

Flensted Snitgrønt A/S

Nørremarken 4, Skovlund, 6823 Ansager

Company reg. no. 16 24 27 80

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 17 May 2021.

Martin Kuper
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the executive board have presented the annual report of Flensted Snitgrønt A/S for the financial year 1 January - 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ansager, 17 May 2021

Executive board

Lene Vinge Rasmussen

Jørgen Bonde Østergaard

Board of directors

Stefan Wernsing
Chairman

Martin Kuper

Martin Zwinkels

Independent auditor's report

To the shareholder of Flensted Snitgrønt A/S

Opinion

We have audited the financial statements of Flensted Snitgrønt A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 17 May 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen

State Authorised Public Accountant
mne30153

Simon Mørner Nielsen

State Authorised Public Accountant
mne46622

Company information

The company

Flensted Snitgrønt A/S
Nørremarken 4, Skovlund
6823 Ansager

Phone +45 76 98 55 10
Web site www.flensted.dk

Company reg. no. 16 24 27 80
Established: 1 July 1992
Domicile: Skovlund
Financial year: 1 January - 31 December

Board of directors

Stefan Wernsing, Chairman
Martin Kuper
Martin Zwinkels

Executive board

Lene Vinge Rasmussen
Jørgen Bonde Østergaard

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

WFG Denmark A/S

Financial highlights

DKK in thousands. 2020 2019 2018 2017 2016

Income statement:

Gross profit	33.823	26.882	41.893	54.880	34.536
Profit from operating activities	-2.287	-23.470	-22.861	-3.220	-3.991
Net financials	-473	-1.026	-790	-634	-571
Net profit or loss for the year	-2.154	-19.117	-18.479	-2.756	-3.561

Statement of financial position:

Balance sheet total	125.061	145.841	146.861	103.657	109.301
Investments in property, plant and equipment	359	5.245	45.422	21.492	12.932
Equity	48.376	50.530	29.647	18.127	20.882

Employees:

Average number of full-time employees	70	103	94	95	118
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Key figures in %:

Acid test ratio	44,2	49,5	37,8	47,8	70,8
Solvency ratio	38,7	34,6	20,2	17,5	19,1
Return on equity	-4,4	-47,7	-77,4	-14,1	-20,9

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

For 2016 the financial highlights have been adapted to the merger with Lammefjords Grønt A/S, which is included with three months, as activity was acquired in the autumn of 2016.

Management commentary

The principal activities of the company

The company is a production company within the food industry producing and selling a range of ultra fresh vegetables and food solutions. The products are sold on the Danish market and are sold to the retail-, food service- and industry sector. The company produces private label as well as branded products.

Development in activities and financial matters

The activities of the company have been impacted by the outbreak of Covid-19. Especially the food service sector has been negatively impacted as a consequence of closing down restaurants, cafeterias and canteens etc. during several months in 2020.

The gross profit for the year totals DKK 33,8m against DKK 26,9m last year. Income or loss from ordinary activities after tax totals DKK -2,2m against DKK -19,1m last year. Management considers the net profit or loss for the year satisfactory.

The management considers the results satisfactory taken the Covid-19 circumstances into account.

The activity for the year is in accordance with the expectations for the year as stated in the annual accounts for 2019.

Environmental issues

Sustainability and food safety play an important role in the company and the company has the necessary environmental approvals and approvals for food production. Please refer the CSR report for 2020, which can be found on the www.flensted.dk/.

Know how resources

The company operates in a dynamic food market in rapid change and the company's ambition is to be ahead of the development and marked leading within a range of ultra fresh vegetables and food solutions. This places particularly high demands on the knowledge of the company and the rapid changing market often challenge standardization of the company's products. Consequently knowledge with the company's employees plays a crucial role.

During 2020 the company has continued to strengthened the company's knowledge and competence by hiring experienced employees as well as training programs for relevant areas.

The company has an innovation and development department focusing on NPDs and adjustment of products in order to fulfill the market demands.

Management commentary

Expected developments

Covid-19 continues to be a challenge and will also influence the financial performance during 2021. There is big uncertainty regarding the sales development. The Covid-19 situation requires a lot of management focus in order to manage the various aspects of Covid-19 including the safety and protection of the employees to be able to operate the company.

Based on the present Covid-19 situation the management cannot at present state estimate the financial consequences and results for the year 2021.

Events occurring after the end of the financial year

As described above Covid-19 continues to challenge the market and the company and management cannot at present state estimate the financial consequences and results for the year 2021.

Accounting policies

The annual report for Flensted Snitgrønt A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

In connection with the accounts for 2020, some presentation corrections have been made to the comparative figures. Management fees has in previous years been classified as both other external costs and staff costs. These are now solely presented under other external costs. Cost for temporary workers was classified as staff cost. These are now solely presented as other external costs.

The changes have not affected the profit before and after tax and equity.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Wernsing Scandinavia ApS.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, changes in inventories, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Includes in other external expenses are also research expenditure concerning development projects which do not meet the recognition criteria for the balance sheet.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 10 and 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	10-50 years	0 %
Plant and machinery	3-20 years	0-25 %
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Flensted Snitgrønt A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	33.823.319	26.881.852
2 Staff costs	-28.831.823	-42.373.210
3 Depreciation, amortisation, and impairment	-7.278.713	-7.979.013
Operating profit	-2.287.217	-23.470.371
Other financial income	136.730	97.751
4 Other financial costs	-609.864	-1.123.740
Pre-tax net profit or loss	-2.760.351	-24.496.360
5 Tax on net profit or loss for the year	606.083	5.378.942
6 Net profit or loss for the year	-2.154.268	-19.117.418

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
7	Goodwill	1.725.000	2.025.000
	Total intangible assets	1.725.000	2.025.000
8	Property	71.230.260	74.912.000
9	Plant and machinery	15.385.530	14.486.843
10	Other fixtures and fittings, tools and equipment	234.868	346.028
11	Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	0	4.052.910
	Total property, plant, and equipment	86.850.658	93.797.781
12	Other receivables	2.602.143	2.844.816
	Total investments	2.602.143	2.844.816
	Total non-current assets	91.177.801	98.667.597
Current assets			
	Raw materials and consumables	4.726.995	4.885.657
	Total inventories	4.726.995	4.885.657
	Trade receivables	14.408.450	21.241.004
13	Deferred tax assets	4.001.940	3.153.656
	Income tax receivables	0	3.546.400
	Tax receivables from group enterprises	1.585.786	0
14	Prepayments and accrued income	54.082	25.554
	Total receivables	20.050.258	27.966.614
	Cash on hand and demand deposits	9.105.854	14.321.186
	Total current assets	33.883.107	47.173.457
	Total assets	125.060.908	145.841.054

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
15	Contributed capital	8.100.000	8.100.000
	Retained earnings	40.275.766	42.430.034
	Total equity	48.375.766	50.530.034
Liabilities other than provisions			
	Trade payables	6.016.035	7.859.151
	Payables to group enterprises	60.435.525	76.383.060
	Other payables	10.233.582	11.068.809
	Total short term liabilities other than provisions	76.685.142	95.311.020
	Total liabilities other than provisions	76.685.142	95.311.020
	Total equity and liabilities	125.060.908	145.841.054
1 Subsequent events			
16 Contingencies			
17 Related parties			

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2019	8.100.000	21.547.452	29.647.452
Profit or loss for the year brought forward	0	-19.117.418	-19.117.418
Group contribution	0	40.000.000	40.000.000
Equity 1 January 2020	8.100.000	42.430.034	50.530.034
Profit or loss for the year brought forward	0	-2.154.268	-2.154.268
	8.100.000	40.275.766	48.375.766

Notes

All amounts in DKK.

1. Subsequent events

Covid-19 continues to challenge the market and the company and management is therefore not able to estimate the financial consequences and results for the year 2021 at the present state.

	2020	2019
	<hr/>	<hr/>
2. Staff costs		
Salaries and wages	25.838.250	37.946.675
Pension costs	2.144.525	3.031.971
Other costs for social security	849.048	1.394.564
	<hr/> 28.831.823	<hr/> 42.373.210
Executive board	<hr/> 800.000	<hr/> 700.000
Average number of employees	<hr/> 70	<hr/> 103
	<hr/>	<hr/>
3. Depreciation, amortisation, and impairment		
Amortisation of goodwill	300.000	300.000
Depreciation on buildings	3.609.074	3.641.300
Depreciation on production plants and machinery	3.258.435	3.660.704
Depreciation on plants, operating assets, fixtures and furniture	111.204	377.009
	<hr/> 7.278.713	<hr/> 7.979.013
	<hr/>	<hr/>
4. Other financial costs		
Financial costs, group enterprises	528.837	1.068.637
Other financial costs	81.027	55.103
	<hr/> 609.864	<hr/> 1.123.740
	<hr/>	<hr/>
5. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	-1.585.786	-3.546.400
Adjustment for the year of deferred tax	979.703	-1.832.542
	<hr/> -606.083	<hr/> -5.378.942
	<hr/>	<hr/>

Notes

All amounts in DKK.

	2020	2019
	<u> </u>	<u> </u>
6. Proposed appropriation of net profit		
Allocated from retained earnings	-2.154.268	-19.117.418
Total allocations and transfers	-2.154.268	-19.117.418
	<u> </u>	<u> </u>
	31/12 2020	31/12 2019
	<u> </u>	<u> </u>
7. Goodwill		
Cost 1 January 2020	6.000.000	6.000.000
Cost 31 December 2020	6.000.000	6.000.000
	<u> </u>	<u> </u>
Amortisation and writedown 1 January 2020	-3.975.000	-3.675.000
Amortisation and writedown for the year	-300.000	-300.000
Amortisation and writedown 31 December 2020	-4.275.000	-3.975.000
	<u> </u>	<u> </u>
Carrying amount, 31 December 2020	1.725.000	2.025.000
	<u> </u>	<u> </u>
8. Property		
Cost 1 January 2020	104.787.539	107.733.888
Additions during the year	0	222.961
Disposals during the year	-72.666	-3.169.310
Cost 31 December 2020	104.714.873	104.787.539
	<u> </u>	<u> </u>
Depreciation and writedown 1 January 2020	-29.875.539	-26.542.796
Depreciation and writedown for the year	-3.609.074	-3.641.300
Depreciation and writedown, assets disposed of	0	308.557
Depreciation and writedown 31 December 2020	-33.484.613	-29.875.539
	<u> </u>	<u> </u>
Carrying amount, 31 December 2020	71.230.260	74.912.000
	<u> </u>	<u> </u>

Notes

All amounts in DKK.

	31/12 2020	31/12 2019
9. Plant and machinery		
Cost 1 January 2020	29.323.635	30.665.541
Additions during the year	359.420	969.146
Disposals during the year	-400.000	-2.426.467
Transfers	4.052.910	115.415
Cost 31 December 2020	33.335.965	29.323.635
Depreciation and writedown 1 January 2020	-14.836.792	-12.547.827
Depreciation and writedown for the year	-3.258.435	-3.660.704
Depreciation and writedown, assets disposed of	144.792	1.371.739
Depreciation and writedown 31 December 2020	-17.950.435	-14.836.792
Carrying amount, 31 December 2020	15.385.530	14.486.843
10. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	1.134.800	1.281.954
Disposals during the year	0	-147.154
Cost 31 December 2020	1.134.800	1.134.800
Depreciation and writedown 1 January 2020	-788.728	-488.027
Depreciation and writedown for the year	-111.204	-377.009
Depreciation and writedown, assets disposed of	0	76.264
Depreciation and writedown 31 December 2020	-899.932	-788.772
Carrying amount, 31 December 2020	234.868	346.028
11. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment		
Cost 1 January 2020	4.052.910	115.415
Additions during the year	0	4.052.910
Transfers	-4.052.910	-115.415
Cost 31 December 2020	0	4.052.910
Carrying amount, 31 December 2020	0	4.052.910

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
12. Other receivables		
Cost 1 January 2020	2.844.816	0
Additions during the year	0	3.000.000
Disposals during the year	<u>-242.673</u>	<u>-155.184</u>
Cost 31 December 2020	<u>2.602.143</u>	<u>2.844.816</u>
 Carrying amount, 31 December 2020	 <u>2.602.143</u>	 <u>2.844.816</u>

13. Deferred tax assets

Deferred tax assets 1 January 2020	3.153.656	3.092.452
Deferred tax of the results for the year.	-979.703	1.832.542
Deferred tax used in group companies	<u>1.827.987</u>	<u>-1.771.338</u>
	<u>4.001.940</u>	<u>3.153.656</u>

Deferred tax assets concerns intangible and tangible fixed assets and tax loss to carry forward. Deferred tax assets are expected to be used in future years by group companies that are jointly taxed with the company. There are a net deferred tax liability in the group.

14. Prepayments and accrued income

Prepaid expenses consist of prepaid expenses concerning insurance premiums and subscriptions.

15. Contributed capital

The share capital consists of 8.100 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

Within the latest 5 years, the following changes in the share capital have taken place:

Capital increase, TDKK 100, in connection with merger, paid at rate 10,064.93, 10 August 2017.

16. Contingencies

Contingent liabilities

The company is subject to a jointly co-registration of VAT with Flensted Food Group A/S, WFG Denmark A/S and Wernsing Scandinavia ApS and unlimited jointly and severally liable with the other jointly co-operated VAT-companuies for the total VAT.

Notes

All amounts in DKK.

16. Contingencies (continued)

Joint taxation

With Wernsing Scandinavia ApS, company reg. no 30507029 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

17. Related parties

Controlling interest

Wernsing Food Family GmbH & Co. KG, Kartoffelweg 1, 49632 Essen(Oldenburg), Germany	Majority shareholder
Wernsing Food Group GmbH, Kartoffelweg 1, 49632 Essen (Oldenburg), Germany	Majority shareholder
Wernsing Scandianvia ApS, Adelvej 9, 6823 Ansager, Denmark	Majority shareholder
WFG Denmark A/S, Adelvej 9, 6823 Ansager, Denmark	Majority shareholder

Transactions

All transactions are made on market terms.

Consolidated financial statements

The consolidated annual accounts for Wernsing Scandinavia ApS can be obtained on <http://datacvr.virk.dk/data/>. The ultimate parent company in which the company is included as a subsidiary is Wernsing Food Family GmbH & Co. KG, Germany. The consolidated annual accounts can be obtained on www.bundesanzeiger.de.