

Cremo Ingredients A/S

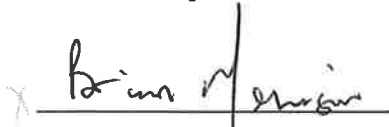
Toftegårdsvej 3, 5620 Glamsbjerg

Company reg. no. 27 68 84 70

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 9 May 2017.



Chairman of the meeting

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Notes:

∞ To ensure the greatest possible applicability of this document, British English terminology has been used.

∞ Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Cremo Ingredients A/S for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Glamsbjerg, 9 May 2017

Managing Director

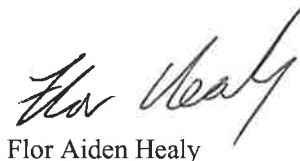


Brian Cornelius Mehigan

Board of directors



Paul Standish McCarthy
Chairman



Flor Aiden Healy



Brian Cornelius Mehigan

Independent auditor's report

To the shareholder of Cremo Ingredients A/S

Opinion

We have audited the annual accounts of Cremo Ingredients A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- ∞ Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ∞ Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- ∞ Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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.
- ∞ Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Odense, 9 May 2017

PricewaterhouseCoopers

State Authorised Public Accountants
Company reg. no. 33 77 12 31



Carsten Nielsen
State Authorised Public Accountant



Brian Petersen
State Authorised Public Accountant

Company data

The company

Cremo Ingredients A/S

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5620 Glamsbjerg

Phone 6372 1544

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E mail cremo@kerry.com

Company reg. no. 27 68 84 70

Domicile: Assens

Financial year: 1 January - 31 December

Board of directors

Paul Standish McCarthy, Chairman

Flor Aiden Healy

Brian Cornelius Mehigan

Managing Director

Brian Cornelius Mehigan

Auditors

PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab

Rytterkasernen 21

5000 Odense C

Parent company

Kerry Group BV

Financial highlights

| DKK in thousands. | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------|---------|---------|---------|---------|
| Profit and loss account: | | | | | |
| Net turnover | 422.724 | 447.222 | 398.134 | 342.841 | 341.928 |
| Gross profit | 106.404 | 102.288 | 78.085 | 80.219 | 77.851 |
| Results from operating activities | 22.257 | 21.538 | 25.882 | 22.315 | 20.656 |
| Net financials | (4.481) | (4.483) | (4.403) | (7.547) | (7.322) |
| Results for the year | 14.638 | 13.536 | 16.305 | 11.168 | 9.980 |
| Balance sheet: | | | | | |
| Balance sheet sum | 274.725 | 260.000 | 281.422 | 259.355 | 230.020 |
| Investments in tangible fixed assets represent | 8.365 | 6.269 | 71.739 | 59.458 | 52.214 |
| Equity | 127.153 | 112.515 | 98.979 | 82.674 | 71.507 |
| Key figures in %: | | | | | |
| Gross margin | 25,2 | 22,9 | 19,6 | 23,4 | 22,8 |
| Profit margin | 5,3 | 4,8 | 6,5 | 6,5 | 6,0 |
| Solvency ratio | 46,3 | 43,3 | 35,2 | 31,9 | 31,1 |
| Return on equity | 12,2 | 12,8 | 18,0 | 14,5 | 15,0 |

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

| | |
|------------------------------------|--|
| Gross margin | $\frac{\text{Gross results} \times 100}{\text{Net turnover}}$ |
| Profit margin (EBIT margin) | $\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Net turnover}}$ |
| Return on equity investment | $\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Average invested capital}}$ |
| Solvency ratio | $\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$ |
| Return on equity | $\frac{\text{Results for the year} \times 100}{\text{Average equity}}$ |

Management's review

The principal activities of the company

The Company's activity is the production and sale of processed cheese products for the food industry.

Uncertainties as to recognition or measurement

There have been no particular uncertainty about recognition and measurement of the accounting items.

Development in activities and financial matters

In 2016, Cremo had a good year with high demand for our cheese powder products. We have experienced growth in the APAC region, with much interest in our cheese powder there. The use of cheese powder in the production of Ice-Cream is a new outlet for our products. We are currently investigating strategies of creating new capacity.

The Financial position in 2016 has been stabile overall with some fluctuations related to the timing of some transactions compared to 2015.

The results from ordinary activities after tax are DKK 14.638.316 against DKK 13.536.000 last year. This result is considered satisfactory.

Special risks

Operating risks:

The company's earnings are dependent on the development of commodity prices for purchased products and selling prices for finished products.

Financial risks:

The company is funded by Kerry Group Financial Services, Ireland. The company is financially exposed to primarily EUR.

Statement of corporate social responsibility cf. article 99a in the Danish Financial Statements Act

Regarding the Company's statement of corporate social responsibility, we refer to the group annual report for Kerry Group:

http://www.kerrygroup.com/investors/results-presentations/2016_KG_AR_lores_web.pdf

Know how resources

The company aims to maintain and develop human resources as possible in accordance with the requirements of the company.

Research and development activities

Cremo performs R&D applications activities (i.e. amendments of existing recipes based on new ideas or on specific Customers' requirements on direction from KGS1) as a sub-contractor on behalf of Kerry Group Services International Ltd, charging its full loaded R&D costs plus a mark-up for providing this service.

Management's review

The expected development

Crema Ingredients A / S expects an unchanged performance in 2017 and a performance on the same level as 2016.

Events subsequent to the financial year

From the balance sheet date and until today, no events have occurred which affect the assessment of the annual report.

Statutory statement regarding the under represented gender

The company is covered by The Danish Financial Statements Act §99b regarding the under represented gender. This imply reporting on gender composition on the BoD and on other management levels of the company.

Our Board of Directors

Currently, the Board of Directors consists of three members that are all men. However, the BoD has set a target to have one woman on the Board in 2020 at the latest. As the Board was re-elected at the general assembly, the company was unable to search for new candidates in 2016.

Other management levels

On the other management levels in the company, it is also the policy not to discriminate but to employ the best qualified candidates irrespective of gender. It is also the policy to give both genders the same rights, opportunities and conditions related to their employment.

In 2016 we have continued to look for and find qualified female candidates for leadership positions in Crema Ingredients A/S. Crema Ingredients A/S is constantly considering relevant activities to raise awareness of the industry and of Crema Ingredients A/S in particular. Despite of our efforts during the year, we have not registered a change in the gender composition in management during the year. Employments in the financial year have been in compliance with the policy. The company will intensify its efforts going forward to improve the proportion.

Accounting policies used

The annual report for Cremo Ingredients A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared.

Correction regarding 2015

Following a detailed review during 2017 Management has reclassified a VAT balance in the 2015 balance sheet, the net effect is that total assets and liabilities have been reduced by DKK 59.990k in 2015. There is no effect on the Profit and loss account.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Production costs

The production costs comprise costs, including salaries, wages and depreciation, which are incurred in order to achieve the net turnover of the year. These costs include direct and indirect costs for raw materials and consumables, salaries and wages, and depreciation on the production plant.

Distribution costs

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation.

Goodwill is depreciated over its estimated useful life determined based on the management's experience within the individual business areas. The amortization period is usually 5 years, but can be up to 20 years for strategic acquisitions. The company was initially acquired to strengthen the future platform in ingredients business. Based on the company's strategic market position and expectations for future earnings, depreciation horizon therefore set at 20 years.

Goodwill is impaired to its recoverable value if this is lower than the carrying value

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

| | |
|--|----------|
| Buildings | 33 years |
| Technical plants and machinery | 14 years |
| Other plants, operating assets, fixtures and furniture | 5 years |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Depreciation are recognised in the profit and loss account as production costs and administration costs, as well as separate entry for depreciation for goodwill and other intangible fixed assets.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards assets of own production, the cost comprises direct and indirect costs for materials, components and deliveries from subsuppliers.

Accounting policies used

Leasing contracts

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages and other direct production costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Accounting policies used

Segment information

Pursuant to section 96(1) of the Danish Financial Statements Act, no information is provided on the geographical markets of the revenue..

Profit and loss account 1 January - 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| <u>Note</u> | <u>2016</u> | <u>2015</u> |
|-------------------------------|--------------------------|----------------------|
| 1 Net turnover | 422.723.792 | 447.222 |
| 2-3 Production costs | <u>(316.319.851)</u> | <u>(344.934)</u> |
| Gross results | 106.403.941 | 102.288 |
| 2 Distribution costs | (2.349.139) | (3.564) |
| 2-3 Administration costs | <u>(81.798.036)</u> | <u>(77.186)</u> |
| Operating profit | 22.256.766 | 21.538 |
| Other financial income | - | 59 |
| 5 Other financial costs | <u>(4.481.440)</u> | <u>(4.542)</u> |
| Financing, net | <u>(4.481.440)</u> | <u>(4.483)</u> |
| Results before tax | 17.775.326 | 17.055 |
| 6 Tax on ordinary results | <u>(3.137.010)</u> | <u>(3.519)</u> |
| 4 Results for the year | <u>14.638.316</u> | <u>13.536</u> |

Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| Assets | 2016 | 2015 |
|---------------------------------------|---------------------------|-----------------------|
| Note | <u>2016</u> | <u>2015</u> |
| Fixed assets | | |
| 7 Goodwill | 39.166.822 | 43.676 |
| Intangible fixed assets in total | <u>39.166.822</u> | <u>43.676</u> |
| 8 Land and property | 28.232.026 | 29.629 |
| 9 Production plant and machinery | 40.068.970 | 35.956 |
| 10 Tangible assets under construction | 4.730.835 | 6.269 |
| Tangible fixed assets in total | <u>73.031.831</u> | <u>71.854</u> |
| Fixed assets in total | <u>112.198.653</u> | <u>115.530</u> |
| Current assets | | |
| Raw materials and consumables | 31.018.637 | 32.714 |
| Manufactured goods and trade goods | 37.132.638 | 39.373 |
| Prepayments for goods | 1.072.060 | 1.003 |
| Assets intended for sale | 3.092.484 | 3.260 |
| Inventories in total | <u>72.315.819</u> | <u>76.350</u> |
| Amounts owed by group enterprises | 89.610.877 | 67.542 |
| Receivable corporate tax | 576.133 | 553 |
| Debtors in total | <u>90.187.010</u> | <u>68.095</u> |
| Available funds | <u>23.943</u> | <u>25</u> |
| Current assets in total | <u>162.526.772</u> | <u>144.470</u> |
| Assets in total | <u>274.725.425</u> | <u>260.000</u> |

Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| | 2016 | 2015 |
|-------------------------------|------------------------|----------------|
| Equity and liabilities | | |
| Note | | |
| Equity | | |
| 11 | 501.000 | 501 |
| | 126.652.070 | 112.014 |
| | 127.153.070 | 112.515 |
| Provisions | | |
| 12 | 11.057.523 | 12.344 |
| | 11.057.523 | 12.344 |
| Liabilities | | |
| 13 | 100.000.000 | 100.000 |
| | 100.000.000 | 100.000 |
| | 19.221.069 | 12.078 |
| | 17.293.763 | 23.063 |
| | 36.514.832 | 35.141 |
| | 136.514.832 | 135.141 |
| | 274.725.425 | 260.000 |
| 14 | Fee, auditor | |
| 15 | Contingencies | |
| 16 | Related parties | |

Statement of changes in equity

DKK in thousands.

| | <u>Contributed capital</u> | <u>Results brought forward</u> | <u>In total</u> |
|---|--------------------------------|------------------------------------|-----------------|
| Equity 1 January 2016 | 501 | 112.014 | 112.515 |
| Profit or loss for the year brought forward | - | 14.638 | 14.638 |
| | 501 | 126.652 | 127.153 |

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

1. Net turnover

The market for processed cheese products consists of only a few manufacturers and information surrounding segmentation could affect the market as well as the market prices. For competitive reasons information regarding segmented revenue will not be disclosed.

| | <u>2016</u> | <u>2015</u> |
|-----------------------------|--------------------------|----------------------|
| 2. Personnel costs | | |
| Salaries and wages | 46.366.514 | 42.696 |
| Pension contribution | 4.163.069 | 3.883 |
| Other social costs | <u>1.008.734</u> | <u>953</u> |
| | <u>51.538.317</u> | <u>47.532</u> |
| | | |
| Average number of employees | <u>96</u> | <u>97</u> |

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3. Depreciation

| | | |
|--------------------------------|--------------------------|----------------------|
| Goodwill | 4.509.447 | 4.462 |
| Land and property | 1.397.101 | 1.397 |
| Production plant and machinery | <u>4.487.295</u> | <u>4.757</u> |
| | <u>10.393.843</u> | <u>10.616</u> |

Depreciation and losses are allocated as follows

| | | |
|----------------------|--------------------------|----------------------|
| Production costs | 5.884.396 | 6.154 |
| Administration costs | <u>4.509.447</u> | <u>4.462</u> |
| | <u>10.393.843</u> | <u>10.616</u> |

4. Proposed distribution of the results

| | | |
|--------------------------------------|--------------------------|----------------------|
| Allocated to results brought forward | <u>14.638.316</u> | <u>13.536</u> |
| Distribution in total | <u>14.638.316</u> | <u>13.536</u> |

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| | <u>2016</u> | <u>2015</u> |
|---|----------------------------|------------------------|
| 5. Other financial costs | | |
| Financial costs, group enterprises | 4.320.833 | 4.374 |
| Other financial costs | <u>160.607</u> | <u>168</u> |
| | <u>4.481.440</u> | <u>4.542</u> |
| | | |
| 6. Tax on ordinary results | | |
| Tax of the results for the year, parent company | 4.423.867 | 4.447 |
| Adjustment of tax for previous years | - | (1.432) |
| Adjustment for the year of deferred tax | (1.286.857) | (870) |
| Other taxes | <u>-</u> | <u>1.374</u> |
| | <u>3.137.010</u> | <u>3.519</u> |
| | | |
| Depreciation and losses are allocated as follows | | |
| Production costs | 5.884.397 | 6.154 |
| Administration costs | <u>4.509.447</u> | <u>4.462</u> |
| | <u>10.393.844</u> | <u>10.616</u> |
| | | |
| 7. Goodwill | | |
| Cost 1 January 2016 | 90.212.207 | 78.301 |
| Additions during the year | <u>-</u> | <u>11.911</u> |
| Cost 31 December 2016 | <u>90.212.207</u> | <u>90.212</u> |
| | | |
| Amortisation and writedown 1 January 2016 | (46.535.938) | (42.074) |
| Amortisation for the year | <u>(4.509.447)</u> | <u>(4.462)</u> |
| Amortisation and writedown 31 December 2016 | <u>(51.045.385)</u> | <u>(46.536)</u> |
| | | |
| Book value 31 December 2016 | <u>39.166.822</u> | <u>43.676</u> |

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| | <u>31/12/2016</u> | <u>31/12/2015</u> |
|---|---------------------|-------------------|
| 8. Land and property | | |
| Cost 1 January 2016 | 44.343.674 | 44.344 |
| Cost 31 December 2016 | 44.343.674 | 44.344 |
| Depreciation and writedown 1 January 2016 | (14.714.547) | (13.318) |
| Depreciation for the year | (1.397.101) | (1.397) |
| Depreciation and writedown 31 December 2016 | (16.111.648) | (14.715) |
| Book value 31 December 2016 | 28.232.026 | 29.629 |
| | | |
| 9. Production plant and machinery | | |
| Cost 1 January 2016 | 68.215.468 | 68.215 |
| Additions during the year | 4.999.558 | - |
| Disposals during the year | (1.447.098) | - |
| Transfers | 3.918.047 | - |
| Cost 31 December 2016 | 75.685.975 | 68.215 |
| Depreciation and writedown 1 January 2016 | (32.259.210) | (27.502) |
| Depreciation for the year | (4.487.295) | (4.757) |
| Depreciation, amortisation and writedown for the year, assets disposed of | 1.129.500 | - |
| Depreciation and writedown 31 December 2016 | (35.617.005) | (32.259) |
| Book value 31 December 2016 | 40.068.970 | 35.956 |
| | | |
| 10. Tangible assets under construction | | |
| Cost 1 January 2016 | 6.268.599 | - |
| Additions during the year | 3.365.283 | 6.269 |
| Disposals during the year | (985.000) | - |
| Transfers | (3.918.047) | - |
| Cost 31 December 2016 | 4.730.835 | 6.269 |
| Book value 31 December 2016 | 4.730.835 | 6.269 |

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| | <u>31/12/2016</u> | <u>31/12/2015</u> |
|---|--------------------|-------------------|
| 11. Contributed capital | | |
| Contributed capital 1 January 2016 | 501.000 | 501 |
| | 501.000 | 501 |
| Contributed capital consist of 501 shares of DKK 1.000. The contributed capital is not divided into classes. | | |
| No change to the contributed capital in the past 5 years. | | |
| 12. Provisions for deferred tax | | |
| Provisions for deferred tax 1 January 2016 | 11.057.523 | 12.344 |
| | 11.057.523 | 12.344 |
| The following items are subject to deferred tax: | | |
| Intangible fixed assets | 6.744.981 | 7.865 |
| Tangible fixed assets | 5.051.134 | 4.784 |
| Current assets | (738.592) | (305) |
| | 11.057.523 | 12.344 |
| 13. Debt to group enterprises | | |
| Debt to group enterprises in total | 100.000.000 | 100.000 |
| Share of amount due within 1 year | - | - |
| Debt to group enterprises in total | 100.000.000 | 100.000 |
| Share of liabilities due after 5 years | - | - |

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

| | <u>31/12/2016</u> | <u>31/12/2015</u> |
|---|-------------------|-------------------|
| 14. Fee, auditor | | |
| Total fee for PricewaterhouseCoopers, State Authorised Public Accountants | 159.254 | 241 |
| Fee concerning compulsory audit | 159.254 | 225 |
| Tax consultancy | - | 16 |
| | <u>159.254</u> | <u>241</u> |

15. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of t.DKK 823 and a combined leasing obligation of t.DKK 4.233. The leasing contracts concerns company cars, forklifts and photocopiers.

16. Related parties

Controlling interest

Kerry Group BV
Maarssenbroeksedijk 2a,
3542 DN Utrecht
The Netherlands

Majority shareholder

Other related parties

Kerry Group BV, Maarssenbroeksedijk 2a, 3542 DN Utrecht, Parent company
The Netherlands

Kerry Group plc, Prince's Street, Tralee, Co. Kerry, Ireland Ultimate parent company
Paul Standish McCarthy, Prince's Street, Tralee, Co. Kerry, Member of Board of directors.
Ireland.

Flor Aiden Healy, Thorpe Lea Manor, Thorpe Lea Road, Member of Board of directors
Egham, Surrey TW20 8HY, UK

Brian Cornelius Mehigan, Kerry Group plc., Prince's Street, Member of Board of directors
Tralee, Co. Kerry, Ireland

All transactions with related parties are performed at arm's length.

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

Consolidated annual accounts

Crema Ingredients A/S is included in the Group Annual report of the Ultimate Parent company Kerry Group plc