

**LGI Denmark ApS**  
**Ulsnæs 33, 6300 Graasten**

**Annual report 2019**

**CVR no. 28 10 08 92**

**To the Danish Business Authority**  
The annual report was presented and approved  
at the annual general meeting on 27 August 2020

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(Chairman of the meeting)

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## **INFORMATION ON THE COMPANY**

LGI Denmark ApS  
Ulsnæs 33  
DK-6300 Gråsten

CVR no. 28 10 08 92

### **Board of Directors:**

Christine J. Lauridsen (Chair of the Board)  
Duane Everett Willey  
John F. Wheeler  
Vilhelm Hald-Christensen

### **Management:**

Asger Jacobsen  
Torben Matzen

### **Auditor:**

EY Godkendt Revisionspartnerselskab  
Nørre Havnegade 43  
DK-6400 Sønderborg

State Authorised Public Accountant Christian S. Christiansen  
State Authorised Public Accountant René Kirkegaard

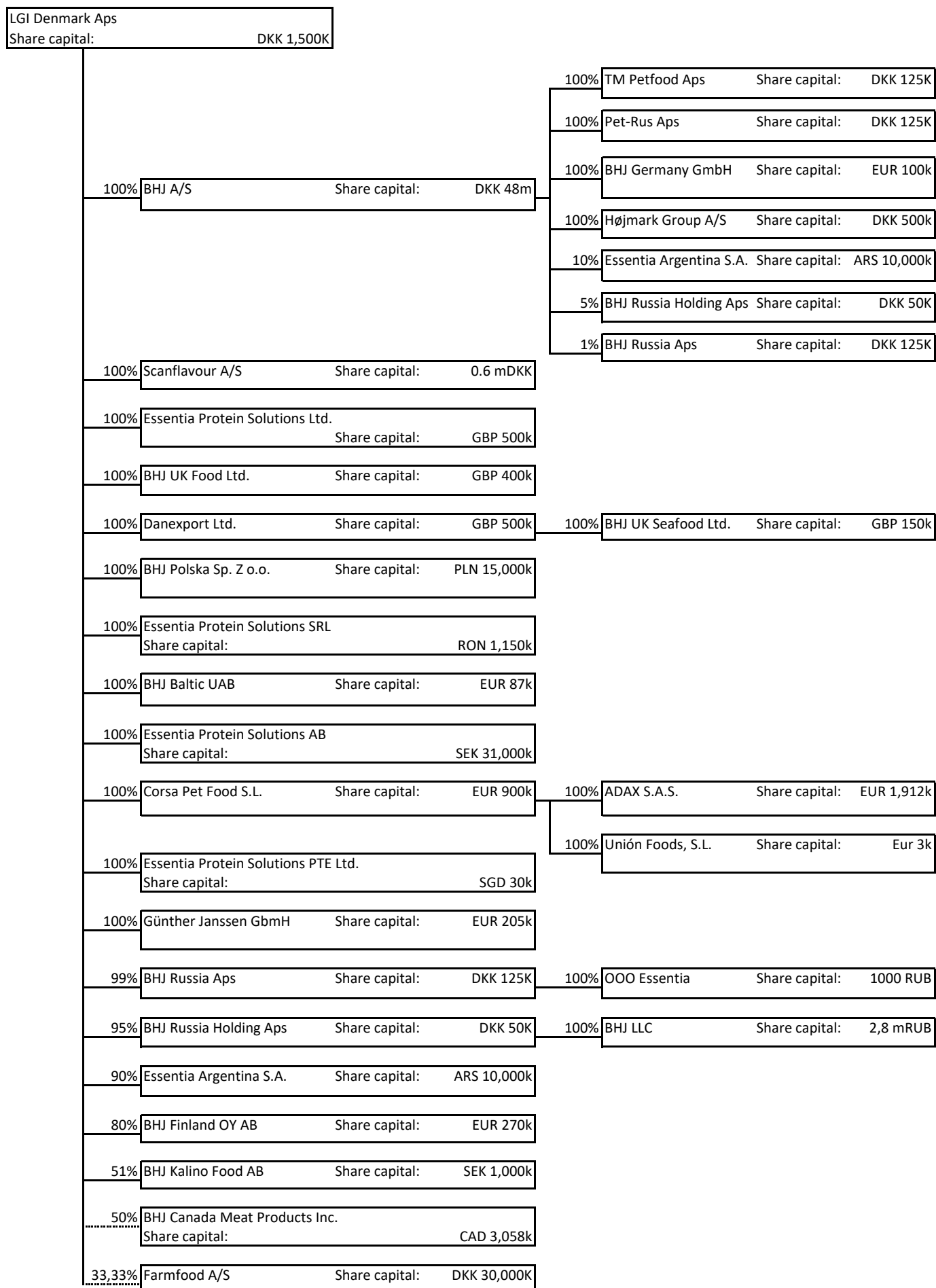
### **Bank:**

Sydbank A/S  
Handelsbanken

### **Annual General Meeting:**

The Annual General Meeting will be held 27 August 2020

GROUP OUTLINE



## LGI Denmark ApS

### Financial highlights and key ratios

	2015	2016	2017	2018	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Operating profit	1.114	4.286	4.286	3.112	1.717
Financial items	(3.991)	(3.683)	(1.841)	(2.536)	(2.794)
<b>Profit for the year</b>	<b>75.698</b>	<b>46.939</b>	<b>95.189</b>	<b>67.171</b>	<b>97.023</b>
<b>Balance sheet</b>					
<b>Total assets</b>	<b>658.931</b>	<b>657.660</b>	<b>720.831</b>	<b>801.527</b>	<b>822.258</b>
<b>Equity</b>	<b>419.225</b>	<b>462.509</b>	<b>482.840</b>	<b>443.291</b>	<b>495.309</b>
Interest-bearing debt	237.082	186.621	227.751	349.864	318.890
Non-interest-bearing debt	2.624	8.530	10.240	8.373	8.058
<b>Key figures<sup>1</sup></b>					
Return on equity	18,3%	10,6%	20,1%	14,5%	20,7%
Debt ratio	56,6%	40,3%	47,2%	78,9%	64,4%
Equity ratio at year-end	63,6%	70,3%	67,0%	55,3%	60,2%

<sup>1</sup> Key figures are calculated according to definitions described under accounting policies

## **MANAGEMENT REPORT**

### **Main activities**

LGI Denmark owns a number of operating companies within the below described business areas. The company has no further activities.

The group's subsidiaries operate with the following two business divisions:

- Essentia Protein Solutions
- BHJ

Essentia Protein Solutions develops, produces and markets functional protein ingredients within meat processing, soup stock and nutrition.

BHJ purchases, processes and sells meat and fish raw materials for pet food- and fur feed-industries and trades within food in meat and fish-products.

### **Development in activities and financial performance**

As per October 1, 2019 the company Günther Janssen GmbH, Germany was acquired. Günther Janssen GmbH is operating within the Petfood area.

LGI posted a profit before tax of DKK 97,9 million in the financial year ended 31 December 2019, compared with DKK 67,9 million last year.

Total assets amount to DKK 822 million, of which equity amounts to DKK 495 million, equal to 60,2%.

### **Outlook**

The overall expectation for LGI Denmark Group in 2020, is a positive development and higher earnings compared to 2019.

### **Management structure and gender quota**

The management structure of LGI Denmark ApS consists of a board of directors appointed at the annual general meeting of 4 members and a management of 2.

The gender quota of the board of directors of LGI Denmark ApS is based on a desire to have both male and female board members. With 4 board members, the objective of at least 25% of each gender in the board has been achieved.

## **MANAGEMENT STATEMENT**

The Board of Directors and the Management have today discussed and approved the annual report of LGI Denmark ApS for the financial year 1 January – 31 December 2019.

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

It is our opinion that the annual report gives a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January – 31 December 2019.

We also consider the management report to give a true and fair view of the development in the company's operations and financial matters, and the results of the company's operations and financial position.

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

Gråsten, 27 August 2020

### **Management:**

Asger S. Jacobsen

Torben Matzen

### **Board of Directors:**

Christine J. Lauridsen  
(Chair of the Board)

Duane Everett Willey  
(Deputy Chairman)

John F. Wheeler

Vilhelm Hald-Christensen

## **INDEPENDENT AUDITOR'S REPORT**

### **To the shareholder of LGI Denmark ApS**

#### **Opinion**

We have audited the financial statements of LGI Denmark ApS for the financial year 1 January – 31 December 2019, which comprise 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 financial position of the Company 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

#### **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.

#### **Auditors' responsibility**

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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of 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.



## INDEPENDENT AUDITOR'S REPORT

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 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 conclusion is 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 note 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 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.

Sønderborg, 27 August 2020

EY GODKENDT REVISIONSPARTNERSELSKAB  
CVR no. 30 70 02 28

Christian S. Christiansen  
*State Authorised  
Public Accountant  
mne 32171*

René Kirkegaard  
*State Authorised  
Public Accountant  
mne 40045*

## **ACCOUNTING POLICIES**

The annual report of LGI Denmark ApS for 2019 has been prepared in accordance with the provisions applying to reporting class C enterprises under the Danish Financial Statements Act.

The financial statements have been prepared in accordance with the same accounting policies as last year.

In accordance with the Danish Financial Statements Act section 86, sub-section 4 no cash flow statement has been prepared.

In accordance with the Danish Financial Statements Act section 112, sub-section 1 no Consolidated Financial Statement has been prepared. The financial Statement for LGI Denmark Aps and its subsidiaries is included in the Consolidated Financial Statements for LGI International Holding S.á r.l.

### **Foreign currency translation**

On initial recognition, transactions in foreign currencies are translated into Danish kroner at the exchange rate ruling at the transaction date or, if hedging contracts have been entered into, at the contract rate. Foreign exchange differences arising between the date of initial recognition and the date of payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at closing rates. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the time where the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or expenses.

On recognition of foreign subsidiaries and associate's income statements are translated at monthly average exchange rates, while balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

### **Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently re-measured at their fair value. Positive and negative fair values of derivative financial instruments are recognised under other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments that are designated as and qualify as fair value hedges of a recognised asset or liability are recognised in the income statement together with any changes in the value of the hedged asset or hedged liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised directly in equity. Income and expenses relating to such hedge transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Shareholdings in foreign subsidiaries and associates are not hedged.

## **ACCOUNTING POLICIES**

### **INCOME STATEMENT**

#### **Revenue**

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. Income recognition is based on invoiced sales.

#### **Administrative expenses**

Administrative expenses include the costs of administrative staff, management, office premises, office expenses, and similar expenses.

#### **Profit from investments in subsidiaries and associates**

The income statement includes the proportionate share of the profit or loss of each individual subsidiary after full elimination of intercompany gains/losses and deduction of goodwill amortisation.

The proportionate share of the profit or loss of associates is recognised in the income statement.

#### **Financial income and expenses**

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

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

The parent company is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation scheme from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

LGI Denmark ApS acts as administration company for the joint taxation scheme and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year – comprising the year's current corporation tax, the year's joint taxation contributions and changes in deferred tax (including result of changes in tax rates) – is recognised in the income statement where it relates to the profit/loss for the year, and directly in equity where it relates to items recognised directly in equity.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### **Investments**

##### ***Investments in subsidiaries and associates***

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured in the balance sheet at the proportionate share of the companies' net asset value calculated in accordance with the parent company's accounting policies less or plus any unrealised intra-group gains and losses and plus any residual amount of goodwill.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil). If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

The net revaluation of investments in subsidiaries and associates is recognised under equity as "Revaluation reserve based on the equity method" to the extent that the carrying amount exceeds the acquisition cost.

Investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Acquisitions are accounted for using the purchase method, according to which identifiable assets and liabilities of companies acquired are measured at fair value at the time of acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until expiration of the financial year, subsequent to the year of acquisition.

#### **Receivables**

Receivables are measured at amortised cost.

Receivables are written down for anticipated loss.

#### **Equity**

##### ***Reserve for net revaluation according to the equity method***

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

## **ACCOUNTING POLICIES**

The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

### ***Dividend***

Proposed dividend is recognised as a liability when adopted by the shareholders at the general meeting. Dividend expected to be paid in respect of the year are stated as a separate line item under equity.

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

Current tax payables and receivables is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint tax contributions payable and receivable are recognised in the balance sheet under receivables from or payables to group enterprises.

Deferred tax is calculated according to the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes.

Deferred tax assets, including the tax value of any tax loss carried forward, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

### **Liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, financial liabilities are recognised at amortised cost. The difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## **KEY RATIOS**

### **Return on equity**

Profit for the year attributable to the group as a percentage of average equity.

### **Debt ratio**

Interest-bearing debt (mortgages and loans as well as bank loans and overdrafts) divided by equity.

### **Equity ratio at year-end**

Equity divided by total assets.

## LGI Denmark ApS

### Income statement for 1 January - 31 December 2019

Note	2019 DKK '000	2018 DKK '000
	<b>12.000</b>	<b>12.000</b>
1 Administrative expenses	(10.283)	(8.888)
	<b>1.717</b>	<b>3.112</b>
2 Share of profit in group enterprises	82.167	60.944
3 Share of profit in associates	16.761	6.374
4 Financial income	1.023	1.303
5 Financial expenses	(3.817)	(3.839)
	<b>97.851</b>	<b>67.895</b>
6 Tax on profit for the year	(828)	(724)
	<b>97.023</b>	<b>67.171</b>
Proposed allocation of profit for the year:		
Dividend	-	50.000
Retained earnings	97.023	17.171
	<b>97.023</b>	<b>67.171</b>

## LGI Denmark ApS

### Balance sheet at 31 December 2019

Note	2019 DKK '000	2018 DKK '000	
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Investments</b>			
2	Investments in group enterprises	640.379	707.809
3	Investments in associates	67.447	59.178
	Receivables from group enterprises	105.767	24.297
		<b>813.594</b>	<b>791.284</b>
	<b>Total fixed assets</b>	<b>813.594</b>	<b>791.284</b>
<b>Current assets</b>			
<b>Receivables</b>			
	Receivables from group enterprises	4.080	3.958
7	Corporation tax receivable	4.584	6.285
		<b>8.664</b>	<b>10.243</b>
	<b>Total current assets</b>	<b>8.664</b>	<b>10.243</b>
	<b>Total assets</b>	<b>822.258</b>	<b>801.527</b>

## LGI Denmark ApS

### Balance sheet at 31 December 2019

Note	2019 DKK '000	2018 DKK '000
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>		
Contributed capital	1.500	1.500
Retained profit	493.809	391.791
Proposed dividend	-	50.000
<b>Total equity</b>	<b>495.309</b>	<b>443.291</b>
<b>Liabilities</b>		
<b>Short-term debt</b>		
Bank loans and overdraft	294.281	-
Trade payable	75	-
Payables to group enterprises	30.280	357.305
Other debt	2.312	931
	<b>326.948</b>	<b>358.236</b>
<b>Total debt</b>	<b>326.948</b>	<b>358.236</b>
<b>Total liabilities and equity</b>	<b>822.258</b>	<b>801.527</b>

8 **Transactions with related parties**

9 **Other commitments**



## Statement of changes in equity at 31 December 2019

	Contributed capital DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
<b>Balance at 31 December 2017</b>	<b>1.500</b>	<b>381.340</b>	<b>100.000</b>	<b>482.840</b>
Retained earnings	-	17.171	50.000	67.171
Value adjustment of hedging instruments	-	(984)	-	(984)
Exchange difference on foreign group enterprises	-	(5.737)	-	(5.737)
Ordinary dividend	-	-	(100.000)	(100.000)
<b>Balance at 31 December 2018</b>	<b>1.500</b>	<b>391.791</b>	<b>50.000</b>	<b>443.291</b>
Retained earnings	-	97.023	-	97.023
Value adjustment of hedging instruments	-	428	-	428
Exchange difference on foreign group enterprises	-	4.567	-	4.567
Ordinary dividend	-	-	(50.000)	(50.000)
<b>Balance at 31 December 2019</b>	<b>1.500</b>	<b>493.809</b>	<b>-</b>	<b>495.309</b>

The share capital comprises 15,000 shares with a nominal value of DKK 100 DKK each.

There have been no changes to the share capital within the last 5 years.

## LGI Denmark ApS

### Notes to the accounts for the year ended 31 December 2019

#### 1 Staff costs

The company has not incurred any staff costs.

No remuneration has been paid to the Management and Board of Directors of the company.

#### 2 Result and investments in group enterprises

	<b>2019</b>	<b>2018</b>
	DKK '000	DKK '000
Cost at 1 January	864.756	785.098
Additions	19.692	79.658
Cost at 31 December	884.448	864.756
Value adjustment at 1 January	(156.947)	(171.941)
Share of profit	82.167	60.944
Retained dividend	(171.401)	(40.509)
Exchange difference	1.684	(4.457)
Value adjustment of hedging instruments	428	(984)
Value adjustment at 31 December	(244.069)	(156.947)
<b>Carrying amount at 31 December</b>	<b>640.379</b>	<b>707.809</b>

Company:	Contributed capital	Share
BHJ A/S, Denmark	mDKK 48	100%
BHJ Germany GmbH, Germany	tEUR 100	100%
TM Petfood ApS, Denmark	tDKK 125	100%
Pet-Rus ApS, Denmark	tDKK 125	100%
Hoejmark Group A/S, Denmark	tDKK 500	100%
BHJ UK Food Ltd., UK	tGBP 400	100%
BHJ Kalino Food AB, Sweden	tSEK 1.000	51%
Essentia Protein Solutions Ltd., UK	tGBP 500	100%
BHJ Baltic UAB, Lithuania	tEUR 87	100%
Essentia Protein Solutions SRL, Romania	tRON 11.497	100%
Günther Janssen GbmH, Germany	tEUR 205	100%
Danexport Ltd., UK	tGBP 150	100%
BHJ UK Seafood Ltd., UK	tGBP 150	100%
BHJ Finland Oy Ab, Finland	tEUR 270	80%
Essentia Protein Solutions AB, Sweden	tSEK 31.000	100%
BHJ Polska Sp. z o.o., Poland	tPLN 15.000	100%
Corsa Petfood S.L., Spain	tEUR 900	100%
Union Foods, S.L, Spain	tEUR 3	100%
ADAX S.A.S., France	tEUR 1.912	100%
BHJ Russia ApS, Denmark	tDKK 125	100%
OOO Essentia, Russia	tRUB 10	100%
BHJ Russia Holding ApS, Denmark	tDDK 50	100%
BHL LLC, Russia	tRUB 17.800	100%
Essentia Argentina S.A., Argentina	tARS 10.000	100%
Essentia Protein Solutions Pte Ltd., Singapore	tSGD 142	100%
Scanflavour A/S, Denmark	tDKK 600	100%

## LGI Denmark ApS

### Notes to the accounts for the year ended 31 December 2019

#### 3 Result and investments in associates

	<b>2019</b>	<b>2018</b>
	DKK '000	DKK '000
Cost at 1 January	28.648	28.648
Disposal	(10.901)	-
Cost at 31 December	17.747	28.648
Value adjustment at 1 January	30.530	35.384
Retained dividend	(11.376)	(9.949)
Share of profit	16.761	6.374
Exchange difference	2.884	(1.279)
Disposal	10.901	-
Value adjustment at 31 December	49.700	30.530
<b>Carrying amount at 31 December</b>	<b>67.447</b>	<b>59.178</b>

Company:	Contributed capital	Share
BHJ Canada Meat Products Inc., Canada	tCAD 3.058	50,00%
Farmfood A/S, Denmark	tDKK 30.000	33,33%

#### 4 Financial income

	<b>2019</b>	<b>2018</b>
	DKK '000	DKK '000
Interest receivable from group enterprises	1.023	1.303
	<b>1.023</b>	<b>1.303</b>

#### 5 Financial expenses

Interest payable to group enterprises	3.124	3.775
Other interest payable and exchange losses	693	63
	<b>3.817</b>	<b>3.839</b>

#### 6 Income tax

The tax charge can be specified as follows:	<b>2019</b>	<b>2018</b>
	DKK '000	DKK '000
Tax on profit for the year:		
Tax charge for the year	(259)	(299)
Foreign withholding tax	(569)	(425)
	<b>(828)</b>	<b>(724)</b>
Tax is distributed as follows:		
Tax on ordinary profit	(828)	(724)
<b>Total tax</b>	<b>(828)</b>	<b>(724)</b>
Income tax paid during the year	<b>299</b>	<b>452</b>

## LGI Denmark ApS

### Notes to the accounts for the year ended 31 December 2019

#### 7 Corporation tax

	2019	2018
	DKK '000	DKK '000
Balance at 1 January	(6.285)	(4.891)
Prior-year adjustments	352	-
Income tax paid	2.701	(1.257)
Tax on profit for the year incl. jointly taxed companies	(1.352)	(137)
Balance at 31 December	<b>(4.584)</b>	<b>(6.285)</b>

#### 8 Related party transactions

Related party with controlling influence on the company is The Lauridsen Group, Inc., USA. There have been no transactions with the company during the year.

Related parties with significant influence on the company - in addition to the Board of Directors and the Management - include the BHJ group and its Board of Directors and Management.

LGI Denmark ApS is included in the consolidated accounts for LGI International Holding S.á r.l., Luxembourg

#### 9 Other commitments

The company has guaranteed loan and overdraft facilities for the following companies:

		Guaranteed	Drawing
	Currency	amount	at 31
		mDKK	December
			2019
			mDKK
BHJ Polska Sp. z o.o.	PLN	26,3	1,5
Scanflavour A/S	DKK	221	209,4
Günther Janssen GmbH	EUR	15	10,0

A letter of comfort for a total of EUR 1.25 million has been issued to a subsidiary's bank.

The Company has, together with BHJ A/S and LGI Denmark Invest ApS, entered a suretyship of mDKK 550 towards Sydbank A/S.

The parent company is jointly taxed with the Danish subsidiary. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed group.

The Group's Danish companies are jointly and severally liable for group VAT registration.