	Profit/loss for the year DKK'000
Lallemand Human Nutrition A/S, Birkerød	100%	500	4,270	958
De Danske Gærfabrikker A/S, Grenaa, Danmark	100%	1,000	125,844	11,105

9 **Equity**

Consolidated and parent company

There have been no changes in share capital during the past five years.
The share capital consists of 2,100 shares of nom. DKK 1,000 each.
All shares rank equally.

Consolidated financial statements and parent company financial statements for the year ended 31 January

Notes

10 Non-current liabilities other than provisions

Non-current liabilities other than provisions comprise amounts owed to group entities. The liabilities become payable as follows:

	Consolidated		Parent Company	
	2015/16	2014/15	2015/16	2014/15
Within one year	0	0	0	0
Between 1 and 5 years	0	0	0	0
After 5 years	176,902	191,318	176,902	191,318
	176,902	191,318	176,902	191,318

11 Contingent liabilities, charges, etc.

Joint taxation

The Company is jointly taxed with the Company's subsidiaries. The Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends and interest under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities is recognized in the consolidated Financial Statements of Lallemand Denmark A/S. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability.

Operating lease obligations

The Group has entered into lease agreements regarding premises, operating equipment and a service agreement.

Within 1 year	2,924
Between 1 and 5 years	8,624
	11,548

Pending legal case

The Group is a party to a pending minor legal case. The outcome thereof remains unknown at present

Consolidated financial statements and parent company financial statements for the year ended 31 January

Notes

12 Related parties

Lallemand Denmark A/S' related parties comprise the following:

The Company's parent company and ultimate parent company exercise control.

The Company's related parties with significant influence comprise the Company's Board of Directors, Executive Board and executive staff. In addition, related parties comprise group entities in the Lallemand Group.

Control

Lallemand UK Ltd. Dallow Street, Burton upon Trent Staffordshire, United Kingdom, the principal shareholder.

The Company's ultimate parent company is Lallemand Inc., 151 Skyway Ave., Toronto, Canada M9W 4Z5. The consolidated financial statements in which Lallemand Denmark A/S is included can be obtained from Lallemand Inc.

Ownership

The following shareholder is listed in the Company's register of shareholders as holding at least 5% of the voting rights or least 5% of the share capital:

Lallemand UK Ltd.
Dallow Street
Burton upon Trent Staffordshire
United Kingdom

13 Changes in working capital

	Consolidated	
DKK'000	2015/16	2014/15
Changes in inventories	7,599	-10,333
Changes in receivables	14,356	-9,688
Changes in current liabilities	-11,642	6,621
	10,313	-13,400