

# **Cremo Ingredients A/S**

**Toftegårdsvej 3, 5620 Glamsbjerg**

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

## **Annual report**

**1 January - 31 December 2020**

The annual report was submitted and approved by the general meeting on the 19 May 2021.



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Trevor Horan  
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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The Executive and Supervisory Boards have today considered and adopted the Annual Report of Company Cremo Ingredients A/S for the financial year 1 January – 31 December 2020.

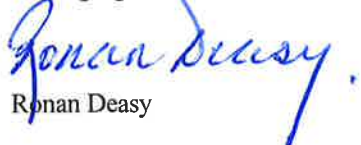
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations and cash flows for 2020.

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


Glamsbjerg, 19 May 2021

**Managing Director**

  
Ronan Deasy

X

**Board of directors**

  
Trevor James Horan

  
X 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 Statement give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statement of Cremo Ingredients A/S for the financial year 1 January to 31 December 2020, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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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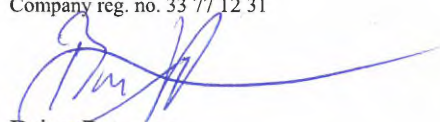
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Odense, 19 May 2021

### **PricewaterhouseCoopers**

State Authorised Public Accountants

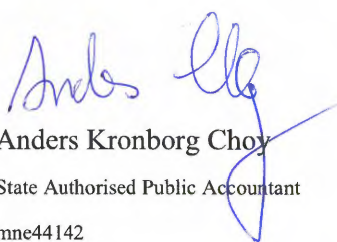
Company reg. no. 33 77 12 31



**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.	2020	2019	2018	2017	2016
<b>Income statement:</b>					
Net turnover	485.992	485.041	427.653	448.121	422.724
Gross profit	116.423	157.474	109.384	102.318	106.404
Profit from operating activities	13.146	17.642	14.960	15.274	22.257
Net financials	-4.242	-4.235	-4.351	-4.259	-4.482
Net profit or loss for the year	3.560	10.441	8.271	8.582	-14.638
<b>Statement of financial position:</b>					
Balance sheet total	290.137	338.101	285.245	277.589	274.726
Investments in property, plant and equipment	6.046	2.626	21.111	12.575	8.365
Equity	133.007	154.447	144.006	135.735	127.153
<b>Employees:</b>					
Average number of full-time employees	117	106	108	105	96
<b>Key figures in %:</b>					
Gross margin ratio	24,0	32,5	25,6	22,8	25,2
Profit margin (EBIT-margin)	2,7	3,6	3,5	3,4	5,3
Equity share	45,8	45,7	50,5	48,9	46,3
Return on equity	2,5	7,0	5,9	6,5	12,2

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

$$\text{Gross margin} = \frac{\text{Gross results} \times 100}{\text{Net turnover}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Net turnover}}$$

$$\text{Equity share} = \frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Results for the year} \times 100}{\text{Average equity}}$$



## **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. 2020 was a satisfactory year with a high demand for our cheese powder products that has brought an increase in net turnover, but decrease in gross profit and results for the year compared to last year.

The results from ordinary activities after tax are DKK 3.560.000 against DKK 10.441.000 last year.

Profit for the year is materially impacted by loss on disposal of assets under construction, we refer to note 1.

Commodity prices remained stable throughout the period.

The Covid-19 pandemic did not have a significant effect on the 2020 Cremo Ingredients A/S Financial Statements. On one side we haven't lost business due to a good volume demand for our products, especially in the snack sector and on the other hand we have incurred in some additional costs like face masks and extra cleaning services and consumables.

### **Special risks**

#### *Operating risks*

The company's earnings are dependent on the development of commodity prices for purchased products and selling prices for finished products.

### **Environmental issues**

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

The environmental policy is fulfilled by:

- managing the environmental impact proactively through waste and effluent minimization, 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.

## **Management's review**

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- 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. In addition, a cooperation agreement signed with ALECTIA about improvements to the working environment and job satisfaction.

Cremo is covered by the Parent Program "Anti-Fraud", including all managers and administrative external contact implements the parent company's "Anti-Fraud" course.

Cremo is generally 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 2020.

### **Know-how resources**

The company aims to maintain and develop human resources as possible in accordance with the requirements of the company.

### **Research and development activities**

Cremo performs R&D applications activities (i.e. amendments of existing recipes based on new ideas or on specific customers' requirements on direction from KGSI) 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**

Cremo Ingredients A/S expects net profit for 2021 to be in the range of MDKK 8-10

### **Events subsequent to 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.

### **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/investor-centre/agm/Kerry-Group-Annual-Report-2020.pdf>.

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

The company is covered by The Danish Financial Statement Act §99b regarding the under represented 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 women in the Board of director, which is fulfilled. The Board of Directors consists of two men and one woman, who have all been elected by the general meeting.

## **Management's review**

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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 2020 we have continued to look for and find qualified female candidates for leadership positions in Cremo Ingredients A/S. Due to few vacant positions on management level during 2020, we have not registered a change in the gender composition in management. The company will intensify 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.

## **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.

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

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet 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**

#### **Net turnover**

Net turnover 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**

The production cost comprise costs, including salaries, wages and depreciation, which are incurred in order to achieve the revenue of the year. these costs include direct and indirect costs for raw materials and consumables, salaries and wages, and depreciation on product plant.

#### **Distribution costs**

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

#### **Administration costs**

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

#### **Cost of sales**

#### **Other operating costs**

Other operating costs 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 of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## Accounting policies

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### The balance sheet

#### 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 amortization 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, depreciations 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 sub-suppliers, 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 measured average prices. In cases when the net realisable value is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprise the acquisition costs with the addition of the delivery costs.

The costs for 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 with deduction of completion costs and selling costs. The net realisable value is determined with into consideration the negotiability, obsolescence, and development of expected market price.

### **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.

## **Accounting policies**

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### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **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>2020</u>	<u>2019</u>
2 Net turnover	485.992	485.041
Production costs	<u>-369.569</u>	<u>-327.567</u>
<b>Gross profit</b>	<b>116.423</b>	<b>157.474</b>
Distribution costs	-6.087	-6.415
Administration costs	-81.932	-133.417
Other operating costs	<u>-15.258</u>	<u>0</u>
<b>Operating profit</b>	<b>13.146</b>	<b>17.642</b>
Other financial income	148	29
6 Other financial costs	<u>-4.390</u>	<u>-4.264</u>
Financing, net	<u>-4.242</u>	<u>-4.235</u>
<b>Pre-tax net profit or loss</b>	<b>8.904</b>	<b>13.407</b>
7 Tax on ordinary results	<u>-5.344</u>	<u>-2.966</u>
<b>8 Net profit or loss for the year</b>	<b><u>3.560</u></b>	<b><u>10.441</u></b>

## Statement of financial position at 31 December

DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Non-current assets</b>		
9 Goodwill and customer relationships	21.124	25.634
Total intangible assets	<u>21.124</u>	<u>25.634</u>
10 Land and property	25.509	26.925
11 Production plant and machinery	36.943	42.568
12 Tangible assets under construction	8.478	18.485
Total property, plant, and equipment	<u>70.930</u>	<u>87.978</u>
<b>Total non-current assets</b>	<b><u>92.054</u></b>	<b><u>113.612</u></b>
<b>Current assets</b>		
Raw materials and consumables	34.956	30.623
Manufactured goods and trade goods	56.715	58.564
Prepayments for goods	1.312	1.353
Assets intended for sale	2.904	3.203
Total inventories	<u>95.887</u>	<u>93.743</u>
Receivables from group enterprises	61.281	94.773
Receivable corporate tax	34.017	35.961
Other debtors	6.839	0
13 Deferred expenses	48	0
Total receivables	<u>102.185</u>	<u>130.734</u>
Available funds	<u>11</u>	<u>12</u>
<b>Total current assets</b>	<b><u>198.083</u></b>	<b><u>224.489</u></b>
<b>Total assets</b>	<b><u>290.137</u></b>	<b><u>338.101</u></b>

## Statement of financial position at 31 December

DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2020</u>	<u>2019</u>
<b>Equity</b>			
14	Contributed capital	501	501
	Results brought forward	132.506	153.946
	<b>Total equity</b>	<b>133.007</b>	<b>154.447</b>
<b>Provisions</b>			
15	Provisions for deferred tax	10.730	10.721
	<b>Total provisions</b>	<b>10.730</b>	<b>10.721</b>
<b>Liabilities other than provisions</b>			
16	Debt to group enterprises	100.000	100.000
17	Other payables	6.666	2.235
	Total long term liabilities other than provisions	106.666	102.235
	Bank debts	0	5
	Trade creditors	14.395	17.832
	Debt to group enterprises	851	32.360
	Corporate tax	1.719	3.552
	Other debts	22.769	16.949
	Total short term liabilities other than provisions	39.734	70.698
	<b>Total liabilities other than provisions</b>	<b>146.400</b>	<b>172.933</b>
	<b>Total equity and liabilities</b>	<b>290.137</b>	<b>338.101</b>
<b>1 Special items</b>			
<b>3 Staff matters</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.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	501	153.946	154.447
Profit or loss for the year brought forward	0	3.560	3.560
Distributed extraordinary dividend adopted during the financial year.	0	-25.000	-25.000
	<u>501</u>	<u>132.506</u>	<u>133.007</u>

## Notes

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DKK thousand.

### 1. Special items

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

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

	<u>2020</u>	<u>2019</u>
Expenses:		
Disposal of building under construction	15.258	0
	<u>15.258</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Other operating costs	-15.258	0
<b>Profit of special items, net</b>	<b><u>-15.258</u></b>	<b><u>0</u></b>

### 2. Net turnover

	<u>2020</u>	<u>2019</u>
Europe	384.877	355.340
America	32	32
Asia Pacific	89.909	97.027
Africa	5.576	6.262
Middle East	5.598	26.380
	<b><u>485.992</u></b>	<b><u>485.041</u></b>

## Notes

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DKK thousand.

	<u>2020</u>	<u>2019</u>
<b>3. Staff matters</b>		
Salaries and wages	65.182	54.876
Pension costs	6.037	5.025
Other costs for social security	834	870
	<u>72.053</u>	<u>60.771</u>
Average number of employees	<u>117</u>	<u>106</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>		
Production costs	7.836	7.864
Administration costs	4.511	4.511
	<u>12.347</u>	<u>12.375</u>
<b>6. Other financial costs</b>		
Financial costs, group enterprises	4.209	4.243
Other financial costs	181	21
	<u>4.390</u>	<u>4.264</u>
<b>7. Tax on ordinary results</b>		
Tax of the results for the year, parent company	5.335	3.552
Adjustment for the year of deferred tax	9	-493
Adjustment of tax for previous years	0	-93
	<u>5.344</u>	<u>2.966</u>

## Notes

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DKK thousand.

	<u>2020</u>	<u>2019</u>
<b>8. Proposed distribution of the results</b>		
Extraordinary dividend adopted during the financial year	25.000	0
Allocated to results brought forward	0	10.441
Allocated from results brought forward	<u>-21.440</u>	<u>0</u>
<b>Distribution in total</b>	<b><u>3.560</u></b>	<b><u>10.441</u></b>
	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>9. Goodwill and customer relationships</b>		
Cost 1 January 2020	<u>90.212</u>	<u>90.212</u>
<b>Cost 31 December 2020</b>	<b><u>90.212</u></b>	<b><u>90.212</u></b>
Amortisation and writedown 1 January 2020	-64.578	-60.067
Amortisation for the year	<u>-4.510</u>	<u>-4.511</u>
<b>Amortisation and writedown 31 December 2020</b>	<b><u>-69.088</u></b>	<b><u>-64.578</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>21.124</u></b>	<b><u>25.634</u></b>
<b>10. Land and property</b>		
Cost 1 January 2020	<u>47.280</u>	<u>47.280</u>
<b>Cost 31 December 2020</b>	<b><u>47.280</u></b>	<b><u>47.280</u></b>
Depreciation and writedown 1 January 2020	-20.355	-18.939
Depreciation for the year	<u>-1.416</u>	<u>-1.416</u>
<b>Depreciation and writedown 31 December 2020</b>	<b><u>-21.771</u></b>	<b><u>-20.355</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>25.509</u></b>	<b><u>26.925</u></b>

## Notes

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DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>11. Production plant and machinery</b>		
Cost 1 January 2020	95.306	94.458
Additions during the year	795	371
Transfers	0	477
<b>Cost 31 December 2020</b>	<u><b>96.101</b></u>	<u><b>95.306</b></u>
Depreciation and writedown 1 January 2020	-52.738	-46.290
Depreciation for the year	-6.420	-6.448
<b>Depreciation and writedown 31 December 2020</b>	<u><b>-59.158</b></u>	<u><b>-52.738</b></u>
<b>Carrying amount, 31 December 2020</b>	<u><b>36.943</b></u>	<u><b>42.568</b></u>
<b>12. Tangible assets under construction</b>		
Cost 1 January 2020	18.485	16.707
Additions during the year	5.251	2.255
Disposals during the year	-15.258	0
Transfers	0	-477
<b>Cost 31 December 2020</b>	<u><b>8.478</b></u>	<u><b>18.485</b></u>
<b>Carrying amount, 31 December 2020</b>	<u><b>8.478</b></u>	<u><b>18.485</b></u>
<b>13. Deferred expenses</b>		
Other prepayments	48	0
	<u><b>48</b></u>	<u><b>0</b></u>
<b>14. Contributed capital</b>		
Contributed capital 1 January 2020	501	501
<b>Contributed capital 31 December 2020</b>	<u><b>501</b></u>	<u><b>501</b></u>

The share capital consists of 501 shares, each with a nominal value of DKK 1.000. The contributed capital is not divided into classes.



## Notes

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DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>15. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2020	10.721	11.214
Deferred tax of the results for the year	9	-493
<b>Provisions for deferred tax 31 December 2020</b>	<u><b>10.730</b></u>	<u><b>10.721</b></u>
The following items are subject to deferred tax:		
Intangible fixed assets	4.273	4.891
Tangible fixed assets	6.833	6.061
Current assets	-376	-231
<b>Provisions for deferred tax in total</b>	<u><b>10.730</b></u>	<u><b>10.721</b></u>
<b>16. Debt to group enterprises</b>		
Debt to group enterprises in total	100.000	100.000
Share of amount due within 1 year	0	0
<b>Debt to group enterprises in total</b>	<u><b>100.000</b></u>	<u><b>100.000</b></u>
Share of liabilities due after 5 years	0	0
<b>17. Other payables</b>		
Holiday pay obligations, salaried staff	6.666	2.235
	<u><b>6.666</b></u>	<u><b>2.235</b></u>

The Holiday pay obligation is carrying interest.

## **18. Contingencies**

### **Contingent liabilities**

#### Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of t.DKK 1,918 and a combined leasing obligation of t.DKK 3,074. The leasing contracts concerns company cars, forklifts and photocopiers.

## Notes

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DKK thousand.

### 18. Contingencies (continued)

#### Contingent liabilities (continued)

##### Tax dispute

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 recognized under "Receivable corporate tax". The Company disagrees with SKAT and has appealed the ruling.

### 19. Related parties

#### Controlling interest

Kerry Group BV, Maarssebroeksedijk 21 3542 DN Utrecht The Netherlands	Majority shareholder
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Kerry Group BV, Maarssebroeksedijk 2a, 3542 DN Utrecht, The Netherlands.	Parent company
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Kerry Group plc, Prince's Street, Tralee, Co. Kerry, V92 EH11 Ireland.	Ultimate parent company
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Ronan Deasy, 44 Mounthawk Manor, Tralee, Co. Kerry, Ireland.	Member of Board of directors
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Trevor James Horan, Killeeneenmore, Craughwell, Co. Galway, Ireland.	Member of Board of directors
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Claire Salmon, 8 Doire Loin, Clogherbrien, Tralee Co. Kerry, V92 C3V5 Ireland.	Member of Board of directors
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All transactions with related parties are performed at arms length.

#### Consolidated annual accounts

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