

**New Nutrition ApS**  
Saturnvej 51  
8700 Horsens  
Business Registration No  
36904429

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 07.03.2018

### **Chairman of the General Meeting**

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Name: Christen Steffensen

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## Entity details

### Entity

New Nutrition ApS  
Saturnvej 51  
8700 Horsens

Central Business Registration No (CVR): 36904429

Founded: 27.05.2015

Registered in: Horsens

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Kjeld Johansen, Chairman  
Michael Specht Bruun, Deputy chairman  
Søren Dan Johansen , Deputy chairman  
Torben Gosvig Madsen  
Christoffer Erik Mathies Lorenzen  
Sarah Bibi Vawda

### Executive Board

Søren Dan Johansen , CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of New Nutrition ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Horsens, 07.03.2018

### Executive Board

Søren Dan Johansen  
CEO

### Board of Directors

Kjeld Johansen  
Chairman

Michael Specht Bruun  
Deputy chairman

Søren Dan Johansen  
Deputy chairman

Torben Gosvig Madsen

Christoffer Erik Mathies  
Lorenzen

Sarah Bibi Vawda

# Independent auditor's report

## To the shareholders of New Nutrition ApS

### Opinion

We have audited the financial statements of New Nutrition ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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 Entity'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 financial statements unless Management either intends to liquidate the Entity 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:

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

## **Independent auditor's report**

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Aarhus, 07.03.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Thomas Rosquist Andersen  
State Authorised Public Accountant  
Identification No (MNE) mne31482

## Management commentary

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>			
<b>Key figures</b>			
Revenue	9,284	9,331	9
Gross profit/loss	5,301	429	3
Operating profit/loss	-3,016	-8,038	0
Net financials	-60,938	-40,072	-23
Profit/loss for the year	-61,537	-44,419	-22
Total assets	810,004	886,152	947
Equity	516,216	583,127	628
<b>Ratios</b>			
Return on equity (%)	(11.2)	(7.3)	(3.4)
Equity ratio (%)	64.1	65.8	66.3

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total Assets}}$	The financial strength of the entity

## Management commentary

### Primary activities

The Company's objects are to own shares in Hamlet Protein A/S and other financial instruments.

### Development in activities and finances

In 2017, the Company's revenue came in at DKK 9,284 thousand against DKK 9,331 thousand last year. The income statement for 2017 shows a loss of DKK 61,537 thousand against DKK 44,419 thousand last year, and the balance sheet at 31 December 2017 shows equity of 516,161 thousand.

The result is affected by the result of Hamlet Protein A/S.

Bank debt at year-end in the amount of DKK 288,441 thousand is subject to usual financial covenants, which include leverage, interest coverage ratios and investment amounts. All such financial covenants were in compliance during the year and as at 31 December 2017.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

### Outlook

For 2018 we expect the global trend towards increasing demand for quality protein to continue and expect sales growth on the back of increasing customer demand. In order to further strengthen our platform for global growth we will continue to expand and invest in our organization.

Through the combination of sales growth, and improved utilisation of our production facilities, we expect a 20-30 % improved net earnings compared to 2017.

## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Revenue		9,284	9,331
Other external expenses	2	<u>-3,983</u>	<u>-8,902</u>
<b>Gross profit/loss</b>		<b>5,301</b>	<b>429</b>
Staff costs	3	<u>-8,317</u>	<u>-8,467</u>
<b>Operating profit/loss</b>		<b>-3,016</b>	<b>-8,038</b>
Income from investments in group enterprises		-49,255	-25,927
Other financial income	4	8,263	7,072
Other financial expenses	5	<u>-19,946</u>	<u>-21,217</u>
<b>Profit/loss before tax</b>		<b>-63,954</b>	<b>-48,110</b>
Tax on profit/loss for the year		<u>2,417</u>	<u>3,691</u>
<b>Profit/loss for the year</b>	6	<u><b>-61,537</b></u>	<u><b>-44,419</b></u>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Investments in group enterprises		612,651	668,853
Deferred tax	8	<u>4,344</u>	<u>2,371</u>
<b>Fixed asset investments</b>	7	<u><b>616,995</b></u>	<u><b>671,224</b></u>
<b>Fixed assets</b>		<u><b>616,995</b></u>	<u><b>671,224</b></u>
Receivables from group enterprises		<u>193,009</u>	<u>207,254</u>
<b>Receivables</b>		<u><b>193,009</b></u>	<u><b>207,254</b></u>
Cash		<u>0</u>	<u>7,674</u>
<b>Current assets</b>		<u><b>193,009</b></u>	<u><b>214,928</b></u>
<b>Assets</b>		<u><b>810,004</b></u>	<u><b>886,152</b></u>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Contributed capital		55	55
Retained earnings		<u>516,161</u>	<u>583,072</u>
<b>Equity</b>		<b><u>516,216</u></b>	<b><u>583,127</u></b>
Bank loans		<u>286,033</u>	<u>298,635</u>
<b>Non-current liabilities other than provisions</b>	9	<b><u>286,033</u></b>	<b><u>298,635</u></b>
Bank loans		2,408	535
Trade payables		2,698	1,370
Other payables		<u>2,649</u>	<u>2,485</u>
<b>Current liabilities other than provisions</b>		<b><u>7,755</u></b>	<b><u>4,390</u></b>
<b>Liabilities other than provisions</b>		<b><u>293,788</u></b>	<b><u>303,025</u></b>
<b>Equity and liabilities</b>		<b><u>810,004</u></b>	<b><u>886,152</u></b>
Events after the balance sheet date	1		
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## Statement of changes in equity for 2017

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	55	583,072	583,127
Fair value adjustments of hedging instruments	0	2,017	2,017
Other entries on equity	0	-6,947	-6,947
Tax of entries on equity	0	-444	-444
Profit/loss for the year	0	-61,537	-61,537
<b>Equity end of year</b>	<b>55</b>	<b>516,161</b>	<b>516,216</b>

## Notes

### 1. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

### 2. Other external expenses

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

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>Expenses</b>		
Consultancy, strategy and legal compliance	3.715	9.542
	<b>3.715</b>	<b>9.542</b>
<b>Special items are recognised in the below items</b>		
Other external expences	3.715	8.889
Staff costs	0	653
	<b>3.715</b>	<b>9.542</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	7,771	7,360
Pension costs	526	434
Other social security costs	20	20
Other staff costs	0	653
	<b>8,317</b>	<b>8,467</b>
Average number of employees	<b>4</b>	<b>3</b>

	<b>Remunera- tion of manage- ment 2017 DKK'000</b>	<b>Remunera- tion of manage- ment 2016 DKK'000</b>
Total amount for management categories	70,000	168,000
	<b>70,000</b>	<b>168,000</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Other financial income</b>		
Financial income arising from group enterprises	7,261	7,043
Exchange rate adjustments	1,002	29
	<b>8,263</b>	<b>7,072</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Other financial expenses</b>		
Other interest expenses	15,280	15,224
Other financial expenses	4,666	5,993
	<b>19,946</b>	<b>21,217</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Proposed distribution of profit/loss</b>		
Retained earnings	-61,537	-44,419
	<b>-61,537</b>	<b>-44,419</b>
	<b>Invest-</b>	<b>Deferred tax</b>
	<b>ments in</b>	<b>DKK'000</b>
	<b>group</b>	<b>DKK'000</b>
	<b>enterprises</b>	<b>DKK'000</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>7. Fixed asset investments</b>		
Cost beginning of year	708,035	1,554
Additions	0	2,790
<b>Cost end of year</b>	<b>708,035</b>	<b>4,344</b>
Impairment losses beginning of year	-39,182	0
Adjustments on equity	-6,947	0
Share of profit/loss for the year	-49,255	0
<b>Impairment losses end of year</b>	<b>-95,384</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>612,651</b>	<b>4,344</b>

## Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in group enterprises comprise:			
Hamlet Protein A/S	Horsens	A/S	100.0

	<u>2017 DKK'000</u>
<b>8. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	2,371
Recognised in the income statement	1,529
Recognised directly in equity	<u>444</u>
<b>End of year</b>	<b><u>4,344</u></b>

Årsrapporten er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for regnskabsklasse B med tilvalg af enkelte bestemmelser for regnskabsklasse C.

	<u>Outstanding after 5 years DKK'000</u>
<b>9. Liabilities other than provisions</b>	
Bank loans	<u>242,955</u>
	<b><u>242,955</u></b>

### **10. Contingent liabilities** **Other contingent liabilities**

The Company is jointly taxed with its parent, New Nutrition Holding ApS which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2015 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 18 September 2015.

The Company is liable for total bank loans in the New Nutrition Holding Group. At year-end 2017 total credit facilities amounted to DKK 429 million.

### **11. Assets charged and 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 612,651 thousand.

## Notes

### **12. Related parties with controlling interest**

New Nutrition Holding ApS, Horsens owns 100% of the shares in the Company and therefore has participating interest.

### **13. Transactions with related parties**

During the financial year, related party transactions have been conducted on an arm's length basis in addition to the above transactions.

### **14. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
New Nutrition Holding ApS, Horsens, Denmark.

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
New Nutrition Holding SARL, 2 Rue Du Fosse, Luxembourg.

## 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 (medium).

### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the 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, however not exceeding 20 years.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

### Income statement

#### Revenue

Revenue from the sale of services which comprise management fee is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses relating to sale, advertising, administration, etc.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff. The item is net of refunds from public authorities.

## Accounting policies

### 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 intra-group 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

#### Investments in group enterprises

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.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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

#### 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.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

#### Receivables

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

#### Cash

Cash comprises cash in hand and bank deposits.

## Accounting policies

### 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.

### 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.