



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

Annual report 2015

The Annual General Meeting adopted the annual report on 31.03.2016

Chairman of the General Meeting

Name: Jørgen Meyer



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Entity details

Entity

FOODIES A/S

Fjordvej 90

6000 Kolding

Central Business Registration No: 32667023

Registered in: Kolding

Financial year: 01.01.2015 - 31.12.2015

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Board of Directors

Jørgen Meyer, Chairman

Ole Koed-Madsen

Morten Koed Refshauge

Executive Board

Morten Koed Refshauge, Chief Executive Officer

Bank

Danske Bank A/S

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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

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, 31.03.2016

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 owners of FOODIES A/S

Report on the financial statements

We have audited the financial statements of FOODIES A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. 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 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 based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. 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 auditor's judgment, including the assessment of the risks of material misstatements of the 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 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 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 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Kolding, 31.03.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Finn Schlebaum
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

With a long experience and know how in the market, FOODIES AS is promoting, selling and delivering meat raw materials to the meat processing industry in the EU and overseas. With strict attention to quality and specifications, the products originate from long term partners being selected slaughter houses primarily in the EU.

Development in activities and finances

The year 2015 in outline

2015 was a challenging year within the meat industry. Pork livestock production in the EU as well as world wide remained on a higher level than demand, resulting in a considerable pressure on prices and margins.

Although the company's strategy, to remain flexible with presence in different continents again proved its strength, the increased competition in the market did lead to a considerable drop in volumes and margins.

In October the company successfully participated with its own stand at the ANUGA-exhibition in Cologne.

The company remains self-financing with a strong cash flow throughout the year. To capitalize on the surplus, the company has invested some of its free cash flow - approx. t.DKK 3,500 - in two properties for rental. As from 2016, the properties will add positively to the result of the company.

Like previous years, FOODIES A/S achieved an AAA (triple A) rating by Bisnode.

In 2015, the company has achieved a profit before tax of t.DKK 950, which considering the market situation, is 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 with which the company is faced is related to changes in exchange rates, as purchasing as well as sale takes 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.

The expected development

The budget for the current year shows a satisfactory result.

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.

Accounting policies

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.

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 expenses

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.

Income taxes

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.

Accounting policies

The Entity is jointly taxed with the Parent company and all the Parent companys 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).

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 years

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.

Accounting policies

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.

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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Accounting policies

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross profit	1	2,981,126	5,878
Distribution costs	1	(350,546)	(257)
Administrative costs		(1,682,451)	(2,218)
Other operating expenses		<u>(20,505)</u>	<u>0</u>
Operating profit/loss		927,624	3,403
Other financial income	2	22,923	40
Other financial expenses	3	<u>(739)</u>	<u>(4)</u>
Profit/loss from ordinary activities before tax		949,808	3,439
Tax on profit/loss from ordinary activities	4	<u>(224,513)</u>	<u>(843)</u>
Profit/loss for the year		<u>725,295</u>	<u>2,596</u>
Proposed distribution of profit/loss			
Dividend for the financial year		1,000,000	1,000
Retained earnings		<u>(274,705)</u>	<u>1,596</u>
		<u>725,295</u>	<u>2,596</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Goodwill		114,284	229
Intangible assets	5	<u>114,284</u>	<u>229</u>
Land and buildings		1,805,440	0
Other fixtures and fittings, tools and equipment		73,482	105
Prepayments for property, plant and equipment		1,309,126	0
Property, plant and equipment	6	<u>3,188,048</u>	<u>105</u>
Fixed assets		<u>3,302,332</u>	<u>334</u>
Trade receivables		12,901,538	6,266
Receivables from group enterprises		575,024	1,581
Other short-term receivables		35,348	390
Prepayments		15,456	10
Receivables		<u>13,527,366</u>	<u>8,247</u>
Cash		<u>3,318,301</u>	<u>8,208</u>
Current assets		<u>16,845,667</u>	<u>16,455</u>
Assets		<u>20,147,999</u>	<u>16,789</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	7	1,000,000	1,000
Reserves for lendings and securities		0	485
Retained earnings		4,167,500	3,958
Proposed dividend		<u>1,000,000</u>	<u>1,000</u>
Equity		<u>6,167,500</u>	<u>6,443</u>
Provisions for deferred tax	8	<u>2,312</u>	<u>7</u>
Provisions		<u>2,312</u>	<u>7</u>
Trade payables		13,179,363	8,616
Debt to associates		0	1
Income tax payable		228,762	844
Other payables	9	<u>570,062</u>	<u>878</u>
Current liabilities other than provisions		<u>13,978,187</u>	<u>10,339</u>
Liabilities other than provisions		<u>13,978,187</u>	<u>10,339</u>
Equity and liabilities		<u>20,147,999</u>	<u>16,789</u>
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Ownership	13		

Statement of changes in equity for 2015

	Contributed capital DKK	Reserves for lendings and securities DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,000,000	484,626	3,957,579	1,000,000	6,442,205
Ordinary dividend paid	0	0	0	(1,000,000)	(1,000,000)
Transfer to reserves	0	(484,626)	484,626	0	0
Profit/loss for the year	0	0	(274,705)	1,000,000	725,295
Equity end of year	1,000,000	0	4,167,500	1,000,000	6,167,500

Cash flow statement 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Operating profit/loss		927,624	3,402
Amortisation, depreciation and impairment losses		152,246	145
Working capital changes	10	<u>(1,024,999)</u>	<u>(5,833)</u>
Cash flow from ordinary operating activities		54,871	(2,286)
Financial income received		22,923	40
Financial income paid		(739)	(3)
Income taxes refunded/(paid)		<u>(844,408)</u>	<u>(676)</u>
Cash flows from operating activities		(767,353)	(2,925)
Acquisition etc of property, plant and equipment		<u>(3,121,586)</u>	<u>0</u>
Cash flows from investing activities		(3,121,586)	0
Dividend paid		<u>(1,000,000)</u>	<u>(1,000)</u>
Cash flows from financing activities		(1,000,000)	(1,000)
Increase/decrease in cash and cash equivalents		(4,888,939)	(3,925)
Cash and cash equivalents beginning of year		<u>8,207,240</u>	<u>12,133</u>
Cash and cash equivalents end of year		<u>3,318,301</u>	<u>8,208</u>
Cash and cash equivalents at year-end are composed of:			
Cash		<u>3,318,301</u>	<u>8,208</u>
Cash and cash equivalents end of year		<u>3,318,301</u>	<u>8,208</u>

Notes

	2015 DKK	2014 DKK'000
1. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	114,286	114
Depreciation on property, plant and equipment	30,940	31
	145,226	145
	2015 DKK	2014 DKK'000
2. Other financial income		
Financial income arising from group enterprises	22,912	40
Other financial income	11	0
	22,923	40
	2015 DKK	2014 DKK'000
3. Other financial expenses		
Interest expenses	739	4
	739	4
	2015 DKK	2014 DKK'000
4. Tax on ordinary profit/loss for the year		
Current tax	228,762	844
Change in deferred tax for the year	(4,249)	(1)
	224,513	843
		Goodwill DKK
5. Intangible assets		
Cost beginning of year		800,000
Cost end of year		800,000
Amortisation and impairment losses beginning of year		(571,430)
Amortisation for the year		(114,286)
Amortisation and impairment losses end of year		(685,716)
Carrying amount end of year		114,284

Notes

	Land and buildings DKK	Other fix- tures and fittings, tools and equipment DKK	Prepayments for property, plant and equipment DKK
6. Property, plant and equipment			
Cost beginning of year	0	154,700	0
Additions	1,812,460	0	1,309,126
Cost end of year	1,812,460	154,700	1,309,126
Depreciation and impairment losses beginning of the year	0	(50,278)	0
Depreciation for the year	(7,020)	(30,940)	0
Depreciation and impairment losses end of the year	(7,020)	(81,218)	0
Carrying amount end of year	1,805,440	73,482	1,309,126
	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
Ordinary shares	1,000	1,000.00	1,000,000
	1,000		1,000,000

There has been no changes in the contributed capital since the establishment.

	2015 DKK	2014 DKK'000
8. Deferred tax		
Property, plant and equipment	2,312	7
	2,312	7
	2015 DKK	2014 DKK'000
9. Other short-term payables		
Wages and salaries, personal income taxes, social security costs, etc. payable	213,343	553
Holiday pay obligation	200,700	189
Derivative financial instruments	14,608	93
Other costs payable	141,411	43
	570,062	878

Notes

	2015	2014
	DKK	DKK'000
10. Change in working capital		
Increase/decrease in receivables	(5,279,447)	7,219
Increase/decrease in trade payables etc	4,254,448	(13,052)
	(1,024,999)	(5,833)

	2015	2014
	DKK	DKK'000
11. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases with group enterprises until expiry	36,000	36

12. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which M PLUS M HOLDING APS (KM HOLDING DK A/S until 31 December 2012) serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

13. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

M PLUS M HOLDING APS (90%), Heimdalsvej 49, 6000 Kolding, Denmark

EUROPEAN QUALITY FOOD A/S (10%), Fjordvej 90, Strandhuse, 6000 Kolding, Denmark