

KINGDOM FOOD PRODUCTS ApS

Sønderhøj 14,

8260 Viby J

CVR No. 14222871

Annual Report 2019

The Annual Report was presented and approved at the Annual General Meeting of the Company on 22 May 2020

Peter Stenholt Randrup
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of KINGDOM FOOD PRODUCTS ApS for the financial year 1 January 2019 - 31 December 2019.

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 assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Aarhus, 22 May 2020

Executive Board

Joris Andersen

John Duus Andresen

Lars Jepsen

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Company details

Company	KINGDOM FOOD PRODUCTS ApS Sønderhøj 14, 8260 Viby J
Telephone	89381000
CVR No.	14222871
Executive Board	Joris Andersen John Duus Andresen Lars Jepsen

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Management's Review

The Company's principal activities

Kingdom Food Productst APs acts has the function of an agent of two Limited partnerships. Arla Foods Amba is the parent agent in this partnership.

Kingdom Food Products APS receives an amount of up to 10kDKK per company for acting as an agent and management of these companies

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of kDKK 57 and the Balance Sheet at 31 December 2019 a balance sheet total of kDKK 604 and an equity of kDKK 588.

Post financial year events

In March 2020 the Covid-19 pandemic began impacting Denmark. Until now the short-term impact has been limited. The long-term impact is highly uncertain at this point in time, however we don't expect the impact to become material.

Accounting Policies

Reporting Class

The Annual Report of KINGDOM FOOD PRODUCTS ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Income Statement

Revenue

The net turnover includes revenues from limited partnerships, where the company functions as its administrative agent. The value is recognised at arms length and is settled by legal settlement.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Accounting Policies

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

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Income Statement

	Note	2019 kDKK	2018 kDKK
Gross profit		20	19
Other financial income from group companies		53	59
Profit before tax		73	78
Tax	1	-16	-17
Profit for the year		57	61
Proposed distribution of results			
Proposed dividend recognised in equity		0	6.000
Retained earnings		57	-5.939
Distribution of profit		57	61

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Balance Sheet as of 31 December

	Note	2019 kDKK	2018 kDKK
Assets			
Receivables from group companies		604	6.548
Receivables		<u>604</u>	<u>6.548</u>
Current assets		<u>604</u>	<u>6.548</u>
Assets		<u>604</u>	<u>6.548</u>

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Balance Sheet as of 31 December

	Note	2019 kDKK	2018 kDKK
Liabilities and equity			
Contributed capital		200	200
Retained earnings		388	331
Proposed dividend recognised in equity		0	6.000
Equity		588	6.531
Current tax		16	17
Short-term liabilities		16	17
Liabilities		16	17
Liabilities and equity		604	6.548
Contingent liabilities	2		
Related parties	3		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2019	200	331	6.000	6.531
Dividend paid	0	0	-6.000	-6.000
Profit (loss)	0	57	0	57
Equity 31 December 2019	200	388	0	588

The share capital has remained unchanged for the last 5 years.

Notes

	2019	2018
	kDKK	kDKK
1. Tax		
Current Year Tax	16	17
	<u>16</u>	<u>17</u>

2. Contingent liabilities

The company has joint and several tax liability, with other Danish group companies for company taxes. This also includes withholding taxes on dividends, interest and royalties within the group. The total known net tax liability of the jointly taxed companies is shown in the management company's annual accounts of, Arla foods holding A/S CVR no 27466052. Any subsequent corrections to co-taxation income and withholding tax etc. could result in the company's liability being higher or lower.

3. Related parties

The Company is a wholly owned subsidiary of Arla Foods Holding A/S, Viby J and is included in the consolidated financial statements of Arla Foods Amba. The consolidated financial statements can be obtained at the following address: Arla Foods Amba, Sønderhøj 14, 8260 Viby J.