
FS DK ApS

Værftsvej 13, DK-7000 Fredericia

Annual Report for 1 January - 31 December 2019

CVR No 27 16 22 74

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3 /7 2020

Rune Herse
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of FS DK ApS for the financial year 1 January - 31 December 2019.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

Fredericia, 3 July 2020

Executive Board

Jonas Kingo Schnoor
Executive Officer

Board of Directors

Mikael Mattias Salenstedt
Chairman

Jonas Kingo Schnoor

Lars John Michael Lundin

Independent Auditor's Report

To the Shareholders of FS DK ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of FS DK ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 3 July 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
statsautoriseret revisor
mne33262

Henrik Forthoft Lind
statsautoriseret revisor
mne34169

Company Information

The Company

FS DK ApS
Værftsvej 13
DK-7000 Fredericia
Website: www.fsgfoods.dk

CVR No: 27 16 22 74
Financial period: 1 January - 31 December
Municipality of reg. office: Fredericia

Board of Directors

Mikael Mattias Salenstedt, Chairman
Jonas Kingo Schnoor
Lars John Michael Lundin

Executive Board

Jonas Kingo Schnoor

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Financial Highlights

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

	2019	2018	2017	2016	2015
	TDKK	TDKK	TDKK	TDKK	(6 months) TDKK
Key figures					
Profit/loss					
Operating profit/loss	257	4,425	4,535	2,920	554
Net financials	142	-514	-836	-557	-257
Net profit/loss for the year	334	3,039	2,859	1,842	228
Balance sheet					
Balance sheet total	62,694	56,977	47,888	48,343	46,700
Equity	27,745	27,412	11,015	8,352	6,510
Investment in property, plant and equipment	6,455	1,455	-1,387	1,903	3,191
Number of employees	47	42	42	35	35
Ratios					
Return on assets	0.4%	7.8%	9.5%	6.0%	1.2%
Solvency ratio	44.3%	48.1%	23.0%	17.3%	13.9%
Return on equity	1.2%	15.8%	29.5%	24.8%	7.2%

For definitions, see under accounting policies.

Management's Review

Financial Statements of FS DK ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The Company's main activities consist of import and sale of primarily food for restaurants and wholesalers in the Scandinavian sushi market.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 333,620, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 27,745,445.

The Resulta for 2019 is effected of movingcost to new facility with an amount of MDKK 2,0.

Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

To date, the Company has been negatively impacted by the effects of COVID-19 as customers in the catering trade have been forced to close. The decline has however been partly compensated by the increased sales made to take-away customers. Moreover, the Company has been negatively impacted by Management's temporary lay-off of several employees as urged by the Danish Government. A few of the employees have been able to work from home, but – overall – this has had a negative impact on the Company. At this time, it is not possible to calculate the size of the negative COVID-19 impact.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		25,283,504	25,655,368
Staff expenses	2	-22,271,469	-19,191,133
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2,755,065	-2,039,272
Profit/loss before financial income and expenses		256,970	4,424,963
Financial income	3	447,713	443,825
Financial expenses	4	-305,956	-957,654
Profit/loss before tax		398,727	3,911,134
Tax on profit/loss for the year	5	-65,107	-871,815
Net profit/loss for the year		333,620	3,039,319

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		0	124,510
Intangible assets	6	0	124,510
Other fixtures and fittings, tools and equipment		7,367,694	4,937,277
Leasehold improvements		1,674,119	1,411,249
Property, plant and equipment	7	9,041,813	6,348,526
Fixed assets		9,041,813	6,473,036
Inventories		21,103,689	15,214,795
Trade receivables		17,233,511	14,210,243
Receivables from group enterprises		8,443,698	10,824,296
Other receivables		1,290,666	633,337
Deferred tax asset	9	1,553,980	1,647,053
Prepayments		345,193	402,513
Receivables		28,867,048	27,717,442
Cash at bank and in hand		3,681,172	7,571,421
Currents assets		53,651,909	50,503,658
Assets		62,693,722	56,976,694

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		512,000	512,000
Revaluation reserve		0	97,117
Retained earnings		27,233,445	26,802,707
Equity		27,745,445	27,411,824
Lease obligations		1,349,949	2,953,452
Other payables		415,728	0
Long-term debt	10	1,765,677	2,953,452
Lease obligations	10	4,399,215	968,605
Trade payables		20,380,149	16,494,772
Payables to group enterprises		1,504,373	4,021,667
Other payables	10	6,898,863	5,126,374
Short-term debt		33,182,600	26,611,418
Debt		34,948,277	29,564,870
Liabilities and equity		62,693,722	56,976,694
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Statement of Changes in Equity

	Share capital	Revaluation reserve	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	512,000	97,118	26,802,707	27,411,825
Depreciation, amortisation and impairment for the year	0	-97,118	97,118	0
Net profit/loss for the year	0	0	333,620	333,620
Equity at 31 December	512,000	0	27,233,445	27,745,445

Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

	<u>2019</u> DKK	<u>2018</u> DKK
2 Staff expenses		
Wages and salaries	19,702,876	17,075,309
Pensions	1,926,157	1,568,671
Other social security expenses	397,276	323,541
Other staff expenses	245,160	223,612
	<u>22,271,469</u>	<u>19,191,133</u>
Average number of employees	<u>47</u>	<u>42</u>

With reference to section 98b(3) of the Danish Financial Statements Act, remuneration to Company Management is not disclosed.

3 Financial income

Income from fixed asset investments	0	4,415
Interest received from group enterprises	368,921	397,847
Other financial income	78,792	41,563
	<u>447,713</u>	<u>443,825</u>

4 Financial expenses

Interest paid to group enterprises	36,389	5,417
Other financial expenses	269,567	952,237
	<u>305,956</u>	<u>957,654</u>

Notes to the Financial Statements

	<u>2019</u> DKK	<u>2018</u> DKK
5 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	93,073	871,815
Adjustment of tax concerning previous years	-27,966	0
	<u>65,107</u>	<u>871,815</u>
 6 Intangible assets		
		Completed development projects <u>DKK</u>
Cost at 1 January		<u>622,553</u>
Cost at 31 December		<u>622,553</u>
Impairment losses and amortisation at 1 January		498,043
Amortisation for the year		<u>124,510</u>
Impairment losses and amortisation at 31 December		<u>622,553</u>
 Carrying amount at 31 December		<u>0</u>

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	10,413,077	3,828,938
Additions for the year	5,478,468	832,872
Disposals for the year	<u>-2,983,697</u>	<u>-677,377</u>
Cost at 31 December	<u>12,907,848</u>	<u>3,984,433</u>
Impairment losses and depreciation at 1 January	5,475,800	2,417,689
Depreciation for the year	2,060,471	570,002
Reversal for the year of previous years' impairment losses	<u>-1,996,117</u>	<u>-677,377</u>
Impairment losses and depreciation at 31 December	<u>5,540,154</u>	<u>2,310,314</u>
Carrying amount at 31 December	<u>7,367,694</u>	<u>1,674,119</u>
Depreciated over	<u>3-6 years</u>	<u>6 years</u>
Including assets under finance leases amounting to	<u>5,756,084</u>	<u>0</u>

8 Distribution of profit

Retained earnings	<u>333,620</u>	<u>3,039,319</u>
	<u>333,620</u>	<u>3,039,319</u>

Notes to the Financial Statements

	2019	2018
	DKK	DKK
9 Deferred tax asset		
Intangible assets	0	27,000
Property, plant and equipment	202,000	141,000
Trade receivables	-96,000	-60,000
Tax loss carry-forward	-1,659,980	-1,755,053
Transferred to deferred tax asset	1,553,980	1,647,053
	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	1,553,980	1,647,053
Carrying amount	<u>1,553,980</u>	<u>1,647,053</u>

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next two 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 result. It is expected that the Company's revenue will be increasing.

Notes to the Financial Statements

10 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:

	<u>2019</u> DKK	<u>2018</u> DKK
Lease obligations		
Between 1 and 5 years	1,349,949	2,953,452
Long-term part	<u>1,349,949</u>	<u>2,953,452</u>
Within 1 year	<u>4,399,215</u>	<u>968,605</u>
	<u>5,749,164</u>	<u>3,922,057</u>
Other payables		
Between 1 and 5 years	415,728	0
Long-term part	<u>415,728</u>	<u>0</u>
Other short-term payables	<u>6,898,863</u>	<u>5,126,374</u>
	<u>7,314,591</u>	<u>5,126,374</u>

11 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with floating charge TDKK 18.000:

Unsecured claims from sale of goods and services, operating equipment and fixtures and fittings, tools and equipment with a carrying amount of	57,077,759	47,355,707
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Rental and lease obligations

Rental obligations, period of interminability up to 28 months	1,973,543	1,006,568
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Notes to the Financial Statements

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

Other contingent liabilities

The company has undertaken to provide financial support to FSG Norge AS, to make sure FSG Norge AS will be able to comply all the obligations of the general meeting approved financial statements for 2019 and a year ahead.

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 FSG Foods 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.

12 Related parties

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

FSG Foods ApS, Østre Havnevej 16, DK-5700 Svendborg

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
ODELAV 18 AB, Org nr. 559145-1702	Sweden

Notes to the Financial Statements

13 Accounting Policies

The Annual Report of FS DK ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of ODELAV 18 AB, Org nr. 559145-1702, the Company has not prepared a cash flow statement.

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.

Leases

Leases in terms of which the Company 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 Company.

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

Notes to the Financial Statements

13 Accounting Policies (continued)

the income statement on a straight-line basis over the lease term.

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.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

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

Notes to the Financial Statements

13 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

The Company is jointly taxed with the parent company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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.

Notes to the Financial Statements

13 Accounting Policies (continued)

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:

Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	6 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.

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 equals landed cost.

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.

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.

Notes to the Financial Statements

13 Accounting Policies (continued)

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 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.

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

Financial Highlights

Explanation of financial ratios

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