



De Danske Gærfabrikker

LALLEMAND

De Danske Gærfabrikker A/S

Bredstrupvej 33
DK-8500 Grenaa

CVR no. 30 92 18 60

Annual report 2020/21

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

7 May 2021

chairman

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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 De Danske Gærfabrikker A/S for the financial year 1 February 2020 – 31 January 2021.

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 January 2021 and of the results of the Company's operations for the financial year 1 February 2020 – 31 January 2021.

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.

Grenaa 7 May 2021
Executive Board:

Nicolai Francis Jensen

Board of Directors:

Lars Overvad Asferg
Chairman

Francois Leblanc

André Lambert

Antoine Chagnon

William John Nankervis



Independent auditor's report

To the shareholder of De Danske Gærfabrikker A/S

Opinion

We have audited the financial statements of De Danske Gærfabrikker A/S for the financial year 1 February 2020 – 31 January 2021 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 January 2021 and of the results of the Company's operations for the financial year 1 February 2020 – 31 January 2021 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

Independent auditor's report

- 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 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.



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Independent auditor's report

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.

Aarhus, 7 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459

Katrine Gybel
State Authorised
Public Accountant
mne45848

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Management's review

Company details

De Danske Gærfabrikker A/S
Bredstrupvej 33
DK-8500 Grenaa

CVR no.: 30 92 18 60
Registered office: Grenaa
Financial year: 1 February – 31 January

Board of Directors

Lars Overvad Asferg, Chairman
Francois Leblanc
André Lambert
Antoine Chagnon
William John Nankervis

Executive Board

Nicolai Francis Jensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V
CVR no.: 25 57 81 98

Management's review

Financial highlights

DKK'000	2020/21	2019/20	2018/19	2017/18	2016/17
Key figures					
Gross profit	117,422	91,886	87,328	77,976	72,536
Operating profit	28,404	24,324	21,837	21,698	18,666
Profit/loss from financial income and expenses	-1,143	-898	-659	-708	-1,755
Profit for the year	21,623	18,321	16,549	16,424	11,105
Total assets	404,996	370,371	237,509	214,998	197,630
Equity	214,779	193,156	158,816	142,267	125,844
Investment in property, plant and equipment	33,632	111,451	78,557	22,938	22,511
Return on invested capital	12.8%	13.2%	14.5%	16.2%	15.8%
Current ratio	79.0%	66.5%	123.7%	126.3%	123.4%
Return on equity	10.6%	10.0%	11.0%	12.3%	9.2%
Solvency ratio	53.0%	52.2%	67.0%	66.2%	63.7%
Average number of full-time employees	111	95	89	84	85

The financial ratios have been calculated as follows:

Return on invested capital $\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$

Current ratio $\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$

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

Solvency ratio $\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities

De Danske Gærfabrikker A/S is Denmark's only manufacturer of yeast for bakeries, specialties, wine yeast and yeast extract.

Development in activities and financial position

The decreasing consumption of yeast in the artisanal sector continue to put pressure on price levels and market shares for De Danske Gærfabrikker A/S. The current increase in home baking is expected to compensate for some of this decline. Markets for wine yeast extracts and ingredients for animal nutrition remain promising.

The Company's income statement shows a profit of DKK 21,623 thousand, and equity stood at DKK 214,779 thousand at 31 January 2021.

Financial results were satisfactory and exceeded expectations communicated in last year's financial statements. Market conditions for bakers' yeast were characterised by continuous fierce competition.

Investments

Capital expenditure focuses on products and application areas expected to generate growth in the coming years. Investments in production equipment are expected to be higher than the 2021 level.

Outlook

The Company is expected to continuously improve profitability and will remain focused on its teams, customers and services.

A profit in the range of DKK 20-23 million is expected for 2021/22.

The global COVID-19 pandemic is yet to impact the outlook for the 2021/22 financial year.

Particular risks

No particular risks have been identified.

Operating risks

The company does not foresee any significant operating risks for 2021/22.

Financial risks

Strict customer opening procedures and a stringent collection policy are applied for controlling credit risk.

The company has no external debt so there is only a minimum interest rate risk exposure.

Currency risks are considered minimal since the Company is doing business in EUR and DKK only.

Intellectual capital

The company manoeuvres on markets dominated by knowledge-driven companies. Management will increasingly focus on securing, maintaining and developing the human, structural and relational capital of the Company.

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Management's review

Operating review

Research and development activities

The Company's research and development activities are primarily conducted in the subsidiary, Aktieselskabet Dansk Gærings-Industri. These activities focus on new, processed and specialised products.

Ownership

Lallemand Denmark A/S owns the entire capital of De Danske Gærfabrikker A/S. Lallemand Denmark A/S is part of the Lallemand Group (Lallemand Inc., Canada), which is one of the world's leading yeast and bacteria producers.

Financial statements 1 February – 31 January

Income statement

DKK'000	Note	2020/21	2019/20
Gross profit		117,422	91,886
Staff costs	2	-62,408	-48,438
Depreciation, amortisation and impairment losses		<u>-26,610</u>	<u>-19,124</u>
Profit before financial income and expenses		28,404	24,324
Income from equity investments in group entities	3	360	49
Other financial income	4	69	2
Other financial expenses	5	<u>-1,212</u>	<u>-900</u>
Profit before tax		27,621	23,475
Tax on profit for the year		<u>-5,998</u>	<u>-5,154</u>
Profit for the year	6	<u><u>21,623</u></u>	<u><u>18,321</u></u>

Financial statements 1 February – 31 January

Balance sheet

DKK'000	Note	31/1 2021	31/1 2020
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Land and buildings		22,828	23,146
Plant and machinery		233,630	224,924
Fixtures and fittings, tools and equipment		1,167	280
Property, plant and equipment under construction		14,954	17,206
		<u>272,579</u>	<u>265,556</u>
Investments	3		
Equity investments in group entities		1,710	1,350
Total fixed assets		<u>274,289</u>	<u>266,906</u>
Current assets			
Inventories			
Raw materials and consumables		42,045	35,212
Work in progress		7,084	6,893
Finished goods and goods for resale		36,262	32,432
		<u>85,391</u>	<u>74,537</u>
Receivables			
Trade receivables		10,977	11,030
Receivables from group entities		29,461	14,318
Other receivables		3,173	1,872
Prepayments		1,588	1,693
		<u>45,199</u>	<u>28,913</u>
Cash at bank and in hand		117	15
Total current assets		<u>130,707</u>	<u>103,465</u>
TOTAL ASSETS		<u>404,996</u>	<u>370,371</u>

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Balance sheet

DKK'000	Note	31/1 2021	31/1 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	8	1,000	1,000
Retained earnings		213,779	192,156
Total equity		<u>214,779</u>	<u>193,156</u>
Provisions			
Provisions for deferred tax	9	24,820	21,742
Total provisions		<u>24,820</u>	<u>21,742</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables	10	5,992	2,497
Current liabilities other than provisions			
Trade payables		22,385	24,862
Payables to group entities		114,322	110,603
Joint taxation contribution		2,920	75
Other payables		19,778	17,436
		<u>159,405</u>	<u>152,976</u>
Total liabilities other than provisions		<u>165,397</u>	<u>155,473</u>
TOTAL EQUITY AND LIABILITIES		<u><u>404,996</u></u>	<u><u>370,371</u></u>

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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 February 2020	1,000	192,156	193,156
Transferred over the profit appropriation	0	21,623	21,623
Equity at 31 January 2021	1,000	213,779	214,779

Financial statements 1 February – 31 January

Notes

1 Accounting policies

The annual report of De Danske Gærfabrikker A/S for 2020/21 has been prepared in accordance with the provisions applying to reporting class C medium-sized 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 De Danske Gærfabrikker A/S and group entities are included in the consolidated financial statements of Lallemand Denmark A/S, Bredstrupvej 33, 8500 Grenaa, CVR no. 26 01 49 80

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 Lallemand Denmark A/S.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods, comprising the sale of yeast, is recognised in revenue when delivery and transfer of risk to the buyer has taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxed charged on behalf of third parties. All discounts granted are included in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to the inventory of goods for resale.

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Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Income from equity investments in group entities

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

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, 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

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company, Lallemand Denmark A/S, is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax 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 used the losses to reduce their own taxable profit.

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.

Financial statements 1 February – 31 January

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1 Accounting policies (continued)

Balance sheet

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	10-30 years
Fixtures and fittings, tools and equipment	3-7 years

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.

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.

Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Equity investments in group entities

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

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1 Accounting policies (continued)

Equity investment in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by the parent company's share of the negative net asset value. To the extent that the negative balance exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities 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 entity prior to the approval of the annual report, are not tied up in the revaluation reserve.

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities 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 average method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

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 and 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 has been impaired.

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1 Accounting policies (continued)

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.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

The Company is jointly taxed with all Danish entities in the Lallemand Group.

Joint taxation contributions payable and receivable are recognised in the balance sheet under joint taxation contribution.

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.

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.

Other liabilities are measured at net realisable value.

Financial statements 1 February – 31 January

Notes

2 Staff costs

DKK'000	1/2 2020- 31/1 2021	1/2 2019- 31/1 2020
Wages and salaries	55,854	43,023
Pensions	4,539	3,748
Other social security costs	422	400
Other staff costs	1,593	1,267
	<u>62,408</u>	<u>48,438</u>
Average number of full-time employees	<u>111</u>	<u>95</u>

Remuneration of the Executive Board of De Danske Gærfabriker A/S is not disclosed separately in accordance with section 98b (3) of the Danish Financial Statements Act. No remuneration was paid to the Board of Directors.

3 Investments

Cost at 1 February 2020	<u>2,501</u>
Cost at 31 January 2021	<u>2,501</u>
Revaluations at 1 February 2020	-1,151
Net profit/loss for the year	<u>360</u>
Revaluations 31 January 2021	<u>-791</u>
Carrying amount at 31 January 2021	<u><u>1,710</u></u>

Name/legal form	Registered office	Voting rights and ownership interest	Equity DKK'000	Profit/loss for the year DKK'000
Aktieselskabet Dansk Gærings-Industri, Denmark	Grenaa	100%	<u>1,710</u>	<u>360</u>
			<u>1,710</u>	<u>360</u>

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DKK'000	1/2 2020- 31/1 2021	1/2 2019- 31/1 2020			
4 Other financial income					
Other financial income	69	2			
	<u>69</u>	<u>2</u>			
5 Other financial expenses					
Interest expense to group entities	731	547			
Other financial costs	481	353			
	<u>1,212</u>	<u>900</u>			
6 Proposed profit appropriation					
Retained earnings	21,623	18,321			
	<u>21,623</u>	<u>18,321</u>			
7 Property, plant and equipment					
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 February 2020	56,267	392,881	4,524	17,206	470,878
Adjustment to prior period	0	165	-165	0	0
Additions for the year	1,316	33,206	1,362	-2,252	33,632
Disposals for the year	0	-2,879	-80	0	-2,959
Cost at 31 January 2021	<u>57,583</u>	<u>423,373</u>	<u>5,641</u>	<u>14,954</u>	<u>501,551</u>
Depreciation and impairment losses at 1 February 2020	-33,121	-167,957	-4,244	0	-205,322
Adjustment to prior period	0	-165	165	0	0
Depreciations for the year	-1,634	-24,500	-475	0	-26,609
Depreciation and impairment losses for the year on assets sold	0	2,879	80	0	2,959
Depreciation and impairment losses at 31 January 2021	<u>-34,755</u>	<u>-189,743</u>	<u>-4,474</u>	<u>0</u>	<u>-228,972</u>
Carrying amount at 31 January 2021	<u>22,828</u>	<u>233,630</u>	<u>1,167</u>	<u>14,954</u>	<u>272,579</u>

Financial statements 1 February – 31 January

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8 Contributed capital

Contributed capital consists of 1,000 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

9 Deferred tax assets

DKK'000	31/1 2021	31/1 2020
Deferred tax at 1 January	21,742	16,664
Deferred tax adjustment for the year in the income statement	3,078	5,078
	<u>24,820</u>	<u>21,742</u>

10 Other payables

DKK'000	31/1 2021	31/1 2020
< 1 year	19,778	17,437
1 - 5 years	5,992	2,497
	<u>25,770</u>	<u>19,934</u>

11 Contractual obligations, contingencies, etc.

The Company is jointly taxed with all Danish entities in the Lallemand Group. The Company has unlimited joint and several liability for the Danish corporation taxes and withholding taxes on dividends and interest under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities is recognised in the consolidated financial statements of Lallemand Denmark A/S. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability.

Operating lease obligations

Within 1 year	925	892
Between 1 and 5 years	1,123	1,181
	<u>2,048</u>	<u>2,073</u>

12 Related party disclosures

De Danske Gærfabrikker A/S' related parties comprise the following:

Control

The Company's Parent Company and ultimate Parent Company exercise control.

Lallemand Denmark A/S holds the majority of the contributed capital in the Company.

The Company's related parties with significant influence comprise the Company's Board of Directors, Executive Board and executive staff.

De Danske Gærfabrikker A/S is part of the consolidated financial statements of Lallemand Inc., Canada, which is the smallest and largest group in which the Company is included as a subsidiary.

Financial statements 1 February – 31 January

Notes

The consolidated financial statements of Lallemand Denmark A/S can be obtained from the website of the Danish Business Authority, www.cvr.dk.

De Danske Gærfabrikker A/S is part of the consolidated financial statements of Lallemand Denmark A/S, Denmark, which is largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Lallemand Inc. can be obtained by contacting the Company.

Related party transactions

DKK'000	1/2 2020-31/1 2021
Sales to related parties	253,008
Purchases from related parties	40,611

Payables to and receivables from related parties are disclosed in the balance sheet, and interest expense is disclosed in note 5.