
Danimex-Food Holding A/S

Inge Lehmanns Gade 10, DK-8000 Aarhus C

Annual Report for 1 January - 31 December 2020

CVR No 15 15 03 78

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/6 2021

Peter Worre Bech
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Danimex-Food Holding A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

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

Aarhus, 29 June 2021

Executive Board

Carl Bruun Jørgensen

Board of Directors

Peter Worre Bech
Chairman

Eric Gue Thierry Delarue

Pascale Denise Delarue

Søren Karim Bech

Independent Auditor's Report

To the Shareholders of Danimex-Food Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Danimex-Food Holding A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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 Company'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 Company'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 Company to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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.

Aarhus, 29 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Møllgaard Stenskov
State Authorised Public Accountant
mne34161

Steffen Damsgaard Sørensen
State Authorised Public Accountant
mne35804

Company Information

The Company

Danimex-Food Holding A/S
Inge Lehmanns Gade 10
DK-8000 Aarhus C

CVR No: 15 15 03 78
Financial period: 1 January - 31 December
Incorporated: 1 May 1991
Municipality of reg. office: Aarhus

Board of Directors

Peter Worre Bech, Chairman
Eric Gue Thierry Delarue
Pascale Denise Delarue
Søren Karim Bech

Executive Board

Carl Bruun Jørgensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Bankers

Nordea Bank Danmark A/S

Management's Review

Key activities

The Company's main activity is investment in other enterprises within ingredients and raw materials for the food industry as well as machinery for the food and refrigeration industry in selected export markets.

Development in the year

The income statement of the Company for 2020 shows a loss of DKK 2,739,757, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 15,185,834.

The past year and follow-up on development expectations from last year

The year 2020 did certainly not live up to our expectations. The initial budget for 2020 was reviewed already in August 2020 at the General Assembly to a group net deficit of TDKK 1,500. This of course reflected the beginning of the Covid-crisis, but unfortunately the result turned out to be even lower. The loss of TDKK 2,740 actually contains a loss on currency exchange in the Algerian subsidiary of TDKK 3,907, which means that there was an operating profit without the currency loss of approximately TDKK 745.

We consider the result to be unsatisfactory, but to some extent inevitable.

Targets and expectations for the year ahead

The main target for 2021 is to become profitable again. In cautiousness the management decided to reduce costs as much as possible by the beginning of the year, by reducing salaries and by selling off some assets in the Algerian subsidiary. At the same time everything has been done to ensure the turnover and operating profit of the year. We expect a group net profit between TDKK 2,000 and TDKK 3,000.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Result from investments in subsidiaries		-2,740,808	2,997,665
Other external expenses		-176,719	-272,016
Gross profit/loss		-2,917,527	2,725,649
Other financial income	1	240,000	300,000
Other financial expenses		-61,944	-121,221
Profit/loss before tax		-2,739,471	2,904,428
Tax on profit/loss for the year	2	-286	20,512
Net profit/loss for the year		-2,739,757	2,924,940

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	1,000,000
Reserve for net revaluation under the equity method	-2,740,808	2,997,665
Retained earnings	1,051	-1,072,725
	-2,739,757	2,924,940

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Investments in subsidiaries	3	8,228,160	13,886,583
Fixed asset investments		8,228,160	13,886,583
Fixed assets		8,228,160	13,886,583
Receivables from group enterprises		7,847,738	9,227,225
Other receivables		1,445	1,445
Corporation tax		0	20,513
Prepayments		84,819	85,418
Receivables		7,934,002	9,334,601
Cash at bank and in hand		29,708	127,647
Currents assets		7,963,710	9,462,248
Assets		16,191,870	23,348,831

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		1,500,000	1,500,000
Reserve for net revaluation under the equity method		7,190,926	12,986,696
Retained earnings		6,494,908	6,356,510
Proposed dividend for the year		0	1,000,000
Equity		15,185,834	21,843,206
Subordinate loan capital		500,000	1,000,000
Long-term debt	4	500,000	1,000,000
Subordinate loan capital	4	500,000	500,000
Corporation tax		286	0
Other payables		5,750	5,625
Short-term debt		506,036	505,625
Debt		1,006,036	1,505,625
Liabilities and equity		16,191,870	23,348,831
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Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1,500,000	12,986,696	6,356,510	1,000,000	21,843,206
Ordinary dividend paid	0	0	0	-1,000,000	-1,000,000
Exchange adjustments relating to foreign entities	0	-2,917,615	0	0	-2,917,615
Other equity movements	0	-137,347	137,347	0	0
Net profit/loss for the year	0	-2,740,808	1,051	0	-2,739,757
Equity at 31 December	1,500,000	7,190,926	6,494,908	0	15,185,834

Notes to the Financial Statements

	2020 <u>DKK</u>	2019 <u>DKK</u>
1 Other financial income		
Interest received from group enterprises	<u>240,000</u>	<u>300,000</u>
	<u>240,000</u>	<u>300,000</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>286</u>	<u>-20,512</u>
	<u>286</u>	<u>-20,512</u>
3 Investments in subsidiaries		
Cost at 1 January	<u>4,000,000</u>	<u>4,000,000</u>
Cost at 31 December	<u>4,000,000</u>	<u>4,000,000</u>
Value adjustments at 1 January	9,886,583	6,720,020
Exchange adjustment	-2,917,615	168,898
Net profit/loss for the year	<u>-2,740,808</u>	<u>2,997,665</u>
Value adjustments at 31 December	<u>4,228,160</u>	<u>9,886,583</u>
Carrying amount at 31 December	<u>8,228,160</u>	<u>13,886,583</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danimex-Food A/S	Aarhus	DKK 1,000,000	100%

Notes to the Financial Statements

4 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Subordinate loan capital		
Between 1 and 5 years	500,000	1,000,000
Long-term part	500,000	1,000,000
Within 1 year	500,000	500,000
	<u>1,000,000</u>	<u>1,500,000</u>

5 Charges and security

The Company has provided a guarantee for the Danish subsidiary's bank debt amounting to DKK 2,704,707 at 31 December 2020.

The Company has provided its shares in the Danish subsidiary as collateral for the subsidiary's bank debt amounting to DKK 2,704,717 at 31 December 2020.

The Company has provided a guarantee maximised to EUR 1,800,000 for the Algerian subsidiary's bank debt.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SKB Equity ApS, which is the management company of the joint taxation. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

6 Related parties

Consolidated Financial Statements

The Company is included in the group reporting of the Parent Company.

<u>Name</u>	<u>Place of registered office</u>
SKB Equity ApS	Aarhus

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Danimex-Food Holding A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of SKB Equity ApS, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

7 Accounting Policies (continued)

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses comprise expenses for administration.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

7 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

7 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.