



## Geia Food A/S

Fuglevænget 9  
9000 Aalborg  
CVR No. 14983007

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 06.05.2021

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**Gudmund Schlytter Killi**

Chairman of the General Meeting

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# Entity details

## Entity

Geia Food A/S  
Fuglevænget 9  
9000 Aalborg

CVR No.: 14983007

Registered office: Aalborg

Financial year: 01.01.2020 - 31.12.2020

## Statutory reports on the entity's website

Statutory report on corporate social responsibility: [https://www.geiafood.com/geia\\_csr-2020/](https://www.geiafood.com/geia_csr-2020/)

## Board of Directors

Jens Junge Mortensen  
Claus Juel Jensen  
Jon Martin Klafstad  
Wilhelm Mohn  
Gudmund Schlytter Killi, formand  
Maria Elisabet Green Karlsson

## Executive Board

Claus Ulrik Ravnsbo

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Østre Havnepromenade 26, 4th floor  
9000 Aalborg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Geia Food A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Aalborg, 26.04.2021

## Executive Board

**Claus Ulrik Ravnsbo**

## Board of Directors

**Jens Junge Mortensen**

**Claus Juel Jensen**

**Jon Martin Klafstad**

**Wilhelm Mohn**

**Gudmund Schlytter Killi**  
formand

**Maria Elisabet Green Karlsson**

# Independent auditor's report

## To the shareholders of Geia Food A/S

### Opinion

We have audited the financial statements of Geia Food A/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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:

- 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.

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.

Aalborg, 26.04.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Lars Birner Sørensen**

State Authorised Public Accountant  
Identification No (MNE) mne11671

# Management commentary

## Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
<b>Key figures</b>					
Revenue	1,582,928	1,327,931	1,230,361	1,117,914	1,075,482
Gross profit/loss	128,633	89,933	87,170	72,300	76,332
Operating profit/loss	65,834	37,342	42,064	31,714	37,926
Net financials	(1,395)	914	1,383	1,196	1,773
Profit/loss for the year	48,866	29,724	37,988	28,752	32,266
Total assets	280,542	257,939	218,732	201,375	212,392
Equity	78,659	49,862	56,322	55,678	80,316
<b>Ratios</b>					
Gross margin (%)	8,1	6,8	7,1	6,5	7,1
Net margin (%)	3,1	2,2	3,1	2,6	3,0

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$



### Primary activities

Geia Food is a strong business partner with extensive expertise within a wide range of product categories – from frozen and chilled foods to groceries and beverages. We are the value-adding link between suppliers and customers, developing food concepts for the Nordics through unique competences and a long track record as a trusted partner.

We create value for our customers by boosting product innovation, reducing operating complexity and increasing category profitability. Our best-in-class supplier network benefit from a one-point-of-access to all the Nordic markets, an effective sales platform, deep customer insight and a cost-efficient logistics and quality assurance platform.

### Development in activities and finances

Geia Food generated a net profit of 48.866 t.DKK in the financial year. The profit for the year is considered satisfactory by the Board of Directors.

The expected net profit of 35-40 m.DKK stated in the outlook of the annual report from 2019 has been exceeded due to higher revenue in Denmark and other Nordic countries.

Geia Food has been and continues to be favoured by high demand from the retail segment during the year which has had a positive impact on Geia Food's revenue and result.

### Uncertainty relating to recognition and measurement

There are no uncertainties relating to recognition and measurement.

### Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement.

### Outlook

Geia Food expects continued good performance in the financial year 2021 as sales development in Denmark and foreign markets continues to be positive, with an expected profit for the year in the range of 50-60 m.DKK. Furthermore, Geia Food expects to develop its current business areas and to develop new ones.

### Particular risks

#### **Business risks**

Geia Food's most significant business risk relates to the quality and food safety of the products distributed.

#### **Financial risks**

As a consequence of its operations, investments and financing, Geia Food is exposed to changes in the level of interest and exchange rates. Geia Food pursues a fiscal policy operating with a low risk profile so that currency risks, interest risks and credit risks only arise based on commercial matters.

#### **Currency risks**

Where possible, Geia Food's currency exposure is hedged through matching of payments received and made in the same currency and by using forward exchange contracts and currency options. At the end of the financial year 2020, the notional value of Geia Food's forward exchange contracts and currency options for meeting future currency risks amounted to negative 1.354 t.DKK.

Forward exchange contracts and currency options consist of hedging of activities in EUR, USD, NOK and SEK with

a term up to 24 months.

### **Research and development activities**

Geia Food has not incurred any research and development expenses.

### **Foreign branches**

Geia Food is represented in Sweden through the subsidiary Geia Food AB and Geia Food Holding AB, in Norway through the subsidiary Geia Food Norge AS and Geia Food AS and in Finland through the subsidiary Geia Food OY.

### **Statutory report on corporate social responsibility**

The 2020 Corporate Social Responsibility report contains Geia Food's policies regarding CSR, animal welfare and environmental performance.

The 2020 Corporate Social Responsibility report is available on the following link:

[https://www.geiafood.com/geia\\_csr-2020/](https://www.geiafood.com/geia_csr-2020/)

### **Statutory report on the underrepresented gender**

The Board of Directors have reflected the gender distribution prevailing in the business where Geia Food operates for which reason it is characterized by an under-representation of women.

The Board of Directors consist of 5 males and 1 female. The target is that by the end of 2022, 2 females will be a part of the Board of Directors. During 2020 the target has not been met, because we did not have any need to recruit new members to the Board of Directors.

At other management levels, there is gender equality.

Moreover, Geia Food's policy is to fill in vacant positions in the management, administration and Board of Directors with the most competent employees regardless of gender.

### **Events after the balance sheet date**

In the beginning of 2021 Geia Food completed the acquisition of the Norwegian company Østlandske Formidling AS.

To this date no other events have occurred after the balance sheet date which would influence the evaluation of this annual report.

Geia Food expect that Covid-19 will have a minor impact on the business and the financial result in 2021

# Income statement for 2020

	Notes	2020 DKK'000	2019 DKK '000
Revenue	1	1,582,928	1,327,931
Other operating income		53	100
Cost of sales		(1,439,554)	(1,224,375)
Other external expenses		(14,794)	(13,723)
<b>Gross profit/loss</b>		<b>128,633</b>	<b>89,933</b>
Staff costs	2	(50,211)	(41,631)
Depreciation, amortisation and impairment losses	3	(12,588)	(10,960)
<b>Operating profit/loss</b>		<b>65,834</b>	<b>37,342</b>
Income from investments in group enterprises		3,311	1,873
Other financial income	4	1,843	1,209
Other financial expenses	5	(3,238)	(295)
<b>Profit/loss before tax</b>		<b>67,750</b>	<b>40,129</b>
Tax on profit/loss for the year	6	(18,884)	(10,405)
<b>Profit/loss for the year</b>	7	<b>48,866</b>	<b>29,724</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired licences		6,988	0
Goodwill		33,795	42,241
<b>Intangible assets</b>	8	<b>40,783</b>	<b>42,241</b>
Other fixtures and fittings, tools and equipment		9,719	7,207
<b>Property, plant and equipment</b>	9	<b>9,719</b>	<b>7,207</b>
Investments in group enterprises		31,879	21,061
Receivables from group enterprises		23,011	0
Deposits		1,248	1,078
Deferred tax	11	0	3,334
<b>Financial assets</b>	10	<b>56,138</b>	<b>25,473</b>
<b>Fixed assets</b>		<b>106,640</b>	<b>74,921</b>
Manufactured goods and goods for resale		59,377	60,582
Prepayments for goods		1,512	0
<b>Inventories</b>		<b>60,889</b>	<b>60,582</b>
Trade receivables		52,320	87,515
Receivables from group enterprises		44,024	19,038
Other receivables		1,756	5,180
Prepayments	12	1,498	304
<b>Receivables</b>		<b>99,598</b>	<b>112,037</b>
<b>Cash</b>		<b>13,415</b>	<b>10,399</b>
<b>Current assets</b>		<b>173,902</b>	<b>183,018</b>
<b>Assets</b>		<b>280,542</b>	<b>257,939</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK'000</b>	<b>2019 DKK'000</b>
Contributed capital	13	769	769
Reserve for fair value adjustments of hedging instruments		(1,760)	0
Reserve for net revaluation according to the equity method		8,689	0
Retained earnings		70,961	49,093
<b>Equity</b>		<b>78,659</b>	<b>49,862</b>
Deferred tax	11	83	0
<b>Provisions</b>		<b>83</b>	<b>0</b>
Lease liabilities		259	1,594
Other payables		4,556	3,350
<b>Non-current liabilities other than provisions</b>	14	<b>4,815</b>	<b>4,944</b>
Current portion of non-current liabilities other than provisions	14	2,545	2,438
Bank loans		0	9
Trade payables		130,447	150,732
Payables to group enterprises		817	528
Tax payable		20,523	14,961
Other payables	15	42,290	34,211
Deferred income	16	363	254
<b>Current liabilities other than provisions</b>		<b>196,985</b>	<b>203,133</b>
<b>Liabilities other than provisions</b>		<b>201,800</b>	<b>208,077</b>
<b>Equity and liabilities</b>		<b>280,542</b>	<b>257,939</b>
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# Statement of changes in equity for 2020

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000
Equity beginning of year	769	0	0	49,093	0
Effect of divestments of entities etc	0	0	6,170	0	0
Extraordinary dividend paid	0	0	0	0	(25,000)
Exchange rate adjustments	0	0	567	0	0
Value adjustments	0	(2,267)	0	0	0
Other entries on equity	0	0	(1,352)	1,306	0
Tax of entries on equity	0	507	0	0	0
Profit/loss for the year	0	0	3,304	20,562	25,000
<b>Equity end of year</b>	<b>769</b>	<b>(1,760)</b>	<b>8,689</b>	<b>70,961</b>	<b>0</b>

	Total DKK'000
Equity beginning of year	49,862
Effect of divestments of entities etc	6,170
Extraordinary dividend paid	(25,000)
Exchange rate adjustments	567
Value adjustments	(2,267)
Other entries on equity	(46)
Tax of entries on equity	507
Profit/loss for the year	48,866
<b>Equity end of year</b>	<b>78,659</b>

# Notes

## 1 Revenue

	<b>2020</b>
	<b>DKK'000</b>
Denmark	1,322,737
Other Scandinavian countries	203,373
Other countries	56,818
<b>Total revenue by geographical market</b>	<b>1,582,928</b>

## 2 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	42,998	35,601
Pension costs	4,449	3,880
Other staff costs	2,764	2,150
	<b>50,211</b>	<b>41,631</b>
Average number of full-time employees	<b>75</b>	<b>64</b>

	<b>Remuneration of management 2020 DKK'000</b>	<b>Remuneration of management 2019 DKK'000</b>
Total amount for management categories	4,634	2,975
	<b>4,634</b>	<b>2,975</b>

Management categories has incentive programmes based on the financial result.

Management categories consist of both management and Board of Directors.

## 3 Depreciation, amortisation and impairment losses

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	8,658	8,153
Depreciation of property, plant and equipment	3,930	2,807
	<b>12,588</b>	<b>10,960</b>

**4 Other financial income**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial income from group enterprises	1,843	280
Other financial income	0	929
	<b>1,843</b>	<b>1,209</b>

**5 Other financial expenses**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest expenses	311	295
Other financial expenses	2,927	0
	<b>3,238</b>	<b>295</b>

**6 Tax on profit/loss for the year**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	15,355	13,898
Change in deferred tax	3,417	(3,493)
Adjustment concerning previous years	112	0
	<b>18,884</b>	<b>10,405</b>

**7 Proposed distribution of profit and loss**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Extraordinary dividend distributed in the financial year	25,000	35,000
Retained earnings	23,866	(5,276)
	<b>48,866</b>	<b>29,724</b>



## 8 Intangible assets

	Acquired licences DKK'000	Goodwill DKK'000
Cost beginning of year	0	84,284
Additions	7,200	0
<b>Cost end of year</b>	<b>7,200</b>	<b>84,284</b>
Amortisation and impairment losses beginning of year	0	(42,043)
Amortisation for the year	(212)	(8,446)
<b>Amortisation and impairment losses end of year</b>	<b>(212)</b>	<b>(50,489)</b>
<b>Carrying amount end of year</b>	<b>6,988</b>	<b>33,795</b>

## 9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	13,318
Additions	7,790
Disposals	(2,701)
<b>Cost end of year</b>	<b>18,407</b>
Depreciation and impairment losses beginning of year	(6,111)
Depreciation for the year	(3,432)
Depreciation and impairment losses on assets disposed of	(498)
Reversal regarding disposals	1,353
<b>Depreciation and impairment losses end of year</b>	<b>(8,688)</b>
<b>Carrying amount end of year</b>	<b>9,719</b>
Recognised assets not owned by entity	1,212

## 10 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Deposits DKK'000	Deferred tax DKK'000
Cost beginning of year	22,394	0	1,078	3,334
Exchange rate adjustments	0	(2,162)	0	0
Transfers	0	(9,204)	0	0
Additions	902	34,377	170	0
Disposals	(265)	0	0	(3,334)
<b>Cost end of year</b>	<b>23,031</b>	<b>23,011</b>	<b>1,248</b>	<b>0</b>
Revaluations beginning of year	(1,333)	0	0	0
Exchange rate adjustments	570	0	0	0
Adjustments on equity	6,121	0	0	0
Amortisation of goodwill	359	0	0	0
Share of profit/loss for the year	3,104	0	0	0
Reversal regarding disposals	27	0	0	0
<b>Revaluations end of year</b>	<b>8,848</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>31,879</b>	<b>23,011</b>	<b>1,248</b>	<b>0</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Geia Food OY	Vantaa, Finland	OY	100
Geia Food Holding AB	Karlstad, Sweden	AB	95
Geia Food AB	Karlstad, Sweden	AB	100
Geia Food Norge AS	Oslo, Norway	AS	71
Geia Food AS	Oslo, Norway	AS	100

## 11 Deferred tax

	2020 DKK'000	2019 DKK'000
Intangible assets	(30)	3,456
Property, plant and equipment	(638)	(734)
Financial assets	298	(209)
Receivables	(330)	(66)
Liabilities other than provisions	617	887
<b>Deferred tax</b>	<b>(83)</b>	<b>3,334</b>

	<b>2020</b>	<b>2019</b>
<b>Changes during the year</b>	<b>DKK'000</b>	<b>DKK'000</b>
Beginning of year	3,334	(346)
Recognised in the income statement	(3,417)	3,493
Recognised directly in equity	(507)	187
<b>End of year</b>	<b>(83)</b>	<b>3,334</b>

## 12 Prepayments

Prepayments consists of rent and insurance costs.

## 13 Share capital

	<b>Number</b>	<b>Par value</b>	<b>Nominal</b>
		<b>DKK'000</b>	<b>value</b>
			<b>DKK'000</b>
Shares	769	1	769
	<b>769</b>		<b>769</b>

Par value is mentioned in DKK and not in thousands. Par value is 1,0 DKK.

## 14 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due within 12</b>	<b>Due after</b>
	<b>months</b>	<b>months</b>	<b>more than 12</b>
	<b>2020</b>	<b>2019</b>	<b>months</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>2020</b>
			<b>DKK'000</b>
Lease liabilities	2,545	2,438	259
Other payables	0	0	4,556
	<b>2,545</b>	<b>2,438</b>	<b>4,815</b>

## 15 Other payables

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
VAT and duties	25,122	23,129
Wages and salaries, personal income taxes, social security costs, etc payable	4,171	77
Holiday pay obligation	1,142	2,077
Derivative financial instruments	1,569	613
Other costs payable	10,286	8,315
	<b>42,290</b>	<b>34,211</b>

## 16 Deferred income

Deferred income consists of freight charges.

## 17 Financial instruments

The Company hedges currency risks on expected transactions in EUR, USD and SEK with forward exchange contracts. Forward exchange contracts relates to purchase of goods. Value adjustments are recognized in the equity and are expected to be carried out and recognized in the income statement after the balance sheet day.

Beyond 99% of the forward exchange contracts are hedging towards currency risks relating to EUR/DKK.

Period	Fair value DKK'000	Contractual value DK'000
0-6 months	597	586,513
6-12 months	484	517,825
12-24 months	273	446,534
	<b>1,354</b>	<b>1,550,872</b>

## 18 Fair value information

	Forward exchange contracts '000DKK
Fair value end of year	(1,354)
Fair value adjustments recognised directly in the fair value reserve under equity	(1,354)

## 19 Unrecognised rental and lease commitments

The entity has entered agreements of rented premises. The Contracts are irredeemable for 6.5 years. The annual rent is 2.573 t.DKK.

## 20 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Cena Partnerskab Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 21 Assets charged and collateral

Mortgage debt is secured by way of company charges. The Company charge comprises stocks, goodwill and receivables, limited to 50,000 t.DKK. The book value of secured assets is t.DKK 163,711.

Furthermore, the Company guarantees bank debt in group enterprises. Bank debt amounts at 31 December to t.DKK 35.

## 22 Related parties with controlling interest

- Cena Partnerskab Holding ApS, 9000 Aalborg

**23 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

**24 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
- Cena Partnerskab Holding ApS, 9000 Aalborg

# 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 (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

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

## Changes in accounting estimates

Goodwill assets are adjusted with a reduction of DKK 3m in the comparative year based on a changed assessment of expected earn-out payment for recognised goodwill. The adjustment has reduced assets and liabilities, respectively, by DKK 3m. There is no impact on equity or profit for the year.

## 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.

## 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 lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

### 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 rate 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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

### 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.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**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, and 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, and 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.

The Entity is jointly taxed with all Danish group enterprises. 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 the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

Other fixtures and fittings, tools and equipment	1-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of 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 value plus unamortised goodwill and plus or minus 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 in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an

assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

**Receivables**

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

**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.

**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.

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

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**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.

**Tax receivable or payable**

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

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The entity has not been given information about the cash flow statement with reference to the one that will be presented in the consolidated annual report for Cena Partnerskab Holding ApS, CVR-nr. 38929852.