
FSG Foods ApS

Østre Havnevej 16, DK-5700 Svendborg

Annual Report for 1 January - 31 December 2018

CVR No 33 24 53 51

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
11/6 2019

Jonas Kingo Schnoor
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of FSG Foods ApS 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 at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

Fredericia, 11 June 2019

Executive Board

Jonas Kingo Schnoor
CEO

Board of Directors

Mikael Mattias Salenstedt
Chairman

Jonas Kingo Schnoor

Lars John Michael Lundin

Independent Auditor's Report

To the Shareholders of FSG Foods ApS

Opinion

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.

We have audited the Financial Statements of FSG Foods ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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.

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 misstate-

Independent Auditor's Report

ment, 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the

Independent Auditor's Report

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.

Trekantområdet, 11 June 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
statsautoriseret revisor
mne33262

Henrik Forthoft Lind
statsautoriseret revisor
mne34169

Company Information

The Company

FSG Foods ApS
Østre Havnevej 16
DK-5700 Svendborg

CVR No: 33 24 53 51
Financial period: 1 January - 31 December
Municipality of reg. office: Svendborg

Board of Directors

Mikael Mattias Salenstedt, Chairman
Jonas Kingo Schnoor
Lars John Michael Lundin

Executive Board

Jonas Kingo Schnoor

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's Review

Financial Statements of FSG Foods ApS for 2018 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.

Development in the year

The income statement of the Company for 2018 shows a profit of DKK 2,899,077, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 22,690,418.

Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Gross profit/loss		-33,375	-3,719
Staff expenses	1	-212,500	-300,000
Profit/loss before financial income and expenses		-245,875	-303,719
Income from investments in subsidiaries		3,167,589	1,752,830
Financial income	2	41,216	61,941
Financial expenses	3	-139,587	-253,614
Profit/loss before tax		2,823,343	1,257,438
Tax on profit/loss for the year	4	75,734	108,986
Net profit/loss for the year		2,899,077	1,366,424

Distribution of profit

Proposed distribution of profit

Retained earnings	2,899,077	1,366,424
	2,899,077	1,366,424

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Investments in subsidiaries	5	27,411,826	11,014,666
Fixed asset investments		27,411,826	11,014,666
Fixed assets		27,411,826	11,014,666
Receivables from group enterprises		0	2,494,081
Deferred tax asset		515,332	439,598
Receivables		515,332	2,933,679
Cash at bank and in hand		230,209	449
Currents assets		745,541	2,934,128
Assets		28,157,367	13,948,794

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		132,000	132,000
Share premium account		0	9,448,000
Retained earnings		22,558,418	-3,463,666
Equity		22,690,418	6,116,334
Provisions relating to investments in group enterprises		3,404,999	3,570,548
Provisions		3,404,999	3,570,548
Other payables		0	938,924
Long-term debt	6	0	938,924
Payables to group enterprises		2,037,951	2,141,361
Other payables	6	23,999	1,181,627
Short-term debt		2,061,950	3,322,988
Debt		2,061,950	4,261,912
Liabilities and equity		28,157,367	13,948,794
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Statement of Changes in Equity

	Share capital	Share premium	Retained	Total
	DKK	account	earnings	DKK
Equity at 1 January	132,000	9,448,000	-3,463,665	6,116,335
Contribution from group	0	0	13,441,338	13,441,338
Exchange adjustments relating to foreign entities	0	0	233,668	233,668
Net profit/loss for the year	0	0	2,899,077	2,899,077
Transfer from share premium account	0	-9,448,000	9,448,000	0
Equity at 31 December	132,000	0	22,558,418	22,690,418

Notes to the Financial Statements

	2018 DKK	2017 DKK
1 Staff expenses		
Wages and salaries	212,500	300,000
	212,500	300,000
including remuneration to the Board of Directors	212,500	300,000
Average number of employees	0	0
2 Financial income		
Interest received from group enterprises	41,216	61,941
	41,216	61,941
3 Financial expenses		
Interest paid to group enterprises	139,587	166,148
Interest paid to associates	0	49,924
Other financial expenses	0	37,542
	139,587	253,614
4 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-75,734	-108,986
	-75,734	-108,986

Notes to the Financial Statements

	2018 DKK	2017 DKK
5 Investments in subsidiaries		
Cost at 1 January	19,818,506	19,859,308
Additions for the year	13,161,452	0
Disposals for the year	0	-40,800
Cost at 31 December	<u>32,979,958</u>	<u>19,818,508</u>
Value adjustments at 1 January	-12,374,390	-14,234,342
Exchange adjustment	37,282	107,122
Net profit/loss for the year	3,167,589	1,752,830
Fair value adjustment of hedging instruments for the year	196,388	0
Value adjustments at 31 December	<u>-8,973,131</u>	<u>-12,374,390</u>
Equity investments with negative net asset value transferred to provisions	<u>3,404,999</u>	<u>3,570,548</u>
Carrying amount at 31 December	<u>27,411,826</u>	<u>11,014,666</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
FS DK ApS	Denmark	512.000	100%
FSG Norge AS	Norway	76.624	100%

Notes to the Financial Statements

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2018 DKK	2017 DKK
Other payables		
Between 1 and 5 years	0	938,924
Long-term part	0	938,924
Within 1 year	0	1,111,000
Other short-term payables	23,999	70,627
Short-term part	23,999	1,181,627
	23,999	2,120,551

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The 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 by the Group amounts to 0 DKK . Moreover, the 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.

Notes to the Financial Statements

8 Related parties

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

ODELAV 17 AB, Sweden

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
ODELAV 18 AB, Org. no. 559145-1702	Sweden

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of FSG Foods ApS for 2018 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 2018 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of the Swedish parent company Odelav 18 AB, the Company has not prepared consolidated financial statements.

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.

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.

Notes to the Financial Statements

9 Accounting Policies (continued)

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income Statement

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Staff expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Notes to the Financial Statements

9 Accounting Policies (continued)

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 subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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.

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.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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