

# **Flensted Food Group A/S**

**Adelvej 9, Skovlund, 6823 Ansager**

**Company reg. no. 16 24 27 99**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 16 May 2022.

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**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 statement**

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Today, the Board of Directors and the Executive Board have approved the annual report of Flensted Food Group A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Ansager, 16 May 2022

### **Executive board**

Lene Vinge Rasmussen

Jørgen Bonde Østergaard

### **Board of directors**

Stefan Wernsing  
Chairman

Martin Kuper

Martin Zwinkels

## **Independent auditor's report**

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### **To the Shareholder of Flensted Food Group A/S**

#### **Opinion**

We have audited the financial statements of Flensted Food Group 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, for the Company. 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 financial position of the Company 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

### 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.

## **Independent auditor's report**

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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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 16 May 2022

### **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

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### The company

Flensted Food Group A/S

Adelvej 9

Skovlund

6823 Ansager

Phone +45 76 98 50 50

Web site [www.flensted.dk](http://www.flensted.dk)

Company reg. no. 16 24 27 99

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

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DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Income statement:</b>					
Revenue	395.356	421.483	470.990	382.338	372.453
Gross profit	87.167	99.852	110.857	97.353	91.609
Profit from operating activities	-4.861	6.390	16.523	8.668	8.213
Net financials	-794	-1.526	-1.628	-1.550	-1.548
Net profit or loss for the year	-4.490	3.577	11.646	5.709	5.281
<b>Statement of financial position:</b>					
Balance sheet total	355.436	393.503	384.701	340.135	298.826
Investments in tangible fixed assets	5.224	24.502	10.776	35.360	76.443
Equity	126.203	130.693	127.116	75.327	69.618
<b>Employees:</b>					
Average number of full-time employees	131	136	153	136	132
<b>Key figures in %:</b>					
Gross margin ratio	22,0	23,7	23,5	25,5	24,6
Profit margin (EBIT-margin)	-1,2	1,5	3,5	2,3	2,2
Acid test ratio	83,8	79,7	72,5	56,0	55,1
Solvency ratio	35,5	33,2	33,0	22,1	23,3
Return on equity	-3,5	2,8	11,5	7,9	7,9

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

In compliance with the regulations of the Danish Financial Statements Act, the financial highlights have not been adjusted relating to the merger with Danika Grønt and Slice Fruit in the financial year 2020, regarding the comparable figures for the financial years 2017 and 2018.



## Management's review

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### The principal activities of the company

The company is a production company within the food industry producing and selling processed potato products, mayonnaise-based products and dressings. The products are sold in Denmark, Germany and on other European markets. The products 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 by restrictions, i.e. closing down restaurants, cafeterias and canteens etc. during several months in 2021. Consequently revenue is DKK 395,4m against DKK 421,5m last year.

Net loss for the year amounts to DKK -4,5m against net profit last year DKK 3,6m. This year's result is affected by other operating expenses amounting to DKK 4,5m along with increasing energy costs and abovementioned Covid-19 consequences.

The management considers the results acceptable taken the extraordinary costs and Covid-19 circumstances into account.

Due to the COVID-19 situation the management could in the annual report for 2020 not estimate the financial consequences and results for the year 2021.

### 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 2021, which can be found on the [www.flensted.dk/](http://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 the main category potatoes. 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.

Like previous years the company has continued to strengthen 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.

### Expected developments

The after-effects from Covid-19 and the increasing input costs – especially on energy – after the outbreak of the war in Ukraine will influence the financial performance during 2022.

## **Management's review**

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Based on the present situation the management cannot at present estimate the financial consequences and results for the year 2022.

### **Events occurring after the end of the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

### **Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act**

The company is part of WFG Denmark A/S. We refer to the CSR Report 2021 for this company, which gives a clear picture of the social responsibility in the whole Danish group. The CSR Report can be found on our website:

<https://flensted.dk/flensted-csr-rapport-2021/>

### **Report on gender composition in management according to section 99 b of the Danish Financial Statements Act**

The company is part of the group accounts for Wernsing Scandinavia ApS and its management report for 2021 includes target figures and policies regarding the under-represented gender.

### **Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act**

The company do not have a policy on data ethics. The company solely sell products B2B and therefore a policy is not considered relevant.

## Accounting policies

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

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

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.

### Business combinations

*Business combinations (the uniting-of-interests method)*

In case of intercompany business combinations, the uniting-of-interests method is applied. By this method, the two enterprises are united at carrying amounts, and differences are not identified. Any considerations exceeding the carrying amount in the acquired entity are recognised directly in equity.

The application of the uniting-of-interests method means that the business combination is implemented as if the two enterprises always were united by modification of comparative figures.

## Income statement

### Revenue

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

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

## Accounting policies

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### Other operating income

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

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

Included in other external costs 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.

### Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

### 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

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### 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 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	5-20 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

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### Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

### 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.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

## Accounting policies

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### 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.

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

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

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### 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 Food Group 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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

## **Accounting policies**

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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.

### **Provisions**

Provisions comprise expected costs of warranty commitments etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

### **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.

### **Segmental statement**

Information on geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.



## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
3 Revenue	395.356	421.483
Other operating income	485	3.608
Costs of raw materials and consumables	-233.071	-250.571
Other external expenses	-75.603	-74.668
<b>Gross profit</b>	<b>87.167</b>	<b>99.852</b>
5 Staff costs	-65.934	-70.225
6 Depreciation, amortisation, and impairment	-21.594	-23.237
Other operating expenses	-4.500	0
<b>Operating profit</b>	<b>-4.861</b>	<b>6.390</b>
7 Other financial expenses	-794	-1.526
<b>Pre-tax net profit or loss</b>	<b>-5.655</b>	<b>4.864</b>
8 Tax on net profit or loss for the year	1.165	-1.287
<b>9 Net profit or loss for the year</b>	<b>-4.490</b>	<b>3.577</b>

**Balance sheet at 31 December**

DKK thousand.

<b>Assets</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>			
10	Goodwill	8.922	9.727
	Total intangible assets	<u>8.922</u>	<u>9.727</u>
11	Property	72.227	76.190
12	Plant and machinery	91.259	103.995
13	Other fixtures and fittings, tools and equipment	130	159
14	Property, plant, and equipment under construction and prepayments for property, plant, and equipment	<u>1.005</u>	<u>837</u>
	Total property, plant, and equipment	<u>164.621</u>	<u>181.181</u>
	<b>Total non-current assets</b>	<b><u>173.543</u></b>	<b><u>190.908</u></b>
<b>Current assets</b>			
	Raw materials and consumables	27.847	22.226
	Manufactured goods and goods for resale	<u>30.229</u>	<u>32.045</u>
	Total inventories	<u>58.076</u>	<u>54.271</u>
	Trade receivables	69.012	70.090
	Receivables from group enterprises	39.397	37.659
	Other receivables	1.959	360
15	Prepayments	<u>786</u>	<u>1.757</u>
	Total receivables	<u>111.154</u>	<u>109.866</u>
	Cash and cash equivalents	<u>12.663</u>	<u>38.458</u>
	<b>Total current assets</b>	<b><u>181.893</u></b>	<b><u>202.595</u></b>
	<b>Total assets</b>	<b><u>355.436</u></b>	<b><u>393.503</u></b>

**Balance sheet at 31 December**

DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
16	Contributed capital	45.000	43.000
	Retained earnings	81.203	87.693
	<b>Total equity</b>	<b><u>126.203</u></b>	<b><u>130.693</u></b>
<b>Provisions</b>			
17	Provisions for deferred tax	6.452	7.616
18	Other provisions	5.620	885
	<b>Total provisions</b>	<b><u>12.072</u></b>	<b><u>8.501</u></b>
<b>Liabilities other than provisions</b>			
	Trade payables	27.796	28.131
	Payables to group enterprises	173.185	201.773
	Other payables	16.180	24.405
	Total short term liabilities other than provisions	<u>217.161</u>	<u>254.309</u>
	<b>Total liabilities other than provisions</b>	<b><u>217.161</u></b>	<b><u>254.309</u></b>
	<b>Total equity and liabilities</b>	<b><u>355.436</u></b>	<b><u>393.503</u></b>

**1 Subsequent events****2 Special items****4 Fees, auditor****19 Charges and security****20 Contingencies****21 Related parties**

## Statement of changes in equity

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DKK thousand.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2020	43.000	84.116	127.116
Profit or loss for the year brought forward	0	3.577	3.577
Equity 1 January 2021	43.000	87.693	130.693
Capital increase	2.000	0	2.000
Profit or loss for the year brought forward	0	-4.490	-4.490
Transferred to contributed capital	0	-2.000	-2.000
	<b>45.000</b>	<b>81.203</b>	<b>126.203</b>

## Notes

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DKK thousand.

### 1. Subsequent events

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

### 2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Expenses:		
Costumer claim	<u>4.500</u>	<u>0</u>
	<u>4.500</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Other operating costs	<u>-4.500</u>	<u>0</u>
<b>Profit of special items, net</b>	<u><b>-4.500</b></u>	<u><b>0</b></u>

### 3. Revenue

#### Segmental statement

	<u>Denmark</u>	<u>Other countries in EU</u>	<u>Countries outside EU</u>	<u>Total</u>
Geographically	<u>310.609</u>	<u>82.677</u>	<u>2.070</u>	<u>395.356</u>

## Notes

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DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>4. Fees, auditor</b>		
According to the Danish Financial Statement Act, Section 96, subsection 3, the information is left out as the information is included in the group accounts for Wernsing Scandinavia ApS.		
<b>5. Staff costs</b>		
Salaries and wages	59.248	63.404
Pension costs	5.048	5.258
Other costs for social security	1.638	1.563
	<u>65.934</u>	<u>70.225</u>
Executive board	1.900	1.890
Board of directors	0	0
<b>Executive board and board of directors</b>	<u>1.900</u>	<u>1.890</u>
Average number of employees	<u>131</u>	<u>136</u>
<b>6. Depreciation, amortisation, and impairment</b>		
Amortisation of goodwill	805	805
Depreciation on buildings	3.963	4.738
Depreciation and writedown on production plants and machinery	16.797	17.640
Depreciation on plants, operating assets, fixtures and furniture	29	54
	<u>21.594</u>	<u>23.237</u>
<b>7. Other financial expenses</b>		
Financial costs, group enterprises	670	1.214
Other financial costs	124	312
	<u>794</u>	<u>1.526</u>
<b>8. Tax on net profit or loss for the year</b>		
Adjustment for the year of deferred tax	<u>-1.165</u>	<u>1.287</u>
	<u>-1.165</u>	<u>1.287</u>

## Notes

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DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>9. Proposed appropriation of net profit</b>		
Transferred to retained earnings	0	3.577
Allocated from retained earnings	<u>-4.490</u>	<u>0</u>
<b>Total allocations and transfers</b>	<u><b>-4.490</b></u>	<u><b>3.577</b></u>
	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>10. Goodwill</b>		
Cost 1 January 2021	<u>17.094</u>	<u>17.094</u>
<b>Cost 31 December 2021</b>	<u><b>17.094</b></u>	<u><b>17.094</b></u>
Amortisation and writedown 1 January 2021	-7.367	-6.562
Amortisation for the year	<u>-805</u>	<u>-805</u>
<b>Amortisation and writedown 31 December 2021</b>	<u><b>-8.172</b></u>	<u><b>-7.367</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>8.922</b></u>	<u><b>9.727</b></u>
<b>11. Property</b>		
Cost 1 January 2021	165.417	185.998
Additions during the year	0	1.446
Disposals during the year	<u>0</u>	<u>-22.027</u>
<b>Cost 31 December 2021</b>	<u><b>165.417</b></u>	<u><b>165.417</b></u>
Depreciation and writedown 1 January 2021	-89.227	-96.846
Depreciation for the year	-3.963	-4.738
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>12.357</u>
<b>Depreciation and writedown 31 December 2021</b>	<u><b>-93.190</b></u>	<u><b>-89.227</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>72.227</b></u>	<u><b>76.190</b></u>

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>12. Plant and machinery</b>		
Cost 1 January 2021	342.039	348.338
Additions during the year	4.583	22.219
Disposals during the year	-2.418	-34.287
Transfers	473	5.769
<b>Cost 31 December 2021</b>	<b><u>344.677</u></b>	<b><u>342.039</u></b>
Depreciation and writedown 1 January 2021	-238.044	-250.818
Depreciation for the year	-16.797	-17.639
Reversal of depreciation, amortisation and writedown, assets disposed of	1.423	30.413
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-253.418</u></b>	<b><u>-238.044</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>91.259</u></b>	<b><u>103.995</u></b>
<b>13. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	723	723
<b>Cost 31 December 2021</b>	<b><u>723</u></b>	<b><u>723</u></b>
Depreciation and writedown 1 January 2021	-564	-510
Depreciation for the year	-29	-54
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-593</u></b>	<b><u>-564</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>130</u></b>	<b><u>159</u></b>
<b>14. Property, plant, and equipment under construction and prepayments for property, plant, and equipment</b>		
Cost 1 January 2021	837	5.769
Additions during the year	641	837
Transfers	-473	-5.769
<b>Cost 31 December 2021</b>	<b><u>1.005</u></b>	<b><u>837</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>1.005</u></b>	<b><u>837</u></b>



## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>15. Prepayments</b>		
Prepaid expenses consist of prepaid expenses concerning insurance premiums and subscriptions etc.		
<b>16. Contributed capital</b>		
The share capital consists of 45,000 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 2,000, in connection with merger, paid at rate 2,015.09 on 21 January 2021.		
<b>17. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2021	7.616	6.329
Deferred tax of the results for the year	<u>-1.164</u>	<u>1.287</u>
	<u><b>6.452</b></u>	<u><b>7.616</b></u>
Provisions for deferred tax concerns intangible and tangible fixed assets, prepaid costs and tax loss to carry forward.		
<b>18. Other provisions</b>		
Other provisions 1 January 2021	885	965
Change of the year in other provisions	<u>4.735</u>	<u>-80</u>
	<u><b>5.620</b></u>	<u><b>885</b></u>
Maturity is expected to be:		
0-1 years	<u>5.620</u>	<u>885</u>
	<u><b>5.620</b></u>	<u><b>885</b></u>
<b>19. Charges and security</b>		
The company has granted negative pledge to Skandinavisk Enskilda Banken, Denmark deriving from sale of goods and services to Salling Group A/S.		

## Notes

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DKK thousand.

### 20. Contingencies

#### Contingent liabilities

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

#### 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.

### 21. 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.

## Notes

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DKK thousand.

### **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](http://www.bundesanzeiger.de).