

AAK DENMARK HOLDING A/S

Slipvej 4
8000 Aarhus C

Annual report
1 January 2017 - 31 December 2017

**The annual report has been presented and
approved on the company's general meeting the**

31/05/2018

Jarl Andreasson
Chairman of general meeting

Content**Company informations**

Company informations	3
----------------------------	---

Reports

Statement by Management	4
-------------------------------	---

Auditor's Reports

The independent auditor's report on financial statements	5
--	---

Management's Review

Management's Review	7
---------------------------	---

Key figures and Financial Ratios	7
--	---

Financial statement

Accounting Policies	8
---------------------------	---

Income statement	11
------------------------	----

Balance sheet	12
---------------------	----

Statement of changes in equity	14
--------------------------------------	----

Disclosures	15
-------------------	----

Company information

Reporting company AAK DENMARK HOLDING A/S

Slipvej 4
8000 Aarhus C

Phone number: 87306000

Fax number: 87306012

CVR-nr: 45954919

Reporting period: 01/01/2017 - 31/12/2017

Auditor

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Jens Chr. Skous Vej 1

8000 Aarhus C

DK Danmark

CVR-nr: 33771231

P-number: 1016977795

Statement by Management

The board of directors and the managing director have today presented the annual report of AAK Denmark Holding A/S for the financial year 1 January to 31 December 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of Its activities in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Aarhus, the 31/05/2018

Management

Dorthe Bruun

Eva Gotthardsson

Board of directors

Jarl Andreasson

Eva Gotthardsson

Fredrik Nilsson

The independent auditor's report on financial statements

To the shareholders of AAK DENMARK HOLDING 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 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AAK Denmark Holding A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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.

Responsibilities of management 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 responsibility

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 judgment and maintain professional skepticism 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.

Statement on the 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 Financial 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.

Aarhus, 31/05/2018

Lars Greve Jensen , mne32199

statsautoriseret revisor

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR: 33771231

Management's Review

The main activity for AAK Denmark Holding A/S has in 2017 been to be a holding company for Danish and foreign companies. The main activity of these companies is to develop and produce vegetable oils of high quality, as ingredience for the food industry among others.

The company result has been impacted by dividend paid from subsidiaries at 153 mDKK. The company has in 2017 liquidated the subsidiary Fontannaz Holding Ltd., including its subsidiaries. The liquidation has caused a gain at 8 mDKK.

The company result for 2017 is 162 mDKK which is in accordance with the expected result. The equity as at end of 2017 is 1.427 mDKK.

The result for 2018 is expected to be approximately the same size as in 2017, however it depends on how the dividend patterns end up during the year.

Key figures and Financial Ratios

Key figures	2013	2014	2015	2016	2017
	mkr.	mkr.	mkr.	mkr.	mkr.
Income from investment in group enterprises	634,6	411,8	60,1	168,2	161,9
Profit from ordinary operating activities	635,0	411,6	60,0	168,1	161,9
Net financials	-9,8	-27,9	-7,9	0,6	0,3
Profit	645,4	390,9	53,6	168,7	161,9
Total assets	1.082,1	1.082,2	1.119,0	1.278,4	1.427,3
Equity	652,1	1.042,9	1.096,5	1.265,2	1.427,2

Financial ratios

Equity ratio	60,3 %	96,4 %	98,0 %	99,0 %	99,9 %
Return on equity	89,9 %	46,1 %	5,0 %	14,3 %	12,0 %

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C, medium-size enterprise.

The accounting policies used are unchanged compared to last year. Last years figures have been changed in order to improve comparison for current tax in the balance sheet (presentet net) and a reclassification of cashpool from non-current to current (receivables from group enterprises).

The annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of AAK Denmark Holding AIS and its group enterprises are included in the consolidated annual accounts for AAK AB, Malmo, Sweden (reg.no. 556669-2850).

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of AAK AB.

Recognition and measurement in general

Assets are recognised in the balance sheet when the company is liable to achieve fixture, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item. At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction.

Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Derivative financial instruments

Derivative financial instruments are initially recognized in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other 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 recognized asset or liability are recognized in the Income Statement together

with changes in the fair value of the hedged asset or liability.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognized in the Income Statement on a regular basis.

Profit and loss account

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration.

Result from investments in group enterprises

Dividends from group enterprises are recognized in the profit and loss account in the financial year where dividend have been declared. In the circumstances that the dividend exceeds the accumulated profit after acquisition, are dividends recognized as a reduction in acquisition cost.

Financial income and expences

Financial income and expenses includes interest, gain and loss on financial assets. debt and transaction in foreign currency, and amortising of financial assets and liabilities.

Tax of the result of the year

AAK Denmark Holding A/S is taxed jointly with other Danish AAK companies. The actual tax are split between companies relative to the companies taxable income.

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Investment in group enterprises

Investments in group enterprises are measured at cost. Writedown takes place to recoverable value, if this value is lower than book value. Book value are reduced with dividend that exceeds the accumulated profit after acquisition.

Debtors

Debtors are measured at amortised cost which usually corresponds to the nominal value. In order to meet expected losses, writedown takes place at the net realisable value.

Other Securities

Listed securities and other investment recognised as non-current and current is measured at market value on the balance sheet date.

Equity

Proposed dividend is recognised as a liability at the time of decleraton. Proposed dividend is shown as a seperate item under equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other liabilities

Other liabilities are measured at amortised cost which usually correspond to the nominal value.

Financial ratios

The financial ratios given in Key Figures and Financial Ratios are calculated this way:

- Equity ration: $\text{Equity, end of year} \times 100 / \text{Total liability asset, end of year}$
- Return on equity: $\text{Profit} \times 100 / \text{Average equity}$

Income statement 1 Jan 2017 - 31 Dec 2017

	Disclosure	2017	2016
		kr.	kr.
Income from investments in group enterprises		161,900,723	168,177,000
Administrative expenses		-33,240	-34,144
Profit (loss) from ordinary operating activities		161,867,483	168,142,856
Other finance income from group enterprises		345,843	107,363
Other finance income		0	18,119,144
Finance expenses arising from group enterprises		0	-32,824
Sundry finance expenses		-66,798	-17,571,227
Profit (loss) from ordinary activities before tax		162,146,528	168,765,312
Tax expense		-201,892	-42,118
Profit (loss)		161,944,636	168,723,194

Balance sheet 31 December 2017

Assets

	Disclosure	2017	2016
		kr.	kr.
Investments in group enterprises		1,013,621,678	1,024,804,961
Other investments		4,825	5,574
Investments	1	1,013,626,503	1,024,810,535
Total non-current assets		1,013,626,503	1,024,810,535
Receivables from group enterprises		413,659,606	237,437,319
Tax receivables		0	3,001,066
Receivables		413,659,606	240,438,385
Current assets		413,659,606	240,438,385
Total assets		1,427,286,109	1,265,248,920

Balance sheet 31 December 2017

Liabilities and equity

	Disclosure	2017 kr.	2016 kr.
Contributed capital	2	400,000,000	400,000,000
Retained earnings		627,168,956	865,224,320
Proposed dividend		400,000,000	0
Total equity		1,427,168,956	1,265,224,320
Tax payables		92,553	0
Other payables, including tax payables, liabilities other than provisions		24,600	24,600
Short-term liabilities other than provisions, gross		117,153	24,600
Liabilities other than provisions, gross		117,153	24,600
Liabilities and equity, gross		1,427,286,109	1,265,248,920

Statement of changes in equity 1 Jan 2017 - 31 Dec 2017

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
	kr.	kr.	kr.	kr.
Equity, beginning balance	400,000,000	865,224,320	0	1,265,224,320
Profit (Loss)		-238,055,364	400,000,000	161,944,636
Equity, ending balance	400,000,000	627,168,956	400,000,000	1,427,168,956

Disclosures

1. Investments

	Investment in group enterprises mkr.
Acquisition 1 January 2017	1.028
Additions	0
Disposals	-14
Acquisition 31 December 2017	1.014
Revaluations, 1 January 2017	-3
Revaluation on disposals	3
Revaluations 31 December 2017	0
Book value 31 December 2017	1.014

Investment in group enterprises includes:

Name and domicile,	Share of	Equity 31	Result 2017
	ownership	December 2017	
	%	mkr.	mkr.
AAK Mexico S.A. de C.V., Morelia, Mexico	99	716	107
AAK UK Ltd.; Hull, Storbritannien	100	268	85
AAK Denmark A/S, Aarhus	100	945	135
Aarhus Malaysia Sdn.Bhd., Teluk Intan, Malaysia	100	1	0
Aarhus 3 A/S, Aarhus	100	15	0
Aarhus 1 A/S, Aarhus	100	32	0
Ceylon Trading Co. Ltd	100	18	7
Anglia Oils Ltd.	100	1	0

2. Contributed capital

The share capital consists of 4,000,000 shares, each with a nominal value of 100 kr. No shares hold particular rights.

3. Disclosure of significant events occurring after end of reporting period

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

4. Disclosure of contingent liabilities

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and several liable with the other joint taxed companies for the total corporation tax.

5. Disclosure of ownership

Ownership

The company is owned 100 % by AAK AB (reg.nr. 556669-2850), Malmö, Sverige.

Group

The company is included in the Group Annual Report for AAK AB. The Group Annual report can be downloaded at www.aak.com

6. Information on transactions with related parties made on an arm's length basis

Related parties with controlling interest is AAK AB and its subsidiaries.

The company has chosen only to show transactions with related parties not made on arms length basis. There have been none of such transactions in 2017.

7. Proposed distribution of results

	2017	2016
	kr.	kr.
Proposed dividend recognised in equity	400,000,000	0
Retained earnings	-238,055,364	168,723,194
Gross	161,944,636	168,723,194