



**FOODIES A/S**  
**Central Business Registration No 32667023**  
**Fjordvej 90**  
**6000 Kolding**

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 10.04.2018

### **Chairman of the General Meeting**

---

Name: Jørgen Meyer



# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	14

## Entity details

### Entity

FOODIES A/S

Kolding Åpark 2, 3.

6000 Kolding

Central Business Registration No (CVR): 32667023

Registered in: Kolding

Financial year: 01.01.2017 - 31.12.2017

Phone: +4570220200

Fax: +4570220400

Website: WWW.EQF.DK

E-mail: DK@EQF.DK

### Board of Directors

Jørgen Meyer, Chairman

Ole Koed-Madsen

Morten Koed Refshauge

### Executive Board

Morten Koed Refshauge, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of FOODIES A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 10.04.2018

### Executive Board

Morten Koed Refshauge  
Chief Executive Officer

### Board of Directors

Jørgen Meyer  
Chairman

Ole Koed-Madsen

Morten Koed Refshauge

## Independent auditor's reports

### To the shareholders of FOODIES A/S

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of FOODIES A/S for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, 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 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

#### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

## Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Kolding, 10.04.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Lars Bjerregaard Nielsen  
State Authorised Public Accountant  
Identification No (MNE) 29393

## Management commentary

### Primary activities

FOODIES AS having a long experience and know how in the market is promoting, selling and delivering meat raw materials to the meat processing industry and HoReCa segment.

In order to offer our customers the best price, quality and specification at any time, we are continuously developing our network of selected cutting plants and slaughter houses working across most of the continents:

**EU > EU**

**EU > South America**

**EU > Asia**

**Oceania > Asia**

**South America > Asia**

**North America > South America**

We aim to be the preferred supplier of meat by being market oriented, dynamic and innovative. With the highest credit rating “AAA” (Triple-A) we are a reliable partner and we also believe that good chemistry, flexibility, being service minded, loyal and acting responsible with a high level of business ethic bring the strongest foundation for a long term partnership.

### Development in activities and finances

#### The year in outline

2017 startet with a strong activity in first half of the financial year whereas activities in second half of the year slowed down considerably due to weaker global demand and decreasing market prices.

Like in previous years, the company was attending the Anuga exhibition in Cologne with its own stand.

FOODIES AS remains self-financing with a strong cash flow throughout the year.

In 2017, the company has achieved a profit before tax of TDKK 203 which is considered less satisfactory.

#### Commercial, financial and other risks

Debtors constitute the greatest asset, which means that giving credit is a very vital element. The risk is reduced through effective management, when credit is authorized as well as during the continued trade. The company's debtors are insured against loss based on an individual evaluation of each debtor.

The significant financial risk that the company is faced with is related to changes in exchange rates, as purchasing as well as sale take place in foreign currency. In order to counteract this risk, according to the company policy, the company is using derivative financial instruments on all significant commercial transactions. No speculation is made.

#### Events after the end of the financial year

No conditions that disturb the assessment of the annual report have occurred.

## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
<b>Gross profit</b>	2	<b>2,277,942</b>	<b>4,210,297</b>
Distribution costs	2	(358,448)	(276,891)
Administrative expenses		(1,416,225)	(1,707,657)
Other operating expenses		<u>(274,159)</u>	<u>(77,769)</u>
<b>Operating profit/loss</b>		<b>229,110</b>	<b>2,147,980</b>
Other financial income	3	0	6,087
Other financial expenses	4	<u>(25,667)</u>	<u>(17,970)</u>
<b>Profit/loss before tax</b>		<b>203,443</b>	<b>2,136,097</b>
Tax on profit/loss for the year	5	<u>(59,035)</u>	<u>(470,318)</u>
<b>Profit/loss for the year</b>		<b><u>144,408</u></b>	<b><u>1,665,779</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		0	1,000,000
Retained earnings		<u>144,408</u>	<u>665,779</u>
		<b><u>144,408</u></b>	<b><u>1,665,779</u></b>



## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Goodwill		<u>0</u>	<u>0</u>
<b>Intangible assets</b>	6	<u><b>0</b></u>	<u><b>0</b></u>
Land and buildings		3,404,372	3,433,308
Other fixtures and fittings, tools and equipment		<u>138,493</u>	<u>178,542</u>
<b>Property, plant and equipment</b>	7	<u><b>3,542,865</b></u>	<u><b>3,611,850</b></u>
<b>Fixed assets</b>		<u><b>3,542,865</b></u>	<u><b>3,611,850</b></u>
Trade receivables		3,881,247	9,954,139
Deferred tax		0	3,631
Other receivables		171,459	52,972
Prepayments		<u>9,839</u>	<u>4,126</u>
<b>Receivables</b>		<u><b>4,062,545</b></u>	<u><b>10,014,868</b></u>
<b>Cash</b>		<u><b>2,590,735</b></u>	<u><b>4,295,656</b></u>
<b>Current assets</b>		<u><b>6,653,280</b></u>	<u><b>14,310,524</b></u>
<b>Assets</b>		<u><b>10,196,145</b></u>	<u><b>17,922,374</b></u>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		1,000,000	1,000,000
Retained earnings		4,977,687	4,833,279
Proposed dividend		0	1,000,000
<b>Equity</b>		<b><u>5,977,687</u></b>	<b><u>6,833,279</u></b>
Deferred tax		1,225	0
<b>Provisions</b>		<b><u>1,225</u></b>	<b><u>0</u></b>
Trade payables		3,272,122	9,852,843
Payables to group enterprises		603,015	92,696
Income tax payable		54,179	476,261
Other payables		287,917	667,295
<b>Current liabilities other than provisions</b>		<b><u>4,217,233</u></b>	<b><u>11,089,095</u></b>
<b>Liabilities other than provisions</b>		<b><u>4,217,233</u></b>	<b><u>11,089,095</u></b>
<b>Equity and liabilities</b>		<b><u>10,196,145</u></b>	<b><u>17,922,374</u></b>
Staff costs	1		
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		

## Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,000,000	4,833,279	1,000,000	6,833,279
Ordinary dividend paid	0	0	(1,000,000)	(1,000,000)
Profit/loss for the year	0	144,408	0	144,408
<b>Equity end of year</b>	<b>1,000,000</b>	<b>4,977,687</b>	<b>0</b>	<b>5,977,687</b>

## Notes

	<b>2017</b>	<b>2016</b>
<b>1. Staff costs</b>		
Average number of employees	<b>1</b>	<b>1</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	0	114,284
Depreciation on property, plant and equipment	55,322	54,940
	<b>55,322</b>	<b>169,224</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	0	3,952
Other financial income	0	2,135
	<b>0</b>	<b>6,087</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	20,842	0
Other interest expenses	4,825	846
Other financial expenses	0	17,124
	<b>25,667</b>	<b>17,970</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Tax on profit/loss for the year</b>		
Current tax	54,179	476,261
Change in deferred tax	4,856	(5,943)
	<b>59,035</b>	<b>470,318</b>

## Notes

	<b>Goodwill</b>	
	<b>DKK</b>	
<b>6. Intangible assets</b>		
Cost beginning of year		800,000
Disposals		(800,000)
<b>Cost end of year</b>		<b>0</b>
Amortisation and impairment losses beginning of year		(800,000)
Reversal regarding disposals		800,000
<b>Amortisation and impairment losses end of year</b>		<b>0</b>
<b>Carrying amount end of year</b>		<b>0</b>
	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>
	<b>DKK</b>	<b>DKK</b>
<b>7. Property, plant and equipment</b>		
Cost beginning of year	3,466,388	314,700
Additions	0	15,273
<b>Cost end of year</b>	<b>3,466,388</b>	<b>329,973</b>
Depreciation and impairment losses beginning of year	(33,080)	(136,158)
Depreciation for the year	(28,936)	(55,322)
<b>Depreciation and impairment losses end of year</b>	<b>(62,016)</b>	<b>(191,480)</b>
<b>Carrying amount end of year</b>	<b>3,404,372</b>	<b>138,493</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>8. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>54,051</b>	<b>0</b>

## 9. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which M PLUS M HOLDING APS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and

## Notes

also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and production costs.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

## Accounting policies

### Production costs

Production costs comprise direct and indirect costs incurred to earn revenue for the financial year. Production costs includes consumption of goods as well as freight and customs charges as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

### Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc.

### Administrative costs

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Parent company and all the Parent company's Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).



## Accounting policies

### Balance sheet

#### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually seven years, which is expected to be the useful life.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	5-7 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in hand and bank deposits.

#### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

## Accounting policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

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

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.