Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Østre Havnepromenade 26, 4. sal
9000 Aalborg

Phone 98 79 60 00
Fax 98 79 60 01
www.deloitte.dk

Cena Partnerskab Holding ApS

Fuglevænget 9
9000 Aalborg
Central Business Registration No 38929852

Annual report 2019

The Annual General Meeting adopted the annual report on 19.05.2020

Chairman of the General Meeting

Name: Gudmund Schlytter Killi

Contents

Entity details

Entity

Cena Partnerskab Holding ApS

Fuglevænget 9

9000 Aalborg

Central Business Registration No (CVR): 38929852

Registered in: Aalborg

Financial year: 01.01.2019 - 31.12.2019

Statutory reports on the entity's website

Statutory report on corporate social responsibility:http://www.geiafood.dk/media/89666/geia_csr-2019.pdf

Board of Directors

Gudmund Schlytter Killi, chairman

Wilhelm Mohn

Keld Gregersen

Jens Junge Mortensen

Executive Board

Stian Glendrange

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4. sal

9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Cena Partnerskab Holding ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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.

Aalborg, 19.05.2020

Executive Board

Stian Glendrange

Board of Directors

Gudmund Schlytter Killi chairman	Wilhelm Mohn	Keld Gregersen

Jens Junge Mortensen

Independent auditor's report

To the shareholders of Cena Partnerskab Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Cena Partnerskab Holding ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group’s and the Parent’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 consolidated financial statements and the parent 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 Group's and the Parent’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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 19.05.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Birner Sørensen
State Authorised Public Accountant
Identification No (MNE) mne11671

Management commentary

	2019 DKK'000	2017/18 DKK'000
Financial highlights		
Key figures		
Revenue	1.654.862	1.532.717
Gross profit/loss	119.168	119.502
Operating profit/loss	14.768	21.519
Net financials	(3.186)	(698)
Profit/loss for the year	(475)	8.545
Profit/loss excl minority interests	(639)	7.715
Total assets	516.372	502.064
Investments in property, plant and equipment	8.860	10.363
Equity	199.989	202.249
Equity excl minority interests	197.688	199.162
Cash flows from (used in) operating activities	49.986	62.681
Cash flows from (used in) investing activities	(19.597)	(353.780)
Cash flows from (used in) financing activities	(31.494)	309.826
Ratios		
Gross margin (%)	7,2	7,8
Net margin (%)	0,0	0,6
Return on equity (%)	(0,3)	3,9
Equity ratio (%)	38,3	39,7

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	Gross profit/loss x 100 / Revenue	The entity's operating gearing.
Net margin (%)	Profit/loss for the year x 100 / Revenue	The entity's operating profitability.
Return on equity (%)	Profit/loss excl minority interests x 100 / Average equity excl minority interests	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity excl minority interests x 100 / Total assets	The financial strength of the entity.

Management commentary

Primary activities

Cena Partnerskab Holding ApS is acting as Holding company for the Geia Group. Geia offers both customers and suppliers a one-point-of-entry platform into the Scandinavian market. Geia is specialized in supplying value-added conceptual category offerings and have strong partnerships with all well-known retailers in Scandinavia. The Group is active in more than 10 different product categories and have an extensive network of suppliers around the globe. With local offices in Denmark, Norway, Sweden and Finland we are close to our main customers and can respond to local needs and consumer tastes.

Development in activities and finances

The Group generated a profit before tax of t.DKK 11.582 in the financial year. The profit before tax for the year is considered satisfactory by the Board of Directors.

The expected net profit of 10-15 m.DKK stated in the outlook of the annual report from 2018 has not been realized due to higher investments in future growth and lower revenue than expected.

Uncertainty relating to recognition and measurement

There are no uncertainties relating to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement.

Outlook

The Group expects an increase in revenue and profit in the financial year 2020 as sales development in Denmark as well as on the foreign markets continues to be positive, with an expected profit for the year in the range of 5-10 m.DKK. Furthermore, the Group expects to develop its current business areas and to develop new ones.

Particular risks

Business risks

The Group’s most significant business risk relates to the quality and food safety of the products distributed.

Financial risks

As a consequence of its operations, investments and financing, the Group is exposed to changes in the level of interest and exchange rates. The Group pursues a fiscal policy operating with a low risk profile so that currency risks, interest risks and credit risks only arise based on commercial matters.

Currency risks

Where possible, the Group’s currency exposure is hedged through matching of payments received and made in the same currency and by using forward exchange contracts and currency options. At the end of the financial year 2019, the notional value of the Group’s forward exchange contracts and currency options for meeting future currency risks amounted to positive t.DKK 920.

Forward exchange contracts and currency options consist of hedging of activities in EUR, USD, NOK and SEK with a term up to 24 months.

Management commentary

Research and development activities

The Group has not incurred any research and development expenses.

Foreign branches

The Group is represented in Sweden through the subsidiary Geia Food AB and Tilab International AB, in Norway through the subsidiary Geia Food Norge AS and Geia Food AS and in Finland through the subsidiary Geia Food OY.

Statutory report on corporate social responsibility

The 2019 Corporate Social Responsibility report contains The Group's policies regarding CSR, animal welfare and environmental performance.

The 2019 Corporate Social Responsibility report is available on the following link:
https://www.geiafood.dk/media/89666/geia_csr-2019.pdf

Statutory report on the underrepresented gender

The Board of Directors have reflected the gender distribution prevailing in the business where The Group operates for which reason it is characterized by an under-representation of women.

The Board of Directors consist of 6 males and 1 female, with the key reason being that the Board currently consists of the largest shareholder representatives – of which all are men. The target is that by the end of 2023, 2 females will be a part of the Board of Directors.

At other management levels, there is gender equality.

Moreover, The Group's policy is to fill in vacant positions in the management, administration and Board of Directors with the most competent employees regardless of gender.

Events after the balance sheet date

To this date no events have occurred after the balance sheet date besides Covid-19, which would influence the evaluation of this annual report.
The Group expect that Covid-19 will have a minor impact on the business and the financial result in 2020.

Consolidated income statement for 2019

	Notes	2019 DKK'000	2017/18 DKK'000
Revenue	1	1.654.862	1.532.717
Other operating income		193	0
Cost of sales		(1.500.152)	(1.386.599)
Other external expenses	2	(35.735)	(26.616)
Gross profit/loss		**119.168**	**119.502**
Staff costs	3	(60.938)	(55.436)
Depreciation, amortisation and impairment losses	4	(43.414)	(42.426)
Other operating expenses		(48)	(121)
Operating profit/loss		**14.768**	**21.519**
Other financial income		506	1.380
Other financial expenses		(3.692)	(2.078)
Profit/loss before tax		**11.582**	**20.821**
Tax on profit/loss for the year	5	(12.057)	(12.276)
Profit/loss for the year	6	**(475)**	**8.545**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK'000	2017/18 DKK'000
Goodwill		291.970	312.966
Intangible assets	7	**291.970**	**312.966**
Other fixtures and fittings, tools and equipment		7.911	5.203
Property, plant and equipment	8	**7.911**	**5.203**
Deposits		1.214	1.126
Other receivables		167	167
Fixed asset investments	9	**1.381**	**1.293**
Fixed assets		**301.262**	**319.462**
Manufactured goods and goods for resale		71.423	51.911
Prepayments for goods		0	367
Inventories		**71.423**	**52.278**
Trade receivables		116.660	104.018
Deferred tax	10	3.183	0
Other receivables		5.332	6.113
Income tax receivable		0	177
Prepayments	11	890	1.289
Receivables		**126.065**	**111.597**
Cash		**17.622**	**18.727**
Current assets		**215.110**	**182.602**
Assets		**516.372**	**502.064**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK'000	2017/18 DKK'000
Contributed capital		191.963	191.963
Retained earnings		5.725	7.199
Equity attributable to the Parent’s owners		**197.688**	**199.162**
Share of equity attributable to minority interests		**2.301**	**3.087**
Equity		**199.989**	**202.249**
Deferred tax	10	0	527
Other provisions		0	183
Provisions		**0**	**710**
Bank loans		53.935	86.500
Finance lease liabilities		1.594	467
Other payables		3.349	1.393
Non-current liabilities other than provisions	12	**58.878**	**88.360**
Current portion of long-term liabilities other than provisions	12	27.438	28.032
Mortgage debt		0	8.090
Bank loans		8.247	1.955
Trade payables		166.061	130.159
Income tax payable		8.389	3.497
Other payables		43.271	37.323
Deferred income	13	4.099	1.689
Current liabilities other than provisions		**257.505**	**210.745**
Liabilities other than provisions		**316.383**	**299.105**
Equity and liabilities		**516.372**	**502.064**
Financial instruments	15		
Contingent liabilities	16		
Assets charged and collateral	17		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	191.963	7.199	3.087	202.249
Value adjustments	0	(835)	(950)	(1.785)
Profit/loss for the year	0	(639)	164	(475)
Equity end of year	**191.963**	**5.725**	**2.301**	**199.989**

Consolidated cash flow statement for 2019

	Notes	2019 DKK'000	2017/18 DKK'000
Operating profit/loss		14.768	21.519
Amortisation, depreciation and impairment losses		43.414	42.426
Other provisions		0	183
Working capital changes	14	5.512	8.403
Other adjustments		76	0
Cash flow from ordinary operating activities		**63.770**	**72.531**
Financial income received		506	1.380
Financial expenses paid		(3.692)	(2.078)
Income taxes refunded/(paid)		(10.598)	(9.152)
Cash flows from operating activities		**49.986**	**62.681**
Acquisition etc of intangible assets		0	(352.822)
Acquisition etc of property, plant and equipment		(3.020)	(5.452)
Sale of property, plant and equipment		1.112	2.507
Acquisition of fixed asset investments		(18.332)	(1.293)
Sale of fixed asset investments		643	1.013
Disposal of enterprises		0	2.267
Cash flows from investing activities		**(19.597)**	**(353.780)**
Loans raised		6.292	160.045
Repayments of loans etc		(33.565)	(37.500)
Reduction of lease commitments		(3.355)	(2.569)
Cash increase of capital		0	191.963
Dividend paid to minority interests		(866)	(2.113)
Cash flows from financing activities		**(31.494)**	**309.826**
Increase/decrease in cash and cash equivalents		**(1.105)**	**18.727**
Cash and cash equivalents beginning of year		18.727	0
Cash and cash equivalents end of year		**17.622**	**18.727**

Notes to consolidated financial statements

	2019 DKK'000	2017/18 DKK'000
1. Revenue		
Denmark	1.183.198	1.124.860
Other scandinavian countries	424.677	354.000
Other countries	46.987	53.857
	1.654.862	**1.532.717**

	2019 DKK'000	2017/18 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	362	208
Other services	80	116
	442	**324**

	2019 DKK'000	2017/18 DKK'000
3. Staff costs		
Wages and salaries	51.634	46.338
Pension costs	4.569	5.309
Other social security costs	2.342	960
Other staff costs	2.393	2.829
	60.938	**55.436**
Average number of employees	**93**	**82**

No remuneration has been paid to the Board of Directors and Executive Board during the financial year.

	2019 DKK'000	2017/18 DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	40.183	39.743
Depreciation of property, plant and equipment	3.231	2.683
	43.414	**42.426**

	2019 DKK'000	2017/18 DKK'000
5. Tax on profit/loss for the year		
Current tax	15.572	12.274
Change in deferred tax	(3.515)	2
	12.057	**12.276**

Notes to consolidated financial statements

	2019 DKK'000	2017/18 DKK'000
6. Proposed distribution of profit/loss		
Retained earnings	(639)	7.715
Minority interests' share of profit/loss	164	830
	(475)	**8.545**

	Goodwill DKK'000
7. Intangible assets	
Cost beginning of year	352.709
Exchange rate adjustments	(307)
Additions	19.494
Cost end of year	**371.896**
Amortisation and impairment losses beginning of year	(39.743)
Amortisation for the year	(40.183)
Amortisation and impairment losses end of year	**(79.926)**
Carrying amount end of year	**291.970**

	Other fixtures and fittings, tools and equipment DKK'000
8. Property, plant and equipment	
Cost beginning of year	7.826
Addition through business combinations etc	952
Additions	7.908
Disposals	(4.522)
Cost end of year	**12.164**
Depreciation and impairment losses beginning of year	(2.623)
Transfers	(400)
Depreciation for the year	(2.624)
Amortisation, depreciation and impairment losses on assets disposed of	(938)
Reversal regarding disposals	2.332
Depreciation and impairment losses end of year	**(4.253)**
Carrying amount end of year	**7.911**

Notes to consolidated financial statements

	Deposits DKK'000	Other receivables DKK'000
9. Fixed asset investments		
Cost beginning of year	1.126	167
Additions	88	0
Cost end of year	**1.214**	**167**
Carrying amount end of year	**1.214**	**167**

	2019 DKK'000	2017/18 DKK'000
10. Deferred tax		
Intangible assets	3.456	0
Property, plant and equipment	(885)	(554)
Fixed asset investments	(209)	(434)
Receivables	(66)	(129)
Provisions	0	40
Liabilities other than provisions	887	550
	3.183	**(527)**

Changes during the year	
Beginning of year	(527)
Recognised in the income statement	3.515
Recognised directly in equity	195
End of year	**3.183**

11. Prepayments

Prepayments consist of rent and insurance costs.

	Due within 12 months 2019 DKK'000	Due within 12 months 2017/18 DKK'000	Due after more than 12 months 2019 DKK'000
12. Liabilities other than provisions			
Bank loans	25.000	26.000	53.935
Finance lease liabilities	2.438	2.032	1.594
Other payables	0	0	3.349
	27.438	**28.032**	**58.878**

13. Short-term deferred income

Deferred income consist of prepaid income e.g. freight charges.

Notes to consolidated financial statements

	2019 DKK'000	2017/18 DKK'000
14. Change in working capital		
Increase/decrease in inventories	(19.145)	(52.278)
Increase/decrease in receivables	(8.388)	(107.682)
Increase/decrease in trade payables etc	33.045	168.363
	5.512	**8.403**

15. Financial instruments

The Company hedges currency risks on expected transactions in EUR, USD, NOK and SEK with forward exchange contracts.

Period	Value recognized in equity	Contractual value
0-6 months	1.778 t. DKK	360.427 t. DKK
6-12 months	172 t. DKK	95.228 t. DKK
12-24 months	(1000) t. DKK	701.115 t. DKK
	950 t. DKK	**1.156.770 t. DKK**

Forward exchange contracts relates purchase of goods. Value adjustments are recognized in the equity and are expected to be carried out and recognized in the income statement after the balance sheet day.

Beyond 97% of the forward exchange contracts are hedging towards currency risks relating to EUR/DKK.

16. Contingent liabilities

The entity has entered agreements of rented premises. The Contracts are irredeemable for 7.5 years.

The annual rent is t.DKK 2,463.

The shares in Geia Food A/S have been pledged as collateral for the Company's and subsidiary's balances with a bank. The carrying amount of the shares amounts to t.DKK 275,469. The balances amounts at 31th December to t.DKK 0.

17. Assets charged and collateral

Mortgage debt is secured by way of company charges. The Company charge compromises stocks, goodwill and receivables, limited to t.DKK 50,000. The book value of secured assets is t.DKK 200,536.

Parent income statement for 2019

	Notes	2019 DKK'000	2017/18 DKK'000
Other external expenses		(89)	(49)
Operating profit/loss		**(89)**	**(49)**
Income from investments in group enterprises		1.112	9.976
Other financial expenses		(1.888)	(2.850)
Profit/loss before tax		**(865)**	**7.077**
Tax on profit/loss for the year		226	638
Profit/loss for the year	1	**(639)**	**7.715**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK'000	2017/18 DKK'000
Investments in group enterprises		276.376	311.097
Fixed asset investments	2	**276.376**	**311.097**
Fixed assets		**276.376**	**311.097**
Income tax receivable		6.785	9.638
Receivables		**6.785**	**9.638**
Cash		**0**	**327**
Current assets		**6.785**	**9.965**
Assets		**283.161**	**321.062**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK'000	2017/18 DKK'000
Contributed capital	3	191.963	191.963
Reserve for net revaluation according to the equity method		0	9.459
Retained earnings		5.725	(2.261)
Equity		**197.688**	**199.161**
Bank loans		53.935	86.500
Non-current liabilities other than provisions	4	**53.935**	**86.500**
Current portion of long-term liabilities other than provisions	4	25.000	26.000
Trade payables		0	424
Payables to group enterprises		6.538	8.977
Current liabilities other than provisions		**31.538**	**35.401**
Liabilities other than provisions		**85.473**	**121.901**
Equity and liabilities		**283.161**	**321.062**
Contingent liabilities	5		
Assets charged and collateral	6		
Related parties with controlling interest	7		
Transactions with related parties	8		

Parent statement of changes in equity for 2019

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	191.963	9.459	(2.261)	199.161
Value adjustments	0	(780)	0	(780)
Other entries on equity	0	(54)	0	(54)
Profit/loss for the year	0	(8.625)	7.986	(639)
Equity end of year	**191.963**	**0**	**5.725**	**197.688**

Value adjustments comprises of adjustments to foreign exchange forwards contracts.

Notes to parent financial statements

	2019 DKK'000	2017/18 DKK'000
1. Proposed distribution of profit/loss		
Retained earnings	(639)	7.715
	(639)	**7.715**

	Invest-ments in group enterprises DKK'000
2. Fixed asset investments	
Cost beginning of year	301.638
Cost end of year	**301.638**
Revaluations beginning of year	9.459
Adjustments on equity	(834)
Amortisation of goodwill	(28.611)
Share of profit/loss for the year	29.724
Dividend	(35.000)
Revaluations end of year	**(25.262)**
Carrying amount end of year	**276.376**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Number	Par value DKK'000	Nominal value DKK'000
3. Contributed capital			
A-shares	14.397.260	100	143.973
B-shares	47.099.080	100	47.990
	61.496.340		**191.963**

	Due within 12 months 2019 DKK'000	Due within 12 months 2017/18 DKK'000	Due after more than 12 months 2019 DKK'000
4. Liabilities other than provisions			
Bank loans	25.000	26.000	53.935
	25.000	**26.000**	**53.935**

5. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the

Notes to parent financial statements

joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

6. Assets charged and collateral

Mortgage debt is secured by way of company charges. The Company charge comprises stocks, goodwill and receivables, limited to 50,000 t.DKK. The book value of secured assets is t.DKK 200,536.

The shares in Geia Food A/S have been pledged as collateral for the Company's and subsidiary's balances with a bank. The carrying amount of the shares amounts to t.DKK 275,469. The balances amounts at 31th December to t.DKK 0.

Furthermore, the Company guarantees bank debt in a daughter. Bank debt amounts at 31 December to t.DKK 8,238.

7. Related parties with controlling interest

Credo I AS, Stortingsgata 22, Norway, holds the majority shares in the company and therefore holds the controlling interest.

8. Transactions with related parties

All transactions with related parties are made on market conditions and are therefore there is nothing to disclose in the annual report.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-

Accounting policies

monetary items.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement
Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation relating to intangible assets and property, plant and equipment comprise depreciation for the financial year, calculated on the basis of the residual values and useful lives of the individual assets.

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's

Accounting policies

primary activities such as losses from the sale of equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Accounting policies

Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Accounting policies

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

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

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

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

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