

# **Cremo Ingredients A/S**

**Toftegårdsvej 3, 5620 Glamsbjerg**

**Company reg. no. 27 68 84 70**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 11 May 2022.

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**Henrik Helmann**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Cremo Ingredients A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Glamsbjerg, 11 May 2022

### **Managing Director**

Ronan Deasy

### **Board of directors**

Trevor James Horan

Ronan Deasy

Claire Salmon

## **Independent auditor's report**

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### **To the shareholders of Cremo Ingredients 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 Cremo Ingredients 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 ("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 Financial 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 misstatement, whether due to fraud or error.

## **Independent auditor's report**

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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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## **Independent auditor's report**

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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, 11 May 2022

### **PricewaterhouseCoopers**

State Authorised Public Accountants

Company reg. no. 33 77 12 31

**Brian Petersen**

State Authorised Public Accountant

Mne33722

**Anders Kronborg Choy**

State Authorised Public Accountant

mne44142

## Company information

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### **The company**

Crema Ingredients A/S  
Toftegårdsvej 3  
5620 Glamsbjerg

Phone 6372 1544  
Fax 6372 1568  
E mail crema@kerry.com

Company reg. no. 27 68 84 70  
Domicile: Assens  
Financial year: 1 January - 31 December

### **Board of directors**

Trevor James Horan  
Ronan Deasy  
Claire Salmon

### **Managing Director**

Ronan Deasy

### **Auditors**

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Munkebjergvænget 1, 3rd and 4th floor  
5230 Odense M

### **Parent company**

Kerry Group B.V.

## Financial highlights

DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Income statement:</b>					
Revenue	459.599	485.992	485.041	427.653	448.121
Gross profit	100.165	116.423	157.474	109.384	102.318
Profit from operating activities	12.461	13.146	17.642	14.960	15.274
Net financials	-4.392	-4.242	-4.235	-4.351	-4.259
Net profit or loss for the year	6.299	3.560	10.441	8.271	8.582
<b>Statement of financial position:</b>					
Balance sheet total	316.958	290.137	338.101	285.245	277.589
Investments in property, plant and equipment	5.727	6.046	2.626	21.111	12.575
Equity	139.306	133.007	154.447	144.006	135.735
<b>Employees:</b>					
Average number of full-time employees	112	117	106	108	105
<b>Key figures in %:</b>					
Gross margin ratio	21,8	24,0	32,5	25,6	22,8
Profit margin (EBIT-margin)	2,7	2,7	3,6	3,5	3,4
Equity share	44,0	45,8	45,7	50,5	48,9
Return on equity	4,6	2,5	7,0	5,9	6,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

## Management's review

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### **The principal activities of the company**

The Company's activity is production and sale of processed cheese products for the food industry.

### **Uncertainties as to recognition or measurement**

There has been no particular uncertainty about recognition and measurement of the accounting items.

### **Development in activities and financial matters**

We have been performing tests with key customers on the application of our cheese powder in the bakery, snacks and dairy segment and we do expect positive development of the business in such area.

2021 was a satisfactory year considering that two significant events effected the performance resulting in a decrease in net turnover and gross profit, but an increase in results for the year compared to 2020. The Covid-19 pandemic had some effect on the 2021 Cremo Ingredients A/S Financial Statements. While have had stable volume demand for our products in the snack sector, we have incurred increase in related production costs, such as face masks for staff and additional cleaning services and consumables.

A general uncertainty around Brexit and potential logistical challenges concerning shipping of goods, resulted in early shipment of 2021 orders in the last quarter of 2020. This had some effect on the turnover in the first quarter of 2021, the effect was partially equalised throughout the rest of the year. Increased commodity prices also had some affect on 2021 gross profit.

The results from ordinary activities after tax are TDKK 6.299 against TDKK 3.560 last year and against an expected result of TDKK 8.000 – TDKK 10.000.

The favourable 2021 results when compared to last year should consider the material impact related to a loss on disposal of assets under construction.

The lower result compared to that expected is mainly due to higher costs related to Covid-19 and turnover affected by Brexit.

This result is considered satisfactory.

### **Special risks**

#### **Operating risks**

The company's earnings are dependent on the development of commodity prices for purchased products (Raw materials/Cheese) and selling prices for finished products.

### **Environmental issues**

The company meets all environmental standards and make continuous efforts for prevention of environmental damage.

## Management's review

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The environmental policy is fulfilled by:

- managing the environmental impact proactively through waste and effluent minimisation, reuse, recycling and ultimately safe disposal. Having focus on energy and natural resources.
- appropriate and robust measures to manage environmental risks, including contingency plans taking into account the environment in all phases including process development, production and distribution.
- encouraging, where possible, suppliers and contractors to implement sustainable environmental policies and effective environmental management systems.
- trying to continuously improve environmental performance of all aspects of the business.

The company is ISO 14001: 2015 certified and carries out measurements and audits accordingly. The company is subject to inspection by the Food Authority.

Crema Ingredients A/S is covered by the Parent Program "Anti-Fraud", all new employees complete this course upon induction and every two years thereafter.

Crema Ingredients A/S is covered by the parent company's policies on environmental and social responsibility and has the honour of referring to the parent company Kerry Group plc Annual Report & Accounts 2021.

### **Know how resources**

The company aims to maintain and develop human resources as possible in accordance with the requirements of the company. We refer to the group annual report for Kerry Group Plc. The group annual report may be obtained at: <https://www.kerrygroup.com/investors/results-presentations/Kerry-Group-Annual-Report-2021.pdf>

### **Research and development activities**

Crema Ingredients A/S performs R&D applications activities (i.e., amendments of existing recipes based on new ideas or on specific customers' requirements on direction from Kerry Group Services International Ltd) as a sub-contractor on behalf of Kerry Group Services International Ltd, charging its full loaded R&D costs plus a mark-up for providing this service.

### **The expected development**

Crema Ingredients A/S expects net profit for 2022 to be in the range of MDKK 4-6.

### **Events occurring after the end of the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

The recent events and market conditions in Eastern Europe do not currently have a significant impact on the business performance of the company. We expect to recover any material cost increases through our normal commercial arrangements. We will continue to monitor the situation and manage any commercial impacts as they arise.

## **Management's review**

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### **Statement of corporate social responsibility cf. article 99a in Danish Financial Statement Act**

Regarding the Company's statement of corporate social responsibility, we refer to the group annual report for Kerry Group. The group annual report may be obtained at:

<https://www.kerrygroup.com/investors/results-presentations/Kerry-Group-Annual-Report-2021.pdf>

### **Target figures and policies for the under-represented sex**

The company is covered by The Danish Financial Statement Act 99b regarding the underrepresented gender. This imply reporting on gender composition on the BOD and on other management levels of the company.

The Company has a target of at least one female in the Board of directors, which is fulfilled. The Board of Directors consists of two men and one woman, who have all been elected by the general meeting.

On the other management levels in the company, it is also the policy not to discriminate but to employ the best qualified candidates irrespective of gender, it is also the policy to give both genders the same rights, opportunities and conditions related to their employment.

In 2021 we have continued to look for and find qualified female candidates for leadership positions in Cremo Ingredients A/S. During 2021, we have occupied vacant positions on management level, this has led to a change in the gender composition in management. Other management levels in Cremo Ingredients A/S consist of three women and five men, with one vacant position. The company will continue its efforts going forward to improve the proportion using external headhunters and encouraging all to apply for open positions.

Cremo Ingredients A/S is constantly considering relevant activities to raise awareness of the industry and of Cremo Ingredients A/S in particular.

Employments in the financial year have been in compliance with the policy.

### **Statement on data ethics cf. article 99d in Danish Financial Statement Act**

The company is covered by The Danish Financial Statement Act 99d regarding disclosure of data ethics. Cremo Ingredients A/S does not use advance technologies such as artificial intelligence or machine learning. The company handles data in the form of customer data, supplier data and employee data. Data is processed in accordance with the GDPR, our personal data policies and our information security policy. With the limited processing of data, it is the company's assessment that there at the current time is no need for a policy on data ethics. The company will continuously assess whether a data ethics policy is required.

## **Accounting policies**

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The annual report for Cremo Ingredients A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Kerry Group plc.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## Accounting policies

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### Income statement

#### Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

#### Production costs

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct and indirect manufacturing costs are recognised, including costs for raw materials and consumables, salaries and wages, and depreciation on product plant.

#### Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

#### Administration expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

#### Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

#### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Accounting policies

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### Statement of financial position

#### Intangible assets

##### Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation.

Goodwill is depreciated over the estimated useful life, determined based on the management's experience within the individual business areas. The amortisation period is usually 5 years, but can be up to 20 years for strategic acquisitions. The company was initially acquired to strengthen the future platform in ingredients business. Based on the company's strategic market position and expectations for the future earnings, depreciation horizon therefore set at 20 years.

Goodwill is impaired to its recoverable value if this is lower than the carrying value.

##### Tangible fixed assets

Other tangible fixed assets are measured at cost less accrued depreciation and writedown for impairment. Land is not depreciated.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	33 years
Plant and machinery	14 years
Other fixtures and fittings, tools and equipment	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

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

## Accounting policies

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### Leases

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, and other direct production costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

## **Accounting policies**

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### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Segmental statement**

Information on activity and geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
2 Revenue	459.599	485.992
Production costs	<u>-359.434</u>	<u>-369.569</u>
<b>Gross profit</b>	<b>100.165</b>	<b>116.423</b>
Distribution costs	-6.364	-6.087
Administration expenses	-81.340	-81.932
Other operating expenses	<u>0</u>	<u>-15.258</u>
<b>Operating profit</b>	<b>12.461</b>	<b>13.146</b>
Other financial income	111	148
6 Other financial expenses	<u>-4.503</u>	<u>-4.390</u>
Financing, net	<u>-4.392</u>	<u>-4.242</u>
<b>Pre-tax net profit or loss</b>	<b>8.069</b>	<b>8.904</b>
7 Tax on net profit or loss for the year	<u>-1.770</u>	<u>-5.344</u>
<b>8 Net profit or loss for the year</b>	<b><u>6.299</u></b>	<b><u>3.560</u></b>

## Balance sheet at 31 December

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
9 Goodwill and customer relationships	16.613	21.124
Total intangible assets	<u>16.613</u>	<u>21.124</u>
10 Land and property	24.398	25.509
11 Production plant and machinery	41.899	36.943
12 Tangible assets under construction	2.385	8.478
Total property, plant, and equipment	<u>68.682</u>	<u>70.930</u>
<b>Total non-current assets</b>	<b><u>85.295</u></b>	<b><u>92.054</u></b>
<b>Current assets</b>		
Raw materials and consumables	35.347	34.956
Manufactured goods and goods for resale	65.387	56.715
Prepayments for goods	1.218	1.312
Assets held for sale	7.320	2.904
Total inventories	<u>109.272</u>	<u>95.887</u>
Receivables from group enterprises	85.997	61.281
Income tax receivables	36.392	34.017
Other receivables	1	6.839
13 Prepayments	1	48
Total receivables	<u>122.391</u>	<u>102.185</u>
Cash and cash equivalents	<u>0</u>	<u>11</u>
<b>Total current assets</b>	<b><u>231.663</u></b>	<b><u>198.083</u></b>
<b>Total assets</b>	<b><u>316.958</u></b>	<b><u>290.137</u></b>

## Balance sheet at 31 December

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DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
14	Contributed capital	501	501
	Retained earnings	128.805	132.506
	Proposed dividend for the financial year	10.000	0
	<b>Total equity</b>	<b><u>139.306</u></b>	<b><u>133.007</u></b>
<b>Provisions</b>			
15	Provisions for deferred tax	<u>10.777</u>	<u>10.730</u>
	<b>Total provisions</b>	<b><u>10.777</u></b>	<b><u>10.730</u></b>
<b>Long term liabilities other than provisions</b>			
16	Debt to group enterprises	100.000	100.000
17	Other payables	<u>6.809</u>	<u>6.666</u>
	Total long term liabilities other than provisions	<u>106.809</u>	<u>106.666</u>
	Bank debts	148	0
	Trade payables	27.015	14.395
	Debt to group enterprises	13.259	851
	Income tax payable	0	1.719
	Other payables	<u>19.644</u>	<u>22.769</u>
	Total short term liabilities other than provisions	<u>60.066</u>	<u>39.734</u>
	<b>Total liabilities other than provisions</b>	<b><u>166.875</u></b>	<b><u>146.400</u></b>
	<b>Total equity and liabilities</b>	<b><u>316.958</u></b>	<b><u>290.137</u></b>
<b>1 Special items</b>			
<b>3 Employee issues</b>			
<b>4 Fees, auditor</b>			
<b>18 Contingencies</b>			
<b>19 Related parties</b>			

## Statement of changes in equity

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DKK thousand.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 January 2021	501	132.506	0	133.007
Retained earnings for the year	0	-3.701	10.000	6.299
	<b>501</b>	<b>128.805</b>	<b>10.000</b>	<b>139.306</b>

## Notes

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DKK thousand.

### 1. Special items

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Expenses:		
Disposal of building constructions	<u>0</u>	<u>15.528</u>
	<u>0</u>	<u>15.528</u>
Special items are recognised in the following items in the financial statements:		
Other operating costs	<u>0</u>	<u>-15.528</u>
<b>Profit of special items, net</b>	<b><u>0</u></b>	<b><u>-15.528</u></b>

### 2. Revenue

	<u>2021</u>	<u>2020</u>
EU	350.260	384.877
America	88	32
Asia Pacific	100.253	89.909
Africa	4.080	5.576
Middle East	4.068	5.598
United Kingdom	<u>850</u>	<u>0</u>
	<b><u>459.599</u></b>	<b><u>485.992</u></b>

## Notes

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DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>3. Employee issues</b>		
Salaries and wages	64.683	65.182
Pension costs	5.652	6.037
Other costs for social security	<u>1.001</u>	<u>834</u>
	<b><u>71.336</u></b>	<b><u>72.053</u></b>
Average number of employees	<u>112</u>	<u>117</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act.		
<b>4. Fees, auditor</b>		
With reference to section 96 (3) of the Danish Financial Statements Act., information on fees to auditors elected by the general meeting is omitted. We refer to the consolidated financial statements of the Ultimate Parent company Kerry Group plc.		
<b>5. Depreciation and losses are allocated as follows</b>		
Productions costs	7.974	7.836
Administration costs	<u>4.511</u>	<u>4.511</u>
	<b><u>12.485</u></b>	<b><u>12.347</u></b>
<b>6. Other financial expenses</b>		
Financial costs, group enterprises	4.198	4.209
Other financial costs	<u>305</u>	<u>181</u>
	<b><u>4.503</u></b>	<b><u>4.390</u></b>
<b>7. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	1.723	5.335
Adjustment of deferred tax for the year	<u>47</u>	<u>9</u>
	<b><u>1.770</u></b>	<b><u>5.344</u></b>

## Notes

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DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>8. Proposed appropriation of net profit</b>		
Extraordinary dividend adopted during the financial year	0	25.000
Dividend for the financial year	10.000	0
Allocated from retained earnings	<u>-3.701</u>	<u>-21.440</u>
<b>Total allocations and transfers</b>	<u><b>6.299</b></u>	<u><b>3.560</b></u>

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>9. Goodwill and customer relationships</b>		
Cost 1 January 2021	90.212	90.212
<b>Cost 31 December 2021</b>	<b>90.212</b>	<b>90.212</b>
Amortisation and writedown 1 January 2021	-69.088	-64.578
Amortisation and depreciation for the year	-4.511	-4.510
<b>Amortisation and writedown 31 December 2021</b>	<b>-73.599</b>	<b>-69.088</b>
<b>Carrying amount, 31 December 2021</b>	<b>16.613</b>	<b>21.124</b>
<b>10. Land and property</b>		
Cost 1 January 2021	47.280	47.280
Additions during the year	31	0
Transfers	275	0
<b>Cost 31 December 2021</b>	<b>47.586</b>	<b>47.280</b>
Depreciation and writedown 1 January 2021	-21.771	-20.355
Depreciation for the year	-1.417	-1.416
<b>Depreciation and writedown 31 December 2021</b>	<b>-23.188</b>	<b>-21.771</b>
<b>Carrying amount, 31 December 2021</b>	<b>24.398</b>	<b>25.509</b>
<b>11. Production plant and machinery</b>		
Cost 1 January 2021	96.101	95.306
Additions during the year	5.037	795
Transfers	6.476	0
<b>Cost 31 December 2021</b>	<b>107.614</b>	<b>96.101</b>
Depreciation and writedown 1 January 2021	-59.158	-52.738
Depreciation for the year	-6.557	-6.420
<b>Depreciation and writedown 31 December 2021</b>	<b>-65.715</b>	<b>-59.158</b>
<b>Carrying amount, 31 December 2021</b>	<b>41.899</b>	<b>36.943</b>

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>12. Tangible assets under construction</b>		
Cost 1 January 2021	8.478	18.485
Additions during the year	659	5.251
Disposals during the year	0	-15.258
Transfers	-6.752	0
<b>Cost 31 December 2021</b>	<u><b>2.385</b></u>	<u><b>8.478</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>2.385</b></u>	<u><b>8.478</b></u>
<b>13. Prepayments</b>		
Other prepayments	<u>1</u>	<u>48</u>
	<u><b>1</b></u>	<u><b>48</b></u>
<b>14. Contributed capital</b>		
Contributed capital 1 January 2021	<u>501</u>	<u>501</u>
	<u><b>501</b></u>	<u><b>501</b></u>
<p>The share capital consists of 501 shares, each with a nominal value of DKK 1.000. The contributed capital is not divided into classes.</p>		
<b>15. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2021	10.730	10.721
Deferred tax relating to the net profit or loss for the year	<u>47</u>	<u>9</u>
	<u><b>10.777</b></u>	<u><b>10.730</b></u>
<p>The following items are subject to deferred tax:</p>		
Intangible assets	3.655	4.273
Tangible fixed assets	7.491	6.833
Current assets	<u>-369</u>	<u>-376</u>
	<u><b>10.777</b></u>	<u><b>10.730</b></u>

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>16. Debt to group enterprises</b>		
Total debt to group enterprises	100.000	100.000
Share of amount due within 1 year	<u>0</u>	<u>0</u>
<b>Total debt to group enterprises</b>	<b><u>100.000</u></b>	<b><u>100.000</u></b>
<b>17. Other payables</b>		
Holiday pay obligations, salaried staff	<u>6.809</u>	<u>6.666</u>
	<b><u>6.809</u></b>	<b><u>6.666</u></b>

The Holiday pay obligation is carrying interest.

## 18. Contingencies

### Contingent liabilities

#### Lease liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of t.DKK 1.921 and a combined leasing obligation of t.DKK 5.406. The leasing contracts concerns company cars, forklifts and photocopiers.

The Danish tax authorities (SKAT) have adjusted the Company's taxable income for 2010, 2011 and 2012. In 2017 the Company has paid DKK 25m and in early 2019 an additional DKK 10m on account to SKAT regarding this adjustment, which is recognised under "Income tax receivables". The Company disagrees with SKAT and has appealed the ruling.

## Notes

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DKK thousand.

### 19. Related parties

#### Controlling interest

Kerry Group BV, Majority shareholder  
Maarssenbroeksedijk 2a  
3542 DN Utrecht  
The Netherlands

Kerry Group BV, Maarssenbroeksedijk 2a, 3542 DN Utrecht, The  
Netherlands. Parent company

Kerry Group plc, Prince's Street, Tralee, Co. Kerry, V92 EH11 Ireland. Ultimate parent  
company

Ronan Deasy, 44 Mounthawk Manor, Tralee, Co. Kerry, Ireland. Member of Board of  
directors

Trevor James Horan, Killeeneenmore, Craughwell, Co. Galway, Ireland. Member of Board of  
directors

Claire Salmon, 8 Doire Loin, Clogherbrien, Tralee Co. Kerry, V92 C3V5 Member of Board of  
Ireland. directors

All transactions with related parties are performed at arms length.

#### Consolidated financial statements

Crema Ingredients A/S is included in the Group Annual report of the Ultimate Parent company  
Kerry Group plc.