Caldic Denmark A/S

Odinsvej 23, DK-8722 Hedensted

Annual Report for 1 January - 31 December 2016

CVR No 32 47 89 80

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23/5 2017

Bernardus Witte
Chairman

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Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Caldic Denmark A/S for the financial year 1 January - 31 December 2016.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hedensted, 23 May 2017

Executive Board

Thomas Lind Nielsen

Board of Directors

Bernardus Witte Chairman	Olav Caspar van Caldenborgh	Thomas Lind Nielsen

Independent Auditor's Report

To the Shareholder of Caldic Denmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Caldic Denmark A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor’s Report

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the

Independent Auditor's Report

Company to cease to continue as a going concern.

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

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

Aarhus, 23 May 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Lindholm Jacobsen	Claus Lyngsø Sørensen
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

The Company	Caldic Denmark A/S Odinsvej 23 DK-8722 Hedensted CVR No: 32 47 89 80 Financial period: 1 January - 31 December Municipality of reg. office: Hedensted
Board of Directors	Bernardus Witte, Chairman Olav Caspar van Caldenborgh Thomas Lind Nielsen
Executive Board	Thomas Lind Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Management's Review

Financial Statements of Caldic Denmark A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

Main activity

The activities of the Company are within sale and distribution of non-food ingredients.

Products are sold on domestic and foreign markets.

Market overview

On the Danish market the Company is distributing non-food ingredients from various suppliers with whom the Company has long term relationship. The Danish market is the dominant market of the Company.

The export markets are dominated by the Nordic countries and EU but also sale outside EU.

Development in the year

The income statement of the Company for 2016 shows a profit of kDKK 2.339, and at 31 December 2016 the balance sheet of the Company shows equity of kDKK 11.015.

Strategy

It is Company's strategy to provide non-food ingredients to companies producing end-products to consumers. The strategy is to provide value added activities to commodities. The Company expects to further develop the current activities in cooperation with activities of the Caldic Group.

Targets and expectations for the year ahead

The Company expects positive results from operation for the year ahead.

External environment

It is in the Company's interest to act in a responsible way and in accordance with the Caldic corporate Code of Conduct.

Subsequent events

There have been no activities after the finalization of the annual accounts that in materiality can change the Annual Report.

Income Statement 1 January - 31 December

	Note	2016 kDKK	2015 kDKK
Gross profit/loss		**13.235**	**5.919**
Staff expenses	1	-6.795	-1.576
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.478	-34
Profit/loss before financial income and expenses		**2.962**	**4.309**
Financial income		401	0
Financial expenses	2	-327	-310
Profit/loss before tax		**3.036**	**3.999**
Tax on profit/loss for the year	3	-697	-948
Net profit/loss for the year		**2.339**	**3.051**

Distribution of profit

Proposed distribution of profit

	2016	2015
Retained earnings	2.339	3.051
	2.339	**3.051**

Balance Sheet 31 December

Assets

	Note	2016	2015
		kDKK	kDKK
Goodwill		30.937	0
Intangible assets		**30.937**	**0**
Other fixtures and fittings, tools and equipment		774	0
Property, plant and equipment		**774**	**0**
Investments in subsidiaries		149	149
Fixed asset investments		**149**	**149**
Fixed assets		**31.860**	**149**
Finished goods and goods for resale		14.379	4.538
Prepayments for goods		156	948
Inventories		**14.535**	**5.486**
Trade receivables		20.371	6.211
Receivables from group enterprises		195	0
Other receivables		56	0
Receivables		**20.622**	**6.211**
Cash at bank and in hand		**9**	**2.060**
Currents assets		**35.166**	**13.757**
Assets		**67.026**	**13.906**

Balance Sheet 31 December

Liabilities and equity

	Note	2016	2015
		kDKK	kDKK
Share capital		500	500
Retained earnings		10.515	8.176
Equity	4	**11.015**	**8.676**
Provision for deferred tax		340	0
Provisions		**340**	**0**
Trade payables		18.112	3.731
Payables to group enterprises		33.453	0
Corporation tax		357	556
Other payables		3.749	943
Short-term debt		**55.671**	**5.230**
Debt		**55.671**	**5.230**
Liabilities and equity		**67.026**	**13.906**
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		

Notes to the Financial Statements

1 Staff expenses

	2016	2015
	kDKK	kDKK
Wages and salaries	6.205	1.446
Pensions	454	103
Other social security expenses	63	20
Other staff expenses	73	7
	6.795	**1.576**
Average number of employees	**8**	**2**

2 Financial expenses

	2016	2015
Interest paid to group enterprises	270	4
Other financial expenses	57	263
Exchange adjustments	0	43
	327	**310**

3 Tax on profit/loss for the year

	2016	2015
Current tax for the year	357	994
Deferred tax for the year	340	-46
	697	**948**

4 Equity

	Share capital	Retained earnings	Total
	kDKK	kDKK	kDKK
Equity at 1 January	500	8.176	8.676
Net profit/loss for the year	0	2.339	2.339
Equity at 31 December	**500**	**10.515**	**11.015**

	2016	2015
	kDKK	kDKK

5 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2016 kDKK	2015 kDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	384	140
Between 1 and 5 years	505	92
	889	**232**

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Caldic Ingredients A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6 Related parties

The company is part of The Group Annual Report of the parent company

Name	Place of registered office
Caldic B.V.	Rotterdam, Holland

The Group Annual Report of Caldic B.V. may be obtained at the following address:

Westerlann 1
NL-3016 CK Rotterdam
Holland

Notes, Accounting Policies

Basis of Preparation

The Annual Report of Caldic Denmark A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in kDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes, Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

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

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the enterprice.

Other external expenses

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

Staff expenses

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

Notes, Accounting Policies

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 7 years.

The estimated useful life has been determined by taking into consideration the business platform acquired, including a strong brand and reputation as well as very loyal customers.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Notes, Accounting Policies

Other fixtures and fittings, tools and equipment	3-5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes, Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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