Thomsen Food Line A/S

P.O. Pedersens Vej 14, 8200 Aarhus N, Denmark

CVR no. 28 11 40 01

Annual report 2020

Approved at the Company's annual general meeting on 2 July 2021

Chair of the meeting:

....
Lars Brinkmann

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Thomsen Food Line 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 of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review 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 approved at the annual general meeting.

Aarhus, 2 July 2021
Executive Board:

Steffen U. Petersen

Board of Directors:

Lars Brinkmann Chair	Niels Thomsen	Jesper Klokker Hansen

Steffen U. Petersen

Independent auditor's report

To the shareholders of Thomsen Food Line A/S

Opinion

We have audited the financial statements of Thomsen Food Line A/S for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 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 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.

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.

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 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 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 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.

Independent auditor's report

- 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 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 the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 2 July 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jon Midtgaard
State Authorised Public Accountant
mne28657

Management's review

Company details

Name	Thomsen Food Line A/S
Address, Postal code, City	P.O. Pedersens Vej 14, 8200 Aarhus N, Denmark
CVR no.	28 11 40 01
Established	23 September 2004
Registered office	Aarhus
Financial year	1 January - 31 December
Telephone	+45 86 18 61 00
Board of Directors	Lars Brinkmann, Chair Niels Thomsen Jesper Klokker Hansen Steffen U. Petersen
Executive Board	Steffen U. Petersen
Auditors	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark
Bankers	Danske Bank Kolding Åpark 8H, 6000 Kolding

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	342,062	470,662	401,272	408,890	663,387
Gross profit	7,752	6,888	8,577	7,310	14,889
Operating profit/loss	-1,326	-1,214	1,611	-456	6,759
Net financials	-1,312	-1,155	-1,182	-968	-951
Profit/loss for the year	**-2,608**	**-1,759**	**420**	**-1,348**	**4,099**
Total assets	43,582	99,062	46,203	53,442	59,286
Equity	**9,340**	**12,926**	**14,811**	**14,684**	**15,892**
Financial ratios					
Gross margin	2.3%	1.5%	2.1%	1.8%	2.2%
EBITDA-margin	-0.3%	-0.2%	0.4%	-0.1%	1.0%
Current ratio	125.3%	112.8%	142.8%	139.5%	134.4%
Equity ratio	21.4%	13.0%	32.1%	27.5%	26.8%
Return on equity	-23.4%	-12.7%	2.8%	-8.8%	28.9%
Average number of employees	**11**	**10**	**10**	**10**	**11**

For terms and definitions, please see the accounting policies.

Management's review

Business review

The company has implemented a new strategy and the business is divided into 2 divisions:

- Foodservice Scandinavia
- Worldwide Trading

The structure has been implemented to further strengthen our focus on being a key supplier of processed meat products to the foodservice market in Scandinavia, still keeping a strong focus on targeting the worldwide meat trading market.

Financial review

Revenue for the year amounted to DKK 342 million against DKK 471 million last year. Loss for the year amounted to DKK -2,608 thousand.

Management considers the loss for the year unacceptable, and a number of actions have been taken.

The Foodservice division showed very low sales due to the COVID-19 restrictions, which also resulted in the need for the company to write down on inventories. As a consequence, the company also closed down its representative office in Germany. For future, focus will be on the Scandinavian Foodservice market.

Last year's goods in transit, due to a customer in China who was not able to fulfill his responsibilities, have been sold out during financial year 2020. Thereby, risk regarding these goods in transit in China was solved. Consequently, the Worldwide Trading division has been reorganized during the financial year in order to streamline the business and reduce dependence on risk markets like China. This reorganization has caused significant one-off staff costs in regard to dismissal of employees. Today, the cost base has been reduced significantly.

The company has an investment of 1.75 % in a supplier from Poland together with other Danish investors. During the financial year the underlying production activities in Poland was sold. Consequently, a loss of 474 tkr. has been recognised.

The Company has foreign branch office in Brazil and subsidiary in Singapore related to Worldwide Trading.

Credit facilities

The company's current credit lines exceed the expected need for cash flow for financial year 2021 according to the budget.

Management expects that the current credit lines can be maintained during financial year 2021, under the assumption that the shareholders of the company has expressed their willingness to grant subordinated loans or capital increase to the company, with an amount up to the loss realized for the year 2020. This underlines the commitment from the shareholders to support the company.

Financial risks and use of financial instruments

Due to its activities, the Company is exposed to a number of risks. The Company actively strives at reducing it's risks to acceptable levels, see below.

Price risks:

The company's utilization of foodstuffs, such as goods for resale, means that the company is affected by price fluctuations on inventories and proprietary trading. The company is only to a limited extent stock-keeping and primarily in relation to activities with regular cooperators. With regard to trading, it is company policy not to speculate in open purchase and sales transactions, however short-term open purchase transactions cannot be avoided in today's trading market.

Management's review

Credit risks:

Based on a specific credit rating, the company grants credit to selected customers. It is company policy to take out credit insurance on customers to whom credit is granted. Customers that cannot be credit insured are required to place partial prepayment before trading commences.

Foreign currency risks:

Prompted by activities abroad, profit, cash flows and equity are affected by the foreign exchange development for a number of currencies. It is company policy to hedge commercial currency risks. Hedging is primarily made via currency forward contracts to hedge sales and purchases as from the date of order. Speculative currency forward contracts are not made.

Interest rate risks:

Moderate changes in the interest rate level will not have any significant, direct effect on earnings. Thus, interest rate positions to hedge interest rate risks are not taken.

Outlook

As described above the company has implemented a reorganization which has lowered the cost base of the company significantly.

In the first 4 month of financial year 2021 the company has realized a positive result before tax of DKK 328 thousand.

Based heron and based on the outlook for the rest of the financial year, management expects positive result before tax for 2021 in a range of DKK 1.0 - 3.0 million.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Revenue	342,062	470,662
	Cost of sales	-329,081	-457,058
	Other operating income	14	0
	Other external expenses	-5,243	-6,716
	Gross profit	7,752	6,888
3	Staff costs	-8,640	-7,861
	Depreciation and impairment of intangible assets and property, plant and equipment	-424	-241
	Profit/loss before net financials	-1,312	-1,214
	Income from investments in group entities	-81	105
4	Financial income	176	303
	Write-down on investments	-474	0
5	Financial expenses	-1,488	-1,458
	Profit/loss before tax	-3,179	-2,264
6	Tax for the year	571	505
	Profit/loss for the year	-2,608	-1,759

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
7	**Intangible assets**		
	Acquired intangible assets	1,161	1,291
		1,161	1,291
8	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	320	374
		320	374
9	**Investments**		
	Investments in group entities, net asset value	51	56
	Other investments	39	513
		90	569
	Total fixed assets	1,571	2,234
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	5,010	20,133
	Prepayments for goods	499	244
		5,509	20,377
	Receivables		
	Trade receivables	28,048	68,133
	Receivables from group entities	1,907	4,530
	Deferred tax assets	1,011	510
	Other receivables	959	3,102
10	Prepayments	211	144
		32,136	76,419
	Cash	4,366	32
	Total non-fixed assets	42,011	96,828
	TOTAL ASSETS	43,582	99,062

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	1,000	1,000
	Translation reserve	53	0
	Hedging reserve	249	0
	Retained earnings	8,038	11,926
	Total equity	9,340	12,926
	Liabilities other than provisions		
13	**Non-current liabilities other than provisions**		
	Other payables	719	260
		719	260
	Current liabilities other than provisions		
	Bank debt	9,234	17,327
	Prepayments received from customers	1,349	1,046
	Trade payables	21,216	66,272
	Other payables	1,724	1,231
		33,523	85,876
		34,242	86,136
	TOTAL EQUITY AND LIABILITIES	43,582	99,062

1 Accounting policies
2 Special items
12 Treasury shares
14 Derivative financial instruments
15 Contractual obligations and contingencies, etc.
16 Collateral
17 Related parties
18 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total
	Equity at 1 January 2020	1,000	0	0	11,926	12,926
18	Transfer, see "Appropriation of profit/loss"	0	0	0	-2,608	-2,608
	Exchange adjustment	0	53	0	0	53
	Adjustment of hedging instruments at fair value	0	0	249	0	249
	Purchase of treasury shares	0	0	0	-1,280	-1,280
	Equity at 31 December 2020	1,000	53	249	8,038	9,340

Exchange adjustment comprise exchange rate adjustment related to recognition of foreign group entities.

Other value adjustments of equity comprise fair value adjustments of currency forward contracts, related to future sales and purchase transactions.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of Thomsen Food Line A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Baltic Food A/S.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries 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

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Acquired intangible assets include software.

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

Newly acquired and sold investments are recognised in the financial statements from the time of acquistion or until the time of sale, respectively.

The purchase method of accounting is applied to corporate takeovers.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

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

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets 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 in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, 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.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

2 **Special items**

The Foodservice division showed very low sales due to the COVID-19 restrictions, which also resulted in the need for the company to write down on inventories. As a consequence, the company also closed down its representative office in Germany.

Trading division has been reorganized during the financial year in order to streamline the business and reduce dependence on risk markets like China. This reorganization has caused significant one-off staff costs in regard to dismissal of employees.

The company has an investment of 1.75 % in a supplier from Poland together with other Danish investors. During the financial year the underlying production activities in Poland was sold. Consequently, a loss of 474 tkr. has been recognised.

By the end of 2019 prices on the market in China dropped significantly as well as the COVID-19 situation in China had an early impact on the market in China.

Thomsen Food Line A/S had sales contracts with a customer in China by the end of 2019 who was notable to fulfill his responsibilities. Goods in transit and not delivered goods were held back. Thomsen Food Line A/S was able to sell part of these goods on other markets, however approx. DKK 16 million hereof was on stock at 31 December 2019, located in transit in China. In financial year 2020 these goods in transit was sold.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2020	2019
3	**Staff costs**		
	Wages/salaries	7,476	6,536
	Pensions	943	1,036
	Other social security costs	66	68
	Other staff costs	155	221
		8,640	7,861
	Average number of full-time employees	11	10

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

	DKK'000	2020	2019
4	**Financial income**		
	Interest income, group entities	54	51
	Other financial income	122	252
		176	303
5	**Financial expenses**		
	Interest expenses, banks	729	634
	Other financial expenses	759	824
		1,488	1,458
6	**Tax for the year**		
	Deferred tax adjustments in the year	-571	-505
		-571	-505

7 **Intangible assets**

DKK'000	Acquired intangible assets
Cost at 1 January 2020	1,952
Additions in the year	179
Cost at 31 December 2020	2,131
Impairment losses and amortisation at 1 January 2020	661
Amortisation/depreciation in the year	309
Impairment losses and amortisation at 31 December 2020	970
Carrying amount at 31 December 2020	1,161

Financial statements 1 January - 31 December

Notes to the financial statements

8 **Property, plant and equipment**

DKK'000	Other fixtures and fittings, tools and equipment
Cost at 1 January 2020	1,694
Additions in the year	93
Disposals in the year	-317
Cost at 31 December 2020	1,470
Impairment losses and depreciation at 1 January 2020	1,320
Depreciation in the year	114
Reversal of depreciation and impairment of disposals	-284
Impairment losses and depreciation at 31 December 2020	1,150
Carrying amount at 31 December 2020	320

9 **Investments**

DKK'000	Investments in group entities, net asset value	Other investments	Total
Cost at 1 January 2020	80	513	593
Cost at 31 December 2020	80	513	593
Value adjustments at 1 January 2020	-24	0	-24
Exchange adjustment	53	0	53
Share of the loss for the year	-86	0	-86
Investment with a negative net asset value	28	0	28
Impairment losses	0	-474	-474
Value adjustments at 31 December 2020	-29	-474	-503
Carrying amount at 31 December 2020	51	39	90

Negative equity in Thomsen Food Line Singapore Ltd. has been set off against amount owed by the subsidiary.

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Thomsen Food Line International ApS	Aarhus	100.00%	51	-5
Thomsen Food Line Singapore Ltd.	Singapore	95.00%	-760	-85

Financial statements 1 January - 31 December

Notes to the financial statements

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	2020	2019
11 Share capital		
Analysis of the share capital:		
1,000 shares of DKK 1,000.00 nominal value each	1,000	1,000
	1,000	1,000

The Company's share capital has remained DKK 1,000 thousand over the past 5 years.

12 Treasury shares

	Number	Nominal value	Share of capital	Purchase/ sales sum
		DKK'000		DKK'000
Purchased in the year	0	99	9.90%	1,280
Balance at 31 December 2020	0	99	9.90%	

Treasury shares are acquired, among other reasons, to be used in the incentive plan intended for selected employees.

13 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	719	0	719	0
	719	0	719	0

14 Derivative financial instruments

Forecast transactions

The Company uses forward exchange contracts to hedge expected currency risks related to sale of goods in the current and coming year.

The fair value at 31 December 2020 amounts to DKK 136 thousand (2019: DKK -183 thousand).

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company is jointly taxed with its parent, Baltic Food A/S, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for the income year as well as withholding taxes on interest, royalties and dividends.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc. (continued)

Other financial obligations

The Company has an office rent agreement with an annual rent of DKK 289 thousand. The rent is interminable until 30 June 2021, due to a 6 months notice.

Lease obligations (operating leases) falling due within 5 years total DKK 441 thousand (2019: DKK 579 thousand).

16 Collateral

As security for the Company's debt to banks, DKK 9,234 thousand, the Company has provided a company charge of DKK 11,500 thousand secured on receivables.

17 Related parties

Thomsen Food Line A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Baltic Food A/S	P.O. Pedersens Vej 14, 8200 Aarhus N	Ultimate parent of the Group
Baltic Food Holding ApS	P.O. Pedersens Vej 14, 8200 Aarhus N	Parent company

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Baltic Food A/S	Aarhus	P.O. Pedersens Vej 14, 8200 Aarhus N

Related party transactions

The company sells goods and management services to its subsidiary Thomsen Food Line Singapore Ltd. In addition, the company pays salaries to shareholders and interests on intercompany balances. All transactions have been carried out on an arm's length basis.

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

	DKK'000	2020	2019
18	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-2,608	-1,759
		-2,608	-1,759

PENN3O

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Steffen Ulsø Petersen
Direktion
På vegne af: Thomsen Food Line A/S
Serienummer: PID:9208-2002-2-346363455346
IP: 194.182.xxx.xxx
2021-07-02 14:52:34Z
NEM ID

Steffen Ulsø Petersen
Bestyrelse
På vegne af: Thomsen Food Line A/S
Serienummer: PID:9208-2002-2-346363455346
IP: 194.182.xxx.xxx
2021-07-02 14:56:33Z
NEM ID

Lars Brinkmann
Dirigent
På vegne af: Thomsen Food Line A/S
Serienummer: PID:9208-2002-2-185930799868
IP: 185.235.xxx.xxx
2021-07-02 15:44:28Z
NEM ID

Lars Brinkmann
Bestyrelse
På vegne af: Thomsen Food Line A/S
Serienummer: PID:9208-2002-2-185930799868
IP: 185.235.xxx.xxx
2021-07-02 15:44:28Z
NEM ID

Jesper Klokker Hansen
Bestyrelse
På vegne af: Thomsen Food Line A/S
Serienummer: PID:9208-2002-2-857381157735
IP: 80.162.xxx.xxx
2021-07-02 19:28:30Z
NEM ID

Jon Midtgaard
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:11522188
IP: 83.92.xxx.xxx
2021-07-03 08:50:56Z
NEM ID