

New Nutrition ApS

Saturnvej 51, DK-8700 Horsens


CVR no. 36 90 44 29

Annual report

for the period 27 May - 31 December 2015

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

Chairman:



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of New Nutrition ApS for the financial year 27 May - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 27 May - 31 December 2015.

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

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

Horsens, 4 March 2016
Executive Board:

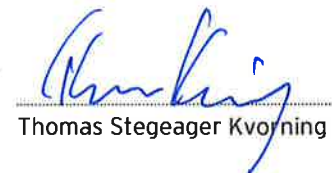


Søren Dan Johansen

Board of Directors:




Kjeld Johannesen
Chairman

Michael Specht Bruun
Deputy chairman

Thomas Stegeager Kvorning

Søren Dan Johansen

Christoffer Erik Mathies
Lorenzen

Sarah Bibi Vawda

Independent auditors' report

To the shareholder of New Nutrition ApS

Independent auditors' report on the financial statements

We have audited the financial statements of New Nutrition ApS for the financial year 27 May - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 27 May - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

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

Horsens, 4 March 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28


Kaj Blom
state authorised public accountant


Morten Klarskov Larsen
state authorised public accountant

Management's review

Company details

Name	New Nutrition ApS
Address, Postal code, City	Saturnvej 51, DK-8700 Horsens
CVR No.	36 90 44 29
Established	27 May 2015
Registered office	Horsens
Financial year	27 May - 31 December
Board of Directors	Kjeld Johannesen, Chairman Michael Specht Bruun, Deputy chairman Thomas Stegeager Kvorning Søren Dan Johansen Christoffer Erik Mathies Lorenzen Sarah Bibi Vawda
Executive Board	Søren Dan Johansen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark

Management's review

Financial highlights

DKKt	2015 7 months
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Key figures

Revenue	8,858
Profit/loss for the year	-21,586

Total assets	947,274
Equity	628,078

Financial ratios in %

Solvency ratio	66.3 %
Return on equity	-3.4 %

Management's review

Operating review

The Company's business review

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

The Company was established 27 May 2015.

In September 2015, the Company acquired HAMLET PROTEIN A/S.

Financial review

In 2015, the Company's revenue came in at DKK 8,858 thousand. The income statement for 2015 shows a loss of DKK 21,586 thousand, and the balance sheet at 31 December 2015 shows equity of DKK 628,078 thousand.

The result is affected by the result of HAMLET PROTEIN A/S, which has been recognised in the financial statements from the date of acquisition.

The financial statements cover a 7 months period.

Non-financial matters

Statutory CSR report

The Company has not drawn up any CSR report, as the parent has done so for the entire group. The report is reflected in the parent's annual report.

Account of the gender composition of management

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

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

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

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

For 2016, the subsidiary, HAMLET PROTEIN A/S, expects a continued trend of increasing global demand for quality protein and expect continued sales growth following that.

From the combination of sales growth, the expanded capacity in the USA and further improvements to utilisation of production facilities, HAMLET PROTEIN A/S expects improved earnings compared to 2015.

Financial statements for the period 27 May - 31 December

Income statement

Notes	DKK'000	2015 7 months
2	Revenue	8,858
	Other external expenses	-6,329
	Gross profit	2,529
3	Staff costs	-2,634
	Operating profit/loss	-105
	Income from investments in group entities	-16,984
4	Financial income	1,900
5	Financial expenses	-7,696
	Profit/loss before tax	-22,885
6	Tax for the year	1,299
	Profit/loss for the year	-21,586
	Proposed profit appropriation/distribution of loss	
	Retained earnings/accumulated loss	-21,586
		-21,586

Financial statements for the period 27 May - 31 December

Balance sheet

Notes	DKK'000	2015
	ASSETS	
	Non-current assets	
7	Investments	
	Investments in group entities	692,805
		<u>692,805</u>
	Total non-current assets	<u>692,805</u>
	Current assets	
	Receivables	
	Receivables from group entities	181,349
9	Deferred tax assets	1,285
	Joint taxation contribution receivable	171
	Other receivables	50
		<u>182,855</u>
	Cash	<u>71,614</u>
	Total current assets	<u>254,469</u>
	TOTAL ASSETS	<u>947,274</u>
	EQUITY AND LIABILITIES	
	Equity	
8	Share capital	55
	Retained earnings	628,023
	Total equity	<u>628,078</u>
	Liabilities other than provisions	
10	Non-current liabilities other than provisions	
	Bank debt	288,986
		<u>288,986</u>
	Current liabilities other than provisions	
	Bank debt	786
	Other payables	29,424
		<u>30,210</u>
	Total liabilities other than provisions	<u>319,196</u>
	TOTAL EQUITY AND LIABILITIES	<u>947,274</u>
1	Accounting policies	
11	Collateral	
12	Fee to the auditors appointed by the Company in general meeting	

Financial statements for the period 27 May - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 27 May 2015	50	0	50
Capital increase	5	648,364	648,369
Profit/loss for the year	0	-21,586	-21,586
Other value adjustments of equity	0	1,754	1,754
Adjustment of hedging instruments at fair value	0	-665	-665
Tax on items recognised directly in equity	0	156	156
Equity at 31 December 2015	55	628,023	628,078

Financial statements for the period 27 May - 31 December

Notes

1 Accounting policies

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

Omission to present a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, New Nutrition Holding ApS.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for New Nutrition ApS and its group entities are part of the consolidated financial statements for New Nutrition Holding ApS.

Reporting currency

The financial statements are presented in Danish kroner.

Corporate acquisitions

Enterprises acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprises in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, however not exceeding 20 years.

Goodwill from acquired enterprises may be adjusted until the end of the year following the year of acquisition.

Income statement

Revenue

Income from the rendering of services, which comprises management fee, is recognised as revenue as the services are rendered.

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

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, etc.

Staff costs

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

Financial statements for the period 27 May - 31 December

Notes

1 Accounting policies - continued

Income from investments in group entities

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

Financial income and expenses

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

Tax

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

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

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

Balance sheet

Investments in group entities

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

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

Acquisitions of new subsidiaries are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

Financial statements for the period 27 May - 31 December

Notes

1 Accounting policies - continued

Impairment of fixed assets

Investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Receivables

Receivables are measured at amortised cost.

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

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

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

Cash and cash equivalents

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

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Corporation tax

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

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Financial statements for the period 27 May - 31 December

Notes

1 Accounting policies - continued

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

Liabilities

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

Other liabilities are measured at net realisable value.

Financial ratios

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

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

Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

	2015 7 months
DKK'000	
2 Revenue	
Business segmentation of revenue:	
Management fee	8,858
	<u>8,858</u>
3 Staff costs	
Wages/salaries	2,531
Pensions	101
Other social security costs	2
	<u>2,634</u>

Total remuneration to management: DKK 0 thousand.

Incentive programmes

The parent company has issued warrants to executives of the Company. The warrants entitle the holder to subscribe for shares in the parent company.

Financial statements for the period 27 May - 31 December

Notes

	2015 7 months
DKK'000	
4 Financial income	
Interest receivable, group entities	1,867
Exchange gain	33
	<u>1,900</u>
5 Financial expenses	
Other interest expenses	3,641
Other financial expenses	4,055
	<u>7,696</u>
6 Tax for the year	
Estimated tax charge for the year	-14
Deferred tax adjustments in the year	-1,285
	<u>-1,299</u>

In addition, tax on equity DKK -156 thousand.

	Investments in group entities
7 Investments	
t.kr.	
Cost at 27 May 2015	0
Additions on corporate acquisition	639,385
Additions in the year	68,650
	<u>708,035</u>
Cost at 31 December 2015	708,035
Share of the profit/loss for the year	-16,984
Equity adjustments, investments	1,754
	<u>-15,230</u>
Value adjustments at 31 December 2015	-15,230
Carrying amount at 31 December 2015	<u>692,805</u>

	<u>Legal form</u>	<u>Domicile</u>	<u>Interest</u>
Subsidiaries			
HAMLET PROTEIN A/S	A/S	Horsens, Denmark	100.00 %

Financial statements for the period 27 May - 31 December

Notes

	DKK'000	<u>2015</u>
8 Share capital		
The share capital consists of the following:		
55,000 shares of DKK 1.00 each		<u>55</u>
		<u>55</u>

In connection with the formation, the Company incurred expenses totalling DKK 5 thousand.

9 Deferred tax

Deferred tax relates to:

Liabilities	746
Tax loss	539
	<u>1,285</u>

10 Long-term liabilities

DKK'000	<u>Total debt at 31/12 2015</u>	<u>Repayment, next year</u>	<u>Long-term portion</u>	<u>Outstanding debt after 5 years</u>
Bank debt	288,986	0	288,986	260,095
	<u>288,986</u>	<u>0</u>	<u>288,986</u>	<u>260,095</u>

11 Collateral

As security for the Company's bank debt, the Company has placed shares in subsidiaries. The total carrying amount of the shares having been put as security is DKK 692,805 thousand.

12 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for New Nutrition Holding ApS.