

**System Frugt Holding A/S
Central Business Registration No
33151799**

Annual report 2013/14

The Annual General Meeting adopted the annual report on

15/12-2014

Chairman of the General Meeting



Name:

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Entity details

Board of Directors

Jais Stampe Li Valeur, formand

Christian Dalum

Peter Thorninger

Jørgen Peter Danielsen

Esben Bay Jørgensen

Karen Østergaard

Executive Board

Jan Gerber

Company 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 System Frugt Holding A/S for the financial year 01.10.2013 - 30.09.2014.

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

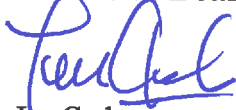
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2014 and of the results of its operations and cash flows for the financial year 01.10.2013 - 30.09.2014.

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.

Kokkedal, 15.12.2014

Executive Board



Jan Gerber

Board of Directors



Jais Stampe Li Valeur
formand



Jørgen Peter Danielsen

Christian Dalum



Esben Bay Jørgensen



Peter Thorninger



Karen Østergaard

Independent auditor's reports

To the owners of System Frugt Holding A/S

Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of System Frugt Holding A/S for the financial year 01.10.2013 - 30.09.2014, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and 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.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent 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 consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2014, and of the results of their operations and the Group's cash flows for the financial year 01.10.2013 - 30.09.2014 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Independent auditor's reports

Aarhus, 15.12.2014

Deloitte
Statsautoriseret Revisionspartnerselskab

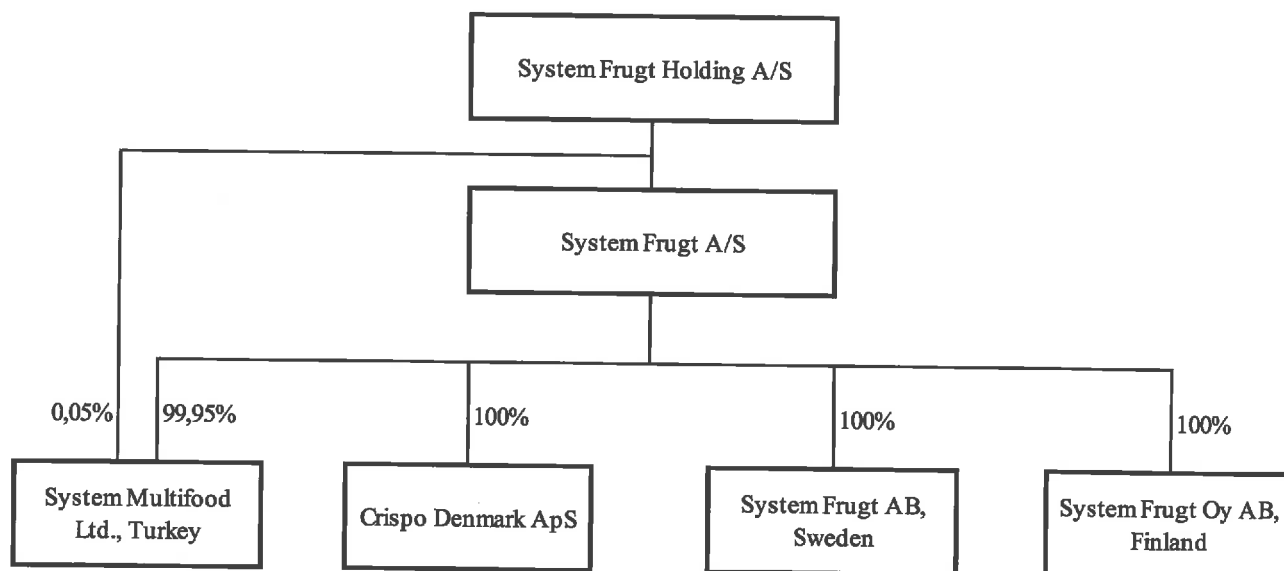


Jacob Nørmark
State Authorised Public Accountant

Management commentary

	<u>2013/14</u> DKK'000	<u>2012/13</u> DKK'000	<u>2011/12</u> DKK'000	<u>2010/11</u> DKK'000
Financial highlights				
Key figures				
Revenue	653.488	559.749	475.905	423.357
Gross profit/loss	119.146	101.810	68.157	65.997
Operating profit/loss	10.469	12.720	408	17.377
Net financials	(9.472)	(9.449)	(8.986)	(8.825)
Profit/loss for the year	(246)	(288)	(8.086)	6.618
Total assets	382.801	377.500	352.634	328.363
Investments in property, plant and equipment	7.611	13.582	5.067	2.193
Equity	73.879	57.039	69.310	75.742
Employees in average	247	234	188	182
Ratios				
Gross margin (%)	18,2	18,2	14,3	15,6
Net margin (%)	0,0	(0,1)	(1,7)	1,6
Return on equity (%)	(0,4)	(0,5)	(11,1)	8,7
Equity ratio (%)	19,3	15,1	19,7	23,1
Revenue per employee	2.646,0	2.392,0	2.531,0	2.326,0

Group Structure



Management commentary

Primary activities

System Frugt Holding A/S is the parent of a number of companies in the System Frugt Group, and its primary activity is to be a holding company and to provide the financing of the Group. The primary activities comprise:

- Purchase, packing and sale of fresh fruit and vegetables
- Purchase, packing and sale of dried fruits, nuts, seeds, snacks and spices
- Production and sale of potato chips

In the financial year 2012/13, a subsidiary was acquired in Denmark, and the financial year 2013/14 saw the establishment of a subsidiary in Sweden and one in Finland. So now, the Company is represented in most of the Scandinavian countries. At 30 September 2014, the Group consists of the following companies:

- System Frugt Holding A/S, Denmark
- System Frugt A/S, Denmark
- Crispo Danmark ApS, Denmark
- System Multifood Ltd, Turkey
- System Frugt AB, Sweden
- System Frugt Oy AB, Finland.

Development in activities and finances

The financial year was characterised by a continued heavy expansion on the Group's key markets in Scandinavia.

In the financial year the Group realised a revenue of DKK 653,488k (2012/13: DKK 559,749k), which is an increase of 16.7% on the previous financial year. On the Danish market, growth amounted to +4.5% reaching DKK 408,435k, whereas revenue abroad has increased by 45.2% to DKK 245,053k. Growth in revenue has been up to expectations prior to the financial year and is in line with the Group's strategy.

Due to heavy increases in fixed costs, profit from ordinary activities only amount to DKK 10,469k (2012/13: DKK 12,720k). Part of the increase is attributable to non-recurring costs relating to a change in the Executive Board and Management of System Frugt A/S during the financial year, whereas the remaining part is mainly attributable to the realised and estimated future growth.

The Group's financial performance showed a loss after tax of DKK 246k (2012/13: a loss of DKK 288k).

The loss for the year at group level is considered unsatisfactory and does not meet the expectations for the financial year at the beginning of the year.

Management commentary

The Parent's financial performance showed a loss for the financial year of DKK 6,717k (2012/13: a loss of DKK 6,522k) excluding profit/loss from subsidiaries. The financial performance meets expectations for the year.

Investments

In the financial year, investments amounted to DKK 10,004k (2012/13: DKK 26,516k). Of this DKK 2,393k represents intangible assets (2012/13: DKK 12,934k), which primarily relates to goodwill arising from the acquisition of activities when establishing the subsidiary in Finland. The remaining DKK 7,610k (2012/13: DKK 13,582k) primarily relates to production equipment for continuing efficiency measures in the group enterprises.

Financial resources

The solvency ratio amounts to 19.3% (2012/13: 15.1%), equivalent to an equity amount at 30 September 2014 of DKK 73,879k (30 September 2013: DKK 57,039k).

Outlook

Further growth in revenue is expected for the financial year 2014/15, and the financial performance is expected to show a significant improvement compared to 2013/14.

Particular risks

Price risks

The Group's most significant operating risk relates to the development in raw material prices and the possibility of passing on fluctuations to sales prices. The Company has well-functioning policies and procedures to reduce these price risks.

Exchange rate risks

A considerable part of the Company's purchase is made in foreign currencies, especially USD. This results in a risk of exchange rate fluctuations and a derived impact on financial performance, equity and cash flows. It is the Company's policy to hedge these commercial foreign exchange risks mainly by using options and forward exchange contracts.

Capital structure

System Frugt Holding A/S' share capital is not divided into share classes.

Management assesses on a regular basis whether the Company and the Group have a sufficient capital structure, and Management assesses on a continuing basis whether the Company's capital structure is consistent with the Company's and its stakeholders' interests. The general objective is to ensure a capital structure that supports long-term and profitable growth.

Management commentary

At 30 September 2014, the Group's net interest-bearing debt amounts to DKK 184,751k (at 30 September 2013: DKK 202,352k), which is considered a reasonable level compared to the actual need for financial flexibility. No changes have been made to the Group's guidelines and procedures relating to the management of capital structure and administration thereof in the financial year.

In connection with Odin Equity Partners' acquisition of the System Frugt Group in 2010, part of the purchase price was financed by a loan from Jyske Bank, which shows an outstanding debt of DKK 75,000k at 30 September 2014 and which is placed in System Frugt Holding A/S.

It is Management's assessment that the present capital structure provides the necessary flexibility to meet the Company's future strategy.

Intellectual capital resources

The Group's largest company, System Frugt A/S, is BRC certified, and in all companies a well-functioning quality control system based on the HACCP principles has been implemented. The quality control systems are currently developed.

The Group has built considerable knowledge of the individual products and their sourcing.

Environmental performance

The Group does not run any business resulting in dangerous or special impacts on the external environment. The Group is environmentally conscious and seeks to reduce the environmental impacts from operations.

Research and development activities

Costs are currently incurred to develop and market new products and to optimise methods and processes.

Corporate governance

The Board of Directors and the Executive Board of System Frugt Holding A/S continuously aim at ensuring that the Group's management structure and control systems are appropriate and well-functioning. Management currently assesses whether this is the case.

The foundation for organising Management's tasks includes the Danish Companies Act, the Danish Financial Statements Act, the Company's Articles of Association, policies approved by the Board of Directors as well as good practice for enterprises of the same size as System Frugt Holding A/S.

As a company owned by a private equity fund, System Frugt Holding A/S must also follow the DVCA recommendations and guidelines for responsible ownership and corporate governance. It is Management's assessment that these recommendations are followed, apart from the below items:

Management commentary

- Disclosures on staff conditions of which the Group's registrations are not sufficient at present to meet the guidelines. This is expected to be solved in the coming financial year.
- Disclosures on the current position and other managerial posts held by the members of the Board of Directors. This is expected to be disclosed in the annual report for the coming financial year.

Furthermore, it is Management's opinion that recommendations are partly followed in the following items:

- For competitive reasons, Management does not want the financial development and strategy to be specified further in the management commentary
- The reporting on the Company's internal control and risk management system has merely been described at an overall level. The level of detail of the description is expected to be increased in the annual report for the coming year.

Please refer to www.dvca.dk for further information on the guidelines.

The Board of Directors ensures that the Executive Board observes the objectives, strategies and business processes laid down by the Board of Directors.

System Frugt Holding A/S has established a formal group reporting process comprising a monthly reporting process which includes a budget follow-up, performance assessment and achievement of adopted goals etc. The reporting is currently assessed at directors' and chairman's meetings.

The Board of Directors of the System Frugt Group convenes at least five times a year based on a fixed meeting schedule. Furthermore, the chairmanship meets with the Executive Board approximately every two months. At these meetings the participants consist of the chairman of the Board of Directors, the deputy chairman and the Executive Board. Extraordinary meetings will be convened if necessary.

The Board of Directors has decided not to appoint a separate audit committee.

Ownership information

System Frugt Holding A/S is the parent of System Frugt A/S with underlying subsidiaries, and its owners are:

- Odin Equity Partners through Anpartsselskabet af 9. september 2010, with a 79.2% ownership interest
- Jørgen Danielsen ApS, with a 15.1% ownership interest
- Employees, with a 3.6% ownership interest
- Portfolio of treasury shares, with a 2.1% ownership interest.

Management commentary

Odin Equity Partners has control and is represented on the Board of Directors by Esben Bay Jørgensen and Christian Dalum. Jørgen Danielsen Holding ApS is represented by Jørgen Danielsen. The other members of the Board are independent members, however, appointed by Odin Equity Partners.

Employees

In the financial year 2013/14, the Group has had an average of 247 employees. On a net basis, 13 new full-time jobs have been created on last year's average of 234 employees. 192 of this average are employed with the Danish companies (2012/13: 165) and 55 with the foreign companies (2012/13: 69). The average headcount is expected to go up in the years ahead.

Gender diversity in management bodies

The System Frugt Group has drawn up a general policy for gender diversity in the management bodies of the Group with a view to having more women in the long term on both the Board of Directors and at other management levels.

One of the six seats on the Board of Directors is held by a woman, equalling a share of 16.7%. It is the Group's objective to have this share represent at least 33% within the next three years. Last year, there were no women on the Board.

Two out of the Group's 17-member management group are women, equalling a share of 11.8%. It is the Group's objective to have this share represent at least 30% within the next five years. Last year, there were no women among the management group members.

Corporate social responsibility

The Company has internal policies and guidelines to ensure a safe and healthy working environment.

Through Earth Control®, System Frugt has entered into a business sponsorship agreement with the World Wildlife Fund, WWF. The reason for this is that our products are primarily sourced from raw materials found in nature around the world, and this is why we too want to contribute to WWF's nature conservation programmes.

Since the financial year 2012/13, the Company has participated in the "Business Social Compliance Initiative", whose goal is to create and implement continued improvements in social standards in production companies worldwide.

In addition, the Company has launched a string of initiatives aimed at enhancing the sustainability of our work. Among these initiatives are:

Management commentary

- We want to reduce our packaging consumption by 2% per kilo, and our first step which was to reduce packaging length with selected customers has been completed. The next step will be to launch the same initiative for other ranges
- Our Fruit & Vegetables division has established a working relationship with Randers Regnskov, who collects our surplus products not reaching the consumers.
- From 1 January 2015, we will no longer use palm oil in our chips but use sunflower oil instead. Other products continuing to rely on palm oil will have switched to 100% RSPO-certified palm oil by the end of 2015.

Lastly, the Company is an active supporter of the organisations Children's Welfare, the Danish Cancer Society and Familier med kræftramte børn (Families with children suffering from cancer).

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.

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 (big).

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

Fundamental errors in previous years

The comparative figures in the income statement and balance sheet have been adjusted for fundamental errors in previous years as it has been observed that too little costs relating to previous financial years have been recognised in other payables.

The adjustment results in a positive change of DKK 1,680k in last years' profit before tax in the consolidated income statement, which with a negative tax effect of DKK 412k results in a total positive change of DKK 1,268k in last year's profit of the Group. The consolidated balance sheet total of the comparative figures is increased by DKK 892k, and equity is negatively affected by DKK 2,748k.

The adjustment results in a positive change of DKK 1,268k in last years' profit before tax in the parent income statement and has no tax effect. The parent balance sheet total of the comparative figures is decreased by DKK 2,748k, and equity is negatively affected by DKK 2,748k.

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.

Accounting policies

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 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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover 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. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. 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, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Accounting policies

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

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 one 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.

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.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

Income taxes

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.

The Entity is jointly taxed with the Parent and all the Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, which is estimated at 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

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:

Plant and machinery	3-6 years
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

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

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 plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

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.

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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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

Receivables

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

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement.

Other financial liabilities

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

Income tax receivable or payable

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

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.

Accounting policies

Cash and cash equivalents comprise cash and short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
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.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employee}}$	Productivity of the entity

Consolidated income statement for 2013/14

	<u>Notes</u>	<u>2013/14</u> <u>DKK'000</u>	<u>2012/13</u> <u>DKK'000</u>
Revenue	1	653.488	559.749
Production costs	3	<u>(534.342)</u>	<u>(457.939)</u>
Gross profit/loss		119.146	101.810
Distribution costs	3	(76.371)	(70.193)
Administrative costs	2, 3	<u>(32.306)</u>	<u>(18.897)</u>
Operating profit/loss		10.469	12.720
Other financial income		1.789	7
Other financial expenses		<u>(11.261)</u>	<u>(9.456)</u>
Profit/loss from ordinary activities before tax		997	3.271
Tax on profit/loss from ordinary activities	4	<u>(1.243)</u>	<u>(3.559)</u>
Profit/loss for the year		<u>(246)</u>	<u>(288)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(246)</u>	<u>(288)</u>
		<u>(246)</u>	<u>(288)</u>

Consolidated balance sheet at 30.09.2014

	<u>Notes</u>	<u>2013/14 DKK'000</u>	<u>2012/13 DKK'000</u>
Acquired intangible assets		1.459	1.192
Goodwill		159.228	167.335
Intangible assets	5	<u>160.687</u>	<u>168.527</u>
Plant and machinery		8.653	10.354
Other fixtures and fittings, tools and equipment		4.697	5.352
Leasehold improvements		3.108	3.733
Prepayments for property, plant and equipment		1.174	0
Property, plant and equipment	6	<u>17.632</u>	<u>19.439</u>
Fixed assets		<u>178.319</u>	<u>187.966</u>
Raw materials and consumables		91.599	7.756
Manufactured goods and goods for resale		8.153	79.184
Prepayments for goods		2.075	1.397
Inventories		<u>101.827</u>	<u>88.337</u>
Trade receivables		87.291	88.450
Deferred tax assets		1.164	1.940
Other short-term receivables		7.290	2.371
Income tax receivable		0	4.454
Prepayments		331	516
Receivables		<u>96.076</u>	<u>97.731</u>
Cash		<u>6.579</u>	<u>3.466</u>
Current assets		<u>204.482</u>	<u>189.534</u>
Assets		<u>382.801</u>	<u>377.500</u>

Consolidated balance sheet at 30.09.2014

	<u>Notes</u>	<u>2013/14 DKK'000</u>	<u>2012/13 DKK'000</u>
Contributed capital		874	700
Retained earnings		73.005	56.339
Equity		<u>73.879</u>	<u>57.039</u>
Subordinate loan capital		57.104	53.803
Bank loans		55.000	65.000
Debt to group enterprises		0	15.500
Other payables		381	4.920
Non-current liabilities other than provisions	7	<u>112.485</u>	<u>139.223</u>
Current portion of long-term liabilities other than provisions	7	36.061	30.966
Bank loans		42.784	35.629
Trade payables		71.599	65.548
Debt to group enterprises		12	0
Income tax payable		360	5.195
Other payables		45.621	43.900
Current liabilities other than provisions		<u>196.437</u>	<u>181.238</u>
Liabilities other than provisions		<u>308.922</u>	<u>320.461</u>
Equity and liabilities		<u>382.801</u>	<u>377.500</u>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Mortgages and securities	11		
Consolidation	12		

Consolidated statement of changes in equity for 2013/14

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	700	59.087	59.787
Increase (decrease) of equity through corrections of errors	0	(2.748)	(2.748)
Increase of capital	174	18.376	18.550
Purchase of treasury shares	0	(2.146)	(2.146)
Exchange rate adjustments	0	(2.125)	(2.125)
Value adjustments	0	2.807	2.807
Profit/loss for the year	0	(246)	(246)
Equity end of year	874	73.005	73.879

Consolidated cash flow statement for 2013/14

	<u>Notes</u>	<u>2013/14 DKK'000</u>	<u>2012/13 DKK'000</u>
Operating profit/loss		10.469	12.720
Amortisation, depreciation and impairment losses		19.041	28.148
Working capital changes	8	<u>(7.445)</u>	<u>(1.385)</u>
Cash flow from ordinary operating activities		22.065	39.483
Financial income received		1.789	7
Financial income paid		(11.261)	(9.456)
Income taxes refunded/(paid)		(1.760)	(6.879)
Other cash flows		<u>0</u>	<u>(8.195)</u>
Cash flows from operating activities		10.833	14.960
Acquisition etc of intangible assets		(2.393)	(12.934)
Acquisition etc of property, plant and equipment		(7.700)	(13.582)
Sale of property, plant and equipment		468	90
Acquisition of fixed asset investments		0	(306)
Other cash flows from investing activities		<u>0</u>	<u>542</u>
Cash flows from investing activities		(9.625)	(26.190)
Loans raised		18.301	22.082
Instalments on loans etc		(39.955)	(25.000)
Acquisition of treasury shares		(2.146)	0
Cash increase of capital		18.550	0
Other cash flows from financing activities		<u>0</u>	<u>(686)</u>
Cash flows from financing activities		(5.250)	(3.604)
Increase/decrease in cash and cash equivalents		(4.042)	(14.834)
Cash and cash equivalents beginning of year		<u>(32.163)</u>	<u>(17.329)</u>
Cash and cash equivalents end of year		<u>(36.205)</u>	<u>(32.163)</u>
Cash and cash equivalents at year-end are composed of:			
Cash		6.579	3.466
Short-term debt to banks		<u>(42.784)</u>	<u>(35.629)</u>
Cash and cash equivalents end of year		<u>(36.205)</u>	<u>(32.163)</u>

Notes to consolidated financial statements

	2013/14	2012/13
	DKK'000	DKK'000
1. Revenue		
Denmark	408.435	390.929
Other Countries	<u>245.053</u>	<u>168.820</u>
	653.488	559.749
	2013/14	2012/13
	DKK'000	DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	232	491
Tax services	25	137
Other services	<u>143</u>	<u>453</u>
	400	1.081
	2013/14	2012/13
	DKK'000	DKK'000
3. Staff costs		
Wages and salaries	89.663	69.496
Pension costs	7.834	7.926
Other social security costs	2.182	1.222
Other staff costs	<u>4.515</u>	<u>2.839</u>
	104.194	81.483
Average number of employees	<u>247</u>	<u>234</u>
	Remune- ration of manage- ment 2013/14 DKK'000	Remune- ration of manage- ment 2012/13 DKK'000
Total amount for management categories	<u>863</u>	<u>2.641</u>
	863	2.641

Notes to consolidated financial statements

	2013/14	2012/13
	DKK'000	DKK'000
4. Tax on ordinary profit/loss for the year		
Tax on current year taxable income	468	2.587
Change in deferred tax for the year	775	777
Effect of changed tax rates	0	195
	1.243	3.559
	Acquired	
	intangible	
	assets	Goodwill
	DKK'000	DKK'000
5. Intangible assets		
Cost beginning of year	1.244	208.551
Additions	533	1.861
Disposals	(108)	0
Cost end of year	1.669	210.412
Amortisation and impairment losses beginning of year	(55)	(41.217)
Amortisation for the year	(264)	(9.967)
Reversal regarding disposals	109	0
Amortisation and impairment losses end of year	(210)	(51.184)
Carrying amount end of year	1.459	159.228

Notes to consolidated financial statements

	Plant and machinery DKK'000	Other fix- tures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000	Prepay- ments for property, plant and equipment DKK'000
6. Property, plant and equipment				
Cost beginning of year	41.215	15.566	6.138	0
Exchange rate adjustments	(169)	(242)	0	0
Additions	3.729	2.365	343	1.174
Disposals	(1.539)	(709)	0	0
Cost end of year	43.236	16.980	6.481	1.174
Depreciation and impairment losses beginning of the year	(30.860)	(10.213)	(2.407)	0
Exchange rate adjustments	76	195	0	0
Depreciation for the year	(4.853)	(2.738)	(966)	0
Reversal regarding disposals	1.054	473	0	0
Depreciation and impairment losses end of the year	(34.583)	(12.283)	(3.373)	0
Carrying amount end of year	8.653	4.697	3.108	1.174
	Instalments within 12 months 2013/14 DKK'000	Instalments within 12 months 2012/13 DKK'000	Instalments beyond 12 months 2013/14 DKK'000	Outstanding after 5 years DKK'000
7. Long-term liabilities other than provisions				
Subordinate loan capital	0	0	57.104	0
Bank loans	20.000	30.000	55.000	0
Other payables	16.061	966	381	215
	36.061	30.966	112.485	215
8. Change in working capital				
Increase/decrease in inventories			(13.489)	(15.660)
Increase/decrease in receivables			(1.719)	(2.587)
Increase/decrease in trade payables etc			7.763	16.862
			(7.445)	(1.385)

Notes to consolidated financial statements

	<u>2013/14</u> <u>DKK'000</u>	<u>2012/13</u> <u>DKK'000</u>
9. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>17.619</u>	<u>14.073</u>

Unrecognised rental and lease commitments relate to operating leases totalling DKK 3,016k as well as rental commitments totalling DKK 14,603k.

10. Contingent liabilities

The Group has committed itself to fixed price and quantity contracts towards its suppliers of goods and services on delivery of raw materials in the coming financial years. The contractual residual commitments from the concluded contracts at 30 September 2014 amount to DKK 61,706k.

The Group participates in a Danish joint taxation arrangement in which Anpartsselskabet af 9. September 2010 serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

11. Mortgages and securities

The Group has issued letters of credit and payment guarantees through its bank to suppliers amounting to DKK 1,108k.

12. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Anpartsselskabet af 9. september 2010, Fredensborg

Parent income statement for 2013/14

	<u>Notes</u>	<u>2013/14 DKK'000</u>	<u>2012/13 DKK'000</u>
Administrative costs		(631)	(379)
Operating profit/loss		(631)	(379)
Income from investments in group enterprises		6.471	6.234
Other financial income		72	81
Other financial expenses		(8.341)	(8.393)
Profit/loss from ordinary activities before tax		(2.429)	(2.457)
Tax on profit/loss from ordinary activities	1	2.183	2.169
Profit/loss for the year		<u>(246)</u>	<u>(288)</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		0	7.967
Retained earnings		(246)	(8.255)
		<u>(246)</u>	<u>(288)</u>

Parent balance sheet at 30.09.2014

	<u>Notes</u>	<u>2013/14</u> <u>DKK'000</u>	<u>2012/13</u> <u>DKK'000</u>
Investments in group enterprises		207.473	220.320
Fixed asset investments	2	<u>207.473</u>	<u>220.320</u>
Fixed assets		<u>207.473</u>	<u>220.320</u>
Receivables from group enterprises		9.601	1.245
Deferred tax assets		21	24
Income tax receivable		4.996	4.233
Receivables		<u>14.618</u>	<u>5.502</u>
Cash		<u>0</u>	<u>4</u>
Current assets		<u>14.618</u>	<u>5.506</u>
Assets		<u>222.091</u>	<u>225.826</u>

Parent balance sheet at 30.09.2014

	<u>Notes</u>	<u>2013/14 DKK'000</u>	<u>2012/13 DKK'000</u>
Contributed capital	3, 4	874	700
Retained earnings		<u>73.005</u>	<u>56.339</u>
Equity		<u>73.879</u>	<u>57.039</u>
Subordinate loan capital		57.104	53.803
Bank loans		55.000	65.000
Debt to group enterprises		0	15.500
Other payables		<u>0</u>	<u>3.471</u>
Non-current liabilities other than provisions	5	<u>112.104</u>	<u>137.774</u>
Current portion of long-term liabilities other than provisions	5	35.000	30.000
Bank loans		863	0
Other payables		<u>245</u>	<u>1.013</u>
Current liabilities other than provisions		<u>36.108</u>	<u>31.013</u>
Liabilities other than provisions		<u>148.212</u>	<u>168.787</u>
Equity and liabilities		<u>222.091</u>	<u>225.826</u>
Contingent liabilities	6		
Mortgages and securities	7		
Ownership	8		

Parent statement of changes in equity for 2013/14

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	700	59.087	59.787
Increase (decrease) of equity through corrections of errors	0	(2.748)	(2.748)
Increase of capital	174	18.376	18.550
Purchase of treasury shares	0	(2.146)	(2.146)
Exchange rate adjustments	0	(2.125)	(2.125)
Value adjustments	0	2.807	2.807
Profit/loss for the year	0	(246)	(246)
Equity end of year	874	73.005	73.879

Notes to parent financial statements

	2013/14	2012/13		
	DKK'000	DKK'000		
1. Tax on ordinary profit/loss for the year				
Tax on current year taxable income	(2.186)	(2.180)		
Change in deferred tax for the year	3	11		
	(2.183)	(2.169)		
			Investments in	
			group enter-	
			prises	
			DKK'000	
2. Fixed asset investments				
Cost beginning of year		249.203		
Cost end of year		249.203		
Impairment losses beginning of year		(28.883)		
Adjustments on equity		682		
Amortisation of goodwill		(9.843)		
Share of profit/loss for the year		16.314		
Dividend		(20.000)		
Impairment losses end of year		(41.730)		
Carrying amount end of year		207.473		
			Number	Nominal
			DKK'000	value
			DKK'000	DKK'000
3. Contributed capital				
Ordinary shares	874	1	874	
	874		874	
	2013/14	2012/13	2011/12	2010/11
	DKK'000	DKK'000	DKK'000	DKK'000
Changes in contributed capital				
Contributed capital beginning of year	700	700	700	500
Increase of capital	174	0	0	200
Contributed capital end of year	874	700	700	700

Notes to parent financial statements

	Number	Nominal value DKK'000	Share of contri- buted capi- tal %	Purchase / (selling)- price DKK'000
4. Treasury shares				
Treasury shares acquired:				
Ordinary shares	18	18	2,1	2.146
	18	18	2,1	
Holding of treasury shares:				
Ordinary shares	18	18	2,1	
	18	18	2,1	

	Instalments within 12 months 2013/14 DKK'000	Instalments within 12 months 2012/13 DKK'000	Instalments beyond 12 months 2013/14 DKK'000
5. Long-term liabilities other than provisions			
Subordinate loan capital	0	0	57.104
Bank loans	20.000	30.000	55.000
Other payables	15.000	0	0
	35.000	30.000	112.104

6. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Anpartsselskabet af 9. September 2010 serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

7. Mortgages and securities

Investments in group enterprises are pledged as security for the Group's bank debt. At 30 September 2014 the bank debt amounts to DKK 117,784k.

The carrying amount of investments in group enterprises at 30 September 2014 amounts to DKK 207.472k.

Notes to parent financial statements

8. Ownership

The Company has registered the following shareholders as holding more than 5% of the voting rights or more than 5% of the nominal value of the share capital:

Anpartsselskabet af 9. September 2010, Fredensborg
Jørgen Danielsen ApS, Aarhus