

Bisca A/S

Ahornvej 1
4780 Stege

CVR no. 27 70 22 79

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting on

14 September 2020

Jørgen Gran
chairman

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Bisca A/S
Annual report 2019
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Bisca A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Stege, 14 September 2020
Executive Board:

Kristian Walsøe

Board of Directors:

Jonas Peter Magnusson
Chairman

Kristian Walsøe

Jørgen Grønli Gran

Karina Knörr

Bjarne Pedersen

Independent auditor's report

To the shareholders of Bisca A/S

Opinion

We have audited the financial statements of Bisca A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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

Independent auditor's report

- 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.

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 14 September 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant
mne19737

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Bisca A/S
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Management's review

Company details

Bisca A/S
Ahornvej 1
4780 Stege

Telephone:	+45 72 11 00 00
Fax:	+45 72 11 00 01
CVR no.:	27 70 22 79
Established:	21 April 2004
Registered office:	Stege, Vordingborg
Financial year:	1 January – 31 December

Board of Directors

Jonas Peter Magnusson, Chairman
Kristian Walsøe
Jørgen Grønli Gran
Karina Knörr
Bjarne Pedersen

Executive Board

Kristian Walsøe

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Financial highlights

DKK'000	2019	2018	2017	2016	2015
Key figures					
Revenue	348,457	333,568	339,140	350,301	375,403
Profit/loss from financial income and expenses	-2,635	-1,689	-1,639	-1,743	-1,624
Profit/loss for the year	-22,811	10,327	33,150	46,909	25,629
Total assets	355,647	355,076	381,812	359,574	293,840
Equity	231,614	255,048	244,671	218,412	180,193
Investment in property, plant and equipment	14,792	17,665	16,310	6,013	4,276
Ratios					
Operating margin	-6.61%	-0.12%	5.41%	7.29%	4.67%
Return on equity	-9.37%	4.13%	14.32%	23.54%	28.45%
Solvency ratio	65.12%	71.83%	64.08%	60.74%	61.32%
Average number of full-time employees	247	225	219	246	258

Financial ratios are calculated in accordance with the guidelines "Recommendations and Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Operating margin $\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$

Return on equity $\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities

Bisca A/S is one of the market leaders in the Nordic countries as a manufacturer and provider of biscuits, cakes and cookies. Bisca A/S' products are sold to the Nordic market and to a number of export markets. Bisca A/S has its headquarters, sales office and production in Denmark and a sales company in Sweden, while export to other markets is carried out through distributors or sales made directly to retail chains.

Development in activities and financial position

Loss for the year before tax amounted to DKK 22.8 million compared to a profit of DKK 10.3 million in the previous year.

Management considers the results unsatisfactory.

The negative development and negative variation in realised results for 2019 compared to expectations is a result of larger structural changes related to closure of production in Sweden, challenging integration into the Danish production in Stege and unsatisfactory execution of commercial activities in the Danish market.

Particular risks

Significant risks particularly relate to uncertainty regarding the development in commodity and packaging prices. These risks are sought minimized by entering into price agreements with suppliers for up to 12 months.

Financial risks

Currency risks primarily relate to transactions in NOK, SEK and GBP. No transactions in currencies, interest rates or other financial instruments are made for speculative purposes.

Events after the balance sheet date

In early 2020, an outbreak of the coronavirus COVID-19 affected large parts of the world. The COVID-19 outbreak occurred during 2020 and did not exist on the balance sheet date at 31 December 2019. The effect of the virus outbreak is considered a nonadjusting subsequent event and thus does not affect the financial reporting for the financial year ended 31 December 2019. No events have occurred after the balance sheet date which materially affects the assessment of the financial position.

The Company's Management is not aware of any other significant events that occurred after the balance sheet date.

Management's review

Operating review

Outlook

The objectives for the coming year include further strengthening our position as one of the market leaders in the Nordic countries.

Our expectations for 2020 include increasing profitability measured by EBITDA/revenue and profitable growth. Based on the execution plan for 2020 and the strategic projects in progress, EBITDA for 2020 is expected to amount to approx. DKK 8-10 million.

Product development

Bisca is the market leader in Denmark and holds strong positions in the Norwegian and Swedish markets within biscuits and cookies, which are positions that the Company spend both time and resources maintaining and developing.

Moreover, the Company constantly works on projects improving and changing recipes so that they always meet the customers' and consumers' demands in respect of taste, design, composition, quality, etc.

Gender composition

The Board of Directors of Bisca A/S consists of five members, hereof four men and one woman.

The framework for the selection of board members is formed by gender composition policies used in the respective units. It has been Bisca's goal to change the gender composition of the Board from currently zero women to one woman by 2020. This goal has been met and a new target is established to change the gender composition of the Board from currently one woman to two women by 2022.

Corporate social responsibility

In accordance with the Danish Financial Statements Act, section 99a, the statutory statement on the corporate social responsibility statement has been published on Bisca's website www.bisca.dk to which we refer:

Statement for 2019: <https://karenvolf.dk/kontakt/#presse>

Environmental matters

Biscuit and cake production cannot be carried out without a certain environmental impact. The most important areas that affect the environment, both in the near and in general, are:

- Energy use in production
- Production of organic products and use of organic raw materials
- Environmental and climate impact on packaging (use of FSC certified cardboard).

It is Bisca's objective to reduce the environmental and climate impact of our production to the extent possible. Some of the key activities are:

- Ongoing follow-up on energy use and implementation of energy saving measures
- Use of packaging solutions that reduce the environmental impact as much as possible
- To work only with RSPO certified palm oil.

In addition, Bisca's operations do not adversely affect the environment, neither by soil contamination nor by the release of polluting waste.

Management's review

Operating review

Documentation regarding environmental issues is included in the statutory corporate social responsibility statement, including our environmental responsibility policy.

Employee matters

Maintenance and improvement of the employees' skills and qualifications and the ability to attract and retain employees are important elements of Bisca's strategy. Thus, also in 2019, the Company committed significant resources to implement the strategic objectives.

We choose to work actively on guidelines that, regardless of religion, skin color, gender, or other conditions, are based on the employee's personal and professional qualifications.

Efforts are made to promote the employees' competencies at all organisational levels and to create a work environment with mutual respect. This focus is supported by the fact that the social aspect is included in Bisca's strategic plan.

In 2019, Bisca continued its collaboration with Vordingborg municipality through the project "Business Center Bisca", which aims to bring the unemployed with a more challenging connection to the labor market into work through a more individual effort and more flexible conditions.

Additional documentation is included in the statutory corporate social responsibility statement, including our social responsibility policy.

Ownership

The Company is wholly-owned by Scandza Denmark ApS, Denmark (org. no. 40074643). The Company's contributed capital is not divided into different classes of shares.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	2018
Revenue	2	348,457	333,568
Production costs	3, 4	-289,755	-272,177
Gross profit		58,702	61,391
Distribution costs	3, 4	-52,316	-39,974
Administrative expenses	3, 4	-24,287	-16,677
Amortisation of goodwill	4	-5,128	-5,143
Operating loss		-23,029	-403
Income from equity investments in subsidiaries		-12,346	2,981
Income from equity investments in associates		12,530	9,615
Financial income		15	18
Financial expenses	5	-2,650	-1,707
Profit/loss before tax		-25,480	10,504
Tax on profit/loss for the year	6	2,669	-177
Profit/loss for the year	7	-22,811	10,327

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Intangible assets	8		
Goodwill		3,846	8,973
Property, plant and equipment	9		
Land and buildings		57,138	59,524
Plant and machinery		79,755	76,693
Fixtures and fittings, tools and equipment		1,698	1,252
Property, plant and equipment in progress		947	3,287
		139,538	140,756
Investments	10		
Investments in subsidiaries		78,906	69,833
Investments in associates		9,831	17,711
		88,737	87,544
Total fixed assets		232,121	237,273
Current assets			
Inventories			
Raw materials and consumables		20,835	19,592
Finished goods and goods for resale		17,740	11,377
		38,575	30,969
Receivables			
Trade receivables		33,975	24,676
Receivables from group entities		12,059	9,316
Receivables from associates		1,060	517
Other receivables		9,553	9,164
		56,647	43,673
Cash at bank and in hand		28,304	43,161
Total current assets		123,526	117,803
TOTAL ASSETS		355,647	355,076

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital	11	46,160	46,160
Revaluation reserve		21,352	10,123
Retained earnings		<u>164,102</u>	<u>198,765</u>
Total equity		<u>231,614</u>	<u>255,048</u>
Provisions			
Provisions for deferred tax	12	<u>9,357</u>	<u>13,027</u>
Total provisions		<u>9,357</u>	<u>13,027</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		55,821	37,173
Payables to group entities		28,855	27,484
Corporation tax		0	723
Other payables		<u>30,000</u>	<u>21,621</u>
		<u>114,676</u>	<u>87,001</u>
Total liabilities other than provisions		<u>114,676</u>	<u>87,001</u>
TOTAL EQUITY AND LIABILITIES			
		<u>355,647</u>	<u>355,076</u>
Staff costs and incentive schemes			
Contractual obligations, contingencies, etc.		3	
Mortgages and collateral		13	
Related party disclosures		14	
		15	

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Revaluation reserve	Retained earnings	Total
Equity at 1 January 2019	46,160	10,123	198,766	255,049
Exchange adjustment	0	-624	0	-624
Transfers	0	11,669	-11,669	0
Transferred over the distribution of loss	0	184	-22,995	-22,811
Equity at 31 December 2019	46,160	21,352	164,102	231,614

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Bisca A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Bisca A/S and group entities are included in the consolidated financial statements of Jordanes, Oslo, Norway (org. no. 920355285).

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Jordanes, Oslo, Norway (org. no. 920355285).

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognized in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received. All discounts granted are recognized in revenue.

Production costs

Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plant.

Distribution costs

Selling and marketing costs comprise costs for sales and marketing staff, sales campaigns, advertising and exhibition costs as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses for administrative staff, management, office premises and office expenses as well as depreciation.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Income from equity investments in group entities and associates

The proportionate share of the individual subsidiaries' and associates profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the expected economic life, not exceeding 20 years. Amortisation of goodwill is presented as a separate line item in the income statement before profit/loss from ordinary activities.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	15-50 years
Plant and machinery	15-20 years
Fixtures and fittings, tools and equipment	3-7 years

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Equity investments in group entities and associates

Equity investments in group entities and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities and associates with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities and associates is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity. Dividends are recognised as a liability at the date when they are approved at the annual general meeting.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

	DKK'000	2019	2018
2 Revenue			
Goods for the Danish market		251,291	277,090
Goods for other markets		97,166	56,478
		348,457	333,568
3 Staff costs and incentive schemes			
Staff costs			
Wages and salaries		102,857	92,041
Pensions		8,439	7,513
Other social security costs		2,993	2,525
		114,289	102,079
Average number of full-time employees		247	225
Remuneration for management is not disclosed in accordance with § 98b in the Danish Financial Statements Act.			
4 Depreciation and amortisation			
Production costs		15,470	13,748
Administrative expenses		292	259
Goodwill		5,127	5,143
		20,889	19,150
5 Financial expenses			
Interest expense to group entities		1,372	364
Other financial costs		1,278	1,343
		2,650	1,707
6 Tax on profit/loss for the year			
Current tax for the year		0	-2,604
Deferred tax for the year		-3,734	2,781
Adjustment of tax concerning previous years		1,065	0
		-2,669	177

Financial statements 1 January – 31 December

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DKK'000	2019	2018
7 Proposed profit appropriation/distribution of loss		
Reserve for net revaluation under equity method	184	12,595
Retained earnings	-22,995	-2,268
	-22,811	10,327
	=====	=====
8 Intangible assets		
DKK'000	Goodwill	
Cost at 1 January 2019	98,331	
Cost at 31 December 2019	98,331	
Amortisation and impairment losses at 1 January 2019	-89,358	
Amortisation for the year	-5,127	
Amortisation and impairment losses at 31 December 2019	-94,485	
Carrying amount at 31 December 2019	3,846	
	=====	=====

Financial statements 1 January – 31 December

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9 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2019	96,102	357,529	18,060	3,287	474,978
Additions for the year	800	12,810	1,182	0	14,792
Disposals for the year	0	-604	0	0	-604
Cost at 31 December 2019	96,902	372,075	19,242	947	489,166
Revaluations at 1 January 2019	15,198	0	0	0	15,198
Revaluations at 31 December 2019	15,198	0	0	0	15,198
Depreciation and impairment losses at 1 January 2019	-51,776	-280,836	-16,808	0	-349,420
Depreciation and impairment losses for the year on assets sold	-3,186	-11,871	-736	0	-15,793
Reversed depreciation and impairment losses on assets sold	0	387	0	0	387
Depreciation and impairment losses at 31 December 2019	-54,962	-292,320	-17,544	0	-364,826
Carrying amount at 31 December 2019	57,138	79,755	1,698	947	139,538

Financial statements 1 January – 31 December

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10 Investments

	<u>Investments in subsidiaries</u>
DKK'000	
Cost at 1 January 2019	94,270
Additions for the year	<u>28,536</u>
Cost at 31 December 2019	<u>122,806</u>
Revaluations at 1 January 2019	-21,150
Exchange adjustments	-114
Net profit of the year	-9,033
Dividends	-7,000
Corrections to prior year	-3,290
Depreciation of goodwill	<u>-3,313</u>
Revaluations 31 December 2019	<u>-43,900</u>
Carrying amount at 31 December 2019	78,906

Name	Registered office	Voting rights and ownership interest
Bisca AB	Sweden	100%
Royal Biscuit Nordic A/S	Stege, Danmark	100%
Godbiten Konditori AB	Sweden	100%

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DKK'000	Investments in associates
Cost at 1 January 2019	3,677
Cost at 31 December 2019	<u>3,677</u>
Revaluations at 1 January 2019	14,034
Exchange adjustment	58
Net profit of the year	12,530
Dividends	<u>-20,468</u>
Revaluations 31 December 2019	6,154
Carrying amount at 31 December 2019	9,831

Name	Registered office	Voting rights and ownership interest
Baxt A/S	Norge	27,8%

11 Contributed capital

The contributed capital consists of 46,160,252 shares of DKK 1 each. No shares have special rights.
 No changes to the contributed capital in the last 5 years.

12 Deferred tax

DKK'000	31/12 2019	31/12 2018
Deferred tax at 1 January	13,091	10,246
Deferred tax adjustment for the year in the income statement	<u>-3,734</u>	<u>2,781</u>
	9,357	13,027
Provisions for deferred tax relate to:		
Non-current assets	12,480	13,067
Current assets	643	-40
Tax loss carryforwards	<u>-3,766</u>	<u>0</u>
	9,357	13,027

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13 Contractual obligations, contingencies, etc.

The Company's lease obligations from operating leases amounted to DKK 3,350 thousand at 31 December 2019 (2018: DKK 5,976 thousand).

The Company's total rental obligations regarding non-cancellable leases amounted to DKK 51 thousand at 31 December 2019 (2018: DKK 49 thousand).

14 Mortgages and collateral

Bisca A/S is part of a finance agreement that applies for the entire Scandza Group, and Bisca A/S has acceded to the entire financing agreement as an additional guarantor. Bisca A/S' guarantee obligations are limited to an amount equal to Bisca A/S actual loans under the agreement with addition of the higher of Bisca A/S' equity when entering into the agreement or at any later where payments under the guarantee should be requested.

15 Related party disclosures

Bisca A/S' related parties comprise the following:

Scandza Danmark ApS, Denmark (org. no. 40074643) wholly owns the contributed capital in the Company.

Scandza Danmark ApS is included in the consolidated Financial Statement for Jordanes AS, Oslo, Norway (org. no. 920 355 285)

Related party transactions

Bisca A/S' transaction with related parties comprise the following:

DKK'000	2019
Selling of goods to group companies	49,495
Selling of shared services to group companies	2,544
Purchasing of goods from group companies	897
Purchasing of shared services from group companies	1,360

Receivables and loans to group companies are disclosed in the balance sheet, and expences are disclosed in the notes.

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Jørgen Grønli Gran

Bestyrelsesmedlem

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Jonas Peter Magnusson

Bestyrelsesformand

On behalf of: Bisca A/S

Serial number: 19770124xxxx

IP: 185.224.xxx.xxx

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Bjarne Pedersen

Bestyrelsesmedlem

On behalf of: Bisca A/S

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 NEM ID

Kristian Walsøe

Direktionsmedlem

On behalf of: Bisca A/S

Serial number: PID:9208-2002-2-762608732334

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Kristian Walsøe

Bestyrelsesmedlem

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Serial number: PID:9208-2002-2-762608732334

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David Olafsson

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartnerselskab

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