

DLG SERVICE A/S

Aksen, Ballesvej 2, 7000 Fredericia

CVR no. 16 18 15 28

ANNUAL REPORT FOR 2021

Adopted at the annual general meeting on 31 May 2022

chairman

Brian Kærgaard Mathiesen

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of DLG SERVICE A/S for the financial year 1 January - 31 December 2021.

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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Fredericia, 31 May 2022

Executive board

Jesper Pagh
CEO

Supervisory board

Kristian Johnsen Hundebøll
chairman

Christina Nielsen

Jesper Pagh

Independent auditor's report

To the shareholder of DLG SERVICE A/S

Opinion

We have audited the financial statements of DLG SERVICE A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

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 and IESBA Code. 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 the 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 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.

Independent auditor's report

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.
- 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.

Independent auditor's report

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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 of management's review.

Hellerup, 31 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Tue Stensgård Sørensen
statsautoriseret revisor
MNE no. mne32200

Claus Lyngsø Sørensen
statsautoriseret revisor
MNE no. mne34539

Company details

The company

DLG SERVICE A/S
Aksen
Ballesvej 2
7000 Fredericia

CVR no.: 16 18 15 28

Reporting period: 1 January - 31 December 2021

Domicile: Fredericia

Supervisory board

Kristian Johnsen Hundebøll, chairman
Christina Nielsen
Jesper Pagh

Executive board

Jesper Pagh, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	673,443	497,889	518,651	511,230	455,800
Gross profit	168,514	118,921	118,100	128,248	124,797
Operating profit excl. depreciations etc. (EBITDA)	76,461	51,477	47,495	34,541	109,108
Operation profit (EBIT)	73,879	49,526	45,954	32,704	106,882
Net financials	-3,043	-3,559	-5,850	-3,803	-7,480
Profit before tax (EBT)	70,836	45,967	40,104	28,901	99,402
Profit/loss for the year	64,463	43,790	38,707	26,209	97,733
Balance sheet					
Equity	204,486	240,362	196,470	181,990	158,956
Balance sheet total	419,895	437,076	429,823	371,415	410,993
Investment in property, plant and equipment	2,164	6,730	1,393	1,902	3,768
Inventories	84,266	95,533	106,509	103,499	78,627
Number of full-time employees	161	153	145	147	148
Financial ratios					
Gross margin	25.0%	23.9%	22.8%	25.1%	27.4%
EBITDA margin	11.4%	10.3%	9.2%	6.8%	23.9%
EBIT margin	11.0%	9.9%	8.9%	6.4%	23.4%
Return on assets	17.2%	11.4%	11.5%	8.4%	25.4%
Solvency ratio	48.7%	55.0%	45.7%	49.0%	38.7%
Return on equity	29.0%	20.0%	20.5%	15.4%	88.5%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The company's activities include sales of products/services within biofuels, raw materials for biogas plants, retail, insurance for both businesses and individuals, as well as veterinary medicine for agriculture. In addition, the company's sales staff assists DCC in selling diesel, heating oil and related products to business within the the agriculture sector. This is done in a joint venture with DCC, in which DLG Service A/S has an ownership interest of 20%.

Insurance includes DLG's collaboration with Tryg on arranging insurance for DLG's customers within the segments; agriculture, disused agriculture and private individuals in the Danish market.

Biofuels are sold partly by the company's energy salesmen and the Land & Fritid chain to the segments agriculture and private individuals.

Retail includes sales and professional advice to anyone with a house, garden and pets via the store chain Land & Fritid.

The sale of veterinary medicine takes place via the subsidiary DLG Vet I/S, which is a distributor of medicines for livestock.

Raw materials biogas is a new activitie in 2021.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 64,463, and the balance sheet at 31 December 2021 shows equity of TDKK 204,486.

Overall the result is satisfactory. Net revenue increased by 35% from DKK 498 million in 2020 to DKK 673 million in 2021. Gross profit has also increased from DKK 119 million to DKK 169 million. COVID-19 has not negatively affected the company's result for 2021.

Retail: 2021 has been a very good year for Land & Fritid, which has delivered the best result in history for the chain. This is in part due to that there are more customers in the 39 physical stores as well as in the chain's web shop. As in 2020, Land & Fritid in 2021 has been able to stay open during COVID-19 despite closures, which has led to a large influx of customers. Land & Fritid has expanded the range of products to meet an increasing demand from customers, and this is helping to attract even more customers. The private label products within horses (Equšana), cats and dogs (Petfood) has proven to be a success which contributes to the good result for the store chain. In 2021 the chain has seen a growing demand for product within the market for private households and smaller farms within chickens. This demand also contributes to the positive development within the chain.

Management's review

In December 2021, Land & Fritid was able to announce that from 2022 they will only purchase biodegradable hunting cartridges to reduce waste in hobby hunting. Thus, Land & Fritid actively contributes to the DLG Group's goal of delivering sustainable solutions to customers. Equisana is the DLG Group's international horse feed brand, which was created with the purpose of bringing together the DLG Group's competencies within horse feed. The competencies are within high professionalism and quality as well as good raw materials. The development in Equisana is still very positive and today it is Denmark's largest horse feed brand.

DCC: The positive development from 2020 has continued in 2021 and has contributed to increased earnings as a result of good earnings in DCC.

Biofuel: The wood pellet business has been affected by the hot weather this year. However, prices have been favorable, which has had a positive effect on earnings.

Veterinary medicine: DLG Vet I/S is nationwide with distribution of prescription drugs and vaccines for agriculture, as well as veterinary practice with horses and cattle as a specialty. DLG Vet I/S offers competitive prices via net price concept as well as deliveries of high quality and service. Delivery is accurate and secure and offers an unbroken cold chain. The company has had satisfactory earnings in 2021 despite a decline in revenue due to the downsizing of the mink herds.

The company's expected development, including special conditions and uncertain factors

Expectations for earnings in DLG SERVICE A/S for the coming year is at the same level as the result for 2021. The focus for the sale of biofuels will also in 2022 be to deliver high quality products via the company's energy sales and the store chain Land & Fritid.

Land & Fritid is expected to continue to make a positive contribution to earnings growth, just as the chain is expected to play a central role as an important sales channel for the DLG Group's products. DLG Vet I/S continues to expect increasing activity in the coming year.

Statement of the foundation's distribution policy

The company has entered into necessary long-term agreements for the supply of biofuels and other commercial goods that are part of the company's primary operations, in order to ensure a stable supply, and the risk conditions in this connection are unchanged.

DLG SERVICE A/S is part of the DLG Group's currency and interest rate risk management and is controlled in accordance with an approved fiscal policy. The central finance department in DLG has the overall responsibility for ensuring that financial transactions take place within the specified guidelines and risk limits. The company is not significantly exposed to financial risks. However, the company is affected by the risk of increased losses on debtors in financial recessions.

Management's review

Statement of corporate social responsibility in accordance with section 99a of the Danish Financial Statements Act

DLG SERVICE A/S follows the CSR strategy in the parent company DLG, CVR no. 24 24 69 30, and with reference to section 99a, subsection 7 of the Danish Financial Statements Act, the statement on social responsibility is made in the DLG CSR REPORT for 2021, which can be found at <https://www.dlg.dk/en/dlg-group/Investor/CSR>.

Statement of the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act

The company is covered by the Danish Financial Statements Act's rules on reporting regarding the underrepresented gender. This means that the company must set up and account for target figures for the underrepresented gender on the company's board of directors, as well as set up and account for a policy for increasing the underrepresented gender on other management layers.

Description of target figures for the underrepresented gender

One female board member were elected on the most recent annual general meeting. DLG SERVICE A/S has now equal distribution of genders in the Supervisory Board.

The policy regarding diversity in additional management levels for DLG SERVICE A/S is in accordance with the policy of the DLG Group where it is planned to increase the underrepresented gender by recruiting from a diversified and qualified group of potential candidates. A foundation stone for diversity that was laid in 2021, and will be strengthened in 2022, was focus on bias in recruitments and promotions. In our recruitment efforts, we will clarify the most important competencies which a position entails with the recruiting manager during the initial dialogue and describe these competencies in the job ads in a specific and matter-of-fact way in the hope that this will help make the job ads appeal to a more diverse range of potential candidates.

We operate in an industry that is generally male-dominated, and DLG SERVICE A/S faces the same challenge.

The share of female board member have developed in 2021, where there have been elected one female member.

Statement on data ethics policy in accordance with section 99d of the Danish Financial Statements Act

It is the company's assessment that it does not have data that has not already been adequately handled via the GDPR legislation, which is why there is currently no need for a data ethics policy.

Accounting policies

The annual report of DLG SERVICE A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of productions

Cost of productions comprises of direct and indirect costs of production to generate the year's revenue. Here in commercial goods which include cost of trade in goods and producing goods which include costs of raw materials and consumables, wages and salaries, and depreciation of production plant.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including income from associated companies etc.

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to carry through sales campaigns, etc. in the year, including costs related to sales staff, advertising, exhibitions and amortisation of distribution- and sales-related activities.

Administrative costs

Administrative expenses comprise expenses incurred in the year related to management, administrative staff, office premises, office expenses, depreciation, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities, and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries and associates

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after elimination of depreciation of goodwill in "Income from investments in subsidiaries" and "Income from investments in associates".

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries which is subject to corporation tax. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Completed development projects

Development projects involving products and processes that are clearly defined and identifiable are recognised as intangible assets if it is probable that the product or process will generate future economic benefits for the group, and if the development costs of the individual asset can be reliably measured.

Other development costs are recognised as costs in the income statement as the costs are incurred.

Development projects are initially measured at cost less accumulated depreciation and impairment losses. The cost of development projects covers costs, including wages and salaries, amortisation directly attributable to the development projects and that are necessary to complete the project, counting from the time when the development project first meets the criteria for recognition as an asset.

Completed development projects are amortised on a straight-line basis over their expected useful lives. The amortisation period is usually 10 years. For development projects that are protected by intellectual property rights, the maximum amortisation period is equivalent to the remaining term of such rights.

Gains and losses on the sale of intangible assets are calculated as the difference between selling price less costs to sell and the carrying amount at the date of sale.

Gains or losses from the disposal of intangible assets are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Production buildings	25-50 years
Plant and machinery	8-20 years
Other fixtures and fittings, tools and equipment	4-10 years

Accounting policies

Procurements with an economic service life under 3 years immediately charged under income statement.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

All leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's contractual obligations relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated based on the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost.

Other securities and investments, fixed assets

Other securities and investments are measured at cost or a lower net realizable value.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Accounting policies

Receivables

Receivables are measured at amortised cost or a lower net realizable value, which corresponds to nominal value less impairment losses.

Impairment losses are calculated based on an individual assessment of the individual receivables and as well as a general impairment loss based on the company's experience from previous years.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Provisions

Provisions includes expected costs to re-establishment etc.

Provisions are measured as the best estimate of the expenditure required to settle the obligation on the balance sheet date. Provisions for obligations expected to be settled later than one year from the date of the balance sheet are measured at present value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

Exchange adjustments on balances with self-sustaining foreign subsidiaries that are considered part of the total investment in that subsidiary are recognised directly in equity.

Cash flow statement

No cash flow statement has been prepared according to section 86(4) of the Danish Financial Statements Act.

Accounting policies**Financial highlights**

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$

Income statement 1 January 2021 - 31 December 2021

	Note	2021	2020
		TDKK	TDKK
Revenue	1	673,443	497,889
Cost of productions		-504,929	-378,968
Gross profit		168,514	118,921
Distribution costs		-143,485	-117,032
Administrative costs		-12,317	-11,368
Other operating income	3	61,167	59,005
Profit/loss before financial income and expenses		73,879	49,526
Income from investments in subsidiaries		2,534	2,156
Financial income	4	563	688
Financial costs	5	-6,140	-6,403
Profit/loss before tax		70,836	45,967
Tax on profit/loss for the year	6	-6,373	-2,177
Net profit/loss for the year		64,463	43,790
Distribution of profit	7		

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Assets			
Completed development projects		262	307
Intangible assets	8	<u>262</u>	<u>307</u>
Land and buildings		1,464	2,804
Plant and machinery		10,170	9,917
Other fixtures and fittings, tools and equipment		4	6
Tangible assets	9	<u>11,638</u>	<u>12,727</u>
Investments in subsidiaries	10	44,785	42,563
Investments in associates	11	233,527	223,723
Other fixed asset investments	12	29	29
Deposits	12	621	621
Deferred tax assets	12	8,260	10,782
Fixed asset investments		<u>287,222</u>	<u>277,718</u>
Total non-current assets		<u>299,122</u>	<u>290,752</u>
Raw materials and consumables		6,186	5,184
Finished goods and goods for resale		78,080	90,349
Stocks		<u>84,266</u>	<u>95,533</u>

Balance sheet at 31 December 2021 (continued)

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Assets			
Trade receivables		23,013	26,020
Receivables from group enterprises		1	100
Receivables from associates		2,594	2,397
Other receivables		3,665	11,476
Prepayments	13	<u>769</u>	<u>2,980</u>
Receivables		<u>30,042</u>	<u>42,973</u>
Cash at bank and in hand		<u>6,465</u>	<u>7,818</u>
Total current assets		<u>120,773</u>	<u>146,324</u>
Total assets		<u><u>419,895</u></u>	<u><u>437,076</u></u>

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Equity and liabilities			
Share capital		2,000	2,000
Reserve for net revaluation under the equity method		123,264	111,238
Retained earnings		29,222	127,124
Proposed dividend for the year		50,000	0
Equity	14	<u>204,486</u>	<u>240,362</u>
Other provisions	15	<u>2,750</u>	<u>2,750</u>
Total provisions		<u>2,750</u>	<u>2,750</u>
Short-term part of long-term debt	16	0	5,717
Prepayments received from customers		22,888	26,384
Trade payables		39,797	60,123
Payables to group enterprises		121,277	71,275
Payables to associates		9,469	7,665
Corporation tax		3,823	2,227
Other payables		<u>15,405</u>	<u>20,573</u>
Total current liabilities		<u>212,659</u>	<u>193,964</u>
Total liabilities		<u>212,659</u>	<u>193,964</u>
Total equity and liabilities		<u><u>419,895</u></u>	<u><u>437,076</u></u>
Staff	2		
Rent and lease liabilities	17		
Contingent liabilities	18		
Mortgages and collateral	19		
Related parties and ownership structure	20		
Fee to auditors appointed at the general meeting	21		

Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2021	2,000	111,238	127,124	0	240,362
Extraordinary dividend paid	0	0	-100,000	0	-100,000
Exchange adjustment, foreign	0	-312	0	0	-312
Other equity movements	0	-27	0	0	-27
Net profit/loss for the year	0	12,365	52,098	0	64,463
Proposed dividend for the year	0	0	-50,000	50,000	0
Equity at 31 December 2021	2,000	123,264	29,222	50,000	204,486

Notes

	2021	2020
	TDKK	TDKK
1 Revenue		
Sale of goods	673,426	497,809
Goods processing, maintenance and other services	17	80
Total revenue	673,443	497,889

Net sales relate only to the "Retail and Biofuels" segment, and for now sales are only made in Denmark. Income from Germany and Sweden is included in income from investments in associates.

2 Staff		
Wages and Salaries	54,564	49,392
Pensions	6,444	5,967
Other social security expenses	1,247	1,399
Other staff expenses	2,890	2,481
	65,145	59,239

Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:

Distribution expenses	63,909	58,098
Administrative expenses	1,236	1,141
	65,145	59,239

Average number of employees	161	153
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Remuneration to the company's executive board is not disclosed in accordance to the Danish Financial Statements Act., section 98 subsection 3.

The company's executive board and supervisory board has not received a remuneration in 2021 and 2020.

Notes

	2021 TDKK	2020 TDKK
3 Other operating income		
Income from investments in associates	47,831	45,118
Other operating income	11,076	13,887
Profit on sale of property, plant and equipment	2,260	0
	<u>61,167</u>	<u>59,005</u>
4 Financial income		
Interest received from group enterprises	22	20
Other financial income	536	638
Exchange gains	5	30
	<u>563</u>	<u>688</u>
5 Financial costs		
Interest paid to group enterprises	3,507	4,063
Other financial costs	2,633	2,340
	<u>6,140</u>	<u>6,403</u>
6 Tax on profit/loss for the year		
Current tax for the year	3,823	2,227
Deferred tax for the year	2,522	-291
Adjustment of tax concerning previous years	28	241
	<u>6,373</u>	<u>2,177</u>
7 Distribution of profit		
Proposed distribution of profit		
Proposed dividend for the year	50,000	0
Distributions	0	-101
Reserve for net revaluation under the equity method	12,365	21,375
Retained earnings	2,098	22,516
	<u>64,463</u>	<u>43,790</u>

Notes

8 Intangible assets

	Completed development projects
Cost at 1 January 2021	502
Cost at 31 December 2021	502
Impairment losses and amortisation at 1 January 2021	195
Depreciation for the year	45
Impairment losses and amortisation at 31 December 2021	240
Carrying amount at 31 December 2021	262

9 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	9,037	24,219	62
Additions for the year	0	2,164	0
Disposals for the year	-4,879	-3,306	0
Cost at 31 December 2021	4,158	23,077	62
Impairment losses and depreciation at 1 January 2021	6,233	14,302	56
Depreciation for the year	624	1,911	2
Reversal of impairment and depreciation of sold assets	-4,163	-3,306	0
Impairment losses and depreciation at 31 December 2021	2,694	12,907	58
Carrying amount at 31 December 2021	1,464	10,170	4

Notes

	2021 TDKK	2020 TDKK
10 Investments in subsidiaries		
Cost at 1 January 2021	39,150	39,150
Cost at 31 December 2021	39,150	39,150
Revaluations at 1 January 2021	3,413	830
Exchange adjustment	-312	427
Net profit/loss for the year	2,534	2,156
Revaluations at 31 December 2021	5,635	3,413
Carrying amount at 31 December 2021	44,785	42,563

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Djur & Natur AB	Sweden	100%
InterFarm Handel GmbH	Germany	100%

Notes

	2021 TDKK	2020 TDKK
11 Investments in associates		
Cost at 1 January 2021	115,898	115,898
Cost at 31 December 2021	115,898	115,898
Revaluations at 1 January 2021	107,825	89,032
Exchange adjustment	-27	-325
Net profit/loss for the year	47,831	45,118
Received dividend	-38,000	-26,000
Revaluations at 31 December 2021	117,629	107,825
Carrying amount at 31 December 2021	233,527	223,723
Remaining positive difference included in the above carrying amount at 31 December 2021	127,571	143,570

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
DCC Holding Denmark A/S	Copenhagen	20%
DLG Vet I/S	Skanderborg	50%

Notes

12 Fixed asset investments

	Other fixed asset investments	Deposits	Deferred tax assets
Cost at 1 January 2021	29	621	10,782
Additions for the year	0	0	-2,522
Cost at 31 December 2021	29	621	8,260
Carrying amount at 31 December 2021	29	621	8,260

The value of the tax asset of DKK 8,260 thousand for the company arises from the tax on temporary differences between the carrying amounts and tax bases of mainly provisions and fixed assets.

13 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

14 Equity

The share capital consists of 2,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	2021 TDKK	2020 TDKK
15 Other provisions		
Balance at beginning of year at 1 January 2021	2,750	2,750
Provision in year	888	888
Employed in year	-888	-888
Balance at 31 December 2021	2,750	2,750
Over 5 years	2,750	2,750
	2,750	2,750

Notes

16 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Other payables	5,717	0	0	0
	<u>5,717</u>	<u>0</u>	<u>0</u>	<u>0</u>

17 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

	2021 TDKK	2020 TDKK
Within 1 year	1,806	1,366
Between 1 and 5 years	3,690	837
After 5 years	1,413	41
	<u>6,909</u>	<u>2,244</u>

18 Contingent liabilities

Guarantee and guarantee obligation

The company is part of a Danish joint taxation with Vitfoss A/S as management company.

The company is therefore liable according to the rules of the Corporate Tax Act for income taxes etc. for the jointly taxed companies as from the financial year 2013 and for any obligations to withhold tax on interest, royalties and dividends for these companies as from 1 July 2012.

Other contingent liabilities not recognised in balance sheet

The company holds shares in DLG Vet I/S. DLG Vet I/S has debt obligations of DKK 25,356 thousand (2020; DKK 30,033 thousand) which are not recognised in the Company's balance sheet.

19 Mortgages and collateral

The company has no mortgages.

Notes

20 Related parties and ownership structure

Controlling interest:

Company' majority shareholder - Vitfoss A/S, Ballevej 2, 7000 Fredericia, CVR no. 82 77 62 14.

Consolidated financial statements:

The consolidated financial statements can be obtained from Dansk Landbrugs Grovareselskab a.m.b.a., Ballevej 2, 7000 Fredericia, CVR no. 24 24 69 30.

Transactions:

In accordance with the Danish Financial Statements Act., section 98c subsection 7, transactions with related parties are not disclosed.

21 Fee to auditors appointed at the general meeting

Fee to the auditor are not disclosed with reference to the Danish Financial Statements Act., section 96, subsection 2 and 3.