



## Rynkeby Foods A/S

Vestergade 30  
5750 Ringe  
CVR No. 19982912

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 01.04.2022

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**Tim Berger**  
Chairman

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# Entity details

## Entity

Rynkeby Foods A/S

Vestergade 30

5750 Ringe

Business Registration No.: 19982912

Registered office: Faaborg-Midtfyn

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Tim Berger, Chairman

Sidney Lins Coffeng, Deputy chairman

Ágnes Kovács

Ulrich Bunk

Søren Reinholt Thomsen

Lene Bøjden Lindstrøm

## Executive Board

Mark Ole Juel Hemmingsen, adm. dir.

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Rynkeby Foods A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ringe, 01.04.2022

## Executive Board

**Mark Ole Juel Hemmingsen**  
adm. dir.

## Board of Directors

**Tim Berger**  
Chairman

**Sidney Lins Coffeng**  
Deputy chairman

**Ágnes Kovács**

**Ulrich Bunk**

**Søren Reinholt Thomsen**

**Lene Bøjden Lindstrøm**

# Independent auditor's report

## To the shareholders of Rynkeby Foods A/S

### Opinion

We have audited the financial statements of Rynkeby Foods A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 01.04.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Tim Kjær-Hansen**

State Authorised Public Accountant  
Identification No (MNE) mne23295

**Lars Rynord**

State Authorised Public Accountant  
Identification No (MNE) mne28680

# Management commentary

## Financial highlights

|   | 2021<br>DKK'000 | 2020<br>DKK'000 | 2019<br>DKK'000 | 2018<br>DKK'000 | 2017<br>DKK'000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Key figures</b>                                |                 |                 |                 |                 |                 |
| Revenue   | 913,041         | 864,015         | 945,808         | 981,693         | 1,031,032       |
| Gross profit/loss                                 | 197,485         | 216,317         | 225,816         | 164,905         | 182,632         |
| Operating profit/loss                             | 16,313          | 15,928          | 27,804          | (383,472)       | (1,471)         |
| Net financials                                    | (969)           | (4,826)         | (7,723)         | (3,309)         | (2,432)         |
| Profit/loss for the year                          | 9,060           | 1,118           | 12,107          | (381,081)       | (9,030)         |
| Total assets                                      | 914,264         | 951,063         | 962,880         | 994,405         | 1,342,820       |
| Investments in property,<br>plant and equipment   | 51,719          | 20,340          | 16,662          | 45,839          | 184,514         |
| Equity  | 704,158         | 695,098         | 693,980         | 681,868         | 1,062,950       |
| Cash flows from (used in)<br>operating activities | 46,602          | 82,423          | 60,470          | 8,106           | 61,531          |
| Cash flows from (used in)<br>investing activities | (51,675)        | (20,784)        | (17,631)        | (134,287)       | (114,255)       |
| Cash flows from (used in)<br>financing activities | (30,476)        | (20,204)        | (46,822)        | 143,052         | 21,146          |
| Average number of<br>employees                    | 248             | 248             | 259             | 251             | 206             |
| <b>Ratios</b>                                     |                 |                 |                 |                 |                 |
| Gross margin (%)                                  | 21.63           | 25.04           | 23.88           | 16.80           | 17.71           |
| Net margin (%)                                    | 0.99            | 0.13            | 1.28            | (38.82)         | (0.88)          |
| Return on equity (%)                              | 1.29            | 0.16            | 1.76            | (43.68)         | (0.85)          |
| Equity ratio (%)                                  | 77.02           | 73.09           | 72.07           | 68.57           | 79.16           |
| Revenue per employee                              | 3,682           | 3,484           | 3,652           | 3,911           | 4,980           |

A smaller reclassifications has been made between revenue and other operating income. Comparative figures for 2020 and 2019 have been adjusted accordingly.

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.



**Gross margin (%):**

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

**Net margin (%):**

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

**Return on equity (%):**

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

**Equity ratio (%):**

$\frac{\text{Equity} * 100}{\text{Total assets}}$

**Revenue per employee:**

$\frac{\text{Revenue}}{\text{Average number of employees}}$

### Primary activities

The primary business activity of Rynkeby Foods A/S is to develop, produce and sell fruit-based drinks and syrups which are sold mainly in Denmark, Sweden, Finland, and Norway.

### Development in activities and finances

Rynkeby Foods A/S realized a revenue of DKK 913m in the financial year 2021 and a profit after income taxes for the year of DKK 9,1m for its total operation across Denmark and the Nordics. This is an increase on topline level of DKK 49m and on the bottom-line an increase of DKK 8m.

The domestic Retail juice, smoothie, nectar, and syrups market slightly decreased by 1.0 % in value in 2021 according to market data. The brands from Rynkeby Foods A/S however grew in market share from 23.0% to 23.8%. The increase was primarily derived from the chilled juice segment, where promotional activities were dialed up in a growing market in Retail. The domestic Out-of-Home market was again in 2021 impacted by the COVID-19 pandemic with periodical lockdowns in the entertainment and leisure industry. The national vaccination program contributed however to a controlled development of the pandemic and eased restrictions during 2021 which improved the activity level in the Out-of-Home market compared to the year before. The other Nordic markets Norway and Sweden where Rynkeby Foods operates either directly or indirectly followed the same trends as Denmark thereby contributing to the top-line improvement.

During 2021 the COVID-19 pandemic also increasingly impacted the raw- and packaging material sourcing and cost prices. Factory and harbor lockdowns in Asian and Pacific hubs impacted the flow of goods and created scarcity of primary raw materials as steel and wood but also driving sea freight and oil price rates upwards. Especially significant increasing energy prices during 2nd half of 2021 impacted the production and distribution cost severely why the bottom-line result was negatively impacted.

### Investments

During 2021, further DKK 51m were invested in production equipment, mainly to support the upstream capacities and efficiencies for the big investments in new production capabilities in 2018 but also as catch-up of past years of underprioritizing in production maintenance programs.

### Profit/loss for the year in relation to expected developments

The realized EBIT of DKK 16,3m exceeds last years profit outlook for 2021 by DKK 1,3m mainly due to a higher top-line growth across markets and channels but also as a result of improved financial cost structure.

### Unusual circumstances affecting recognition and measurement

Except for the circumstances referred to above, nothing has been regarded as unusual. In this respect a tight control in the production and with office staff mainly working from home, the operation has had little impact from COVID-19.

## Outlook

The domestic juice, smoothie, nectar, and syrups market is expected to remain at a flat or slight increasing development like 2021 still driven mainly by the chilled aisle. The ambition is still to win market shares with a contemporized product portfolio and a strong NPD pipeline. COVID-19 is still expected to have an impact on the Out-of-Home channel with new adapted consumer behaviors because of changed travel, working and meeting options that will create a new normal.

The COVID-19 influence on raw- and packaging material prices as well as mainly energy prices will drive increased inflation and uncertainty across the entire society. We will intensely observe how these developments impacts the market and consumer reactions and take needed business actions accordingly.

Initiated topline initiatives should over the next year grow back the topline to around DKK 940 mio. With the structural cost initiatives, as well as continued focus on increasing production efficiencies, we expect to be able to balance external cost impacts in order to remain to 2022 EBIT-level at DKK 15-20 mio.

## Price risks

The company's primary purchase of raw material (orange and apple concentrate) is facilitated through the Eckes-Granini Group Central Procurement function. Eckes-Granini Group seeks to hedge purchases and prices of raw material within a reasonable time frame.

## Currency risks

The Eckes-Granini Group makes its main raw material purchase in USD and is accordingly exposed to currency risks. Further the operation is mainly facilitated in EUR or DKK, whereas sales operation is exposed to sales mainly in NOK.

## Environmental performance

The Eckes-Granini Group has over the last years engaged programs across sourcing and production activities to take a strong responsible and proactive agenda on key Sustainability topics. These efforts is a pivotal answer to the Danish Statements Act §99a statutory report on environment, human rights and social matters as well as anti-corruption that we refer to in the separate CSR 2021 Annual Report from Rynkeby Foods A/S.

## Research and development activities

The company is continuing its development activities to constantly improve and build on its products and competitive strength. The ownership of Eckes-Granini Group offers several improvements and benefits also in relation to R&D activities.

New product developments and innovations are essential for continuously consumer and market engagement, hence new products and new packaging solutions will be launched during 2022 and into 2023 across the branded portfolio.

## Group relations

Eckes-Granini International GmbH

### Statutory report on corporate social responsibility

Rynkeby Foods A/S' CSR report may be found at:  
<https://www.unglobalimpact.org> by searching for Rynkeby Foods.

Rynkeby Foods A/S has developed a Sustainability Strategy covering Environment and People, including social responsibility and has joined the UN Global Impact.

The CSR report can be found at: <https://www.rynkeby.dk/rynkeby/csr.aspx>.

### Statutory report on the underrepresented gender

Eckes Granini Group & Rynkeby Foods A/S works towards increasing the number of the underrepresented gender in all management levels in the organization. The target for the executive management team is minimum 25% representation by the underrepresented gender. By the end of 2021, the ratio of the underrepresented gender is 44% in all levels of management. Through our recruitment and promotion work we expect to be able to increase the underrepresented gender ratio if candidates with the right qualifications can be found.

### Executive Board

The Executive Board consists of 4 owner-appointed members and 2 employee-nominated members. Here 1 of the 4 owner-nominated members are female and 1 of the employee-nominated members are female.

### Management Team

The management team consist of 5 functional directors and 1 general manager, with a gender split of one sixth women.

### Statutory report on data ethics policy

Rynkeby Foods A/S have assessed that the current type and extend of data the company are processing and managing combined with already existing GDPR and IT Code of Conduct policies including compliance procedures in place doesn't require a separate data ethics policy for now. In case the company's data environment should change significantly management will initiate appropriate measures to comply with regulations.

### Events after the balance sheet date

No events have occurred after the balance sheet date, which would influence the evaluation of this annual report. However, the actual Ukraine crisis will on top of the COVID-19 impacts drive increased inflation and uncertainty across the entire society situation in Denmark. The market and consumer situation will monitored closely if Rynkebys financial situation will be negative impacted mitigating reactions will be implemented.

# Income statement for 2021

|  | Notes | 2021<br>DKK'000 | 2020<br>DKK '000 |
|--|-------|-----------------|------------------|
| Revenue  | 2     | 913,041         | 864,015          |
| Other operating income                           | 3     | 20,017          | 19,587           |
| Cost of sales                                    |       | (528,325)       | (493,383)        |
| Other external expenses                          | 4     | (207,219)       | (173,902)        |
| <b>Gross profit/loss</b>                         |       | <b>197,514</b>  | <b>216,317</b>   |
| Staff costs                                      | 5     | (128,902)       | (145,916)        |
| Depreciation, amortisation and impairment losses | 6     | (52,299)        | (54,473)         |
| <b>Operating profit/loss</b>                     |       | <b>16,313</b>   | <b>15,928</b>    |
| Other financial income                           | 7     | 920             | 101              |
| Other financial expenses                         | 8     | (1,889)         | (4,927)          |
| <b>Profit/loss before tax</b>                    |       | <b>15,344</b>   | <b>11,102</b>    |
| Tax on profit/loss for the year                  | 9     | (6,284)         | (9,984)          |
| <b>Profit/loss for the year</b>                  | 10    | <b>9,060</b>    | <b>1,118</b>     |

# Balance sheet at 31.12.2021

## Assets

|  | Notes | 2021<br>DKK'000 | 2020<br>DKK'000 |
|--|-------|-----------------|-----------------|
| Acquired intangible assets                       |       | 76,491          | 79,914          |
| Acquired trademarks                              |       | 161,782         | 165,427         |
| Goodwill   |       | 165,453         | 173,992         |
| <b>Intangible assets</b>                         | 11    | <b>403,726</b>  | <b>419,333</b>  |
| Land and buildings                               |       | 73,414          | 78,636          |
| Plant and machinery                              |       | 150,671         | 173,531         |
| Other fixtures and fittings, tools and equipment |       | 2,858           | 3,781           |
| Property, plant and equipment in progress        |       | 65,352          | 21,362          |
| <b>Property, plant and equipment</b>             | 12    | <b>292,295</b>  | <b>277,310</b>  |
| <b>Fixed assets</b>                              |       | <b>696,021</b>  | <b>696,643</b>  |
| Raw materials and consumables                    |       | 34,621          | 31,884          |
| Work in progress                                 |       | 3,418           | 2,300           |
| Manufactured goods and goods for resale          |       | 38,772          | 38,755          |
| <b>Inventories</b>                               |       | <b>76,811</b>   | <b>72,939</b>   |
| Trade receivables                                |       | 74,719          | 69,399          |
| Receivables from group enterprises               |       | 37,997          | 47,648          |
| Other receivables                                |       | 2,933           | 587             |
| Tax receivable                                   |       | 1,146           | 3,381           |
| Prepayments                                      | 13    | 2,040           | 2,320           |
| <b>Receivables</b>                               |       | <b>118,835</b>  | <b>123,335</b>  |
| <b>Cash</b>                                      |       | <b>22,597</b>   | <b>58,146</b>   |
| <b>Current assets</b>                            |       | <b>218,243</b>  | <b>254,420</b>  |
| <b>Assets</b>                                    |       | <b>914,264</b>  | <b>951,063</b>  |

**Equity and liabilities**

|  | <b>Notes</b> | <b>2021<br/>DKK'000</b> | <b>2020<br/>DKK'000</b> |
|--|--------------|-------------------------|-------------------------|
| Contributed capital                                  | 14           | 30,000                  | 30,000                  |
| Retained earnings                                    |              | 674,158                 | 665,098                 |
| <b>Equity</b>  |              | <b>704,158</b>          | <b>695,098</b>          |
| Deferred tax   | 15           | 20,772                  | 27,272                  |
| Other provisions                                     | 16           | 12,218                  | 0                       |
| <b>Provisions</b>                                    |              | <b>32,990</b>           | <b>27,272</b>           |
| Other payables                                       |              | 0                       | 12,987                  |
| <b>Non-current liabilities other than provisions</b> | 17           | <b>0</b>                | <b>12,987</b>           |
| Trade payables                                       |              | 87,802                  | 87,882                  |
| Payables to group enterprises                        |              | 57,304                  | 87,780                  |
| Tax payable  |              | 0                       | 1,759                   |
| Other payables                                       | 18           | 32,010                  | 38,285                  |
| <b>Current liabilities other than provisions</b>     |              | <b>177,116</b>          | <b>215,706</b>          |
| <b>Liabilities other than provisions</b>             |              | <b>177,116</b>          | <b>228,693</b>          |
| <b>Equity and liabilities</b>                        |              | <b>914,264</b>          | <b>951,063</b>          |
| Events after the balance sheet date                  | 1            |                         |                         |
| Contingent liabilities                               | 20           |                         |                         |
| Assets charged and collateral                        | 21           |                         |                         |
| Related parties with controlling interest            | 22           |                         |                         |
| Transactions with related parties                    | 23           |                         |                         |

# Statement of changes in equity for 2021

|                           | Contributed<br>capital<br>DKK'000 | Retained<br>earnings<br>DKK'000 | Total<br>DKK'000 |
|---------------------------|-----------------------------------|---------------------------------|------------------|
| Equity beginning of year  | 30,000                            | 665,098                         | 695,098          |
| Profit/loss for the year  | 0                                 | 9,060                           | 9,060            |
| <b>Equity end of year</b> | <b>30,000</b>                     | <b>674,158</b>                  | <b>704,158</b>   |



# Cash flow statement for 2021

|   | Notes | 2021<br>DKK'000 | 2020<br>DKK'000 |
|---|-------|-----------------|-----------------|
| Operating profit/loss   |       | 16,313          | 15,928          |
| Amortisation, depreciation and impairment losses                                  |       | 52,299          | 54,622          |
| Working capital changes   | 19    | (19,989)        | 18,050          |
| <b>Cash flow from ordinary operating activities</b>                               |       | <b>48,623</b>   | <b>88,600</b>   |
| Financial expenses paid   |       | (969)           | (4,826)         |
| Taxes refunded/(paid)   |       | (1,052)         | (1,351)         |
| <b>Cash flows from operating activities</b>                                       |       | <b>46,602</b>   | <b>82,423</b>   |
| Acquisition etc of intangible assets  |       | (695)           | (593)           |
| Acquisition etc of property, plant and equipment                                  |       | (51,021)        | (20,340)        |
| Sale of property, plant and equipment   |       | 41              | 149             |
| <b>Cash flows from investing activities</b>                                       |       | <b>(51,675)</b> | <b>(20,784)</b> |
| <b>Free cash flows generated from operations and investments before financing</b> |       | <b>(5,073)</b>  | <b>61,639</b>   |
| Repayments of loans etc   |       | 0               | (5,344)         |
| Repayment of debt to group enterprises  |       | (30,476)        | (14,860)        |
| <b>Cash flows from financing activities</b>                                       |       | <b>(30,476)</b> | <b>(20,204)</b> |
| <b>Increase/decrease in cash and cash equivalents</b>                             |       | <b>(35,549)</b> | <b>41,435</b>   |
| Cash and cash equivalents beginning of year                                       |       | 58,146          | 16,711          |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>22,597</b>   | <b>58,146</b>   |
| Cash and cash equivalents at year-end are composed of:                            |       |                 |                 |
| Cash  |       | 22,597          | 58,146          |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>22,597</b>   | <b>58,146</b>   |

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date, which would influence the evaluation of this annual report. The Covid-19 situation in Denmark has not had and is not expected to have a significant impact on Rynkeby's financial position.

## 2 Revenue

|                                  | <b>2021</b>    | <b>2020</b>    |
|----------------------------------|----------------|----------------|
|                                  | <b>DKK'000</b> | <b>DKK'000</b> |
| Retail                           | 435,663        | 424,052        |
| Industry                         | 477,378        | 439,963        |
| <b>Total revenue by activity</b> | <b>913,041</b> | <b>864,015</b> |

## 3 Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

## 4 Fees to the auditor appointed by the Annual General Meeting

|                          | <b>2021</b>    | <b>2020</b>    |
|--------------------------|----------------|----------------|
|                          | <b>DKK'000</b> | <b>DKK'000</b> |
| Statutory audit services | 649            | 684            |
| Tax services             | 20             | 37             |
| Other services           | 785            | 919            |
|                          | <b>1,454</b>   | <b>1,640</b>   |

## 5 Staff costs

|                                       | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>DKK'000</b> | <b>DKK'000</b> |
| Wages and salaries                    | 121,087        | 138,728        |
| Pension costs                         | 4,824          | 4,808          |
| Other social security costs           | 2,991          | 2,380          |
|                                       | <b>128,902</b> | <b>145,916</b> |
| Average number of full-time employees | 248            | 248            |

|  | <b>Remuneration<br/>of<br/>Management<br/>2021<br/>DKK'000</b> | <b>Remuneration<br/>of<br/>Management<br/>2020<br/>DKK'000</b> |
|--|--|--|
| Total amount for management categories | 2,046  | 2,535  |
|  | <b>2,046</b>   | <b>2,535</b>   |

## 6 Depreciation, amortisation and impairment losses

|  | <b>2021</b>    | <b>2020</b>    |
|--|----------------|----------------|
|  | <b>DKK'000</b> | <b>DKK'000</b> |
| Amortisation of intangible assets  | 16,304         | 16,414         |
| Depreciation of property, plant and equipment                                | 36,036         | 38,208         |
| Profit/loss from sale of intangible assets and property, plant and equipment | (41)           | (149)          |
|  | <b>52,299</b>  | <b>54,473</b>  |

## 7 Other financial income

|   | <b>2021</b>    | <b>2020</b>    |
|---|----------------|----------------|
|   | <b>DKK'000</b> | <b>DKK'000</b> |
| Financial income from group enterprises | 131            | 101            |
| Other financial income                  | 789            | 0              |
|   | <b>920</b>     | <b>101</b>     |

## 8 Other financial expenses

|   | <b>2021</b>    | <b>2020</b>    |
|---|----------------|----------------|
|   | <b>DKK'000</b> | <b>DKK'000</b> |
| Financial expenses from group enterprises | 395            | 721            |
| Other financial expenses                  | 1,494          | 4,206          |
|   | <b>1,889</b>   | <b>4,927</b>   |

**9 Tax on profit/loss for the year**

|                        | <b>2021</b>    | <b>2020</b>    |
|------------------------|----------------|----------------|
|                        | <b>DKK'000</b> | <b>DKK'000</b> |
| Current tax            | 1,538          | 786            |
| Change in deferred tax | 4,746          | 9,198          |
|                        | <b>6,284</b>   | <b>9,984</b>   |

**10 Proposed distribution of profit and loss**

|                   | <b>2021</b>    | <b>2020</b>    |
|-------------------|----------------|----------------|
|                   | <b>DKK'000</b> | <b>DKK'000</b> |
| Retained earnings | 9,060          | 1,118          |
|                   | <b>9,060</b>   | <b>1,118</b>   |

## 11 Intangible assets

|   | Acquired<br>intangible<br>assets<br>DKK'000 | Acquired<br>trademarks<br>DKK'000 | Goodwill<br>DKK'000 |
|---|---|-----------------------------------|---------------------|
| Cost beginning of year                                | 94,581                                      | 182,277                           | 586,587             |
| Additions   | 697   | 0                                 | 0                   |
| <b>Cost end of year</b>                               | <b>95,278</b>                               | <b>182,277</b>                    | <b>586,587</b>      |
| Amortisation and impairment losses beginning of year  | (14,667)                                    | (16,850)                          | (412,595)           |
| Amortisation for the year                             | (4,120)                                     | (3,645)                           | (8,539)             |
| <b>Amortisation and impairment losses end of year</b> | <b>(18,787)</b>                             | <b>(20,495)</b>                   | <b>(421,134)</b>    |
| <b>Carrying amount end of year</b>                    | <b>76,491</b>                               | <b>161,782</b>                    | <b>165,453</b>      |

The amortisation period for acquired intangible assets (trademarks) is based on the acquired trademark being of strategical nature, having a strong market position and the long-term earning history. The amortisation period is assessed to be 50 years.

The amortisation period for goodwill is based on the strategical importance of the acquired entity, the strong market position, the historical employee turnover rate and the long-term earnings profile. The amortisation period is assessed to be 25 years.

## 12 Property, plant and equipment

|   | Land and<br>buildings<br>DKK'000 | Plant and<br>machinery<br>DKK'000 | Other fixtures<br>and fittings,<br>tools and<br>equipment<br>DKK'000 | Property, plant<br>and<br>equipment in<br>progress<br>DKK'000 |
|---|----------------------------------|-----------------------------------|--|---|
| Cost beginning of year                                | 206,060                          | 415,715                           | 33,107   | 21,362  |
| Transfers   | 3,389                            | (3,389)                           | 0  | 0   |
| Additions   | 1,635                            | 4,224                             | 1,172  | 51,719  |
| Disposals   | 0                                | (30)                              | 0  | (7,729)   |
| <b>Cost end of year</b>                               | <b>211,084</b>                   | <b>416,520</b>                    | <b>34,279</b>  | <b>65,352</b>   |
| Depreciation and impairment losses beginning of year  | (127,424)                        | (242,184)                         | (29,326)   | 0   |
| Transfers   | (932)                            | 932                               | 0  | 0   |
| Depreciation for the year                             | (9,314)                          | (24,627)                          | (2,095)  | 0   |
| Reversal regarding disposals                          | 0                                | 30                                | 0  | 0   |
| <b>Depreciation and impairment losses end of year</b> | <b>(137,670)</b>                 | <b>(265,849)</b>                  | <b>(31,421)</b>  | <b>0</b>  |
| <b>Carrying amount end of year</b>                    | <b>73,414</b>                    | <b>150,671</b>                    | <b>2,858</b>   | <b>65,352</b>   |

## 13 Prepayments

Prepayments consist of prepaid insurance and other prepaid costs related to subsequent financial years.

## 14 Share capital

|                     | Number        | Par value<br>DKK'000 | Nominal<br>value<br>DKK'000 |
|---------------------|---------------|----------------------|-----------------------------|
| Contributed capital | 30,000        | 1                    | 30,000                      |
|                     | <b>30,000</b> |                      | <b>30,000</b>               |

## 15 Deferred tax

|                                    | 2021<br>DKK'000 | 2020<br>DKK'000 |
|------------------------------------|-----------------|-----------------|
| <b>Changes during the year</b>     |                 |                 |
| Beginning of year                  | 27,272          | 18,072          |
| Recognised in the income statement | (6,500)         | 9,200           |
| <b>End of year</b>                 | <b>20,772</b>   | <b>27,272</b>   |

## 16 Other provisions

Liability provision for unprofitable contracts with expiration 2023

## 17 Non-current liabilities other than provisions

The holliday allowance has been paid in the current financial year.

## 18 Other payables

|   | 2021<br>DKK'000 | 2020<br>DKK'000 |
|---|-----------------|-----------------|
| VAT and duties  | 0               | 1,027           |
| Wages and salaries, personal income taxes, social security costs, etc payable | 8,543           | 10,243          |
| Holiday pay obligation  | 11,826          | 12,115          |
| Other costs payable   | 11,641          | 14,900          |
|   | <b>32,010</b>   | <b>38,285</b>   |

## 19 Changes in working capital

|   | 2021<br>DKK'000 | 2020<br>DKK'000 |
|---|-----------------|-----------------|
| Increase/decrease in inventories        | (3,872)         | 1,604           |
| Increase/decrease in receivables        | 1,569           | 9,832           |
| Increase/decrease in trade payables etc | (17,686)        | 6,763           |
| Other changes                           | 0               | (149)           |
|   | <b>(19,989)</b> | <b>18,050</b>   |

## 20 Contingent liabilities

Rental and lease commitments total DKK 11.772k (2020: DKK 12,711k).

The company has been requested to file transfer pricing documentation for the period 2016 to 2018 and is current in dialog with the tax authorities regarding certain intra group transactions. Whether the tax authorities will have a different point of view than the company is uncertain.

## 21 Assets charged and collateral

Payment guarantees provided amounts to DKK 1,103k (2020: DKK 1,103k).

## 22 Related parties with controlling interest

Related parties with a controlling interest in Rynkeby Foods A/S:

Eckes-Granini International GmbH, Ludwig-Platz 1, 55268 Nieder-Olm, Germany.

Eckes-Granini Group GmbH, Ludwig-Platz 1, 55268 Nieder-Olm, Germany.

The above company holds the entire share capital of the Company, and is the ultimate owner of the Company.

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Eckes-Granini Group GmbH, Ludwig-Platz 1, 55268 Nieder-Olm, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Eckes-Granini Group GmbH, Ludwig-Platz 1, 55268 Nieder-Olm, Germany

## 23 Transactions with related parties

|                                   | <b>Parent</b>  | <b>Other related parties</b> |
|-----------------------------------|----------------|------------------------------|
|                                   | <b>DKK'000</b> | <b>DKK'000</b>               |
| Gross sale                        | (942)          | (317,957)                    |
| Raw material                      | 175,602        | (7,458)                      |
| Admin fee and services            | (364)          | (2,848)                      |
| IT costs                          | 11,117         | 1,647                        |
| Interest                          | 306            | (274)                        |
| Royalties                         | 0              | 2,242                        |
| Receivables                       | 92             | 37,905                       |
| Liabilities other than provisions | (39,843)       | (17,461)                     |

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

A smaller reclassifications has been made between turnover and other operating income. Comparative figures for 2020 and 2019 have been adjusted accordingly.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date.

Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Fixed assets that have been purchased in foreign currencies are translated using the exchange rate in effect at the transaction data.



## **Income statement**

### **Revenue**

Income from sale of manufactured goods and goods for resale is recognised in revenue when the most significant risks and rewards have been transferred to the buyer, and the income can be calculated reliably and is likely to be received. The time of transfer of the most significant risks and rewards is based on standard terms of delivery.

Revenue is measured at fair value of the payment agreed exclusive of VAT and other levies collected for third parties. All types of discounts are recognised in revenue.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile, the level of the employee turnover rate and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets.

The amortisation periods used are 25 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc

Intellectual property rights etc. comprise acquired trademarks, software and know-how.

### Trademarks

Intellectual property rights acquired are measured at cost less accumulated amortisation. Trademarks are amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each trademark. Although trademarks are valued based on an infinite useful life, the useful life for accounting purposes are qualified to have a finite useful life. Useful life is further determined based on an assessment of whether the trademark are strategically, the marked position and a long-term earnings history.

The amortisation periods used are 50 years.

### Software

Acquired intangible assets comprise acquired software services. Acquired intangible assets are measured at cost less accumulated amortisation. Software is amortised straight-line over its estimated useful life.

The amortisation periods used are 3 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

Cost of a combined asset is divided into small components depreciated individually if their useful lives vary.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

|  |             |
|--|-------------|
| Buildings  | 10-30 years |
| Plant and machinery                              | 3-10 years  |
| Other fixtures and fittings, tools and equipment | 5 years     |

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in depreciation in the income statement.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at cost based on weighted average prices comprising both direct and indirect production costs, and is written down to a net realisable value if assessed to be lower.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs.

Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs. Indirect production costs comprise indirect materials and labour costs, costs of maintenance and depreciation of machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to execute sale and is determined allowing for marketability, obsolescence and development of the expected selling price.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Write-downs for bad and doubtful debts is made when objective evidence of impairment is deemed to exist that an amount receivable or a portfolio of receivables is impaired. If such objective evidence of impairment of an individual amount receivable exists, a write-down for impairment is made on an individual level.

Receivables for which no objective evidence of impairment exists on an individual level are reviewed for impairment on a portfolio level. Portfolios are primarily based on the debtors' registered office and a credit rating of such debtors in accordance with the Company's and the Group's credit risk management policy. The objective indicators applied to portfolios have been defined based on historical loss experience.

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

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred tax is measured in accordance with the balance-sheet liability method of all temporary differences between the carrying amount and tax-based value of assets and liabilities. However, deferred tax on temporary differences regarding non-amotisable goodwill and other items for which temporary differences have occurred at the time of acquisition without affecting the results or taxable income is not recognised. Where the computation of the tax base can be made according to varying tax rules, deferred tax is measured on the basis of Management's planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the amount at which they are expected to be used, either by setting off tax on future earnings or by a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustments are made for deferred tax on eliminations of unrealised intercompany profits and losses. Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect according to law at the balance sheet date when the deferred tax is estimated to crystallise as current tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have

any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

### **Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.