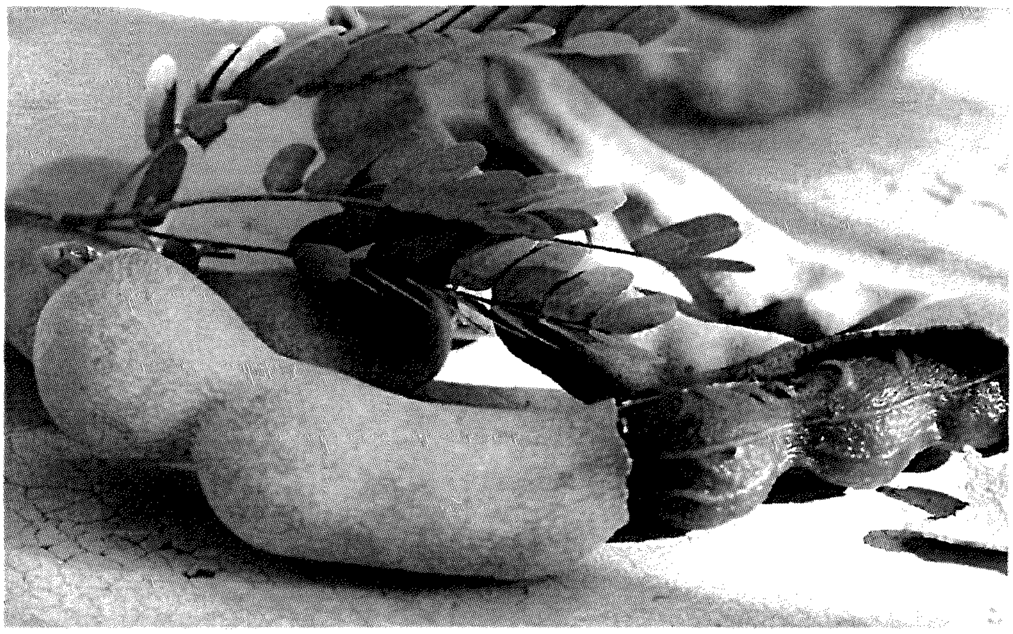
ORANA

ORANA DENMARK A/S

CVR no. 38 30 02 88

Annual report for the period

1 October 2015 – 31 December 2016



The Annual General Meeting
adopted the annual report at,
Rynkeby, the 8 June 2017.

Chair of the meeting

Contents

Management statement

The Board of Directors and the Executive Management have today considered and approved the annual report of Orana Denmark A/S for the financial year 1 October 2015 – 31 December 2016.

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

In our opinion the financial statements gives a true and fair view of the Company's financial position at 31 December 2016, and of the Company's financial performance for the financial year 1 October - 31 December 2016.

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

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

Rynkeby, 8/6 2017

Executive Management

Birgitte Eilskov Jensen

Board of Directors

Niels Østerberg
Chairman

Per Valstorp

Navdeep Rajpal

Frederik Østerberg

Independent Auditor's report

To the Shareholder of Orana Denmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 October 2015 - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Orana Denmark A/S for the financial year 1 October 2015 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 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 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 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, 8 June 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVRNo33771231

Jan Brink Harbo Larsen
statsautoriseret revisor

Company details

The Company	Orana Denmark A/S Rynkebyvej 243 DK-5350 Rynkeby, Denmark Telephone:: +45 63 62 35 75 E-Mail address: orana@orana.dk Web-page: www.orana.dk CVR-no. 38 30 02 88 Financial Year: 1 October– 31 December Municipality: Kerteminde, Denmark
Board of Directors	Director Niels Østerberg, Chairman Director Per Valstorp Group Director Production Navdeep Rajpal Ph. D. Frederik Østerberg
Executive Management	Birgitte Eilskov Jensen
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle, Denmark
Group Accounts	The Company's financial statements are a part of the group financial statements for Østerberg Holding ApS, Planen 1, DK-5300 Kerteminde, Denmark.

Managements commentary

The Financial Statement for Orana Denmark A/S for the period 1 October 2015 to 31 December 2016 has been prepared in accordance with the provision of the Danish Financial Statements Act applying to medium sized enterprises of reporting class B.

It is the Company's first year of operation and thus the first year that the accounting policies are applied. The Company is founded as a divestment as per 1 October 2015 from Orana A/S of the European activities. As it is the first year of operation there are no comparison figures in the income statement whereas in the Balance the values from the divestment is inserted as comparison figures.

The reporting currency is DKK.

Main activity

The Company is a production and sales company within the Orana Group taking care of the activities in Europe.

The Company's main activities are sales in Europe, Co-packing for 3rd party customers and production of fruit based semi-manufactures for the Orana Groups sales teams.

Business Development in the year

The profit of the financial year 2015/2016 is not satisfactory and is below our expectations.

After year-end, no special factors that significantly influence the financial statement have occurred.

Business Concept, Objectives and Outlook for the coming year

The target for the company is to be the preferred Co-packer in North Europe with respect to copacking in glass bottles (all kind of sizes) – with or without Co2.

In order to achieve this position the company has invested in a new glass filling line plus a new shot filling line.

There are positive expectations for the financial year 2017. We expect increase in sales and net profit as we expect that some of the expense and losses we have had in 2015/16 will turn into profit in 2017.

Income statement
1 October 2015 - 31 December 2016

	Note	2015-2016 T.DKK
Turnover		100.742
Production costs		(91.208)
Gross profit		**9.534**
Sales - and distribution costs		(858)
Laboratory costs		(3.160)
Administration costs		(6.640)
Operating profit		**(1.124)**
Other income		2.395
Profit before financials		**1.271**
Financial income	1	111
Financial expenses	2	(1.311)
Profit before tax		**72**
Tax for the year	3	31
Profit for the year		**103**

Distribution of profit

Proposed distribution of profit

Retained earnings	103
	103

Balance sheet

Assets	Note	31/12 2016 T.DKK	1/10 2015 T.DKK
Land and buildings		6.822	4.886
Plant and machinery		7.789	5.766
Fixtures and fittings		140	289
Construction in progress		2.644	2.798
Tangible fixed assets	4	**17.395**	**13.739**
Fixed assets		**17.395**	**13.739**
Inventories	5	**14.069**	14.249
Trade receivables		4.082	17
Receivables from group enterprises		7.519	0
Other receivables		508	1.634
Prepayments		79	239
Receivables		**12.189**	**1.890**
Total current assets		**26.258**	**16.139**
Total assets		**43.653**	**29.878**

Balance sheet

Liabilities	Note	31/12 2016 T.DKK	1/10 2015 T.DKK
Contributed capital		1.000	1.000
Retained earnings		9.185	9.000
Proposed dividend		0	0
Equity	6	**10.185**	**10.000**
Deferred tax	7	988	1.019
Deferred liabilities		**988**	**1.019**
Credit institutions	8	876	1.270
Corporate tax		0	0
Long-term liabilities		**876**	**1.270**
Credit institutions	8	226	653
Trade payables		7.176	6.032
Payables to group enterprises		22.299	7.424
Corporate tax		0	0
Other payables		1.901	3.480
Short-term liabilities		**31.603**	**17.589**
Total liabilities other than deferred		**32.479**	**18.859**
Total liabilities		**43.653**	**29.878**
Contingencies and other financial liabilities	9		
Other notes	10-11		

Notes

	2015-2016 T.DKK

1 Financial income

Financial income is specified as follows:

Foreign exchange gains	111
	111

2 Financial expenses

Financial expenses is specified as follows:

Foreign exchange losses	368
Other financial expenses	943
	1.311

3 Corporate tax

Expensed corporate tax is specified as follows:

Tax for the year	0
Change in deferred tax for the year	(31)
Total Tax	**-31**

Corporate tax on operating profit is explained as follows:

Calculated 22.0 % tax on profit before taxes	16
Effect of change in tax rate on deferred tax from demerger	(65)
Tax effect of:	
Change in interest derivatives	18
	-31
Corporate taxes paid during the year	**0**

Notes

4 Tangible assets

Investments and write-downs and depreciation on tangible assets specified as follows:

	Land and buildings	Plant and machinery	Fixtures and fittings	Construction in progress	Total
Balance 1 October	8.691	12.941	1.652	2.798	26.082
Opening adjustments/transfers	0	0	0	0	0
Additions during the year	2.534	3.076	0	2.644	8.253
Disposals during the year	0	0	0	(2.798)	(2.798)
Closing balance cost	11.224	16.017	1.652	2.644	31.537
Opening balance depreciation	3.805	7.175	1.363	0	12.343
Depreciation during the year	598	1.053	149	0	1.799
Reversed depreciation relating to disposals	0	0	0	0	0
Closing balance depreciation	4.403	8.227	1.512	0	14.142
Carrying amount at 31 December	**6.822**	**7.789**	**140**	**2.644**	**17.395**
Carrying amount of financially leased assets		2.332			

Distribution of depreciation is as follows

	Land and buildings	Plant and machinery	Fixtures and fittings	Construction in progress	Total
Cost of sales and production	0	1.053	149	0	1.202
Administration costs	598	0	0	0	598
	598	**1.053**	**149**	**0**	**1.799**

5 Inventories

Inventories can be specified as follows:

	2016 T.DKK
Raw materials	9.990
Finished goods	4.079
	14.069

Notes

6 Equity

Transactions in equity are specified as follows:

(T.DKK)	Contributed capital	Retained earnings	Total
Equity 1 October	1.000	9.000	10.000
Profit for the year	0	103	103
Net fair value adjustments	0	83	83
Equity 31 December	**1.000**	**9.185**	**10.185**

Contributed capital for the past 1 year specified as follows:

	2015/16
Contributed capital	1.000
Transactions during the year	0
Closing balance cost	**1.000**

The contributed capital consists of 1.000 shares with a nominal value of DKK 1.000.
No shares carry special rights.

Notes

		2016 T.DKK
7	**Deferred tax**	
	Transactions in deferred tax are specified as follows:	
	Deferred tax 1 October	0
	Adjustments beginning of year, demerger	1.019
	Change in deferred tax during the year	(31)
	Deferred tax 30 September	**988**
	Deferred tax are specified as follows:	
	Tangible assets	1.006
	Inventories	111
	Trade receivables	0
	Prepayments	17
	Tax value of loan costs	(13)
	Tax value of losses carried forward	(133)
		988
8	**Credit institutions**	
	Payments, due after 5 years	233
	Payments, due after 1 year and within 5 years	643
	Long-term liabilities	876
	Payments, due within 1 year	226
		1.102

Notes

	2016 T.DKK

9 Contingencies and other financial liabilities

Rental and lease agreements

The company has signed rental commitments with 12-month period of irrevocability, but not earlier than 1/7 2024 for a total of	2.855

10 Staff costs

	2015-2016 T.DKK
Staff costs amount to:	
Wages and salaries	14.760
Pension contribution	2.169
Other social security expenses	693
	17.621
and are expensed as follows:	
Production costs	12.093
Sales- and distribution costs	432
Laboratory costs	2.204
Administration costs	2.893
	17.621
Average number of employees	**39**

11 Ownership

	Basis
The company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital.	
Orana A/S Rynkebyvej 243, 5350 Rynkeby	Parent company

Accounting policies

Basis of Preparation

The Annual Report of Orana Denmark A/S for the period 1 October 2015 to 31 December 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium sized enterprises of reporting class B.

The Annual Report for the period 1 October 2015 to 31 December 2016 is presented in T.DKK. It is the first year of operation for Orana Denmark A/S thus it is the first year with that the accounting policies are applied.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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.

Policies re transactions in foreign currency

Transactions in foreign currencies are recorded at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are recorded at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

The income statement of foreign subsidiaries which are legal entities are recognized at a yearly average exchange rate. Balances are translated at the exchange rate at the year-end date. Exchange differences from changing the legal entities equity beginning of year are posted direct at the equity.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Income statement

Turnover

Revenue from the sale of goods for resale and finished goods is recognized in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Turnover is recognized exclusive of VAT and net of discounts relating to sales.

Production costs

Production costs comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc., as well as operation, administration, management of factories and external production costs.

Sales- and distribution costs

Sales- and distribution costs comprise costs for sales- and distribution employees, advertisement and marketing costs and depreciation of goodwill.

Laboratory costs

Laboratory costs include costs for laboratory and construction employees, laboratory equipment including supporting aids and amortization of know-how and fixtures and fittings with the part that is related to laboratory activity.

Administration costs

Administration costs comprise for Management, administrative staff, office expenses, rent of offices, depreciation, etc. Amortization of fixtures and fittings with the part that is related to administration activity.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realized and unrealized exchange adjustments, price adjustment of securities, amortization of mortgage loans.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

The Company is jointly taxed with the mother company and has adopted the on-account taxation scheme.

Balance sheet

Tangible fixed assets

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	5 years
Land and buildings	10 - 20 years
Plant and machinery	5 - 20 years
Other fixtures and fittings, tools and equipment	3 - 5 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value. The net realizable value of inventories is calculated as the amount expected to be generated in the ordinary course of business less sales and completion costs. The net realizable value is calculated taking into account marketability, obsolescence and development in expected sales.

The cost of finished goods and work in progress includes the cost of raw materials, direct labor costs and production overheads. Indirect production costs include indirect materials and salaries, maintenance of machinery and equipment as well as workshop, warehouse, production management, and costs with relation to quality control.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest etc.

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, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Tax receivables and liabilities are offset to the extent that there is a legal right to do so and the items are expected to be settled net or simultaneously.

Financial debts

Long term loans are recognized at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost, and the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

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