



For the attention of the creditors in
Gourmet Food AB

Stockholm 24 August 2020

Company reorganisation

Gourmet Food, Fredrik Svanberg Aktiebolag, 556232-2411, hereinafter referred to as **"Gourmet Food"** or the Company, initiated company reorganisation by way of the decision of the District Court of Eskilstuna on August 17, 2020. An application for reorganisation was filed on August 17, 2020. As the court appointed administrator, I hereby submit the information below to the creditors of the Company and the reorganisation, including, among other things, specific information on the continuation of deliveries and recovery measures, the preliminary reorganisation plan, and notification pursuant to Chapter 2. §13 of the law on company reorganisation.

Continued operations and deliveries during the reorganisation

During the reorganisation period, the Company will continue to operate its business on an undiminished scale.

The Company is in need of further deliveries from several suppliers during the reorganisation. Deliveries and purchases during the reorganisation are to be made by way of the cash principle. This means that for goods the Company has received from the time of application for reorganisation, August 17, 2020, and for services subsequently provided, payment is made against a cash invoice or advance payment on account. The granting of credit with the accompanying preferential right during the reorganisation will not be approved by the administrator unless special reasons exist, and it applies only on the condition that the administrator's approval is in writing. It is therefore important that invoices are issued immediately in connection with deliveries or the provision of services to the Company throughout the reorganisation period.

The administrator, undersigned, does not accept payment for past debts, since the Company is legally prevented from paying debts arising prior to the Court's decision on company reorganisation: August 17, 2020. Suppliers or others who have claims against the company cannot terminate their agreements with the Company on the basis of the Company applying for company reorganisation: Ch. 2 § 20 the law on company reorganisation. N.B. The offsetting of any advance payment that has been paid to the supplier during the reorganisation period shall not be made against claims arising prior to August 17, 2020.

Advokatfirman Carler
Stockholm • Paris

Kungsgatan 30 • Box 7557 • SE 103 93 Stockholm
Tel: +46 8 522 532 00 • Org.nr 559188-5552
info@carler.se • www.carler.se



Goods that are covered by commission or consignment are also separated from the Company's other inventories during the reorganisation, and are therefore not among the assets that the company has the right to dispose of.

Obstacles to execution and effect of debt collection measures

The law on company reorganisation entails that a number of executive measures cannot be taken against the Company as long as the reorganisation procedure is in progress. This implies that the Company cannot be declared bankrupt and that the Swedish Enforcement Authority cannot file any debt-recovery claims against the company.

There is therefore no reason for the creditors to proceed with claims against the Company for the purpose of recovery for the period in which the reorganisation is ongoing. The Company and the conditions set forth for the reorganisation may be jeopardised insomuch that any debt-recovery measures are not interrupted or omitted. The interests of the creditors are safeguarded by the undersigned administrator, who, among other things, has the duty to work in the creditors' best interests.

Report on the Company's finances and the reasons for the payment difficulties

Gourmet Food is a wholesaler of food for restaurants and the grocery trade.

Gourmet Food was founded in 1983. Initially, Gourmet Food imported Asian foods for resale to Japanese restaurants in the Stockholm area. The business then employed a small number of people. In the early 1990s, interest in and demand for Asian food increased, which meant that the scope of the business became significantly larger. In connection with Sweden's accession to the EC / EU, the business grew further as Gourmet Food began importing meat from the internal market for sale directly to end customers.

In 2015, Gourmet Food had sales of just under SEK 400 million and reported an operating profit of just under SEK 8 million. The year before, 2014, Gourmet Food had reported a profit of just over SEK 9 million. During the years 2016 - 2019, however, Gourmet Food reported weak results, e.g. the result for 2018 amounted to a loss of SEK 12 million.

The weak results had several causes, including the following.

At the end of 2015, Gourmet Food acquired Quality Foods, primarily with the aim of establishing itself in Gothenburg and the surrounding area and broadening its range. The operations in Gothenburg proved to be more costly than expected and the synergy effects were smaller than expected, partly due to the relatively large differences between the customers and product ranges. This meant that significantly more resources needed to be utilized to try to integrate the operations and achieve the effects that the acquisition had aimed for. In parallel with this, Gourmet Food's operations in Stockholm moved from the Slakthuset area to new premises in Jordbro, whereby large investments were made in the new premises and extraordinary costs arose. At the same time, the so-called Food service market - ie. sales to restaurants, commercial kitchens, etc. - started to decrease which led to deteriorating revenues. Furthermore, staff turnover increased, which led to a decrease in staff efficiency.



To rectify the negative earnings trend, Gourmet Food began implementing a number of measures in 2019, including the following.

The number of employees was reduced and the employees' tasks were changed, e.g. by Gourmet Food to some extent switching to external warehousing and transport services, the operations in Gothenburg were outsourced, and both the sales and purchasing departments were given a clearer and more specific focus. Furthermore, emphasis was placed on product development and refinement of the product range.

Through the measures, Gourmet Food achieved cost savings of around SEK 9 million as well as improved revenues, especially during the second half of 2019.

The positive development continued during the beginning of 2020. However, the Corona pandemic meant an abrupt and extremely sharp end in that respect. The food service market collapsed. As a result, Gourmet Foods' revenues deteriorated significantly - initially by around 50 percent compared with the previous year - prompting Gourmet Food to take immediate action to reduce its costs and avoid illiquidity. Thanks to the fact that a larger part of Gourmet Food's costs in 2019 had become variable, Gourmet Food was able to quickly reduce its costs in this part. Furthermore, Gourmet Food laid off the employees short-term as much as was possible. As a result, Gourmet Food reduced its costs by approximately SEK 1.6 million per month from April 2020. In addition, Gourmet Food applied for, and received, deferment of payment of taxes and fees as well as so called adjustment funding (sw. omställningsstöd).

In parallel, Gourmet Food redirected its sales measures from the Food service market and focused them on the grocery trade, which led to a certain improvement in revenues; in June 2020, revenues amounted to 79 percent of the previous year.

Through the above measures, Gourmet Food has been able to temporarily mitigate the effects of the Corona pandemic. Despite these measures, the prevailing extraordinary circumstances have led to significant losses for Gourmet Food and have entailed that Gourmet Food is currently unable to fully settle its debts at the rate at which they become due for payment (illiquidity).

The board of Gourmet Food consists of Fredrik Svanberg (chairman), Lina Svanberg and Oscar Uhrström (also CEO).

According to Gourmet Foods' latest annual report as of December 31, 2019, sales amounted to approximately SEK 280 million. The result after financial items amounted to a loss of approximately SEK 18 million, largely due to costs connected to the move to new premises in Jordbro and the changes in operations in Gothenburg. During the period January - July 2020, preliminary sales amounted to approximately SEK 130 million. The result after financial items preliminarily amounted to a loss of just over SEK 7 million.

The number of employees in Gourmet Food currently amounts to 42 people.

Due to a lack of new financing, Gourmet Food currently lacks the resources to pay existing and future costs, severance pay and taxes, etc.

A rough overview of the company's assets and liabilities (book value) as of July 31, 2020 provides the following.



(THOUSAND SEK)

ASSETS

CURRENT ASSETS.

Bank account	271
Stock	16 525
Accounts receivable	14 868
Prepaid expenses / accrued income	7 119
Tax claims	1 575
Deferred taxes	951
Other current receivables	230
Accrued customer bonus	-
Other interim receivables	679
<i>SUM CURRENT ASSETS</i>	<i>42 218</i>

FIXED ASSETS.

Inventory / furnishings	853
Business system	77
Goodwill QM	9 150
Installations/constructions on leased property	2 257
Shares in subsidiary	10 600
Group claims	4 115
Loans	4 188
<i>SUM FIXED ASSETS</i>	<i>31 240</i>

SUM ASSETS 73 458

DEBTS

DEBTS WITH PRIORITY RIGHT TO PAYMENT

Bank loan and overdraft facility 42 095

12 § FRL, salaries etc

Vacation pay, accrued salary, social fees 3 592

SUM DEBTS WITH PRIORITY RIGHT TO PAYMENT 45 687

DEBTS WITHOUT PRIORITY RIGHT TO PAYMENT

18 § FRL, oprioriterade skulder

Leverantörsskulder 27 158

Skatteskuld 7 584

Skuld till ägare 414

Övriga interimsskulder 204

SUM DEBTS WITHOUT PRIORITY RIGHT TO PAYMENT 35 360

SUM DEBTS 81 047



Preliminary reorganisation plan

Gourmet Food has a good position in its relevant market. The underlying business has previously been profitable. The assessment is that there is a healthy core in the business.

Current extraordinary conditions due to the Corona pandemic has put Gourmet Food in a liquidity crisis.

A preliminary action plan is being prepared.

The focus will hereby be on continuing the implementation of the measures that have begun in 2019.

In order to achieve profitability, adjustments to the business are thus required. However, it is necessary to combine these adaptation measures with a public agreement/composition with Gourmet Foods' creditors without priority right to payment.

Report on continued operations

Prior to the application for reorganisation, a cash flow forecast was prepared. This shows that during the reorganisation period the Company will be able to follow the cash principle.

Wage guarantee will be used during the reorganisation in accordance with Swedish law.

Creditors' meeting

The District Court of Eskilstuna has decided that the creditors' meeting will be held on Friday, 4th September, 2020 at 13.00, at the District Court's premises: Rademachergatan 8 in Eskilstuna. At the creditors' meeting, the creditors will be given the opportunity to comment on the question whether the company reorganisation should continue. Attendance is voluntary, and not mandatory for the creditors.

Further information and questions

In the event that you have any questions regarding the company or the reorganisation, kindly contact:

David Rutegård
david.rutegård@carler.se
08 522 532 00

Dan Bengtsson
dan.bengtsson@carler.se
08 522 532 21

Mats Eliasson
mats.eliasson@roda-sten.se
070 606 38 38



Yours faithfully,

David Rutegård
Administrator