

New Nutrition Holding ApS

Saturnvej 51, DK-8700 Horsens

CVR No. 36 90 37 75

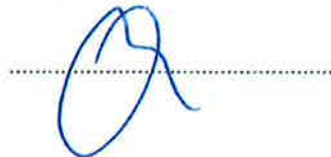
Annual report

for the period 26 May - 31 December 2015

(7 months)

Approved at the annual general meeting of shareholders on 15/4-2016

Chairman:



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of New Nutrition Holding ApS for the financial year 26 May - 31 December 2015.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 26 May - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend the adoption of the annual report at the annual general meeting.

Horsens, 4 March 2016
Executive Board:



Søren Dan Johansen

Board of Directors:



Kjeld Johannesen
Chairman



Søren Dan Johansen



Michael Specht Bruun
Deputy chairman



Christoffer Erik Mathies
Lorenzen



Thomas Stegeager Kvorning



Sarah Bibi Vawda

Independent auditors' report

To the shareholders of New Nutrition Holding ApS

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of New Nutrition Holding ApS for the financial year 26 May - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies for the group as well as the company, and a cash flow statement for the group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent Company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations, and the consolidated cash flow for the financial year 26 May - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Horsens, 4 March 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28



Kaj Blom
state authorised public accountant



Morten Klarskov Larsen
state authorised public accountant

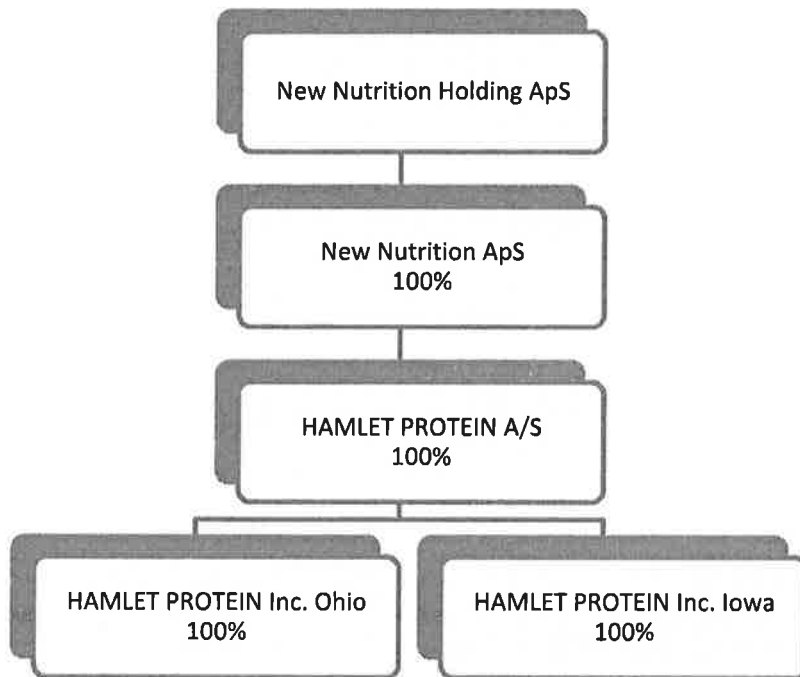
Management's review

Company details

Name	New Nutrition Holding ApS
Address, Postal code, City	Saturnvej 51, DK-8700 Horsens
CVR No.	36 90 37 75
Registered office	Horsens
Financial year	26 May - 31 December
Telephone	+45 75 63 10 20
Board of Directors	Kjeld Johannesen, Chairman Michael Specht Bruun, Deputy chairman Thomas Stegeager Kvorning Søren Dan Johansen Christoffer Erik Mathies Lorenzen Sarah Bibi Vawda
Executive Board	Søren Dan Johansen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark

Management's review

Group Chart



Management's review

Financial highlights for the Group

	2015 7 months
DKKt	
Key figures	
Revenue	172,094
Gross margin	24,975
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	4,861
Profit before interest, tax and amortisation of goodwill (EBITA)	-20,767
Profit/loss for the year	-21,753
Total assets	1,181,963
Equity	627,911
Cash flows from operating activities	46,995
Net cash flows from investing activities	-683,616
Financial ratios in %	
Operating margin	-12.1 %
Gross margin	14.5 %
EBITDA margin	2.8 %
Return on assets	-1.8 %
Solvency ratio	53.1 %
Return on equity	-3.5 %
Average number of employees	88

The financial ratios have been prepared in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

The Group's business review

The Company's objects are to own shares and other financial instruments.

The Company was established 26 May 2015.

In September 2015, the Company acquired HAMLET PROTEIN A/S, through the ownership of New Nutrition ApS.

HAMLET PROTEIN A/S' business strategy is the development, production and sale of vegetagble protein solutions used in high value-add animal feed for young animals. The company services more than 50 countries from its two production facilities in Horsens, Denmark and Findlay, Ohio.

The subsidiary, New Nutrition ApS is located in Denmark, and handles selected group functions.

The subsidiary, HAMLET PROTEIN A/S is located in Denmark, and handles the production and distribution of goods globally, as well as selected group functions.

The subsidiary, HAMLET PROTEIN Inc., is located in Ohio, USA, and handles the production and distribution of goods, primarily to North America and Asia.

The subsidiary, HAMLET PROTEIN Iowa Inc. has no operating activities.

The Group is owned by New Nutrition Holding Sarl.

Financial review

Earnings for the year came in at a loss of DKK 22 million.

In 2015, the result of the financial year for the Group were equal to the forecasted results and were characterised by sales growth in a considerable number of markets.

In order to ensure continuous service of our global customer base, it was decided in spring 2015 to increase our production capacity at the production plant in Findlay, Ohio, USA with a third line. The new production line was put into operation during the end of December 2015. The project was implemented according to plan with a successful start-up of the line.

In terms of sales, the financial year has been successful. There is an increasing demand for quality feed protein in all regions of the World, driven by a continuous growth in demand for safe and affordable meat products. Geographically, especially the North American and Asian markets have accounted for a considerable growth, characterised by a strong demand that is fostered by the need of a continued optimisation as well as increased feed security by reducing the use of animal protein in favour of secure, high-efficient products such as HAMLET PROTEIN's soy-based products.

In 2015, we strengthened our market position further by optimising our dealer network, strengthening our sales and marketing organisation and by implementing new sales and promotional activities.

Within more well-established markets, we have maintained our strong market share through improved competitive positioning, mainly within the piglets segment. We are solely specialized in young animals and the strong market position is maintained and expanded via profound and specific know-how within the individual animal segments combined with an ongoing documentation from an increasing number of feeding trials. In Western Europe, historically low prices on milk protein have led to changed market conditions within the calve segment causing negative influence on our sales in that segment. These conditions are expected to improve towards the end of 2016.

Through our efficient production setup in Ohio, we are now able to sell our products at competitive prices in North America as well as in overseas markets. In 2015, we further strengthened our US sales organisation and saw positive effects on both our sales and brand awareness. In 2016, we expect to see further benefits from this effort.

Management's review

Operating review

At HAMLET PROTEIN, we continuously ensure that the value of our products is documented. Documentation takes place via feeding trials with animal producers and by means of tests at universities. The tests provide us with valid documentation of the products' qualities and the value they add both in terms of nutritional and functional advantages. In 2015, this resulted in several reports which clearly documented the advantages demonstrated by HAMLET PROTEIN's products compared with other protein products.

In 2015, our intensified efforts in product development continued unabated. Our work ranges from customer specific projects addressing their key challenges to the development of entirely new products in cooperation with strategic partners as we continuously strive to improve our product and technology foundation.

Non-financial matters

Quality

HAMLET PROTEIN's quality policy is ensured by means of a quality system, prepared, implemented and continuously updated in accordance with the requirements of ISO 22000 and the GMP B2+ standards.

Shareholders

The Company is owned by New Nutrition Holding Sarl.

The Company's share capital is not divided into share classes, and the Company's articles of association do not stipulate any limits for ownership or voting right.

The Board of Directors regularly assesses whether the Company's capital structure is sound. The overall objective is to ensure that the Company's capital structure supports its growth strategy.

The Board of Directors' duties

The Board of Directors of the Company ensures that the Executive Board complies with the decisions, strategies and business procedures adopted by the Board of Directors. The Board of Directors in New Nutrition Holding ApS meets according to a fixed schedule. In 2015, the Board of Directors held five meetings.

The Board of Directors does not rely on any subcommittees due to the size and complexity of the Company. Accordingly, the entire Board of Directors has focused on significant accounting policies and significant accounting estimates, transactions with related parties, if any, as well as uncertainties and risks in its financial reporting process. Together with the auditors, the quality of the Company's internal control systems is assessed on a regular basis, just as the auditors' independence is verified. Areas that are identified as particularly critical, such as foreign currency policy, procurement policy and insurance matters, are regularly discussed within the Board of Directors.

Special risks

The pricing of the HAMLET PROTEIN's raw materials and finished goods is influenced by the price development on international commodity exchanges, which, together with the price development on substitute goods, will influence the Company's and customers' competitive situation, resulting in uncertainty about forecast results.

A substantial part of the Company's products is sold to the agricultural sector. As in previous years, the Company experiences that market conditions for these customers are subject to far higher volatility, meaning that the market situation may change rapidly and be difficult to predict. HAMLET PROTEIN strives at encountering such conditions by setting up our production, sales and distribution channels as flexible as possible.

It is company policy to hedge risks on transactions denominated in selected foreign currencies and purchases of raw materials. The Company's exposure to changes in the interest rate of loans is regularly assessed, and interest hedging is made at group level. Currency risks on the investment in the US subsidiary have partly been hedged by means of taking up loans denominated in USD.

Management's review

Operating review

Impact on the external environment

At HAMLET PROTEIN we are committed to running a production with regular focus on optimum energy utilisation. All the Company's efforts within energy are based on our energy management system developed based on the ISO 50001:2011 standard. The Company has been certified to this standard since 2004.

The objective at HAMLET PROTEIN is to remain certified in accordance with the strict requirements of the energy management system contained in ISO 50001:2011.

On both factories, we have made considerable investments in thermal incineration plants, which mean that we are capable of reducing energy consumption per produced tonne of finished goods by more than 10%.

In general, our energy policy and measures taken contributed to a reduction of the Group's environmental impact.

Research and development activities

In 2015, HAMLET PROTEIN incurred research and development costs for products for both new and existing customer segments. All development costs are capitalised in the balance sheet.

Statutory CSR report

Recommendations for active ownership and corporate governance for private equity funds

Being owned by equity funds, New Nutrition Holding ApS is subject to the guidelines for active ownership and corporate governance for equity funds and their controlled enterprises as issued by the Danish Venture Capital and Private Equity Association ("DVCA").

In general, New Nutrition Holding ApS complies with these recommendations apart from the incidents where the Company's Management assesses that the disclosure of specific information will be detrimental to the Group's and the Company's competitive situation.

Corporate social responsibility

HAMLET PROTEIN strives at defining its corporate social responsibility within the areas energy and environment, responsible sourcing, organisation and human resource issues.

We believe that human rights should be observed and respected in all respects. Our predominant raw material is soy which we acquire partly from producers in South America, and we are aware that there is a potential risk of lacking compliance with human rights in the production chain. The risk is, however, hedged by means of our policy for responsible sourcing of raw materials.

Responsible sourcing

HAMLET PROTEIN's objective is to be leading within product quality and product integrity, and we constantly strive at strengthening our supply chain towards sustainability but at the same time balancing the need of an effective and reliable flow of raw materials to our production units.

Our aim is always to use soy producers that demonstrate social and environmental responsibility.

We buy our raw materials from the world's leading soy producers in North and South America and have paid a surcharge to reach our goal since 2005.

Soy is purchased from South America for the production of our unique trademarks to our Danish factory; whereas our factory in the USA receives deliveries from local manufacturers from Midwest USA.

Management's review

Operating review

HAMLET PROTEIN solely buys soy from suppliers approved according to our quality management system before goods are delivered.

In the US, we buy from internationally recognised suppliers; either members of NOPA (National Oilseed processors Association) or related members.

In South America, we require the following from our suppliers:

- The supplier is not involved or supports the use of child labour, forced labour, discrimination or harassment
- The supplier supports voluntary unionism of employees and the right to negotiate collective agreements for all employees
- The supplier does not buy soy from land in the Amazon Biome cleared after 24 July 2006.
- The supplier does not buy soy grown from land where natives' residences have been removed after May 2009 - except if in accordance with national legislation
- The supplier supports the use of pesticides in accordance with local legislation, the Stockholm Convention and the Rotterdam Convention.

Alternatively, we require that our soy suppliers are certified according to the ProTerra Standard or committed to the Soy Moratorium or in any other way are able to document that they live up to the Basel Criteria (4th edition 16.02.2005). However, we accept that that up to 10% of our soy deliveries are of unspecified South American origin. In 2015, the purchase of soy was specified and lived up to the above criteria.

As new and improved soy certification programmes become available, we will consider implementing these programmes in our standard basis for sourcing.

Organisation and employees

The Company considers its employees to be an important asset and a precondition for continued success. An attractive and safe working place with a positive and challenging environment is a decisive factor - the Company's vision is to employ and retain qualified and motivated employees.

To maintain and improve its safety standards, the Company focuses on avoiding industrial accidents. Security in our factories is our top priority in order to avoid any industrial accidents and we regularly follow up on this. Industrial accidents are measured based on "the number of hours absent due to industrial accidents per million working hours". In 2015, this ratio accounted for 0% in the US subsidiary and 0.026% in the Danish company.

To ensure and improve the general working environment, the Company follows up on staff turnover, capability development and sickness absence. We continuously work with a number of activities which help in promoting an attractive and motivating working environment which the Company wishes to offer to all its employees. We work very dedicated with the recruitment and integration of new employees, just as we focus on maintaining and developing our employees' personal and professional skills. The annual appraisal interview is an important part of these efforts.

2015 objective for sickness absence, staff turnover and capability development

For 2015, our objective was to have less than 2.5% sickness absence. Sickness absence is defined as "The number of registered hours of absence due to sickness in relation to the number of possible working hours within a year, less holidays and other days off. In our Danish company, absence due to sickness totalled 2.1% in 2015, whereas absence totalled 0.72% in the US subsidiary.

At year-end, the Group had 97 employees versus 89 in 2014. 19 new employees were hired and 11 employees resigned during the financial year. Staff turnover thus represented 11.8%. The Company is expected to have a staff turnover of approx. 10% in 2016. Staff turnover is defined as "The number of permanent staff who has left the Company during the past year in relation to the average number of permanent staff during the same period".

Management's review

Operating review

The 2015 objective is that 90% of all permanent staff has an appraisal interview. The measurement is defined as the percentage number of permanent staff having an appraisal interview in relation to the average number of permanent staff during the same period.

In 2015, 65% of the PDR interviews were performed in the Danish company. The low ratio is caused by the timing of resignations and new hires. In the US subsidiary, 82% of PDR reviews were performed, which is seen as very positive and indicates that even here we focus on maintaining and developing our employees' professional and personal skills.

Account of the gender composition of management

New Nutrition Holding ApS' supreme governing body, the Board of Directors, consists at year end of two female and four male members. The continuous goal is to have at least one female board member. The goal is seen to be ambitious, based on a business in which the basis of recruitment primarily consists of men.

Our goal is to represent a minimum of 40% of each gender and is fulfilled in other management levels within our enterprise; represented by 59% male and 41% female. We thereby succeed in obtaining gender equality within other management.

We aim at maintaining and reaching all gender ratio objectives laid down for each management group, but we will always employ the person who is best qualified for the job. Both male and female employees are encouraged to apply for internally advertised positions and to develop their skills and careers.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

For 2016 we expect a continued trend towards an increasing global demand for quality protein and expect continued sales growth on the back of increasing customer demand.

Through the combination of sales growth, our expanded capacity in the USA and further improvements to our utilisation of our production facilities, we expect improved earnings compared to 2015.

**Consolidated financial statements and parent company financial statements for the period
26 May - 31 December**

Income statement

		<u>Group</u>	<u>Parent company</u>
Notes DKK'000		2015 7 months	2015 7 months
3	Revenue	172,094	0
	Other operating income	63	0
	External expenses	-147,182	-215
	Gross profit/loss	24,975	-215
4	Staff costs	-20,114	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-25,628	0
	Operating profit/loss	-20,767	-215
	Income from investments in group entities	0	-21,586
	Financial income	66	0
	Financial expenses	-4,721	-1
	Profit/loss before tax	-25,422	-21,802
5	Tax for the year	3,669	49
	Profit/loss for the year	<u>-21,753</u>	<u>-21,753</u>
 Proposed profit appropriation/distribution of loss			
	Retained earnings/accumulated loss		<u>-21,753</u>
			<u>-21,753</u>

Consolidated financial statements and parent company financial statements for the period
26 May - 31 December

Balance sheet

Notes	DKK'000	Group	Parent company
		2015	2015
		EQUITY AND LIABILITIES	
		Equity	
		Share capital	6,476
		Retained earnings	621,435
		Total equity	627,911
		Provisions	
9		Deferred tax	98,337
		Total provisions	98,337
		Liabilities other than provisions	
10		Non-current liabilities other than provisions	
		Mortgage debt	15,883
		Bank debt	288,986
			304,869
		Current liabilities other than provisions	
10		Current portion of long-term liabilities	2,797
		Bank debt	25,065
		Trade payables	57,647
		Payables to group entities	0
		Income taxes payable	6,243
		Other payables	59,094
			150,846
		Total liabilities other than provisions	455,715
		TOTAL EQUITY AND LIABILITIES	1,181,963
			628,297

- 1 Accounting policies
- 2 Special items
- 11 Collateral
- 12 Contractual obligations and contingencies, etc.
- 13 Contingent assets
- 14 Currency and interest rate risks and the use of derivative financial instruments
- 15 Related parties
- 16 Fee to the auditors appointed by the Company in general meeting

**Consolidated financial statements and parent company financial statements for the period
26 May - 31 December**

Statement of changes in equity

DKK'000	Group		
	Share capital	Retained earnings	Total
Equity at 26 May 2015	50	0	50
Capital increase	6,426	641,084	647,510
Profit/loss for the year	0	-21,753	-21,753
Other value adjustments of equity	0	1,245	1,245
Sale of treasury shares	0	859	859
Equity at 31 December 2015	6,476	621,435	627,911

DKK'000	Parent company		
	Share capital	Retained earnings	Total
Equity at 26 May 2015	50	0	50
Capital increase	6,426	641,084	647,510
Profit/loss for the year	0	-21,753	-21,753
Other value adjustments of equity	0	1,245	1,245
Sale of treasury shares	0	859	859
Equity at 31 December 2015	6,476	621,435	627,911

**Consolidated financial statements and parent company financial statements for the period
26 May - 31 December**

Cash flow statement

		Group
		2015
		7 months
Notes	DKK'000	
	Profit/loss for the year	-21,753
17	Adjustments	26,614
	Cash generated from operations (operating activities)	4,861
18	Changes in working capital	46,789
	Cash generated from operations (operating activities)	51,650
	Interest received, etc.	66
	Interest paid, etc.	-4,721
	Cash flows from operating activities	46,995
	Additions of intangible assets	-178
	Additions of property, plant and equipment	-45,812
	Disposals of property, plant and equipment	-291
19	Acquisition of companies and activities	-637,335
	Cash flows from investing activities	-683,616
	Proceeds of long-term liabilities	185,292
	Repayments, long-term liabilities	-131,391
	Sale of treasury shares	859
	Cash capital increase	647,560
	Cash flows from financing activities	702,320
	Net cash flow	65,699
20	Cash and cash equivalents at 31 December	65,699

Consolidated financial statements and parent company financial statements for the period 26 May - 31 December

Notes

1 Accounting policies

The annual report of New Nutrition Holding ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

Changes in accounting policies

As of 1 January 2015, the Group has early adopted Act no. 738 dated 1 July 2015. This implies changes to recognition and measurement of:

1. Yearly reassessment of residual values of property, plant and equipment
2. Equity reserve for development costs

Item 1: In future, residual values of property, plant and equipment are subject to an annual reassessment. The Group has no significant residual values relating to property, plant and equipment other than those relating to the Group's buildings.

Item 2: An amount corresponding to development costs recognised are in future tied up in a special reserve under equity called "Reserve for development costs". The reserve cannot be utilised for dividend distribution or to cover any deficit. If the development costs recognised are sold or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced.

This is done by transferring the reserve for development costs directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs is reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, a reserve for development costs is established as well. The reserve for development costs is reduced by amortisation charges. In doing so, the equity reserve will correspond to the amount recognised in the balance regarding development costs.

Pursuant to the inception and transition provisions of the Act, only an amount corresponding to the development costs incurred from the date the Act is implemented is recognised in the reserve for development costs.

The change is therefore expected only to have effect going forward.

The changes have not affected the profit for the year, balance sheet total or equity.

The financial statements have otherwise been presented in accordance with the same accounting policies as were applied last year. Comparative figures have been restated to reflect the policy change.

Consolidation

The consolidated financial statements comprise the parent, HAMLET PROTEIN A/S, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding together like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated. Investments in consolidated entities are set off by the parent's proportionate share of the consolidated entity's fair value of assets and liabilities at the time of acquisition.

Recently acquired or sold subsidiaries are recognised in the consolidated income statement for the period in which the parent controls such entities. Comparative figures are not restated for recently acquired or sold entities.

Consolidated financial statements and parent company financial statements for the period 26 May - 31 December

Notes

1 Accounting policies - continued

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Intra-group business combinations

As regards business combination such as purchase and sale of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities owned by a parent company in consolidation are participating, the pooling-of-interests method is applied, and comparative figures have been restated. Any differences between the agreed consideration and the carrying amount of the acquiree are taken to equity. As previously the values in the financial statements are recognised in the surviving company as well.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Income statement

Revenue

Income from the sale of goods and finished goods comprising protein products is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of certain fixed assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Consolidated financial statements and parent company financial statements for the period 26 May - 31 December

Notes

1 Accounting policies - continued

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost for completed development is amortised on a straight-line basis over the expected useful life. The amortisation period is usually five years and is not to exceed ten years.

Acquired intangible assets include patents and rights. Patents are amortised over the remaining patent period, and rights are amortised over the agreed period, although not exceeding 20 years.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature, earnings and market position of the acquired entity as well as the stability of the industry and the dependence on key staff.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	30 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Land is not depreciated.

In case of changes in the amortisation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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Notes

1 Accounting policies - continued

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets include development projects and other acquired intangible rights, including patents and rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The cost of self-constructed non-current assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

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Notes

1 Accounting policies - continued

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

The purchase method of accounting is applied to corporate takeovers as described under 'intra-group business combinations'.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or groups of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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Notes

1 Accounting policies - continued

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Reserve for development costs

The reserve for development costs includes recognised development costs. The reserve cannot be utilised for dividend distribution or to cover any deficit. The reserve is reduced or dissolved if the recognised development costs are no more part of the entity's operations. This is done by a transfer directly to the distributable reserves under equity.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

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Notes

1 Accounting policies - continued

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents comprise cash less short-term bank debt (operating credits).

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA}}{\text{Revenue} \times 100}$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

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Notes to the financial statements

2 Special items

Special items comprise significant income and expenses of a special nature relative to the Group's revenue-generating operating activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses relating thereto and which over time are of significant importance. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's operating activities.

As disclosed in the Management's review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	Group	Parent Company
t.DKK	2015	2015
Income		
Grant income	106	0
	106	0
Costs		
Consultancy, strategy and legal compliance	11,385	0
	11,385	0
Special Items are recognised under the below Items in the financial statements		
Other external costs	11,279	0
Profit/loss from special Items, net	11,279	0

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	<u>Group</u>	<u>Parent company</u>
DKK'000	2015 7 months	2015 7 months
3 Revenue		
Geographical segmentation of revenue:		
Europe	97,221	0
Asia	44,979	0
Americas	28,359	0
Africa	1,535	0
	<u>172,094</u>	<u>0</u>
The Group solely sells products used for animal feed.		
4 Staff costs		
Wages/salaries	17,250	0
Pensions	822	0
Other social security costs	816	0
Other staff costs	1,226	0
	<u>20,114</u>	<u>0</u>
Average number of full-time employees	<u>88</u>	<u>0</u>
Total remuneration to management : t.DKK 0		
Incentive programmes		
The Company has issued warrants to executives of the Company's subsidiary. The warrants entitle the holder to subscribe for up to nominally DKK 138 thousand in the Company. Consideration received for the warrants are recognized directly in equity.		
5 Tax for the year		
Estimated tax charge for the year	156	-12
Deferred tax adjustments in the year	-3,825	-37
	<u>-3,669</u>	<u>-49</u>

Group

Net tax paid during the year: t.DKK 0

In addition, tax on equity t.DKK -156

Parent company

Net tax paid during the year: t.DKK 0

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6 Intangible assets

t.DKK	Group			
	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 26 May 2015	0	0	0	0
Exchange adjustment	0	1	0	1
Additions on corporate acquisition	623	325,427	288,563	614,613
Additions in the year	0	178	0	178
Cost at 31 December 2015	623	325,606	288,563	614,792
Impairment losses and amortisation at 26 May 2015	0	0	0	0
Amortisation/depreciation in the year	85	9,995	4,151	14,231
Impairment losses and amortisation at	85	9,995	4,151	14,231
Carrying amount at 31 December 2015	538	315,611	284,412	600,561

Completed development projects are related to product development.

7 Property, plant and equipment

t.DKK	Group				
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Exchange adjustment	694	2,145	23	8	2,870
Additions on corporate acquisition	78,796	241,660	6,193	4,382	331,031
Additions in the year	385	37,421	1,860	6,146	45,812
Disposals in the year	0	0	-291	0	-291
Transfer from other accounts	0	322	1,188	-1,510	0
Cost at 31 December 2015	79,875	281,548	8,973	9,026	379,422
Amortisation/depreciation in the year	1,710	9,000	687	0	11,397
Impairment losses and depreciation at 31 December 2015	1,710	9,000	687	0	11,397
Carrying amount at 31 December 2015	78,165	272,548	8,286	9,026	368,025

Note 11 provides more details on security for loans, etc. as regards property, plant and equipment.

**Consolidated financial statements and parent company financial statements for the period
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8 Investments

	<u>Parent company</u> <u>Investments in</u> <u>group entities</u>
t.DKK	
Cost at 26 May 2015	0
Additions on corporate acquisition	648,419
Cost at 31 December 2015	648,419
Share of the profit/loss for the year	-21,586
Equity adjustments, investments	1,245
Value adjustments at 31 December 2015	-20,341
Carrying amount at 31 December 2015	628,078

DKK'000	<u>Legal form</u>	<u>Domicile</u>	<u>Interest</u>	<u>Equity</u>	<u>Profit/loss</u>
Subsidiaries					
New Nutrition ApS	ApS	Horsens, DK	100.00 %	628,078	-21,586

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9 Deferred tax

Deferred tax relates to:

	Group	Parent company
DKK'000	2015	2015
Intangible assets	-77,079	0
Property, plant and equipment	-30,271	0
Liabilities	264	0
Tax loss	8,749	37
	<u>-98,337</u>	<u>37</u>

Analyses of the deferred tax

Deferred tax asset	0	37
Deferred tax liability	-98,337	0
	<u>-98,337</u>	<u>37</u>

Group

Expected dates for the settlement of deferred tax liabilities:

0-1 years; 11.664 t.DKK

1-5 years; 37.047 t.DKK

> 5 years; 50.626 t.DKK

Parent company

Expected dates for the settlement of deferred tax liabilities:

0-1 years; 37 t.DKK

1-5 years; 0 t.DKK

> 5 years; 0 t.DKK

10 Long-term liabilities

	Group			
DKK'000	Total debt at 31/12 2015	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	18,680	2,797	15,883	7,942
Bank debt	288,986	0	288,986	260,095
	<u>307,666</u>	<u>2,797</u>	<u>304,869</u>	<u>268,037</u>

Consolidated financial statements and parent company financial statements for the period 26 May - 31 December

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11 Collateral

Group

A mortgage of USD 2,000 thousand secured upon the Group's properties has been provided as collateral for transactions with Ohio Department of Development.

The carrying amount of mortgaged properties amounted to USD 4,667 thousand.

As collateral for commitments with banks, the following has been deposited:

- Mortgage of DKK 25,083 thousand secured on the property Saturnvej 51, Horsens.
- Owner's mortgage of DKK 20,000 thousand and letter of indemnity of DKK 18,000 thousand secured on the Company's property Saturnvej 51, Horsens.

The carrying amount of mortgaged properties amounted to DKK 40,947 thousand.

As collateral for commitments with banks, the following has been deposited:

- Letter of indemnity on movables of DKK 12,000 thousand and chattel mortgage registered to the owner of DKK 22,000 thousand secured upon machinery and fixtures and fittings, etc.

The carrying amount of assets provided as collateral amounted to DKK 111,165 thousand.

Parent company

As security for the Company's bank debt, the Company has placed shares in subsidiaries. The total carrying amount of the shares having been put as security is DKK 628.078 thousand.

12 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	<u>Group</u>	<u>Parent company</u>
DKK'000	2015	2015
Rent and lease liabilities	5,196	0

Group

The Group has concluded regular forward purchase contracts for raw materials.

Parent company

The Company is jointly taxed with its Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes for the income years 2015 for the period after 18 September 2015 and withholding taxes falling due for payment on or after the similar date in the group of jointly taxed entities.

13 Contingent assets

The group has contingent deferred tax asset in total DKK 296 thousand. Contingent assets are expected to increase the Company's financial resources at 31 December 2017 at the latest.

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Notes to the financial statements

14 Currency and interest rate risks and the use of derivative financial instruments

In the hedging of recognised and unrecognised transactions, the Group uses forward exchange contracts.

Recognised transactions

Hedging of recognised transactions mainly comprises receivables and payables.

Currency risks

Currency (DKK'000)	Payment/maturity	Receivables	Payables	Hedged by forward exchange contracts	Net position
USD	< 1 year	214.573	189.448	0	25.125
	> 1 year	0	111.621	0	-111.621
EUR	< 1 year	22.151	609	0	21.542
	> 1 year	0	68.656	0	-68.656
Other	< 1 year	1.267	560	0	707
	> 1 year	0	0	0	0
		<u>237.991</u>	<u>370.894</u>	<u>0</u>	<u>-132.903</u>

Forecast transactions

The Company hedges anticipated currency risks for the coming year regarding sales and purchases of goods by forward exchange contracts.

DKK'000	Period	Contractual value	Gains and losses recognised in equity expected to be realised after the balance sheet date
		2015	2015
Forward exchange contracts	0-12 months	<u>89</u>	<u>213</u>

Interest rate risks

The Group hedges interest rate risks by means of interest rate swaps through which floating interest payments are changed to fixed interest payments.

DKK'000	2015			Remaining term
	Calculated principal	Value adjustment recognised in equity	Fair value	
Interest rate swaps	<u>305.531</u>	<u>-665</u>	<u>-665</u>	month 42-80

The hedged cash flows are expected to be realized and affect profit/loss for the year over the remaining term of the interest rate swap.

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15 Related parties

Group

New Nutrition Holding ApS' related parties comprise the following:

Parent company

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
New Nutrition Holding S.a.r.l.	Luxembourg	Participating interest

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
New Nutrition Holding S.a.r.l.	Luxembourg

	<u>Group</u>	<u>Parent company</u>
	<u>2015</u>	<u>2015</u>
DKK'000		
16 Fee to the auditors appointed by the Company in general meeting		
Total fees to EY	712	8
Fee regarding statutory audit	241	4
Tax assistance	43	2
Other assistance	428	2
	712	8
		<u>Group</u>
DKK'000		<u>2015</u>
		<u>7 months</u>
17 Adjustments		
Amortisation/depreciation and impairment losses		25,628
Financial income		-66
Financial expenses		4,721
Tax for the year		-3,669
		26,614
18 Changes in working capital		
Change in inventories		14,166
Change in receivables		-12,543
Change In prepayments and trade and other payables		46,366
Other adjustments in working capital		-1,200
		46,789

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19 Acquisition of enterprises and activities	
Non-current assets	-945,644
Current assets	-132,503
Provisions	102,162
Liabilities	336,605
Cost of acquisition	-639,380
Cash	2,045
Cost of acquisition paid in cash	-637,335
20 Cash and cash equivalents at year end	
Cash and cash equivalents according to the balance sheet	90,764
Short-term debt to banks	-25,065
	65,699