

AKTIESELSKABET J. HANSEN

Sønderhøj 14,

8260 Viby J

CVR No. 23333112

Annual Report 2019

The Annual Report was presented and approved at the Annual General Meeting of the Company on 22 May 2020

Peter Stenholt Randrup
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of AKTIESELSKABET J. HANSEN for the financial year 1 January 2019 - 31 December 2019.

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 assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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

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

Aarhus, 22 May 2020

Executive Board

Carsten Just Andersen

Board of Directors

John Duus Andresen

Lars Jepsen

Joris Andersen

AKTIESELSKABET J. HANSEN

Company details

Company	AKTIESELSKABET J. HANSEN Sønderhøj 14, 8260 Viby J
Telephone	86121022
CVR No.	23333112
Board of Directors	John Duus Andresen Lars Jepsen Joris Andersen
Executive Board	Carsten Just Andersen

Management's Review

The Company's principal activities

The Company's principal activities consist of export of cheese.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of TDKK 644 and the Balance Sheet at 31 December 2019 a balance sheet total of TDKK 6.207 and an equity of TDKK 5.143.

Post financial year events

In March 2020 the Covid-19 pandemic began impacting Denmark. Until now the short-term impact has been limited. The long-term impact is highly uncertain at this point in time, however we don't expect the impact to become material.

Accounting Policies

Reporting Class

The Annual Report of AKTIESELSKABET J. HANSEN for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Income from investments in subsidiaries and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Investments in subsidiaries and associates

Investments in group enterprises and associates are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kDKK 0, and any amounts receivable from those

Accounting Policies

enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

Dividends

Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Income Statement

	Note	2019 kDKK	2018 kDKK
Gross profit		609	-184
Income from investments in subsidiaries		27	-1.421
Financial Income	1	191	42
Financial costs	2	0	-61
Profit before tax		827	-1.624
Tax	3	-183	45
Profit for the year		644	-1.579
Proposed distribution of results	4		
Proposed dividend recognised in equity		1.000	0
Retained earnings		-356	-1.579
Distribution of profit		644	-1.579

AKTIESELSKABET J. HANSEN

Balance Sheet as of 31 December

	Note	2019 kDKK	2018 kDKK
Assets			
Investments in subsidiaries	5, 6	0	0
Investments		<u>0</u>	<u>0</u>
Non-current assets			
Receivables from group companies		6.207	5.355
Current tax		0	45
Receivables		<u>6.207</u>	<u>5.400</u>
Current assets			
		<u>6.207</u>	<u>5.400</u>
Assets		<u>6.207</u>	<u>5.400</u>

Balance Sheet as of 31 December

	Note	2019 kDKK	2018 kDKK
Liabilities and equity			
Contributed capital		3.500	3.500
Retained earnings		643	1.019
Proposed dividend recognised in equity		1.000	0
Equity		5.143	4.519
Provisions for investments in subsidiaries		874	880
Provisions		874	880
Trade payables		14	1
Current tax		176	0
Short-term liabilities		190	1
Liabilities		190	1
Liabilities and equity		6.207	5.400
Contingent liabilities	7		
Related parties	8		

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2019	3.500	1.019	0	4.519
Dividend paid	0	0	1.000	1.000
Change of investments through net exchange differences	0	-20	0	-20
Profit (loss)	0	-356	0	-356
Equity 31 December 2019	3.500	643	1.000	5.143

The share capital has remained unchanged for the last 5 years.

The Contributed Capital of the company is made up of the following:

Contributed capital consists of:

515 shares at 1.000 DKK

19 shares at 5.000 DKK

64 Shares at 10.000 DKK

1 share at 2.250.000 DKK

Notes

1. Financial income

	2019 kDKK	2018 kDKK
Financial Income	4	0
Financial Income from group companies	187	42
	191	42

2. Financial costs

Financial costs from group companies	0	61
	0	61

3. Tax

Current income taxes	176	-45
Prior year taxes	7	0
	183	-45

4. Distribution of profit

Proposed dividend	1.000	0
Retained earnings	-356	-1.579
	644	-1.579

5. Investments in subsidiaries

Revaluations at the beginning of the year	-881	561
Change due to foreign currency translation adjustment	-20	-20
Profit for the year	27	-1.421
Provision for negative equity	874	880
Revaluations at the end of the year	0	0
Carrying amount at the end of the year	0	0

6. Disclosure of investments in subsidiaries

Group enterprises

Name	Registered office	Share held in %	Equity	Profit
J.P. Hansen USA Inc.	USA	100,00	-874	27
			-874	27

7. Contingent liabilities

The company has joint and several tax liability, with other Danish group companies for company taxes. This also includes withholding taxes on dividends, interest and royalties within the group. The total known net tax liability of the jointly taxed companies is shown in the management company's annual accounts of, Arla Foods Holding A/S CVR no 27466052. Any subsequent corrections to co-taxation income and withholding tax etc. could result in the company's liability being higher or lower.

Notes

8. Related parties

The Company is a wholly owned subsidiary of Arla Foods Holding A/S, Viby J and is included in the consolidated financial statements of Arla Foods Amba. The consolidated financial statements can be obtained at the following address: Arla Foods Amba, Sønderhøj 14, 8260 Viby J.