

BAADER POULTRY A/S
C/O LINCO FOOD SYSTEMS A/S, VESTERMØLLEVEJ 9, 8380 TRIGE
ANNUAL REPORT
2015

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 27 May 2016

Petra Baader

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SELSKABSOPLYSNINGER

Company	Baader Poultry A/S c/o LINCO Food Systems A/S Vestermøllevej 9 8380 Trige CVR No.: 30 71 48 30 Established: 10 July 2007 Registered Office: Aarhus Financial Year: 1. januar - 31. december
Board of Directors	Petra Baader, Chairman Torsten Krausen Robert Focke
Board of Executives	Ralph Anderson Miller
Auditor	BDO Statsautoriseret revisionsaktieselskab Birkemose Allé 39 6000 Kolding
General Meeting	The Annual General Meeting is held on 27 May 2016 at the company's address.

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the board of directors and board of executives have discussed and approved the Annual Report of Baader Poultry A/S for the year 1 January - 31 December 2015.

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

In our opinion the Consolidated Financial Statements and Parent Company Financial Statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2015.

The management's review includes in our opinion a fair presentation of the matters dealt with in the review.

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

Aarhus, den 27. maj 2016

Board of Executives

Ralph Anderson Miller

Board of Directors

Petra Baader
Chairman

Torsten Krausen

Robert Focke

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Baader Poultry A/S

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and parent company financial statements of Baader Poultry A/S for the financial year 1 January to 31 December 2015 which comprise a summary of significant accounting policies, income statement, balance sheet and notes for the group as well as for the parent company and 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 Parent Company Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and 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 consolidated financial statements and parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements and parent company financial statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2015 and of the results of the group's and the parent company's operations and the group's cash flows for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S 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 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 parent company financial statements.

Kolding, den 27. maj 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-no. 20 22 26 70

Lars Kruse
State Authorised Public Accountant

KEY FIGURES AND RATIOS FOR THE GROUP

	2015 tkr.	2014 tkr.	2013 tkr.	2012 tkr.	2011 tkr.
Income statement					
Net revenue.....	749.762	670.666	645.065	725.569	500.486
Gross profit.....	162.070	154.897	139.251	137.786	83.881
Operating profit.....	18.419	34.821	27.649	29.293	22.860
Financial income and expenses, net.....	-10.716	-9.756	-9.246	-10.496	-9.624
Profit for the year before tax.....	7.703	25.065	18.403	18.797	13.236
Profit for the year.....	936	11.329	10.822	11.039	4.889
Balance sheet					
Balance sheet total.....	508.556	444.724	406.689	404.895	373.518
Equity.....	81.715	72.887	53.281	46.188	36.385
Investment in tangible fixed assets.....	15.870	11.414	6.485	22.295	3.416
Ratios					
Gross margin.....	21,6	23,1	21,6	19,0	16,8
Profit margin.....	2,5	5,2	4,3	3,7	9,1
Rate of return.....	1,6	5,9	4,5	4,8	3,8
Solvency ratio.....	16,1	16,4	13,1	11,4	9,7
Return on equity.....	1,2	18,0	21,8	26,7	14,3
Average number of employees.....	510	466	451	449	317

The ratios follow in all material respects the recommendations of the Danish Association of Financial Analysts. Reference is made to the definitions and concepts in the accounting policies.

MANAGEMENT'S REVIEW

Principal activities

The company is the parent company of the LINCO-group, which primarily develops, produces and sells machines and complete plants for slaughtering and processing of poultry as well as weighing and grading equipment, also used in the fish industry as well as other food industries.

Sales, marketing and service in several important markets takes place directly through subsidiaries.

Exceptional matters

The annual report of 2015 has not been affected by unusual circumstances.

Uncertainty on recognition or measurement

A significant part of the turnover comes from construction contracts, which is why an important element in the calculation of turnover comes from the estimation of total planned cost on each project. There is an intense focus on precision in these estimates.

Development in activities and financial position

The company experienced an increase in the turnover in 2015, which is due to improved market conditions in developed markets.

The net result including the result of equity investments in group companies is considered satisfactory.

Significant events after the end of the financial year

To this date, no events, which would influence the evaluation of this annual report, have occurred after the balance sheet date.

Special risks

The group is, at this time, not engaged in any legal actions, hence no provisions have been made in this respect.

Financial risks and currency risks

The group applies forward exchange transactions to secure receivables and payables in foreign currencies if it is different from EUR. In addition, continuous adjustments are made of net currency positions.

Interest rate exposure

Interest rate risks are limited by means of different securing instruments and interest swaps.

Environmental situation

The group runs its business with the highest possible respect of environmental matters with regard to own production as well as to the machines sold.

Knowledge resources

The group aims to supply high-quality products focusing on operation reliability and a good basis for production of safe food. All central components are produced by the company whereas other components are produced by closely related sub-suppliers.

Research and development activities

The group pays development expenses concurrently to secure future sales. Major development projects, which meet a number of detailed conditions, are recognized as assets under construction, and amortized in the income statement, when the projects have been completed. Other development projects are expensed in the income statement.

Future expectations

A positive development on important markets compared to the 2015 level is expected.

Continuous improvements of existing products as well as introduction of new systems and solutions raises the expected turnover for 2016 compared to the previous year.

MANAGEMENT'S REVIEW

The group's continued focus on growth, efficiency and adjustment of the organisation is expected to help stabilise the earning in the years to come.

The group's foreign branches

The group's activities in the French market is managed through the group's branch in France.

Corporate social responsibility

It is the ambition of the group to show social responsibility in line with its basic values. This is demonstrated in internal as well as external initiatives, though it is not described in an actual CSR-policy.

The group is working determinedly to ensure a safe and healthy working environment, so the environmental and climatic conditions are incorporated in the company's processes.

As a result of the work on social responsibility, the group focuses on the safety and environment of the work.

Target figures and policies for the under-represented gender

One out of three board members elected at the general meeting are female and by that, the group meet the target set in the Danish law.

It is the group policy that regardless of gender, race, and religion, all employees are treated equally, in order that everyone has equal opportunities for employment.

The group continues to increase the representation of women in management positions with respect for the industry specific competences needed. The company encourage and support female employees that desires to raise into managerial positions.

ACCOUNTING POLICIES

The annual report of Baader Poultry A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-sized enterprises

The Annual Report is prepared consistently with the accounting principles used last year.

General information on recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits 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 likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

Derivative financial instruments

Derivative financial instruments are the first time recognized in the balance sheet at cost price and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in the fair value of derivative financial instruments classified as and meeting the criteria for hedging the fair value of a recognized asset or a recognized liability, are recognized in the profit and loss account together with changes in the fair value, if any, of the hedged asset or the hedged liability.

Change in the fair value of derivative financial instruments classified as and meeting the conditions of hedging future assets and liabilities are recognized in receivables or liabilities and in the equity. If the future transaction results in recognition of assets or liabilities, amounts are transferred, which were recognized in the equity, from the equity and are recognized in the cost price for the asset or the liability, respectively. If the future transaction results in income or costs, amounts are transferred, which were recognized in the equity, to the income statement in the period where the hedged influences the income statement.

For derivative financial statements, if any, which do not meet the conditions for treatment as hedging instruments, changes in the fair value are currently recognized in the income statement.

ACCOUNTING POLICIES

Consolidated financial statements

The consolidated financial statements include the parent company Baader Poultry A/S and its subsidiary enterprises in which Baader Poultry A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiary enterprises by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiary enterprises' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities, inclusive of provision for liabilities for restructuring, are recognised in intangible fixed assets as goodwill and amortised systematically in the income statement under an individual assessment of the useful life, however, not more than 20 years. Negative differences which correspond to an expected unfavourable development in the enterprises are recognised as negative goodwill under accruals in the balance sheet and recognised in the income statement as and when the unfavourable development is realised.

INCOME STATEMENT

Net revenue

The net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues is recognised exclusive of VAT, duties and less discounts related to the sale.

Contract work in progress is included in revenue based on the stage of completion, so that revenue corresponds to the selling price of the work performed in the financial year (the degree of completion method).

Sale of Services is recognised in the income statement if the service has been provided before the end of the year.

Segment details

Due to competitive considerations, the relaxation in art. 96 of the Danish Financial Statements Act has been applied, because it is Management's assessment that it will cause significant damage to the group to disclose the segment details in the annual report.

The market in which the group has activities, is characterised by strong competition between 3-4 competitors and the segment details can result in a shift in the competitive interrelationship between the competitors.

ACCOUNTING POLICIES

Production costs

Production costs comprise costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year. Commercial enterprises recognise cost of sales, and the manufacturing enterprises recognise production costs equal to the revenue for the year, including direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Production costs also recognise amortisation of capitalised development and research costs and the development costs that do not fulfil the criteria for capitalisation.

Write-down is recognised in connection with expected losses on project contracts.

Distribution costs

Distribution costs recognise costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Distribution costs also recognise costs of the sales personnel, advertising and exhibition costs and amortisation.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding Management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc and related amortisation.

Other operating income and expenses

Other operating income and expenses include items of secondary nature in relation to the enterprises' principal activities.

Results of subsidiary enterprises

The proportional share of results of subsidiaries after full elimination of intercompany profits/losses and deduction of amortised goodwill is recognised in the company's income statement.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

The company is jointly taxed with wholly owned Danish and foreign subsidiary enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortized over the estimated economic lifetime, based on the management's experience within the business centres. Group goodwill is amortized over 7 to 12 years.

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is 5 years.

Capitalised IT-projects are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised IT-projects are depreciated on a straight-line basis over the estimated useful life. The useful life is normally 3-5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs. No depreciation is provided on land.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Land and buildings.....	10-25 years	0%
Production plant and machinery.....	5-10 years	0-30%
Other plant, fixtures and equipment.....	3-5 years	0-30%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial fixed assets

Investments in subsidiary enterprises are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiary enterprises is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used on purchase of subsidiary enterprises, see description above under consolidated financial statements.

Subsidiary enterprises with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's deficit.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and Management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Accounts receivable are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

ACCOUNTING POLICIES

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

Usually, the degree of completion is calculated as the ratio between actual and total budgeted consumption of resources. For projects for which the consumption of resources cannot be applied as basis, the ratio of completed to total subactivities of the individual projects has been applied.

If the sales value of a contract work in progress cannot be calculated reliably, the sales value is calculated as the lower of costs incurred and net realisable value.

The specific piece of work in progress is recognised in the balance sheet as an account receivable or payable, depending on the net value of the selling price less progress invoicing and progress payments. Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities

Provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period. The provisions for liabilities are measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax unit.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changing tax rates are recognized in the income statement except for adjustments recognized in other comprehensive income.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Mortgage debt is measured at amortised cost which for cash loans is equal to the debt outstanding and for bond loans is equal to the debt outstanding, calculated on the basis of the underlying cash value of the loan at the time of borrowing.

Other liabilities are measured at amortised cost equal to nominal value.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and liquid funds.

ACCOUNTING POLICIES

RATIOS

The ratios stated in the overview of financial highlights are calculated as follows:

Gross margin:

$$\frac{\text{Gross profit/loss} \times 100}{\text{Net turnover}}$$

Profit margin:

$$\frac{\text{Operating profit/loss} \times 100}{\text{Net turnover}}$$

Rate of return:

$$\frac{\text{Profit/loss before tax} \times 100}{\text{Average of assets}}$$

Solvency ratio:

$$\frac{\text{Equity, end of year} \times 100}{\text{Total liabilities, end of year}}$$

Return on equity:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average of equity}}$$

The ratios follow in all material respects the recommendations of the Danish Association of Financial Analysts.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent company	
		2015 kr.	2014 tkr.	2015 kr.	2014 tkr.
NET REVENUE	1	749.761.829	670.666	1.490.970	0
Production costs.....		-587.692.263	-515.769	0	0
GROSS PROFIT		162.069.566	154.897	1.490.970	0
Distribution costs.....		-82.317.347	-73.563	0	0
Administrative expenses.....		-61.559.431	-46.545	-2.238.152	-116
OPERATING PROFIT		18.192.788	34.789	-747.182	-116
Other operating income.....		226.475	32	0	0
OPERATING PROFIT		18.419.263	34.821	-747.182	-116
Result of equity investments in group companies.....		0	0	7.563.142	17.008
Financial income.....	2	918.629	583	0	369
Financial expenses.....	3	-11.634.502	-10.339	-7.559.572	-7.707
PROFIT BEFORE TAX		7.703.390	25.065	-743.612	9.554
Tax on profit/loss for the year.....	4	-6.766.992	-13.736	1.680.010	1.775
PROFIT FOR THE YEAR		936.398	11.329	936.398	11.329
PROPOSED DISTRIBUTION OF PROFIT					
Reserve for net revaluation according to equity method.....				7.563.142	17.008
Retained earnings.....				-6.626.744	-5.679
TOTAL				936.398	11.329

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent company	
		2015 kr.	2014 tkr.	2015 kr.	2014 tkr.
Development projects completed.....		5.444.915	7.980	0	0
IT.....		7.304.239	9.148	0	0
Goodwill.....		42.081.853	50.877	0	0
Development projects in progress.....		62.479.260	24.878	0	0
Intangible fixed assets.....	5	117.310.267	92.883	0	0
Land and buildings.....		46.888.637	49.714	0	0
Production plants and machinery.....		15.486.951	12.565	0	0
Other plants, machinery, tools and equipment.....		5.165.114	4.415	0	0
Tangible fixed assets under construction.....		8.057.023	2.367	0	0
Tangible fixed assets.....	6	75.597.725	69.061	0	0
Fixed asset investments.....		0	0	246.255.151	249.403
Rent deposit and other receivables....		1.846.072	35	0	0
Financial fixed assets.....	7	1.846.072	35	246.255.151	249.403
FIXED ASSETS.....		194.754.064	161.979	246.255.151	249.403
Raw materials and consumables.....		23.930.323	21.266	0	0
Work in progress.....		6.861.327	6.704	0	0
Finished goods and goods for resale...		117.185.327	105.163	0	0
Prepayments for goods.....		1.395.424	1.555	0	0
Inventory.....		149.372.401	134.688	0	0
Trade receivables.....		64.476.703	47.642	23.028	0
Contract work in progress.....	8	58.326.191	25.813	0	0
Deferred tax assets.....	11	2.594.339	0	3.578.262	1.196
Other receivables.....		7.121.558	10.809	0	0
Receivables corporation tax.....		8.927.342	0	8.927.342	730
Prepayments and accrued income.....	9	6.664.491	6.916	0	0
Accounts receivable.....		148.110.624	91.180	12.528.632	1.926
Cash and cash equivalents.....		16.318.857	56.876	279.329	645
CURRENT ASSETS.....		313.801.882	282.744	12.807.961	2.571
ASSETS.....		508.555.946	444.723	259.063.112	251.974

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent company	
		2015 kr.	2014 tkr.	2015 kr.	2014 tkr.
Share capital.....		66.360.000	66.360	66.360.000	66.360
Reserve for net revaluation according to equity method.....		0	0	3.379.509	6.527
Retained profit.....		15.355.015	6.527	11.975.506	0
EQUITY.....	10	81.715.015	72.887	81.715.015	72.887
Provision for deferred tax.....	11	12.364.067	4.318	0	0
Other provisions for liabilities.....		3.164.400	3.374	0	0
PROVISIONS FOR LIABILITIES.....		15.528.467	7.692	0	0
Mortgage debt.....		8.205.693	9.533	0	0
Bank loan.....		2.920.076	3.455	0	0
Payables to group enterprises.....		160.399.418	152.762	160.399.418	152.762
Accruals and deferred income.....		676.056	676	0	0
Lease liabilities.....		0	380	0	0
Long-term liabilities.....	12	172.201.243	166.806	160.399.418	152.762
Short-term portion of long-term liabilities.....	12	9.231.622	9.200	7.500.000	7.500
Bank debt.....		22.490.338	1.787	0	0
Prepayments received from customers.....		77.922.516	70.391	0	0
Trade payables.....		76.413.016	55.584	847.836	200
Payables to group enterprises.....		65.649	0	2.511.453	18.625
Corporation tax.....		0	0	5.875.000	0
Other liabilities.....		52.988.080	60.376	214.390	0
Current liabilities.....		239.111.221	197.338	16.948.679	26.325
LIABILITIES.....		411.312.464	364.144	177.348.097	179.087
EQUITY AND LIABILITIES.....		508.555.946	444.723	259.063.112	251.974
Contingencies etc. (group)	13				
Charges and securities (group)	14				
Related parties	15				
Fee to auditors appointed by the General Meeting	16				
Staff costs	17				

CASH FLOW STATEMENT

	Group	
	2015 kr.	2014 tkr.
Profit for the year.....	936.398	11.329
Reversed depreciation of the year.....	24.742.735	25.080
Exchange rate adjustment in other comprehensive income.....	7.891.358	8.278
Reversed tax on profit for the year.....	6.766.992	13.735
Provisions for liabilities.....	-209.996	-1.400
Corporation tax paid.....	-12.053.832	-15.380
Change in inventory.....	-14.685.178	-13.673
Change in receivables.....	-45.408.750	10.117
Change in current liabilities (excl. bank, tax and dividend).....	21.038.264	35.523
CASH FLOW FROM OPERATING ACTIVITIES.....	-10.982.009	73.609
Purchase of intangible fixed assets.....	-39.836.079	-13.038
Purchase of tangible fixed assets.....	-15.870.434	-11.414
Received grants to development projects.....	0	676
CASH FLOWS FROM INVESTING ACTIVITIES.....	-55.706.513	-23.776
Repayment of loans.....	-2.210.087	-2.006
Loan from group company.....	7.637.053	-12.899
CASH FLOW FROM FINANCING ACTIVITIES.....	5.426.966	-14.905
CHANGE IN CASH AND CASH EQUIVALENTS.....	-61.261.556	34.928
Cash and cash equivalents at 1 January.....	55.090.076	20.162
CASH AND CASH EQUIVALENTS AT 31 DECEMBER.....	-6.171.480	55.090
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents.....	16.318.858	56.877
Bank debt.....	-22.490.338	-1.787
CASH AND CASH EQUIVALENTS, NET DEBT.....	-6.171.480	55.090

NOTES

	<u>Group</u>		<u>Parent company</u>		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
	kr.	tkr.	kr.	tkr.	
Net revenue					1
Segment details					
Net revenue, Denmark.....	5.345.406	7.439	1.490.970	0	
Net revenue, export.....	744.416.423	663.227	0	0	
	749.761.829	670.666	1.490.970	0	
Financial income					2
Other interest income.....	918.629	583	0	369	
	918.629	583	0	369	
Financial expenses					3
Group enterprises.....	7.230.118	7.698	7.230.118	7.698	
Other interest income.....	4.404.384	2.641	329.454	9	
	11.634.502	10.339	7.559.572	7.707	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year.....	3.287.825	15.721	0	-730	
Adjustment of tax for previous years..	45.899	12	0	0	
Adjustment of deferred tax.....	4.026.953	-1.942	-1.680.010	-1.045	
Adjustment of deferred tax due to changed tax rate.....	-593.685	-55	0	0	
	6.766.992	13.736	-1.680.010	-1.775	

NOTES

Intangible fixed assets

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	Group		
	Development projects completed	IT	Goodwill
Cost at 1 January 2015.....	13.342.195	22.366.565	115.103.214
Additions.....	0	1.637.086	0
Cost at 31 December 2015.....	13.342.195	24.003.651	115.103.214
Amortisation at 1 January 2015.....	5.361.986	13.218.958	64.226.577
Amortisation.....	2.535.294	3.480.454	8.794.784
Amortisation at 31 December 2015.....	7.897.280	16.699.412	73.021.361
Carrying amount at 31 December 2015.....	5.444.915	7.304.239	42.081.853

	Group
	Development projects in progress
Cost at 1 January 2015.....	24.877.963
Additions.....	38.198.993
Disposals.....	-597.696
Cost at 31 December 2015.....	62.479.260
Carrying amount at 31 December 2015.....	62.479.260

NOTES

Tangible fixed assets

6

	Group		
	Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2015.....	80.997.580	40.978.260	14.272.330
Additions.....	495.423	7.193.876	2.490.794
Disposals.....	0	-623.060	-328.054
Cost at 31 December 2015.....	81.493.003	47.549.076	16.435.070
Depreciation and write-down at 1 January 2015.....	31.283.273	28.412.841	9.856.940
Reversal of depreciation of assets disposed of.	0	-623.060	-328.054
Depreciation.....	3.321.093	4.272.344	1.741.070
Depreciation and write-down at 31 December 2015.....	34.604.366	32.062.125	11.269.956
Carrying amount at 31 December 2015.....	46.888.637	15.486.951	5.165.114

	Group
	Tangible fixed assets under construction
Cost at 1 January 2015.....	2.366.682
Additions.....	5.690.341
Cost at 31 December 2015.....	8.057.023
Carrying amount at 31 December 2015.....	8.057.023

Value of recognised assets not owned by the company: DKK 515,853

NOTES

Financial fixed assets

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	<u>Parent company</u> Fixed asset investments
Cost at 1 January 2015.....	206.825.898
Cost at 31 December 2015.....	206.825.898
Revaluation at 1 January 2015.....	42.577.003
Dividend.....	-18.602.250
Revaluation and write-down for the year.....	16.421.629
Equity movements.....	7.891.358
Amortization of goodwill.....	-8.858.487
Revaluation at 31 December 2015.....	39.429.253
Balance 31 December 2015.....	246.255.151
Carrying amount at 31 December 2015.....	246.255.151

Investments in subsidiaries (kr.)

Company	Ownership %
LINCO Food Systems A/S, Aarhus.....	100
Baader LINCO Inc., USA.....	100
Baader LINCO Ltd., USA.....	100
LINCO Food Systems BV, The Netherlands.....	100
LINCO Food Systems S.A., Spain.....	100
LINCO Food Systems Ltda., Brazil.....	100
LINCO Food Systems Ltda., Chile.....	100
Lindholst Asia SDN., BHD., Malaysia.....	100
LINCO Labuan Co Ltd, Malaysia.....	100

	<u>Group</u>		<u>Parent company</u>	
	2015 kr.	2014 tkr.	2015 kr.	2014 tkr.
Contract work in progress				
Contract work in progress.....	303.600.606	289.703	0	0
Invoiced on account.....	-315.901.258	-329.692	0	0
Contract work in progress, net.....	-12.300.652	-39.989	0	0
Recognized as:				
Contract work in progress (assets).....	58.326.191	25.813	0	0
Prepayments received from customers (liabilities).....	-70.626.843	-65.802	0	0
	-12.300.652	-39.989	0	0

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NOTES

Prepayments and accrued income

9

Prepayments and accrued income relates to prepaid contingencies and license fees as well as prepaid expenses regarding future financial years.

Equity

10

	Group			
	Share capital	Reserve for net revaluation according to equity method	Retained profit	Total
Equity at 1 January 2015.....	66.360.000	0	6.527.259	72.887.259
Foreign exchange adjustments.....	0	0	7.581.327	7.581.327
Value adjustments of equity.....	0	0	310.031	310.031
Proposed distribution of profit.....	0	0	936.398	936.398
Equity at 31 December 2015.....	66.360.000	0	15.355.015	81.715.015

	Parent company			
	Share capital	Reserve for net revaluation according to equity method	Retained profit	Total
Equity at 1 January 2015.....	66.360.000	6.527.259	0	72.887.259
Foreign exchange adjustments.....	0	7.581.327	0	7.581.327
Value adjustments of equity.....	0	310.031	0	310.031
Transfer to/from other items.....	0	-18.602.250	18.602.250	0
Proposed distribution of profit.....	0	7.563.142	-6.626.744	936.398
Equity at 31 December 2015.....	66.360.000	3.379.509	11.975.506	81.715.015

2015
kr.

Share capital 1 January 2010.....	48.500.000
11 June 2010, capital increase.....	16.000.000
16 May 2011, capital increase.....	1.860.000
Share capital, end of the year.....	66.360.000

2015
kr. 2014
tkr.

Share capital

The share capital is divided as follows:

A-shares, 1.000 units of nom. 66.360 kr.....	66.360.000	66.360
	66.360.000	66.360

Provision for deferred tax

11

Provision for deferred tax relates to differences between the carrying amount and the tax value of intangible fixed assets and tangible fixed assets, including recognised finance leases as well as accrued expenses and tax losses carried forward.

NOTES

Long-term liabilities

12

	Group			
	1/1 2015 gæld i alt	31/12 2015 gæld i alt	Afdrag næste år	Restgæld efter 5 år
Mortgage debt.....	10.869.764	9.556.874	1.351.181	1.212.886
Bank loan.....	3.454.575	2.920.076	0	0
Payables to group enterprises.....	160.262.365	167.899.418	7.500.000	130.000.000
Accruals and deferred income.....	676.056	676.056	0	0
Lease liabilities.....	743.139	380.441	380.441	0
	176.005.899	181.432.865	9.231.622	131.212.886

	Parent company			
	1/1 2015 total liabilities	31/12 2015 total liabilities	Repayment next year	Debt outstanding after 5 years
Payables to group enterprises.....	160.262.365	167.899.418	7.500.000	130.000.000
	160.262.365	167.899.418	7.500.000	130.000.000

Deferred income relates to received contribution to development projects in progress.

Contingencies etc. (group)

13

The Group has provided bank guarantees totalling DKK ('000) 34.597 relating to payment guarantees and general performance guarantees.

LINCO Food Systems A/S is subject to recapture relating to used losses from foreign subsidiaries until 2004.

Operating lease contracts on machinery and cars have been entered with a total lease commitment during the residual term of 5 to 37 months of DKK ('000) 730.

A company in the group has filed a claim against a business partner due to a breach of contract. The company's attorney assesses that the company will be awarded damages based on the claim.

Liability of joint taxation

The Danish companies of the group are jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the balance sheet date.

NOTES

Charges and securities (group)

14

Debt to mortgage provider, DKK ('000) 9.557 is secured by mortgages totalling DKK ('000) 22.053 comprising land, and buildings with the booked value of DKK ('000) 12.961 as of 31 December 2015. The mortgage also comprises the plant and machinery deemed part of the properties.

As security for debt to financial institutions, the company has issued mortgage deeds totalling DKK ('000) 24,132 and an all-moneys mortgage of DKK ('000) 4,000 as mortgage on the land and buildings mentioned above.

Part of the debt to banks are secured by a floating charge comprising inventories and trade receivables. The charges amounts to DKK ('000) 36,330.

Baader LINCO Inc., USA has secured debt to banks with fixed assets, inventories and trade receivables.

Related parties

15

The company is included in the consolidated financial statements of Baader Poultry GmbH, Lübeck. The consolidated financial statements can be acquired by contacting the company.

The company's related parties comprises the following:

Controlling interest

Chairman of the board, through the parent company Baader Poultry GmbH.

Transactions with related parties.

The company did not carry out any substantial transactions that were not concluded on market conditions.

	Group		Parent company	
	2015	2014	2015	2014
	kr.	tkr.	kr.	tkr.
Fee to auditors appointed by the General Meeting				
Statutory audit.....	1.335.483	1.523	90.000	90
Tax consultancy.....	160.912	296	0	0
Other services.....	411.846	389	21.500	22
	1.908.241	2.208	111.500	112

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	Group		Parent company	
	2015	2014	2015	2014
	kr.	tkr.	kr.	tkr.
Staff costs				
Average number of employees.....	510	466	0	0
Wages and salaries.....	219.357.530	196.701	0	0
Pensions.....	27.999.860	22.263	0	0
Other costs for social security.....	1.219.265	1.062	0	0
	248.576.655	220.026	0	0

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