
Uhrenholt A/S

Teglårdsparken 106, DK-5500 Middelfart

Annual Report for 1 January - 31 December 2021

CVR No 18 98 10 09

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
1 /3 2022

Sune Uhrenholt
Chairman of the General
Meeting



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Uhrenholt 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Middelfart, 1 March 2022

Executive Board

Sune Uhrenholt
Executive Officer

Board of Directors

Frank Uhrenholt
Chairman

Sune Uhrenholt

Ole Berggren Madsen

Independent Auditor's Report

To the Shareholder of Uhrenholt A/S

Opinion

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.

We have audited the Financial Statements of Uhrenholt 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 a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 misstate-

Independent Auditor's Report

ment, 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.

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.
- 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

Independent Auditor's Report

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.

Odense, 1 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam
State Authorized Public Accountant
mne27768

Anders Kronborg Choy
State Authorized Public Accountant
mne44142

Company Information

The Company

Uhrenholt A/S
Teglårdsparken 106
DK-5500 Middelfart

Telephone: + 45 64414041
Facsimile: + 45 64212126
Website: www.uhrenholt.dk

CVR No: 18 98 10 09
Financial period: 1 January - 31 December
Municipality of reg. office: Middelfart

Board of Directors

Frank Uhrenholt, Chairman
Sune Uhrenholt
Ole Berggren Madsen

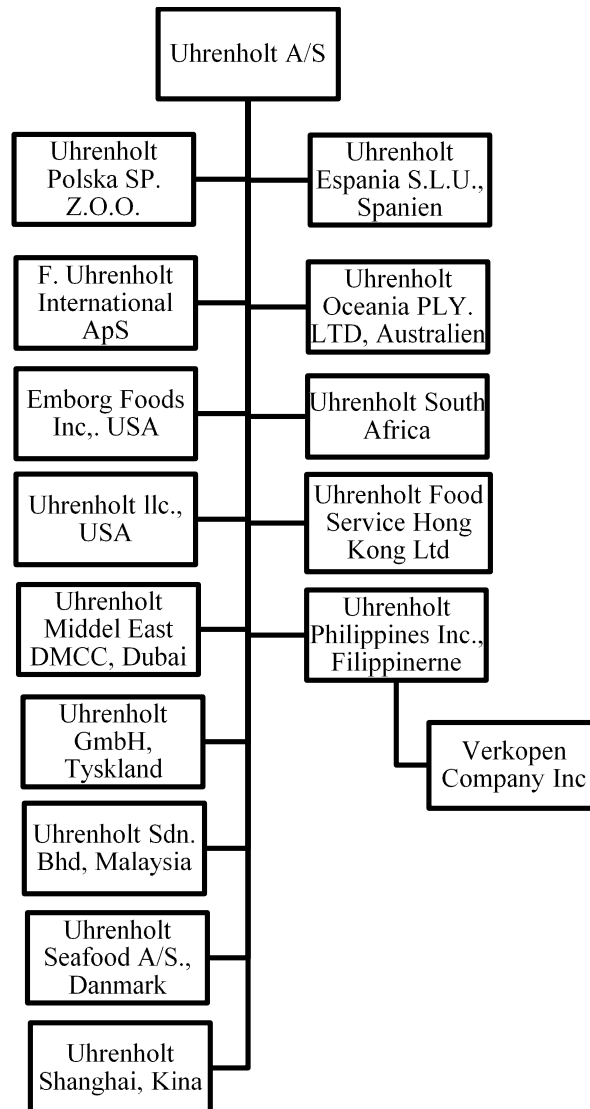
Executive Board

Sune Uhrenholt

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. og 4. sal
DK-5230 Odense M

Group Chart



Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 kDKK	2020 kDKK	2019 kDKK	2018 kDKK	2017 kDKK
Key figures					
Profit/loss					
Revenue	2.398.148	2.236.904	2.310.093	2.330.056	2.347.316
Gross profit/loss	193.152	191.070	146.196	156.398	135.588
Operating profit/loss	68.130	75.518	28.303	31.120	15.695
Net financials	16.821	4.647	-9.355	-5.162	3.725
Net profit/loss for the year	64.602	61.450	13.298	24.010	10.861
Balance sheet					
Balance sheet total	885.985	784.927	830.745	819.051	774.466
Equity	463.100	402.556	337.479	323.693	301.447
Investment in property, plant and equipment	4.195	1.659	3.955	3.955	2.181
Number of employees	155	155	162	184	192
Ratios					
Gross margin	8,1%	8,5%	6,3%	6,7%	5,8%
Profit margin	2,7%	3,4%	1,2%	1,6%	0,7%
Return on assets	7,4%	9,6%	3,4%	4,4%	2,0%
Solvency ratio	52,3%	51,3%	40,6%	39,5%	38,9%
Return on equity	14,9%	16,6%	4,0%	7,7%	3,7%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

Uhrenholt is a global food company supplying food solutions mainly within dairy products and frozen vegetables to a broad range of retail, wholesale, foodservice and industrial customers around the world. The company is structurally operating within 2 different business divisions: Consumer and Trading, where consumer products are mainly marketed under the Emborg brand.

Uhrenholt has sales to more than 120 countries around the world and have representation in more than 20 countries. Subsidiaries, branches or group-related companies are established where relevant in key markets across mainly Asia, Africa and Middle East.

Development in the year

2021 was another year with continued influence from the COVID-19 pandemic and the following bottlenecks and uncertainties in the global supply chain and trade environment. Despite this, the company once again delivered a strong result, with a profit before tax of +82,4 mDKK, with both Trading and Consumer divisions contributing strongly.

Covid-19 affected sales activities in all markets as well as availability of supplies, but despite this, the company managed to grow revenue with 7% compared to last year and to a total of 2.398 mDKK.

The improved profit was generated from strong performance within both Trading and Consumer division. The Consumer division saw continued growth in the Emborg brand globally which was partly driven by the recovery of the food service industry. The recently established digital platforms with home deliveries, continued rising through 2021 and investment in this online channel has been further strengthened.

As such, 2021 turned out to be a very demanding year, but the agility of the global organization and the determination in the execution of the strategy, made it possible to maintain and develop business with our partners, and serve our many global customers with high quality products, while securing both the safety of employees and satisfactory financial results under these challenging circumstances.

Overall management had indicated a 2021 profit before tax at 50-60 mDKK and the improved result was, as stated above, mainly driven by increased revenue, but also from focus on cost control and lower financing cost.

Foreign exchange risks

Foreign trade entails transactions and positions in foreign currency. Transactions are mainly in USD, EURO and AUD. It is the company policy to hedge against currency risks. Exchange rate risks related to investments in affiliated enterprises abroad are not hedged.

Management's Review

Targets and expectations for the year ahead

For 2022 we expect another year with high volatility and unpredictability, among other driven by factors such as continued price increases on raw materials and labor cost, low supply of goods and shipping instability.

Focus remain to be on profitable growth and further strengthening the financial position of the Group, and in order to achieve this, the increasing input cost will necessitate sales price adjustments.

With this global market outlook in mind, the expectations for 2022 is a profit before tax in the level of 60-70 mDKK.

Statement of corporate social responsibility

Uhrenholt has signed the UN's Global Compact and is actively working with social responsibility. Reference is made to the CSR report for 2021 of the parent company F. Uhrenholt Holding A/S, wherein all statements according to §99a of the Danish Financial Statement Act are presented. The CSR report can be found at <https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2021/>

Statement on gender composition

At Uhrenholt, we appreciate and utilise our people's diverse experiences and backgrounds to better understand the needs of global customers, drive innovation and enhance employee engagement. We are represented in more than 20 countries, and we currently employ 24 nationalities. In our annual employee engagement survey, we ask our employees to what extent people from all backgrounds are treated fairly in our company, and as in previous years, the response we receive is very positive. Furthermore, the employee engagement in Uhrenholt has increased again in 2021, which also reflects the decrease in sick leave absences.

Board level

The Uhrenholt A/S Board of Directors consists of 3 board members. The Board of Directors remains the same in 2021 as in 2020, which is currently all males. While we have an ambition of having at least one female among our Board at the latest in 2025, it is crucial to the business that we have Board members that possess relevant backgrounds and the right expertise.

Management level

It is our objective to develop and attract both female and male talent within the organization and to balance the proportion of managers, so no gender is underrepresented in the company. We are committed to working towards increasing the share of women in the senior management and managerial positions.

In 2015, we reached our goal of increasing the proportion of female managers to at least 40 %. Unfortunately, this number declined slightly a few years ago, but we are expecting to reach the 40 % again within the next couple of years.

Management's Review

In 2021, we have seen a decrease in the total number of female directors (senior management) due to the replacement of a female director with a male director, as well as a male colleague joining senior management in a new role. Gender representation in senior management is not at target and does not represent the current ratio in Uhrenholt's employee population where approx. 50% are women. Although, the goal is to have more women in senior management roles, it will always be of the highest importance and priority to ensure we have what we believe is the right composition of leaders in Uhrenholt.

When managers recruit, they must consider all qualified candidates fairly and equally. We only cooperate with external recruiters that strive to find qualified candidates of each gender, and that consider all candidates fairly and equally. However, it will always be of the highest importance and priority to ensure we have what we believe is the right composition of leaders in Uhrenholt. When preparing reorganization at management level we always consider whether any female candidates could be qualified for the vacancies.

Statement on data ethics

The parent company F. Uhrenholt Holding A/S has published the group's CSR report for 2021 on our website, wherein our statement on data ethics according to §99d of the Danish Financial Statement Act is disclosed. The CSR report can be found at <https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2021/>

Unusual events

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.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021 kDKK	2020 kDKK
Revenue	1	2.398.148	2.236.904
Expenses for raw materials and consumables		-2.129.445	-1.963.158
Other external expenses		-75.551	-82.676
Gross profit/loss		193.152	191.070
Staff expenses	2	-116.983	-108.401
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-8.039	-7.151
Other operating expenses		-2.555	-86
Profit/loss before financial income and expenses		65.575	75.432
Income from investments in subsidiaries		2.629	-4.255
Financial income	4	21.356	21.424
Financial expenses	5	-7.164	-12.522
Profit/loss before tax		82.396	80.079
Tax on profit/loss for the year	6	-17.794	-18.629
Net profit/loss for the year		64.602	61.450

Balance Sheet 31 December

Assets

	Note	2021 kDKK	2020 kDKK
Completed development projects		9.862	12.078
Acquired patents		1.216	750
Acquired other similar rights		0	0
Intangible assets	7	11.078	12.828
Land and buildings		3.772	3.830
Plant and machinery		10.625	12.255
Other fixtures and fittings, tools and equipment		3.196	2.771
Property, plant and equipment	8	17.593	18.856
Investments in subsidiaries	9	52.893	47.755
Receivables from group enterprises	10	357.159	349.662
Fixed asset investments		410.052	397.417
Fixed assets		438.723	429.101
Inventories		83.252	70.524
Trade receivables		321.663	234.955
Receivables from group enterprises		14.747	18.217
Other receivables	16	23.326	24.710
Prepayments	11	3.884	7.101
Receivables		363.620	284.983
Cash at bank and in hand		390	319
Currents assets		447.262	355.826
Assets		885.985	784.927

Balance Sheet 31 December

Liabilities and equity

	Note	2021 kDKK	2020 kDKK
Share capital	12	50.000	50.000
Reserve for development costs		5.986	6.908
Reserve for hedging transactions		-1.239	4.036
Reserve for currency exchange		1.045	-175
Retained earnings		407.308	341.787
Equity		463.100	402.556
Provision for deferred tax	14	1.538	325
Provisions relating to investments in group enterprises		42.703	43.295
Provisions		44.241	43.620
Lease obligations		171	873
Other payables		8.389	8.458
Long-term debt	15	8.560	9.331
Credit institutions		49.319	91.914
Lease obligations	15	968	1.078
Trade payables		220.447	151.162
Payables to group enterprises		29.588	23.492
Corporation tax		1.094	21.269
Other payables	15,16	68.668	40.505
Short-term debt		370.084	329.420
Debt		378.644	338.751
Liabilities and equity		885.985	784.927
Distribution of profit	13		
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Accounting Policies	20		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Reserve for hedging transactions	Reserve for currency exchange	Retained earnings	Total
	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK
Equity at 1 January	50.000	6.907	4.036	-175	341.785	402.553
Exchange adjustments	0	0	0	1.220	0	1.220
Fair value adjustment of hedging instruments, beginning of year	0	0	-5.174	0	0	-5.174
Fair value adjustment of hedging instruments, end of year	0	0	-1.589	0	0	-1.589
Tax on adjustment of hedging instruments for the year	0	0	1.488	0	0	1.488
Development costs for the year	0	602	0	0	-602	0
Depreciation, amortisation and impairment for the year	0	-1.523	0	0	1.523	0
Net profit/loss for the year	0	0	0	0	64.602	64.602
Equity at 31 December	50.000	5.986	-1.239	1.045	407.308	463.100

Notes to the Financial Statements

	2021 kDKK	2020 kDKK
1 Revenue		
Geographical segments		
Europa	564.506	612.535
Asia and Pacific	1.132.346	965.093
Middle East and Africa	386.825	414.450
Other	314.471	244.826
	2.398.148	2.236.904
2 Staff expenses		
Wages and salaries	109.025	101.177
Pensions	6.130	5.793
Other social security expenses	856	741
Other staff expenses	972	690
	116.983	108.401
Average number of employees	155	155
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act		
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	3.578	2.574
Depreciation of property, plant and equipment	4.461	4.577
	8.039	7.151
Which is specified as follows:		
Completed development projects	2.816	2.574
Acquired patents	762	0
Buildings	262	260
Plant and machinery	2.857	3.263
Other fixtures and fittings, tools and equipment	1.342	1.054
	8.039	7.151

Notes to the Financial Statements

	<u>2021</u> kDKK	<u>2020</u> kDKK
4 Financial income		
Interest received from group enterprises	9.051	12.748
Other financial income	1.203	544
Exchange adjustments	11.102	8.132
	<u>21.356</u>	<u>21.424</u>
5 Financial expenses		
Other financial expenses	7.164	12.522
	<u>7.164</u>	<u>12.522</u>
6 Tax on profit/loss for the year		
Current tax for the year	15.093	21.268
Deferred tax for the year	1.213	-1.567
	<u>16.306</u>	<u>19.701</u>
which breaks down as follows:		
Tax on profit/loss for the year	17.794	18.629
Tax on changes in equity	-1.488	1.072
	<u>16.306</u>	<u>19.701</u>

Notes to the Financial Statements

7 Intangible assets

	Completed development projects kDKK	Acquired pa- tents kDKK	Acquired other similar rights kDKK
Cost at 1 January	25.553	750	2.427
Additions for the year	602	309	0
Transfers for the year	0	1.381	0
Cost at 31 December	<u>26.155</u>	<u>2.440</u>	<u>2.427</u>
Impairment losses and amortisation at 1 January	13.476	0	2.427
Amortisation for the year	2.817	762	0
Transfers for the year	0	462	0
Impairment losses and amortisation at 31 December	<u>16.293</u>	<u>1.224</u>	<u>2.427</u>
Carrying amount at 31 December	<u>9.862</u>	<u>1.216</u>	<u>0</u>

Development costs relate to the implementation of ERP and sales tool system.

Notes to the Financial Statements

8 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	kDKK	kDKK	kDKK
Cost at 1 January	11.160	42.565	15.500
Additions for the year	204	2.162	1.829
Disposals for the year	0	-98	-622
Transfers for the year	0	-1.381	0
Cost at 31 December	<u>11.364</u>	<u>43.248</u>	<u>16.707</u>
Impairment losses and depreciation at 1 January	7.330	30.310	12.729
Depreciation for the year	262	2.857	1.342
Reversal of impairment and depreciation of sold assets	0	-82	-560
Transfers for the year	0	-462	0
Impairment losses and depreciation at 31 December	<u>7.592</u>	<u>32.623</u>	<u>13.511</u>
Carrying amount at 31 December	<u>3.772</u>	<u>10.625</u>	<u>3.196</u>
Including assets under finance leases amounting to	<u>0</u>	<u>0</u>	<u>1.107</u>

Notes to the Financial Statements

	2021 kDKK	2020 kDKK
9 Investments in subsidiaries		
Cost at 1 January	133.945	96.047
Additions for the year	1.000	51.937
Disposals for the year	0	-14.039
Cost at 31 December	<u>134.945</u>	<u>133.945</u>
Value adjustments at 1 January	-143.587	-148.736
Exchange adjustment	1.067	-175
Net profit/loss for the year	2.498	-3.051
Dividend to the Parent Company	-445	-1.000
Amortisation of goodwill	-267	-267
Change in intercompany profit on inventories	397	-936
Reversals for the year of revaluations in previous years	0	10.578
Value adjustments at 31 December	<u>-140.337</u>	<u>-143.587</u>
Equity investments with negative net asset value amortised over receivables	<u>15.582</u>	<u>14.102</u>
Equity investments with negative net asset value transferred to provisions	<u>42.703</u>	<u>43.295</u>
Carrying amount at 31 December	<u>52.893</u>	<u>47.755</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>423</u>	<u>689</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Uhrenholt Food Service Hong Kong Ltd	Kina	100%
Emborg Foods USA inc.	USA	100%
Uhrenholt Middle East DMCC	Dubai	100%
Verkopen Company Inc	Filippinerne	100%
Uhrenholt Food Solutions (Shanghai)	Kina	100%
Uhrenholt USA, LCC, New Jersey	USA	100%
Uhrenholt España S.L.U.	Spanien	100%
F. Uhrenholt Holding International ApS	Danmark	100%
Uhrenholt Seafood A/S	Danmark	100%

Notes to the Financial Statements

9 Investments in subsidiaries (continued)

Name	Place of registered office	Votes and ownership
Uhrenholt South Africa	Sydafrika	100%
Uhrenholt Oceania PLY. LTD	Australien	100%
Uhrenholt Philippines Inc.	Filippinerne	100%
Uhrenholt Polska SP. Z.O.O	Polen	100%
Uhrenholt GmbH	Tyskland	100%
Uhrenholt SDN. BHD	Malaysia	100%

10 Other fixed asset investments

	Receivables from group enterprises kDKK
Cost at 1 January	349.662
Additions for the year	7.497
Disposals for the year	0
Cost at 31 December	357.159
Carrying amount at 31 December	357.159

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

12 Equity

The share capital consists of 5,000 shares of a nominal value of kDKK 10. No shares carry any special rights.

13 Distribution of profit

	2021 kDKK	2020 kDKK
Retained earnings	64.602	61.450
	64.602	61.450

Notes to the Financial Statements

	2021 kDKK	2020 kDKK
14 Provision for deferred tax		
Provision for deferred tax at 1 January	325	1.892
Amounts recognised in the income statement for the year	1.213	-1.567
Provision for deferred tax at 31 December	1.538	325

15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Lease obligations

Between 1 and 5 years	171	873
Long-term part	171	873
Within 1 year	968	1.078
	1.139	1.951

Other payables

Between 1 and 5 years	8.389	8.458
Long-term part	8.389	8.458
Other short-term payables	68.668	40.505
	77.057	48.963

Notes to the Financial Statements

16 Derivative financial instruments

As of 31 December 2021, the company has derivative financial instruments in the form of forward currency exchange contracts. At 31 December 2021 the fair value of derivative financial instruments are:

	<u>2021</u> kDKK	<u>2020</u> kDKK
Assets	0	10.123
Liabilities	5.510	0

Forward currency exchange contracts:

The company has entered into forward currency exchange contracts in order to hedge future sales of goods and purchases as well as to hedge balance sheet items in foreign currencies. Forward currency exchange contracts have been entered into in a number of currencies, with USD, NZD, AUD, GBP, PLN, EUR, SGD and SEK being the most important. The fair value of the forward exchange contracts amount to kDKK -5.510. The forward exchange contracts have maturity date within the next 12 months.

Notes to the Financial Statements

	2021 kDKK	2020 kDKK
17 Contingent assets, liabilities and other financial obligations		
Charges and security		
The company has provided unlimited surety for group companies' balances with banks and finance companies. At 31 December 2021 the total group debt amounts to kDKK 90.703.		
As security for the Group's balances with banks and finance companies, a floating charge of a mDKK 300 has been registered, which gives security in the following:		
Receivables from sales kDKK 321.663		
Inventories kDKK 83.252		
Other plant, machinery and equipment kDKK 13.821		
Intellectual rights/patents kDKK 1.216.		
At 31 December bank guarantees have been provided to suppliers through banks and finance companies of:	4.085	22.987
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	3.408	5.257
Between 1 and 5 years	1.630	12.683
After 5 years	0	2.399
	5.038	20.339
Rental obligations, non-cancellation period 3-125 months.	28.685	34.277

Other contingent liabilities

The company has signed an unlimited letter of support for its subsidiary Emborg Foods GmbH.

The 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 disclosed in the Annual Report of FU III ApS, which is the management company of the joint taxation purposes. Moreover, the 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 liability.

Notes to the Financial Statements

18 Related parties

	Basis
Controlling interest	
F. Uhrenholt Holding A/S	Immediate parent company
FU III ApS	Ultimate parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

No transactions with related parties have been made, which are not on arm's length basis.

Consolidated Financial Statements

Uhrenholt A/S and subsidiaries are included in the consolidated financial statements for its ultimate parent company and immediate parent company:

Name	Place of registered office
FU III ApS	Faurskov Allé 6 5560 Aarup Denmark
F. Uhrenholt Holding A/S	Teglårdsparken 106 5500 Middelfart Denmark

The consolidated financial statements can be requested at the above addresses.

19 Fee to auditors appointed at the general meeting

With reference to the Danish Financial Statement Act § 96.3, the information on audit fees are provided in the consolidated financial statements of F. Uhrenholt Holding A/S.

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Uhrenholt A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in kDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of F. Uhrenholt Holding A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of F. Uhrenholt Holding A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

20 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Notes to the Financial Statements

20 Accounting Policies (continued)

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in reserve for hedging transactions under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Revenue

Information on business segments and geographical segments are based on the Company's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

20 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Development projects, patents and licences

Costs of development projects comprise expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future

Notes to the Financial Statements

20 Accounting Policies (continued)

earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-10 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use. Patents are amortised over the patent period, maximum 20 years

Other intangible fixed assets are written down to the recoverable amount if this is lower than the carrying amount

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	20-30 years	
Plant and machinery	3-15 years	
Other fixtures and fittings, tools and equipment	3-8	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

20 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of receivables in affiliated companies.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and manage-

Notes to the Financial Statements

20 Accounting Policies (continued)

ment.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash

Notes to the Financial Statements

20 Accounting Policies (continued)

value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$