

Plumlatam Holding ApS

c/o ERRIA A/S
Torvet 21, 1. sal
4600 Køge

CVR no. 34 89 90 29

Annual report 2018

The annual report was presented and approved at the
Company's annual general meeting

on _____ 20 _____



chairman of the annual general meeting

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Plumlatam Holding ApS
Annual report 2018
CVR no. 34 89 90 29

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Plumlatam Holding ApS for the financial year 1 January – 31 December 2018.


The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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.

Copenhagen, 18 June 2019
Executive Board:



Bent U. Porsborg



Independent auditor's report

To the shareholders of Plumlatam Holding ApS

Opinion

We have audited the financial statements of Plumlatam Holding ApS for the financial year 1 January – 31 December 2018. The financial statements comprise income statement and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 in the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.



Independent auditor's report

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 International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act and for such internal control that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

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.

Copenhagen, 18 June 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A blue ink signature of Niels Vendelbo, written in a cursive style.

Niels Vendelbo
State Authorised
Public Accountant
mne34532

A blue ink signature of Jesper Bo Pedersen, written in a cursive style.

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

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Management's review

Company details

Plumlatam Holding ApS
c/o ERRIA A/S
Torvet 21, 1. sal
4600 Køge

CVR no.	34 89 90 29
Established:	1 January 2013
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

Bent U. Porsborg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities of the Company

The activity of the Company was to hold the Plumrose trademarks and brands and to receive royalties from related parties for the use of the brands on products sold by the related parties. During 2018 the rights to the trademarks and brands as well as receivable royalties were sold at market value corresponding to 100 tUSD.

The Company is 100% owned by Latam Foods Holding ApS.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Financial statements 1 January – 31 December

Income statement and other comprehensive loss

USD'000	Note	2018	2017
Royalty income from subsidiaries		-	-
Income		-	-
Other expenses		(1,054)	(292)
Operating loss		(1,054)	(292)
Foreign exchange losses		(6)	(31)
Finance costs		(6)	(31)
Loss before tax		(1,060)	(323)
Tax on loss for the year	3	-	-
Net loss for the year		(1,060)	(323)

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	2018	2017
ASSETS			
Fixed assets			
Intangible assets			
Trademarks and trademark rights	4	-	-
		-	-
Investments			
Investments in subsidiaries	5	-	-
		-	-
Total fixed assets		-	-
Current assets			
Receivables			
Trade and other receivables	6	366	1,403
		366	1,403
Cash at bank and in hand		52	19
Total current assets		418	1,422
TOTAL ASSETS		418	1,422
EQUITY AND LIABILITIES			
Equity			
Share capital	7	15	15
Retained earnings		302	1,362
Total equity		317	1,377
Liabilities other than provisions			
Non-current liabilities other than provisions			
Deferred tax	8	-	-
		-	-
Current liabilities other than provisions			
Other payables		101	45
Total liabilities other than provisions		101	45
TOTAL EQUITY AND LIABILITIES		418	1,422

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Share capital	Retained earnings	Total
Equity at 1 January 2018	15	1,362	1,377
Comprehensive loss for 2018			
Loss for the year	-	(1,060)	(1,060)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(1,060)	(1,060)
Transactions with equity owners			
Total transactions with equity owners	-	-	-
Equity at 31 December 2018	15	302	317
Equity at 1 January 2017	15	1,685	1,700
Comprehensive loss for 2017			
Loss for the year	-	(323)	(323)
Other comprehensive income	-	-	-
Comprehensive loss for the year		(323)	(323)
Transactions with equity owners			
Total transactions with equity owners	-	-	-
Equity at 31 December 2017	15	1,362	1,377

Financial statements 1 January – 31 December

Cash flow statement

USD'000	Note	2018	2017
Net loss for the year		(1,060)	(323)
Adjustment for:			
Amortisation and impairment		-	-
Income taxes		-	-
		<u>(1,060)</u>	<u>(323)</u>
Decrease in trade and other receivables		1,037	232
Increase in other payables		56	21
		<u>1,093</u>	<u>253</u>
Corporation tax paid		-	-
Cash flows from operating activities		<u>33</u>	<u>(70)</u>
Cash flows for the year		33	(70)
Cash and cash equivalents at the beginning of the year		19	89
Cash and cash equivalents at year end		<u>52</u>	<u>19</u>

Financial statements 1 January – 31 December

Outline of notes to the financial statements

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Financial statements 1 January – 31 December

Notes

1 Significant accounting policies

Plumlatam Holding ApS is a private limited company domiciled in Denmark.

In accordance with IFRS 10.4, the Company has not prepared consolidated financial statements. The financial statements of Plumlatam Holding ApS and its subsidiaries are included in the consolidated financial statements of Latam Foods Holding ApS. The annual report includes separate financial statements for the parent company.

The financial statements are presented in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act for annual reports of reporting class B entities.

In addition, the financial statements complies with International Financial reporting Standards issued by the IASB.

The implementation of new or amended standards and interpretations, which are mandatory for financial reporting for 2018, has changed the information in disclosures, but has not resulted in changes in recognition and measurement.

Going concern

According to the regulations governing the preparation of financial statements, Management is required to determine whether the financial statements can be presented on a "going concern" basis. Based on estimated future prospects, projected future cash flows, availability of credit facilities, etc., Management has concluded that there are no factors giving reason to doubt the Company's ability to continue in operation for at least 12 months from the balance sheet date.

Basis of preparation

The financial statements are presented in USD.

The annual report is prepared in accordance with the historical cost principle. The accounting policies as set out below have been consistently applied during the financial year and the comparative figures.

Accounting estimates and judgements considered material to the preparation of the financial statements are described in note 2.

Foreign currency translation

The Company's functional currency is USD.

Transactions in other currencies than the functional currency are considered transactions in foreign currencies.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Multitier exchange rates

Where a system of multitier exchange rates exists, individual transactions and monetary items denominated in foreign currencies are translated into the functional currency at the expected settlement rate of the transaction. The Company has used the SIMADI exchange rate to value financial instruments denominated in Venezuelan Bolivars at the year-end.

Income statement

Recognition of income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income is recognised when the right to receive payment has been established.

Other expenses

Other expenses comprise expenses for fees for registration, trademarks, software, audit and advisory and insurance expenses.

Financial income and expense

Financial items comprise interest expenses, exchange gains and losses on debt and transactions in foreign currencies and impairment of investments in subsidiaries.

Corporation tax and deferred tax

Tax for the year consists of current tax and movements in deferred tax for the year. Tax relating to the loss for the year is recognised in the income statement, other comprehensive income or equity.

Deferred tax is measured using the balance sheet 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 which is not deductible for tax purposes and on other items where temporary differences do not affect either loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Changes in deferred tax due to changed tax rates are recognised in the income statement.

The Company is jointly taxed with the parent company, Latam Foods Holding ApS, which is the administration company for the joint taxation.

Financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Balance sheet

Intangible assets

Trademarks and trademark rights are stated at cost less accumulated amortisation and less accumulated write-downs.

Amortisation is charged on a straight-line basis over their estimated useful life of 20 years.

Investment in subsidiaries

Investment in subsidiaries is measured at cost. Cost comprises the purchase price stated at fair value with the addition of direct purchase costs.

If there is any indication of impairment, an impairment test is made. Write-down is made to the lower of the carrying amount and the recoverable amount.

Upon distribution of other reserves than profits from subsidiaries, the distributed amount will reduce the cost of the investments when the distribution takes the form of repayment of the parent company's investment.

Impairment of non-current assets

Assets with indefinite useful lives are subject to annual impairment tests. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Trade and other receivables

Receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less write-down for bad debts. Write-down for bad debts is effected when there is objective evidence that Plumlatam Holding ApS will not be able to collect all amounts due according to the original terms of receivables.

Write-down of receivables is stated as the difference between the carrying amount and the net present of value of projected cash flows, including realisable value of collateral received. The effective rate of interest used for the initial recognition of the individual receivable or portfolio of receivables is used as discount rate.

Other payables

Other financial liabilities are measured at amortised cost.

Statement of cash flows

The cash flow statement presents cash flows broken down to operating activities, investing activities and financing activities for the year, changes for the year in cash and cash equivalents and cash and cash equivalents at the beginning and end of the year.

Financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Cash flows from operating activities are presented using the indirect method and stated as profit/loss adjusted for non-cash operating items, including amortisation and write-downs, interest received and paid and corporation taxes paid.

Cash flows from investing activities comprise cash flows from the purchase and sale of intangible assets.

Cash flows from financing activities comprise changes in the amount or composition of the share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as the payment of dividends to shareholders.

Cash and cash equivalents comprise cash as well as short-term securities with a term to maturity of less than three months, which are easily realisable and only subject to an immaterial risk of changes in value.

2 Use of judgements and estimates

In connection with the preparation of the financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgments based on a number of other factors in the given circumstances.

The following accounting estimates are considered significant to the financial reporting.

Due to the economic circumstances and systems in Venezuela it is less likely that the Group will receive payment for the royalty receivables in the next financial year. The receivables are subject to regular impairment review by Management and written down so the carrying value estimates the present value of future cash flows.

USD'000	2018	2017
3 Income tax		
Tax on loss for the year is specified as follows:		
Current tax for the year	-	-
Adjustment of deferred tax for the year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Tax on loss for the period is broken down as follows:		
Computed tax at 22% (2015: 22%)	-	-
Withholding taxes on royalty invoices to Venezuela	-	-
Tax effect of:		
Non-deductible costs	-	-
Total tax expense/(credit)	<u>-</u>	<u>-</u>
Effective tax rate	<u>0.0%</u>	<u>0.0%</u>

Financial statements 1 January – 31 December

Notes

USD'000	2018	2017
4 Intangible assets		
Trademarks and trademark rights		
Cost at 1 January	1,893	1,893
Disposal	-1,893	-
Cost at 31 December	-	1,893
Accumulated impairment and amortisation at 1 January	1,893	1,893
Disposal	-1,893	-
Accumulated impairment and amortisation at 31 December	-	1,893
Carrying amount at 31 December	-	-
5 Investments in subsidiaries		
Cost at 1 January	-	-
Additions for the period	-	-
Disposal	-	-
Cost at 31 December	-	-
Impairment at 1 January	-	-
Impairment for the period	-	-
Disposal	-	-
Impairment at 31 December	-	-
Carrying amount at 31 December	-	-

Plumlatam Holding ApS holds the following equity investments in subsidiaries:

Name	Registered office	Ownership share		Financial information*	
		2018	2017	Net loss for the year	Equity
Plumrose, S.A.	Caracas, Venezuela	100%	100%	(5,377)	(4,549)

*) USD'000 - Based on last approved annual report (2018) prepared in accordance with local accounting policies (Venezuela account policies).

Financial statements 1 January – 31 December

Notes

USD'000	2018	2017
6 Trade and other receivables		
Amounts owed by parent company	270	270
Amounts owed by other group entities:		
Royalties	-	-
Other	15	1,105
Other receivables	81	28
	<u>366</u>	<u>1,403</u>

Due to the financial and political situation in Venezuela, royalty payments from Venezuela are associated with considerable uncertainty regarding their timing of payment. The Venezuelan operations of the Plumrose group have not made any payments for royalties since 1 October 2009.

Gross royalty receivables at 31 December 2018 amounted to USD 0 thousand (2017: USD 16,078 thousand) from Plumrose Latinoamericana, C.A. and La Montserratina C.A.

Due to uncertainty with other group entities a write off for USD 966 thousand has occurred at year end 2018.

Financial statements 1 January – 31 December

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6 Trade and other receivables (continued)

Recognition and measurement of royalty and amounts owed by group entities take into account the uncertainty associated with the outstanding amounts due to the special circumstances that apply to Venezuela. The carrying amount is impaired to reflect the fair value of amounts owed by other group enterprises at the end of each period.

7 Equity

Capital management

The capital structure of the Company consists of net assets. The Company manages its capital to safeguard its ability to operate as a going concern and to optimise returns to the shareholders.

The Company manages its capital structure and makes adjustments to it in light of changes to economic conditions and its strategic objectives.

Share capital

	Shares issued			
	Number		Nominal value (USD'000)	
	2018	2017	2018	2017
1 January/31 December	80,002	80,002	15	15

The share capital is divided into 80,002 shares of nominal DKK 1 each and all fully paid. All shares rank equally. There are no limitations in negotiability or voting rights.

8 Deferred tax

USD'000	Assets		Liabilities	
	2018	2017	2018	2017
Deferred tax at 1 January	-	-	-	-
Write-down of deferred taxes	-	-	-	-
Gross tax assets and liabilities	-	-	-	-
Net of tax liabilities	-	-	-	-
Net tax liabilities	-	-	-	-

Financial statements 1 January – 31 December

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8 Deferred tax (continued)

The Company has a gross deferred tax asset of DKK 12,604 thousand (2017: DKK 11,542 thousand) related to tax losses carried forward, trademarks and royalty receivables. The tax asset is impaired based on Management's assessment over the future utilisation of the asset.

9 Financial instruments

The Company has exposure to credit, liquidity and market risks from its use of financial instruments.

IAS 39 categories of financial instruments

USD'000	2018 Level 2	2018 Level 3	2017 Level 2	2017 Level 3
Loans and receivables (including cash and cash equivalents)	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-

The table above analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value. The carrying value disclosed above is a deemed to be a reasonable approximation of fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

Loans and receivables which are level 3 represent royalty receivables from related parties, see note 6 for a description of the valuation technique and the unobservable inputs used.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from related parties and cash held at financial institutions.

Financial statements 1 January – 31 December

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9 Financial instruments (continued)

Exposure to credit risk

USD'000	2018	2017
Other amounts owed by related parties	981	1,105
Cash and cash equivalents	52	19
	<u>1,033</u>	<u>1,124</u>

Royalty receivables from related parties

See note 6 for an analysis of the credit risk related to these amounts owed.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The liquidity risk is managed by maintaining sufficient cash balances and credit facilities to meet working capital requirements.

Contractual maturities of non-derivative financial liabilities

USD'000	2018	2017
Current liabilities		
Other payables	101	45
	<u>101</u>	<u>45</u>

Trade and other payables shown as current liabilities are expected to mature within six months of the balance sheet date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Exposure to interest and currency risks arises in the normal course of the Company's business. The Company did not have any interest bearing assets or liabilities at 31 December 2018.

Financial statements 1 January – 31 December

Notes

9 Financial instruments (continued)

Foreign currency risk

The Group's exposure to foreign currency risk is as follows:

2018

USD'000	USD	EUR	DKK	VEF	Total
Cash and cash equivalents	-	21	31	-	52
Other receivables	285	-	81	-	366
Other payables	-	-	(101)	-	(101)
	<u>285</u>	<u>21</u>	<u>11</u>	<u>-</u>	<u>317</u>

2017

USD'000	USD	EUR	DKK	VEF	Total
Cash and cash equivalents	-	4	15	-	19
Other receivables	1,366	-	37	-	1,403
Other payables	-	-	(45)	-	(45)
	<u>1,366</u>	<u>4</u>	<u>7</u>	<u>-</u>	<u>1,377</u>

10 Contingent liabilities

The Company is jointly taxed with other Danish companies in the Latam Foods Holding Group. As a wholly owned subsidiary of Latam Foods Holding, the Company is jointly and severally liable for all taxes due by the other companies in the joint taxation. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the Company's tax liabilities increasing.

11 Disclosure of events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of the financial statements.

Financial statements 1 January – 31 December

Notes

12 New standards and interpretations not yet adopted

The IASB has issued new accounting standards (IFRS and IAS) and interpretations (IFRICs) which are not mandatory for Plumlatam Holding ApS in the preparation of the financial statements for 2018.

The Company expects to adopt the new accounting standards and interpretations when they become mandatory according to the effective dates adopted by the EU.

None of the new standards or interpretations are expected to have any effect on the financial reporting of Plumlatam Holding ApS.

13 Related party disclosures

The Company's related parties include its subsidiaries, the parent company, Latam Foods Holding ApS, which is the sole owner of the share capital of Plumlatam Holding ApS and the ultimate owner, FHI Food Holdings International Funds and its other investments.

The Company's financial statements are included in the consolidated financial statements of Latamfoods Holding ApS.

Plumlatam Holding ApS received royalty income from subsidiaries of USD 0 thousand (2017: USD 0 thousand).

Amounts owed by subsidiaries and the parent company are disclosed in note 6.

During 2018 the rights to the trademarks and brands as well as receivable royalties were sold at market value corresponding to 100 tUSD.