

Flensted Food Group A/S

Adelvej 9, Skovlund, 6823 Ansager

Company reg. no. 16 24 27 99

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 13 June 2024.

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

Today, the Board of Directors and the Managing Director have approved the annual report of Flensted Food Group A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 13 June 2024

Managing Director

Lene Vinge Rasmussen

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 2023, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

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

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, 13 June 2024

Grant Thornton

Certified 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

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Web site 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

Managing Director

Lene Vinge Rasmussen

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab

Stockholmsgade 45

2100 København Ø

Parent company

WFG Denmark A/S

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Revenue	442.006	480.613	395.356	421.483	470.990
Gross profit	101.854	99.315	87.167	99.852	110.857
Profit from operating activities	19.240	1.587	-4.861	2.781	16.523
Net financials	-3.290	-661	-794	-1.526	-1.628
Net profit or loss for the year	5.313	613	-4.490	3.576	11.646
Statement of financial position:					
Balance sheet total	316.472	343.266	355.436	393.503	384.701
Investments in tangible fixed assets	10.272	9.819	5.224	24.502	10.776
Equity	132.129	126.816	126.203	130.693	127.116
Employees:					
Average number of full-time employees	152	143	131	136	153
Key figures in %:					
Gross margin ratio	23,0	20,7	22,0	23,7	23,5
Profit margin (EBIT-margin)	4,4	0,3	-1,2	0,7	3,5
Acid test ratio	99,7	87,1	83,8	79,7	72,5
Solvency ratio	41,8	36,9	35,5	33,2	33,0
Return on equity	4,1	0,5	-3,5	2,8	11,5

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

Management's review

Description of key 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.

After careful considerations, we have changed our strategy so that, going forward we will concentrate our production in Denmark on potato products. The mayonnaise-based products and dressings will be closed in April 2024.

Development in activities and financial matters

In 2023, following a very turbulent 2022, we have analyzed our business areas, including our future competitiveness and market opportunities. Over the past few years, we have developed a significantly better data foundation and substantially improved knowledge within the organization, which have been utilized in our analyses and evaluations. We have decided to change our strategy to focus and simplify our business going forward, so that from 2024, we will concentrate on our core area, namely potato products.

The mayonnaise-based products and dressings will be closed with last delivery in April 2024. The activity has been presented as discontinued activities. The decision has resulted in impairment losses of DKK 11,6m related to tangible fixed assets.

The revenue for the year totals DKK 442,0m against DKK 480,6m last year. Income or loss from ordinary activities after tax totals DKK 12,0m against DKK 0,6m last year.

The management considers the net profit for the year to be satisfactory. The activity and results are as expected in the management review for 2022.

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 2023, which can be found on the www.flensted.dk/.

Knowledge 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.

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

Management's review

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

Expected developments

Based on the present situation the management expects continued operations activity and results for 2024 to be at the same level as this year.

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 2023 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/baeredygtighedsrapport-2023/>

Target figures and policies for the underrepresented gender

Overview of the status of target figures for the underrepresented gender

	2023	2022
Board of Directors		
Total number of members of board of Directors, excluding employee-elected members	3	3
Underrepresented gender in board of Directors	0 %	0 %
Target figure of underrepresented gender in board of Directors	33 %	33 %
Year of expected fulfillment	2030	2030
Other management levels		
Total number of other management levels	6	6
Underrepresented gender at other management levels	50 %	50 %
Target figure of underrepresented gender at other management levels	50 %	50 %

Target figures for the company's top management

Our policy is to choose the best qualified candidate and if equally qualified male and female candidates are available, we will prioritize the one from the underrepresented gender. We aim to achieve a better balance by 2030. The goal is set for 33 %,

Policies for the company's other management levels

Management's review

Our policy is to choose the best qualified candidate and if equally qualified male and female candidates are available, we will prioritize the one from the underrepresented gender. We are gender neutral in the company's other management levels. Our goal is to continue to have a gender neutrality on other management levels.

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

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.

Recognition of discontinued operations

Discontinued operations represent a considerable part of the enterprise if activities and cash flows, in operational and accounting terms, are recognised separately from the rest of the enterprise and if the entity has either been sold or demerged and held for sale and this sale is expected to be completed within one year in accordance with a formal plan. Also, discontinued operations comprise enterprises which, on acquisition, were classified as held for sale.

Post-tax profit or loss on discontinued operations and value adjustments after tax on related assets and liabilities as well as gains/losses from sales are recognised as separate items in the income statement without restating comparatives. Revenue, costs, value adjustments, and tax on the discontinued operation in question are recognised in the notes. Assets and related liabilities concerning discontinued operations are recognised as separate items in the statement of financial position without restating comparatives and the principal items are specified in the notes.

Assets relating to discontinued operations comprise non-current assets and disposal groups, the disposal of which is expected as a result of discontinued operations. Disposal groups are assets disposed of in whole by sale or similar transaction. Liabilities arising from assets concerning discontinued operations are obligations related directly to these assets and will be transferred upon transaction. Assets are classified as assets relative to discontinued operations when their carrying amount is primarily recovered through disposal within a 12-month period in accordance with a formal plan rather than through continued use.

Assets or disposal groups relative to discontinued operations are measured at the lowest value at the time of an operation being classified as a discontinued operation, or at fair value less sales costs. Assets are not depreciated or amortised as of the time they are classified as discontinued operations.

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.

Accounting policies

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

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of 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. Revenue is measured at the fair value of the consideration promised 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 as well as operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

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.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down 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

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 write-down 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

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Property, plant, and equipment in progress

Property, plant, and equipment in progress 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. write-down 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.

Accounting policies

The net realisable value for inventories is recognised as the estimated selling 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.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

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 "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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.

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.

Accounting policies

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

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
3 Revenue	442.006	480.613
Other operating income	448	0
Costs of raw materials and consumables	-241.836	-280.805
Other external expenses	-98.764	-100.493
Gross profit	101.854	99.315
5 Staff costs	-65.367	-75.854
6 Depreciation, amortisation, and impairment	-17.247	-20.679
Other operating expenses	0	-1.195
Operating profit	19.240	1.587
Other financial income	478	0
7 Other financial expenses	-3.768	-661
Pre-tax net profit or loss	15.950	926
8 Tax on net profit or loss for the year	-3.928	-313
9 Results for the year after tax on discontinued operations	-6.709	0
10 Net profit or loss for the year	5.313	613

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
11 Goodwill	0	8.117
Total intangible assets	0	8.117
12 Land and buildings	64.489	68.345
13 Plant and machinery	69.266	83.375
14 Other fixtures, fittings, tools and equipment	73	102
15 Property, plant and equipment in progress and prepayments for property, plant and equipment	5.369	1.698
Total property, plant, and equipment	139.197	153.520
Total non-current assets	139.197	161.637
Current assets		
Raw materials and consumables	32.277	36.962
Manufactured goods and goods for resale	35.286	43.427
Total inventories	67.563	80.389
Trade receivables	60.734	74.891
Receivables from group enterprises	2.122	1.440
Other receivables	983	2.437
16 Prepayments	1.427	999
Total receivables	65.266	79.767
Cash and cash equivalents	24.371	21.473
9 Assets from discontinued operations	20.075	0
Total current assets	177.275	181.629
Total assets	316.472	343.266

Balance sheet at 31 December

DKK thousand.

Equity and liabilities		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Equity			
17	Contributed capital	45.000	45.000
	Retained earnings	87.129	81.816
	Total equity	<u>132.129</u>	<u>126.816</u>
Provisions			
18	Provisions for deferred tax	5.306	6.765
19	Other provisions	1.308	1.127
	Total provisions	<u>6.614</u>	<u>7.892</u>
Liabilities other than provisions			
	Trade payables	30.005	42.294
	Payables to group enterprises	113.080	150.640
	Income tax payable to group enterprises	3.495	0
	Other payables	23.101	15.624
9	Liabilities arising from discontinued operations	8.048	0
	Total short term liabilities other than provisions	<u>177.729</u>	<u>208.558</u>
	Total liabilities other than provisions	<u>177.729</u>	<u>208.558</u>
	Total equity and liabilities	<u>316.472</u>	<u>343.266</u>
1	Subsequent events		
2	Special items		
4	Fees for auditor		
20	Charges and security		
21	Contingencies		
22	Related parties		

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	45.000	81.203	126.203
Profit or loss for the year brought forward	<u>0</u>	<u>613</u>	<u>613</u>
Equity 1 January 2023	45.000	81.816	126.816
Profit or loss for the year brought forward	<u>0</u>	<u>5.313</u>	<u>5.313</u>
	<u>45.000</u>	<u>87.129</u>	<u>132.129</u>

Notes

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>2023</u>	<u>2022</u>
Expenses:		
Impairment of non-current assets	11.569	0
Costumer claim	<u>0</u>	<u>1.000</u>
	<u>11.569</u>	<u>1.000</u>
Special items are recognised in the following items in the financial statements:		
Other operating costs	0	-1.000
Result for the year after tax on discontinued operations	<u>-11.569</u>	<u>0</u>
Profit of special items, net	<u>-11.569</u>	<u>-1.000</u>

3. Revenue

Segmental statement

	<u>Denmark</u>	<u>Other countries in EU</u>	<u>Other countries outside EU</u>	<u>1</u>	<u>Total</u>
Geographically	<u>305.335</u>	<u>125.525</u>	<u>11.145</u>	<u>1</u>	<u>442.006</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
4. Fees for 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.		
5. Staff costs		
Salaries and wages	56.729	68.144
Pension costs	6.813	5.973
Other costs for social security	1.825	1.737
	<u>65.367</u>	<u>75.854</u>
Executive board	<u>3.101</u>	<u>1.900</u>
Average number of employees	<u>152</u>	<u>143</u>
6. Depreciation, amortisation, and impairment		
Amortisation and write down of goodwill	8.117	805
Depreciation on buildings	3.856	3.882
Depreciation and writedown on production plants and machinery	19.969	15.963
Depreciation on plants, operating assets, fixtures and furniture	29	29
Amortisation, depreciation and write down related to Discontinued operations	-14.724	0
	<u>17.247</u>	<u>20.679</u>
7. Other financial expenses		
Financial costs, group enterprises	3.762	630
Other financial costs	6	31
	<u>3.768</u>	<u>661</u>
8. Tax on net profit or loss for the year		
Tax of the results for the year	3.495	0
Adjustment for the year of deferred tax	433	313
	<u>3.928</u>	<u>313</u>

Notes

DKK thousand.

2023

2022

9. Discontinued operations

In the course of 2023, as a part of the enterprise's future strategy, the management has decided to discontinue the business segment of delicatessen (separate segment), which, as a result, is recognised in a separate item in the income statement as "Post-tax net profit or loss for the year on discontinued operations".

In the autumn of 2023, the enterprise decided to close this activity and focus on the potato business instead. The close down of the activity was not completed at the reporting date and, as a result, the net assets to be transferred are currently recognised in the statement of financial position as discontinued operations.

The comparative figures for 2022 have not been adjusted for discontinued operations.

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
Discontinued operations (continued)		
Breakdown of post-tax net profit or loss for the year of discontinued operations into principal items:		
Revenue	84.475	0
Expenses	-78.352	0
Impairment of net assets to selling price	-11.569	0
Amortisation and depreciation	-3.155	0
Pre-tax profit or loss	-8.601	0
Tax on results	1.892	0
Post-tax net profit or loss for the year of discontinued operations	<u>-6.709</u>	<u>0</u>
Breakdown of assets and liabilities concerning discontinued operations into principal items:		
Property, plant, and equipment	0	0
Current assets	20.075	0
Assets, discontinued operations	<u>20.075</u>	<u>0</u>
Other provisions	1.774	0
Accounts payable	6.274	0
Liabilities, discontinued operations	<u>8.048</u>	<u>0</u>
Net assets, discontinued operations	<u>12.027</u>	<u>0</u>

As the activity is closed down all tangible and intangible assets have been written off.

10. Proposed distribution of net profit

Transferred to retained earnings	<u>5.313</u>	<u>613</u>
Total allocations and transfers	<u>5.313</u>	<u>613</u>

Notes

DKK thousand.

11. Goodwill

Cost 1 January 2023	17.094	17.094
Cost 31 December 2023	17.094	17.094
Amortisation and write-down 1 January 2023	-8.977	-8.172
Amortisation for the year	-805	-805
Writedown for the year	-7.312	0
Amortisation and write-down 31 December 2023	-17.094	-8.977
Carrying amount, 31 December 2023	0	8.117

12. Land and buildings

Cost 1 January 2023	165.417	165.417
Cost 31 December 2023	165.417	165.417
Depreciation and write-down 1 January 2023	-97.072	-93.190
Depreciation for the year	-3.856	-3.882
Depreciation and write-down 31 December 2023	-100.928	-97.072
Carrying amount, 31 December 2023	64.489	68.345

13. Plant and machinery

Cost 1 January 2023	351.496	344.677
Additions during the year	6.601	9.126
Disposals during the year	-2.374	-2.307
Cost 31 December 2023	355.723	351.496
Depreciation and write-down 1 January 2023	-268.121	-253.418
Depreciation for the year	-15.711	-15.963
Writedown for the year	-4.257	0
Reversal of depreciation, amortisation and writedown, assets disposed of	1.632	1.260
Depreciation and write-down 31 December 2023	-286.457	-268.121
Carrying amount, 31 December 2023	69.266	83.375

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
14. Other fixtures, fittings, tools and equipment		
Cost 1 January 2023	723	723
Cost 31 December 2023	723	723
Depreciation and write-down 1 January 2023	-621	-593
Depreciation for the year	-29	-28
Depreciation and write-down 31 December 2023	-650	-621
Carrying amount, 31 December 2023	73	102
15. Property, plant and equipment in progress and prepayments for property, plant and equipment		
Cost 1 January 2023	1.698	1.005
Additions during the year	3.671	693
Cost 31 December 2023	5.369	1.698
Carrying amount, 31 December 2023	5.369	1.698

16. Prepayments

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

17. Contributed capital

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.

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
18. Provisions for deferred tax		
Provisions for deferred tax 1 January 2023	6.765	6.452
Deferred tax of the results for the year	<u>-1.459</u>	<u>313</u>
	<u>5.306</u>	<u>6.765</u>
Provisions for deferred tax concerns intangible and tangible fixed assets and tax loss to carry forward.		
19. Other provisions		
Other provisions 1 January 2023	1.127	5.620
Change of the year in other provisions	<u>181</u>	<u>-4.493</u>
	<u>1.308</u>	<u>1.127</u>
Maturity is expected to be:		
0-1 years	<u>1.308</u>	<u>1.127</u>
	<u>1.308</u>	<u>1.127</u>

20. Charges and security

The company has granted negative pledge to Skandinavisk Enskilda Banken, Denmark deriving from sale of goods and services to Salling Group A/S.

21. 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.

Notes

DKK thousand.

21. Contingencies (continued)

Joint taxation (continued)

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.

22. 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 Scandinavia 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.