

Caldic Ingredients Denmark A/S

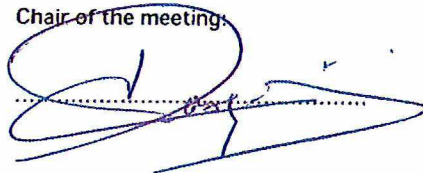
Mimersvej 1, 8722

CVR no. 16 54 59 96

Annual report 2021

Approved at the Company's annual general meeting on ~~14~~⁵ June 2022

Chair of the meeting:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned below the text 'Chair of the meeting:'. The signature is written over a horizontal dotted line.

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Caldic Ingredients Denmark A/S for the financial year 1 January - 31 December 2021.

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

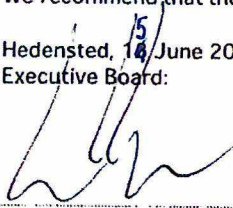
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Hedensted, 18 June 2022

Executive Board:



Gustav Larsson

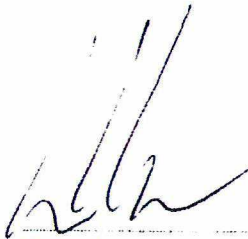
Board of Directors:



Laurent Pasqualini



Johan Sundell



Gustav Larsson



Martin Zemp

Independent auditor's report

To the shareholders of Caldic Ingredients Denmark A/S

Opinion

We have audited the financial statements of Caldic Ingredients Denmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Vejle, 13 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lars Tylvad Andersen
State Authorised Public Accountant
mne8854



Lene Kamber Jørgensen
State Authorised Public Accountant
mne34456

Management's review

Company details

Name	Caldic Ingredients Denmark A/S
Address, Postal code, City	Mimersvej 1, 8722
CVR no.	16 54 59 96
Established	30 November 1992
Registered office	Hedensted
Financial year	1 January - 31 December

Board of Directors	Laurent Pasqualini Gustav Larsson Martin Zemp Johan Sundell
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Executive Board	Gustav Larsson
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Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark
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Financial highlights

DKK'000	2021	2020	2019	2018	2017
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Key figures

Gross profit	37,211	42,587	51,030	53,447	52,002
Profit/loss before financial income	6,036	13,058	4,394	12,295	9,175
Profit for the year	2,712	6,013	6,536	10,992	6,064

Total assets	119,902	120,834	107,520	220,229	209,803
Equity	41,389	38,677	32,668	176,274	165,071

Financial ratios

Return on assets	-1.2%	-2.3%	-4.3%	5.7%	4.2%
Equity ratio	34.5%	32.0%	30.4%	80.0%	78.7%
Return on equity	6.8%	16.9%	6.3%	6.4%	3.7%

Average number of full-time employees	41	45	53	57	62
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For terms and definitions, please see the accounting policies.

Management's review

Business review

Main activities

The activities of the company is within sale, production and distribution of food and beverage ingredients.

Products are sold on domestic and foreign markets.

Market overview

On the Danish market the company is selling own produced products and distributing ingredients from various suppliers with whom the Company has long term relationships. The Danish market is the dominant market of the Company.

The export market is dominated by the Nordic countries and EU but also sales outside EU for the own produced products.

Strategy

It is the strategy of the Company to provide food ingredients to companies producing end-products to consumers. The strategy is to provide value added activities to commodities. The company expects to further develop the current activities in cooperation with activities of the Caldic Group.

Recognition and measurement uncertainties

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual matters having affected the financial statements

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events.

Financial review

The income statement for 2021 shows a profit of DKK 2,712 thousand against a profit of DKK 6,013 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 41,389 thousand.

In the annual report for 2020 management expected that the COVID-19 outbreak may have a negative impact on both revenue and net profit for 2021. The scope of the impact was however unknown at that time as it was uncertain to what extent the company would be able to recapture lost revenue later in the year. In 2021 the revenue for the year has however increased compared to last year so the expected negative impact from COVID-19 outbreak has not happened in 2021.

Management considers the Company's financial performance in the year satisfactory.

Research and development activities

A substantial part of the activities of the company is related to the continuous development of ingredients for food and beverage products in cooperation with the company's suppliers. A substantial part of the activities of the income is related to personal relationships between suppliers and customers. The company has obtained rights to sell restricted products in certain markets.

Statutory CSR report

Social responsibility is of high importance within the Caldic Group and in order to comply with the social responsibility we have in the Caldic Group implemented a Caldic code of Conduct which each employee needs to sign upon employment. This is the basic principle for all conduct within the Caldic organisation.

Environment and Climate

The Caldic Code of Conduct implies that all employees of Caldic at any time will have focus on reducing climate changing behavior including reductions of scarce resources. This policy is followed by quarterly reporting to the Executive Board of the Caldic Group and there has been no violations reported of this Conduct in 2021.

Management's review

In 2021 we have continuously worked on reducing the consumption of electricity. Gas and water and investments in production equipment with low energy consumption has been initiated. Besides financial measurements, accidents and nearby accidents are measured as an internal target reported to the Executive Board of Caldic Group on a quarterly basis. We are happy to know that there has been no accidents or nearby accidents in 2021 that could have environment or climate effect.

Human rights

The Caldic Code of Conduct implies that all employees of Caldic at any time will give fair human rights to all individuals. This policy is followed by quarterly reporting to the Executive Board of the Caldic Group and there has been violations reporting of this Conduct in 2021. In 2021 all job interviews have ensured the ideal match of candidates based on competence match and fair human rights.

Safety

The safety of all individuals involved in Caldic's operations is given the highest priority at all times, hence each person employed at Caldic is responsible for remaining up-to-date on the main applicable safety and environmental laws and regulations. The precautionary measures implemented by Caldic with respect to safety and the environment must be applied at all times. Therefore, the Caldic Code of conduct is:

- ▶ Each person must refrain from any conduct that could potentially give rise to dangerous situations.
- ▶ All persons are required to immediately report any situation that could potentially undermine safety and/or harm the environment.

In order to ensure the environmental behavior and food safety standards, internal courses are conducted following ISO 9001 standards. Besides financial measurements, accidents and nearby accidents are measured as an internal target reported by the Board of Directors on a quarterly basis. We are happy to know that there has been no accidents or nearby accidents in 2021 that could have safety breach. In 2021 the internal safety organization has worked on reducing risk related issues on both office and production facilities.

Employee relations

Caldic is committed to providing equal career opportunities to all qualified individuals, regardless of race, age, personal beliefs, skin color, religion, gender, sexual orientation or on any other grounds specified by the law. No form of discrimination based on these characteristics will be tolerated; everyone is required to treat his or her colleagues with respect and to be open and honest in their dealings with others. All job and appraisal interviews in 2021 have complied with this policy in accordance with the Caldic Code of Conduct.

Competition

Caldic will compete honestly and lawfully in the markets in which it operates, which means that the applicable competition laws and regulations will be complied with at all times. Therefore, the Caldic Code of Conduct is to:

- ▶ Avoid anticompetitive practices at all times.
- ▶ Limit interaction with competitors to legitimate business purposes.
- ▶ Not enter into any verbal or written agreements that could potentially undermine competition laws and regulations.
- ▶ Not enter into any verbal or written agreements with one or more competitors for the purpose of fixing pricings or dividing markets.
- ▶ In those cases where Caldic acts as distributor, persons employed at the company must refrain from exchanging information with the supplier about Caldic's customers.

There has in 2021 not been reported any non-compliance with this policy. During 2021 all sales and procurement staff is followed up regularly by the Executive Board to ensure the policy is complied with.

For any of the above policies within social responsibility a whistle blower rule is set for each employee to contact the managing director of the company or the CFO of Caldic Group.

Management's review

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end except for the continued implications of the COVID-19 outbreak which is mentioned in the section regarding outlook.

Outlook

The Company's outlook for the future may most likely not be negatively affected by COVID-19 to any significant degree. The current turbulence on world markets with increasing prices on raw materials, energy and transportation may have a negative effect, if such costs prove too hard to forward to customers.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
	Gross profit	37,211	42,587
3	Staff costs	-25,002	-22,835
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-6,173	-6,694
	Profit before net financials	6,036	13,058
4	Financial income	656	107
5	Financial expenses	-1,912	-2,875
	Profit before tax	4,780	10,290
6	Tax for the year	-2,068	-4,277
	Profit for the year	2,712	6,013

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Acquired patents	0	0
	Goodwill	24,184	28,782
		<u>24,184</u>	<u>28,782</u>
8	Property, plant and equipment		
	Land and buildings	0	3,200
	Plant and machinery	1,181	1,532
	Fixtures and fittings, other plant and equipment	547	716
	Leasehold improvements	2,162	2,227
	Property, plant and equipment under construction	0	660
		<u>3,890</u>	<u>8,335</u>
9	Investments		
	Deposits, investments	1,136	1,116
		<u>1,136</u>	<u>1,116</u>
	Total fixed assets	<u>29,210</u>	<u>38,233</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	6,341	9,137
	Finished goods and goods for resale	14,061	13,841
		<u>20,402</u>	<u>22,978</u>
	Receivables		
	Trade receivables	22,823	21,453
	Receivables from group enterprises	13,988	14,734
11	Deferred tax assets	0	714
	Corporation tax receivable	771	563
	Other receivables	359	1,305
	Prepayments	2,997	1,847
		<u>40,938</u>	<u>40,616</u>
	Cash	29,352	19,007
	Total non-fixed assets	<u>90,692</u>	<u>82,601</u>
	TOTAL ASSETS	<u>119,902</u>	<u>120,834</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	4,100	4,100
	Retained earnings	37,289	34,577
	Total equity	<u>41,389</u>	<u>38,677</u>
	Provisions		
11	Deferred tax	288	0
	Total provisions	<u>288</u>	<u>0</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	18,800	21,041
	Payables to group enterprises	48,648	47,818
	Other payables	10,777	13,298
		<u>78,225</u>	<u>82,157</u>
	Total liabilities other than provisions	<u>78,225</u>	<u>82,157</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>119,902</u></u>	<u><u>120,834</u></u>

- 1 Accounting policies
- 2 Special items
- 12 Contractual obligations and contingencies, etc.
- 13 Related parties
- 14 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2021	4,100	34,577	38,677
14	Transfer, see "Appropriation of profit"	0	2,712	2,712
	Equity at 31 December 2021	4,100	37,289	41,389

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Caldic Ingredients Denmark A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

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

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	5-20 years
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The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	35 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

Assets costing less than DKK 37.350 (EUR 5.000) are expensed in the year of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 20 years. The amortisation period has been determined by taking into consideration the business platform acquired, including a strong brand and reputation as well as very loyal customers.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Other securities and investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognised in the income statement under "Net financials".

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

2 Special items

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2021	2020
Income		
Sale of brew ingredients business	0	12,100
	0	12,100
Special items are recognised in the below items of the financial statements		
Other income	0	12,100
Net profit on special items	0	12,100
3 Staff costs		
Wages/salaries	21,406	19,851
Pensions	1,439	1,545
Other social security costs	461	315
Other staff costs	1,696	1,124
	25,002	22,835
Average number of full-time employees	41	45

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

4 Financial income		
Interest receivable, group entities	111	107
Exchange adjustments	545	0
	656	107
5 Financial expenses		
Interest expenses, group entities	1,857	1,871
Exchange adjustments	0	818
Other financial expenses	55	186
	1,912	2,875
6 Tax for the year		
Estimated tax charge for the year	1,271	3,447
Deferred tax adjustments in the year	1,003	-206
Tax adjustments, prior years	-206	1,036
	2,068	4,277

7 Intangible assets

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Acquired patents	Goodwill	Total
Cost at 1 January 2021	3,742	79,267	83,009
Cost at 31 December 2021	3,742	79,267	83,009
Impairment losses and amortisation at 1 January 2021	3,742	50,485	54,227
Amortisation for the year	0	4,598	4,598
Impairment losses and amortisation at 31 December 2021	3,742	55,083	58,825
Carrying amount at 31 December 2021	0	24,184	24,184

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2021	12,182	13,799	12,040	10,033	660	48,714
Additions	0	0	20	969	0	989
Disposals	-12,182	-6,928	-10,360	-3,396	-660	-33,526
Cost at 31 December 2021	0	6,871	1,700	7,606	0	16,177
Impairment losses and depreciation at 1 January 2021	8,982	12,267	11,324	7,806	0	40,379
Depreciation	0	351	189	1,034	0	1,574
Depreciation and impairment of disposals	-8,982	-6,928	-10,360	-3,396	0	-29,666
Impairment losses and depreciation at 31 December 2021	0	5,690	1,153	5,444	0	12,287
Carrying amount at 31 December 2021	0	1,181	547	2,162	0	3,890

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9 Investments

DKK'000	Deposits, investments
Cost at 1 January 2021	1,116
Additions	20
Cost at 31 December 2021	<u>1,136</u>
Carrying amount at 31 December 2021	<u><u>1,136</u></u>

10 Share capital

The Company's share capital has remained DKK 4,100 thousand over the past 5 years.

DKK'000	2021	2020
11 Deferred tax		
Deferred tax at 1 January	-714	-509
Mounts recognised in the income statement for the year	1,002	-205
Deferred tax at 31 December	<u>288</u>	<u>-714</u>
Analysis of the deferred tax		
Deferred tax assets	0	-714
Deferred tax liabilities	288	0
	<u>288</u>	<u>-714</u>

12 Contractual obligations and contingencies, etc.

Other contingent liabilities

As guarantee for the parent company loans in bank, Caldic Ingredients Denmark A/S has provided a guarantee for these loans together with other companies. The guarantee is however limited to booked Equity, at any given time, in Caldic Ingredients Denmark A/S.

In 2013 the company has performed a tax free demerger approved by the Danish Tax Authorities. When Caldic B.V. acquired the share capital, the approval was withdrawn which led to a tax to be paid of DKK 8.300 thousand excluding interests. The decision has been appealed to the National Tax Tribunal in Denmark and legal assessment is that it is less likely that the Company will lose the case.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is the sum of Caldic Denmark A/S payable and the payable disclosed in the annual report of Caldic Ingredients Denmark A/S which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liabilities.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2021	2020
Rent and lease liabilities	<u>4,322</u>	<u>7,245</u>

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13 Related parties

Caldic Ingredients Denmark A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Caldic B.V.	Rotterdam, Holland	Participating interest

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<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Caldic Holdco B.V.	Rotterdam, Holland	Westerlaan 1, NL-3016 CK Rotterdam, Holland
Caldic B.V.	Rotterdam, Holland	Westerlaan 1, NL-3016 CK Rotterdam, Holland

Related party transactions

Caldic Ingredients Denmark A/S was engaged in the below related party transactions:

DKK'000	<u>2021</u>	<u>2020</u>
Sale of goods to group enterprises	34,492	38,079
Purchase of goods from group enterprises	33,192	36,058
Management fee received from group enterprises	5,395	9,876
Management fee to group enterprises	10,184	11,738
Sale of business to group enterprise	0	12,100
Receivables from group enterprises	2,156	3,430
Payables to group enterprises	7,941	7,111
Loan from group enterprises	40,707	40,707
Loan to group enterprises	11,832	11,304
DKK'000	<u>2021</u>	<u>2020</u>
14 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	<u>2,712</u>	<u>6,013</u>
	<u>2,712</u>	<u>6,013</u>