

# Bioceval Denmark A/S

Dakavej 10, 8723 Løsning

CVR No. 32 33 41 21



## Annual report 2015

Approved at the annual general meeting of shareholders on 9 May 2016

Chairman:

  
.....  
Jan Isager



Building a better  
working world



## Contents

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3</b>
<b>Management's review</b>	<b>4</b>
Company details	4
Operating review	5
<b>Financial statements for the period 1 January - 31 December</b>	<b>6</b>
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10

### Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Bioceval Denmark A/S for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Løsning, 25 February 2016  
Executive Board:



Jesper Blach Korsholm

Board of Directors:



Christian Bisgaard  
Chairman



Kurt Stoffel



Lars Krause-Kjær

## Independent auditors' report

To the shareholders of Bioceval Denmark A/S

### Independent auditors' report on the financial statements

We have audited the financial statements of Bioceval Denmark A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### *Management's responsibility 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. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' responsibility*

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

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

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

Our audit has not resulted in any qualification.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

#### **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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 25 February 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Jes Lauritzen  
state authorised public accountant



Christian Jøker  
state authorised public accountant



## Management's review

### Company details

Name	Bioceval Denmark A/S
Address, Postal code, City	Dakavej 10, 8723 Løsning
CVR No.	32 33 41 21
Established	6 February 2014
Registered office	Hedensted
Financial year	1 January - 31 December
Board of Directors	Christian Bisgaard, Chairman Kurt Stoffel Lars Krause-Kjær
Executive Board	Jesper Blach Korsholm
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8000 Aarhus C, Denmark



## **Management's review**

### **Operating review**

#### **The Company's business review**

The Company's main activity is the processing of by-products from the fish-processing industry and other produce of animal and organic origin as well as other related activities.

#### **Financial review**

The financial statements for 2015 show a net loss of DKK 1,478 thousand, which is below expectations. The financial year was characterised as a period of business start-up. In this perspective Management consider the result for the year acceptable.

During the financial year, the Company's shareholder contributed additional equity of DKK 15,000 thousand, DKK 100 thousand of which is recognized as share capital and DKK 14,900 thousand is recognized as retained earnings.

#### **Outlook**

The Company expects satisfactory development for the next financial year and to enjoy results at a level of approx. DKK 1 million.



## Financial statements for the period 1 January - 31 December

### Income statement

Notes	DKK	2015 12 months	2014 11 months
	<b>Gross profit/loss</b>	-856,787	715,947
	Depreciation of property, plant and equipment	-200,931	0
	<b>Operating profit/loss</b>	-1,057,718	715,947
	Financial income	260,162	43,540
3	Financial expenses	-1,125,170	-67,711
	<b>Profit/loss before tax</b>	-1,922,726	691,776
4	Tax for the year	444,271	-173,032
	<b>Profit/loss for the year</b>	-1,478,455	518,744
	<b>Proposed profit appropriation/distribution of loss</b>		
	Proposed dividend recognised under equity	0	500,000
	Retained earnings/accumulated loss	-1,478,455	18,744
		-1,478,455	518,744



## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	31/12 2014
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
5	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	852,853	0
	Property, plant and equipment under construction	325,500	0
		<u>1,178,353</u>	<u>0</u>
	<b>Total non-current assets</b>	<u>1,178,353</u>	<u>0</u>
	<b>Current assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	16,001,293	2,980,825
		<u>16,001,293</u>	<u>2,980,825</u>
	<b>Receivables</b>		
	Trade receivables	3,797,864	3,923,696
	Joint taxation contribution receivable	458,071	0
	Other receivables	5,205,176	0
	Prepayments	242,008	11,157
		<u>9,703,119</u>	<u>3,934,853</u>
	<b>Cash</b>	<u>37,191,209</u>	<u>8,530,910</u>
	<b>Total current assets</b>	<u>62,895,621</u>	<u>15,446,588</u>
	<b>TOTAL ASSETS</b>	<u>64,073,974</u>	<u>15,446,588</u>





## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	31/12 2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	600,000	500,000
	Retained earnings	13,440,289	18,744
	Dividend proposed	0	500,000
	<b>Total equity</b>	<b>14,040,289</b>	<b>1,018,744</b>
	<b>Provisions</b>		
	Deferred tax	13,800	0
	<b>Total provisions</b>	<b>13,800</b>	<b>0</b>
	<b>Liabilities other than provisions</b>		
7	<b>Non-current liabilities other than provisions</b>		
	Payables to group enterprises	26,118,750	11,165,400
		<b>26,118,750</b>	<b>11,165,400</b>
	<b>Current liabilities other than provisions</b>		
	Bank debt	14,412,435	0
	Trade payables	6,998,782	2,067,262
	Payables to group enterprises	2,489,918	583,119
	Corporation tax payable	0	173,032
	Other payables	0	439,031
		<b>23,901,135</b>	<b>3,262,444</b>
	<b>Total liabilities other than provisions</b>	<b>50,019,885</b>	<b>14,427,844</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>64,073,974</b>	<b>15,446,588</b>

1 Accounting policies

8 Contractual obligations and contingencies, etc.



## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2015	500,000	18,744	500,000	1,018,744
Capital increase	100,000	14,900,000	0	15,000,000
Profit/loss for the year	0	-1,478,455	0	-1,478,455
Dividend distributed	0	0	-500,000	-500,000
<b>Equity at 31 December 2015</b>	<b>600,000</b>	<b>13,440,289</b>	<b>0</b>	<b>14,040,289</b>

## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies

The annual report of Bioceval Denmark A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

#### Currency translation

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

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

#### Income statement

##### Revenue

Revenue from the sale of finished goods comprising sale of fishmeal and other fish by-products is recognised in the income statement provided that delivery and transfer of risk have taken place before year-end and that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

##### Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

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

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies - continued

##### Tax

Tax for the year includes current tax on the expected taxable income and deferred tax adjustments for the year. The amount of tax for the year relating to the profit/loss for the year is recognised in the income statement, whereas the amount relating to transactions taken to equity is recognised in equity.

The Company is subject to the Danish rules on compulsory joint taxation with the parent company, SARIA Denmark ApS.

The parent company is the administration company under the joint taxation and accordingly pays all corporation taxes to the tax authorities. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies which are entitled to a tax refund are reimbursed by the administration company according to the rates applicable to interest allowances; and jointly taxed companies which have paid too little tax pay a surcharge to the administration company according to the rates applicable to interest surcharges.

##### Balance sheet

###### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

###### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

###### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies - continued

##### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

##### Equity

###### *Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

##### Corporation tax

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

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements for the period 1 January - 31 December

### Notes

#### 2 Staff costs

There are no other employees in the Company other than the members of the Board of Directions and the Executive Board. The Board of Directors and the Executive Board received no remuneration as the members are remunerated by the Company's group enterprise, Daka Denmark A/S. In 2015, the Company paid administrative expenses to Daka Denmark A/S in the amount of DKK 4,242 thousand.

DKK	2015 12 months	2014 11 months
<b>3 Financial expenses</b>		
Interest expenses, group entities	604,170	16,205
Other financial expenses	521,000	51,506
	<u>1,125,170</u>	<u>67,711</u>
<b>4 Tax for the year</b>		
Estimated tax charge for the year	-458,071	173,032
Deferred tax adjustments in the year	13,800	0
	<u>-444,271</u>	<u>173,032</u>

#### 5 Property, plant and equipment

kr.	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Additions	1,053,784	325,500	1,379,284
Cost at 31 December 2015	1,053,784	325,500	1,379,284
Depreciation	200,931	0	200,931
Impairment losses and depreciation at 31 December 2015	200,931	0	200,931
<b>Carrying amount at 31 December 2015</b>	<u>852,853</u>	<u>325,500</u>	<u>1,178,353</u>
Amortised over	<u>5 years</u>		

#### 6 Share capital

The share capital consists of 6,000 shares of DKK 100 each.

Analysis of changes in the share capital over the past 2 years:

DKK	2015	31/12 2014
Opening balance	500,000	500,000
Capital increase	100,000	0
	<u>600,000</u>	<u>500,000</u>



## Financial statements for the period 1 January - 31 December

### Notes

#### 7 Long-term liabilities

Of the long-term liabilities, DKK 0 falls due for payment more than 5 years after the balance sheet date.

#### 8 Contingencies, etc.

##### Contingent liabilities

Rent and lease liabilities include a rent obligation totalling DKK 821 thousand under non-cancellable rent agreements with remaining contract terms of up to 1 year.

The Company is jointly taxed with other Danish group companies in the SARIA Denmark ApS Group. As a group company, the Company is jointly and severally liable together with the other group companies included in the joint taxation for Danish corporation taxes and withholding taxes on dividends, interest and royalties. The jointly taxed companies' total known net liabilities to SKAT are stated in the administration company's financial statements. Any subsequent corrections to the joint taxation income and withholding taxes, etc. may increase the Company's liability.