

# **Flensted Food Group A/S**

**Adelvej 9, Skovlund, 6823 Ansager**

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

## **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

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management commentary</b>	
Company information	5
Financial highlights	6
Management commentary	7
<b>Financial statements 1 January - 31 December 2020</b>	
Accounting policies	9
Income statement	15
Statement of financial position	16
Statement of changes in equity	18
Notes	19

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 Food Group 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 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 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 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

---

DKK in thousands.	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Income statement:</b>					
Revenue	421.483	470.990	382.338	372.453	356.056
Gross profit	99.852	110.857	97.353	91.609	84.847
Profit from operating activities	6.390	16.523	8.668	8.213	13.846
Net financials	-1.526	-1.628	-1.550	-1.548	-1.130
Net profit or loss for the year	3.577	11.646	5.709	5.281	9.864
<b>Statement of financial position:</b>					
Balance sheet total	393.503	384.701	340.135	298.826	233.940
Investments in tangible fixed assets	24.502	10.776	35.360	76.443	32.693
Equity	130.693	127.116	75.327	69.618	64.337
<b>Employees:</b>					
Average number of full-time employees	136	153	136	132	104
<b>Key figures in %:</b>					
Gross margin ratio	23,7	23,5	25,5	24,6	23,8
Profit margin (EBIT-margin)	1,5	3,5	2,3	2,2	3,9
Acid test ratio	79,7	72,5	56,0	55,1	72,7
Solvency ratio	33,2	33,0	22,1	23,3	27,5
Return on equity	2,8	11,5	7,9	7,9	16,6

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 2016 to 2018.



## **Management commentary**

---

### **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.

### **Unusual circumstances**

As at 1 January 2020, the company merged with the affiliated companies, Danika Grønt A/S and Slice Fruit A/S. The merger is recognized according to the consolidation principle and thus, adjustment of the comparative figures for 2019 has been made.

### **Development in activities and financial matters**

The activities of the company have been impacted by the outbreak of Covid-19 in Denmark and on the export markets. 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.

Consequently net revenue totals DKK 421,5m against DKK 471,0m last year. Income or loss from ordinary activities after tax totals DKK 3,6m against DKK 11,6m last year.

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/](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.

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.

### **Statement of corporate social responsibility**

The company is part of WFG Denmark A/S. We refer to the CSR Report 2020 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/wp-content/uploads/2020/06/Flensted-Food-Group\\_CSR\\_Rapport\\_2019\\_DK\\_WEB.pdf](https://flensted.dk/wp-content/uploads/2020/06/Flensted-Food-Group_CSR_Rapport_2019_DK_WEB.pdf)

### **Target figures and policies for the underrepresented gender**

The company is part of the group accounts for Wernsing Scandinavia ApS and its management report for 2020 includes target figures and policies regarding the under-represented gender.

## Accounting policies

---

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).

As at 1 January 2020, the company merged with the affiliated companies, Danika Grønt A/S and Slice Fruit A/S. The merger is recognized according to the consolidation principle and thus, adjustment of the comparative figures for 2019 has been made.

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

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. ny 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 the two enterprises always were united by modification of comparative figures.

## Accounting policies

---

### 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.

#### 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.

#### 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.

## Accounting policies

---

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).

### 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 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 %

## Accounting policies

---

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.

### 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.

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

---

### 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 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 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.

## **Accounting policies**

---

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

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. 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

---

DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
2 Revenue	421.483	470.990
Other operating income	3.608	720
Costs of raw materials and consumables	-250.571	-276.717
Other external costs	-74.668	-84.136
<b>Gross profit</b>	<b>99.852</b>	<b>110.857</b>
4 Staff costs	-70.225	-75.025
5 Depreciation, amortisation, and impairment	-23.237	-19.309
<b>Operating profit</b>	<b>6.390</b>	<b>16.523</b>
6 Other financial costs	-1.526	-1.628
<b>Pre-tax net profit or loss</b>	<b>4.864</b>	<b>14.895</b>
7 Tax on net profit or loss for the year	-1.287	-3.249
<b>8 Net profit or loss for the year</b>	<b>3.577</b>	<b>11.646</b>

## Statement of financial position at 31 December

DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Non-current assets</b>		
9 Goodwill	9.727	10.532
Total intangible assets	<u>9.727</u>	<u>10.532</u>
10 Property	76.190	89.152
11 Plant and machinery	103.995	97.520
12 Other fixtures and fittings, tools and equipment	159	213
13 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	<u>837</u>	<u>5.769</u>
Total property, plant, and equipment	<u>181.181</u>	<u>192.654</u>
<b>Total non-current assets</b>	<b><u>190.908</u></b>	<b><u>203.186</u></b>
<b>Current assets</b>		
Raw materials and consumables	22.226	20.447
Manufactured goods and goods for resale	<u>32.045</u>	<u>34.854</u>
Total inventories	<u>54.271</u>	<u>55.301</u>
Trade receivables	70.090	74.323
Receivables from group enterprises	37.659	24.934
Other receivables	360	2.145
14 Prepayments and accrued income	<u>1.757</u>	<u>380</u>
Total receivables	<u>109.866</u>	<u>101.782</u>
Cash on hand and demand deposits	<u>38.458</u>	<u>24.432</u>
<b>Total current assets</b>	<b><u>202.595</u></b>	<b><u>181.515</u></b>
<b>Total assets</b>	<b><u>393.503</u></b>	<b><u>384.701</u></b>

## Statement of financial position at 31 December

DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2020</u>	<u>2019</u>
<b>Equity</b>			
15	Contributed capital	43.000	43.000
	Retained earnings	87.693	84.116
	<b>Total equity</b>	<b>130.693</b>	<b>127.116</b>
<b>Provisions</b>			
16	Provisions for deferred tax	7.616	6.330
17	Other provisions	885	965
	<b>Total provisions</b>	<b>8.501</b>	<b>7.295</b>
<b>Liabilities other than provisions</b>			
	Trade payables	28.131	34.024
	Payables to group enterprises	201.773	192.405
	Other payables	24.405	23.861
	Total short term liabilities other than provisions	254.309	250.290
	<b>Total liabilities other than provisions</b>	<b>254.309</b>	<b>250.290</b>
	<b>Total equity and liabilities</b>	<b>393.503</b>	<b>384.701</b>
<b>1</b>	<b>Subsequent events</b>		
<b>3</b>	<b>Fees, auditor</b>		
<b>18</b>	<b>Charges and security</b>		
<b>19</b>	<b>Contingencies</b>		
<b>20</b>	<b>Related parties</b>		

**Statement of changes in equity**

---

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	43.000	67.371	110.371
Profit or loss for the year brought forward	<u>0</u>	<u>16.745</u>	<u>16.745</u>
Equity 1 January 2020	43.000	84.116	127.116
Profit or loss for the year brought forward	<u>0</u>	<u>3.577</u>	<u>3.577</u>
	<b><u>43.000</u></b>	<b><u>87.693</u></b>	<b><u>130.693</u></b>

## Notes

---

DKK thousand.

### 1. Subsequent events

As described in the management review 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.

### 2. Revenue

#### Segmental statement

	<u>Denmark</u>	<u>Other countries in EU</u>	<u>Countries outside EU</u>	<u>Total</u>
Geographically	315.150	104.686	1.647	421.483

### 3. Fees, auditor

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.

### 4. Staff costs

	<u>2020</u>	<u>2019</u>
Salaries and wages	63.404	67.312
Pension costs	5.258	5.700
Other costs for social security	1.563	2.013
	<u><b>70.225</b></u>	<u><b>75.025</b></u>
Executive board	1.890	1.910
Board of directors	0	0
	<u><b>1.890</b></u>	<u><b>1.910</b></u>
Average number of employees	<u>136</u>	<u>153</u>

## Notes

---

DKK thousand.

	<u>2020</u>	<u>2019</u>
<b>5. Depreciation, amortisation, and impairment</b>		
Amortisation of goodwill	805	805
Depreciation on buildings	4.738	4.672
Depreciation and writedown on production plants and machinery	17.640	13.716
Depreciation on plants, operating assets, fixtures and furniture	<u>54</u>	<u>116</u>
	<b><u>23.237</u></b>	<b><u>19.309</u></b>
<b>6. Other financial costs</b>		
Financial costs, group enterprises	1.214	1.487
Other financial costs	<u>312</u>	<u>141</u>
	<b><u>1.526</u></b>	<b><u>1.628</u></b>
<b>7. Tax on net profit or loss for the year</b>		
Tax of the results for the year	0	-3
Adjustment for the year of deferred tax	<u>1.287</u>	<u>3.252</u>
	<b><u>1.287</u></b>	<b><u>3.249</u></b>
<b>8. Proposed appropriation of net profit</b>		
Transferred to retained earnings	<u>3.577</u>	<u>11.646</u>
<b>Total allocations and transfers</b>	<b><u>3.577</u></b>	<b><u>11.646</u></b>

## Notes

---

DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>9. Goodwill</b>		
Cost 1 January 2020	17.094	17.094
<b>Cost 31 December 2020</b>	<b><u>17.094</u></b>	<b><u>17.094</u></b>
Amortisation and writedown 1 January 2020	-6.562	-5.757
Amortisation for the year	-805	-805
<b>Amortisation and writedown 31 December 2020</b>	<b><u>-7.367</u></b>	<b><u>-6.562</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>9.727</u></b>	<b><u>10.532</u></b>
<b>10. Property</b>		
Cost 1 January 2020	185.998	180.820
Additions during the year	1.446	1.702
Disposals during the year	-22.027	-7.233
Transfers	0	10.709
<b>Cost 31 December 2020</b>	<b><u>165.417</u></b>	<b><u>185.998</u></b>
Depreciation and writedown 1 January 2020	-96.846	-99.313
Depreciation for the year	-4.738	-4.672
Reversal of depreciation, amortisation and writedown, assets disposed of	12.357	7.139
<b>Depreciation and writedown 31 December 2020</b>	<b><u>-89.227</u></b>	<b><u>-96.846</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>76.190</u></b>	<b><u>89.152</u></b>

## Notes

---

DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>11. Plant and machinery</b>		
Cost 1 January 2020	348.338	341.782
Additions during the year	22.219	3.304
Disposals during the year	-34.287	-17.313
Transfers	5.769	20.565
<b>Cost 31 December 2020</b>	<b><u>342.039</u></b>	<b><u>348.338</u></b>
Depreciation and writedown 1 January 2020	-250.818	-252.643
Depreciation for the year	-17.639	-13.716
Reversal of depreciation, amortisation and writedown, assets disposed of	30.413	15.541
<b>Depreciation and writedown 31 December 2020</b>	<b><u>-238.044</u></b>	<b><u>-250.818</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>103.995</u></b>	<b><u>97.520</u></b>
<b>12. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2020	723	723
<b>Cost 31 December 2020</b>	<b><u>723</u></b>	<b><u>723</u></b>
Depreciation and writedown 1 January 2020	-510	-394
Depreciation for the year	-54	-116
<b>Depreciation and writedown 31 December 2020</b>	<b><u>-564</u></b>	<b><u>-510</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>159</u></b>	<b><u>213</u></b>
<b>13. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment</b>		
Cost 1 January 2020	5.769	31.273
Additions during the year	837	5.769
Transfers	-5.769	-31.273
<b>Cost 31 December 2020</b>	<b><u>837</u></b>	<b><u>5.769</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>837</u></b>	<b><u>5.769</u></b>



## Notes

---

DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>14. Prepayments and accrued income</b>		
Prepaid expenses consist of prepaid expenses concerning insurance premiums and subscriptions etc.		
<b>15. Contributed capital</b>		
The share capital consists of 43,000 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 239, in connection with merger, paid at rate 2,268.46 on 21 March 2016.		
<b>16. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2020	6.329	4.789
Deferred tax of the results for the year	1.287	3.263
Deferred tax used in group companies	0	-1.722
	<u>7.616</u>	<u>6.330</u>
Provisions for deferred tax concerns intangible and tangible fixed assets, prepaid costs and tax loss to carry forward.		
<b>17. Other provisions</b>		
Other provisions 1 January 2020	965	733
Change of the year in other provisions	-80	232
	<u>885</u>	<u>965</u>
Maturity is expected to be:		
0-1 years	885	965
	<u>885</u>	<u>965</u>
<b>18. Charges and security</b>		
The company has granted negative pledge to Skandinavisk Enskilda Banken, Denmark deriving from sale of goods and services to Dansk Supermarked A/S.		

## Notes

---

DKK thousand.

### 19. 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.

### 20. 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

---

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).