

DSI Solutions A/S

Tysklandsvej 4, 7100 Vejle

CVR no. 32 44 24 98

Annual report 2018

Approved at the Company's annual general meeting on

14 Mai 2019

Chairman:



Heidi Lynnerup Larsen





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DSI Solutions A/S for the financial year 1 January - 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

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

Vejle, 5 March 2019

Executive Board:



Lars Priess

Board of Directors:



Ib Sand Nykjær
Chairman



Heidi Lynnerup Larsen



Lars Priess

Independent auditor's report

To the shareholders of DSI Solutions A/S

Opinion

We have audited the financial statements of DSI Solutions A/S for the financial year 1 January - 31 December 2018, which comprise 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 5 March 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Søren V. Nejmann
State Authorised Public Accountant
mne32775



Thomas S. Kallehauge
State Authorised Public Accountant
mne35422



Management's review

Company details

Name	DSI Solutions A/S
Address, Postal code, City	Tysklandsvej 4, 7100 Vejle
CVR no.	32 44 24 98
Established	27 August 2009
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.dsifreezing.com
Telephone	+45 75 88 20 88
Board of Directors	Ib Sand Nykjær, Chairman Heidi Lynnerup Larsen Lars Priess
Executive Board	Lars Priess
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark

Management commentary

Business review

The company's principal activities are production and sale of complete handling lines and palletizing facilities for frozen blocks within the food and feed industry.

Financial review

The income statement for 2018 shows a profit of DKK 2,323 thousand against a profit of DKK 6,939 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 5,262 thousand.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2018	2017
	Gross margin	16,176	17,253
2	Staff costs	-12,748	-8,300
	Depreciation and impairment of property, plant and equipment	-410	-28
	Profit before net financials	3,018	8,925
3	Financial income	117	36
	Financial expenses	-138	-65
	Profit before tax	2,997	8,896
4	Tax for the year	-674	-1,957
	Profit for the year	2,323	6,939
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	3,000	5,000
	Retained earnings/accumulated loss	-677	1,939
		2,323	6,939



Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Plant and machinery	74	51
	Leasehold improvements	0	0
		<u>74</u>	<u>51</u>
	Total fixed assets	<u>74</u>	<u>51</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	375	299
		<u>375</u>	<u>299</u>
	Receivables		
	Trade receivables	4,604	3,833
6	Construction contracts	5,725	1,491
	Other receivables	1,010	332
		<u>11,339</u>	<u>5,656</u>
	Cash	<u>2,044</u>	<u>9,232</u>
	Total non-fixed assets	<u>13,758</u>	<u>15,187</u>
	TOTAL ASSETS	<u><u>13,832</u></u>	<u><u>15,238</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Retained earnings	1,762	2,439
	Dividend proposed	3,000	5,000
	Total equity	<u>5,262</u>	<u>7,939</u>
	Provisions		
	Deferred tax	341	1,079
	Other provisions	1,433	0
7	Total provisions	<u>1,774</u>	<u>1,079</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
6	Construction contracts	0	2,779
	Trade payables	1,495	954
	Payables to group enterprises	2,383	0
	Corporation tax payable	0	1,773
	Joint taxation contribution payable	1,412	0
	Other payables	1,506	714
		<u>6,796</u>	<u>6,220</u>
	Total liabilities other than provisions	<u>6,796</u>	<u>6,220</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>13,832</u></u>	<u><u>15,238</u></u>

1 Accounting policies

8 Contractual obligations and contingencies, etc.

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2018	500	2,439	5,000	7,939
Transfer through appropriation of profit	0	-677	3,000	2,323
Dividend distributed	0	0	-5,000	-5,000
Equity at 31 December 2018	500	1,762	3,000	5,262

The share capital is not divided into classes of shares and no shares are subject to special rights.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of DSI Solutions A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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

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

Income statement

Revenue

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Gross margin

The items revenue, cost of sales, expenses, property and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation and impairment

The item comprises depreciation and impairment 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 of the assets are as follows:

Plant and machinery	5 years
Leasehold improvements	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.

Tax

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

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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 calculated 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 expenses.

Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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 expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

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

Receivables

Receivables are measured at amortised cost.

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

Impairment losses 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.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2018	2017
2	Staff costs		
	Wages/salaries	11,868	7,667
	Pensions	834	598
	Other social security costs	46	35
		<u>12,748</u>	<u>8,300</u>
	Average number of full-time employees	<u>21</u>	<u>15</u>
3	Financial income		
	Interest receivable, group entities	5	0
	Other financial income	112	36
		<u>117</u>	<u>36</u>
4	Tax for the year		
	Estimated tax charge for the year	1,412	2,159
	Deferred tax adjustments in the year	-738	-202
		<u>674</u>	<u>1,957</u>
5	Property, plant and equipment		
DKK'000			
		<u>Plant and machinery</u>	<u>Leasehold improvements</u>
			<u>Total</u>
	Cost at 1 January 2018	904	0
	Additions	52	381
	Cost at 31 December 2018	<u>956</u>	<u>381</u>
			<u>1,337</u>
	Impairment losses and depreciation at 1 January 2018	853	0
	Impairment losses	0	356
	Depreciation	29	25
	Impairment losses and depreciation at 31 December 2018	<u>882</u>	<u>381</u>
	Carrying amount at 31 December 2018	<u>74</u>	<u>0</u>
			<u>74</u>
DKK'000			
6	Construction contracts	<u>2018</u>	<u>2017</u>
	Selling price of work performed	10,892	13,165
	Progress billings	-5,167	-14,453
		<u>5,725</u>	<u>-1,288</u>
	recognised as follows:		
	Construction contracts (assets)	5,725	1,491
	Construction contracts (liabilities)	0	-2,779
		<u>5,725</u>	<u>-1,288</u>



Financial statements 1 January - 31 December

Notes to the financial statements

7 Provisions

Other provisions comprise provisions for warranty commitments, totalling DKK 1,433 thousand. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The obligation is expected to be settled over the warranty period, which is normally one year. DKK 1,433 thousand is expected to be utilised in the coming financial year.

8 Contractual obligations and contingencies, etc.

Contingent liabilities

The company has guaranteed group entities' engagement with Danske Bank A/S. The guarantee has been maximised to DKK 143,500 thousand.

Other contingent liabilities

The Company is jointly taxed with its parent, Freeze HoldCo ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 438 thousand in rent agreements. Furthermore, the Company has liabilities under operating leases for cars, totalling DKK 400 thousand, with remaining contract terms of 4-5 years.