BEIERHOLM
VI SKABER BALANCE

Smilla Food A/S

Hasserisvej 139, 9000 Aalborg
CVR no. 32 26 87 06

Annual report
for the financial year 01.07.20 - 30.06.21

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 05.10.21

Bo Andersen
Dirigent

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Company information etc.

The company

Smilla Food A/S
Secondary firm name: Tomex Retail A/S
Hasserisvej 139
9000 Aalborg
Tel.: 96 31 31 31
Registered office: Aalborg
CVR no.: 32 26 87 06
Financial year: 01.07 - 30.06

Executive Board

Michael Bak-Pedersen

Board of Directors

Tom Andersen
Bo Andersen
Michael Bak-Pedersen
Flemming Tøttrup

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Spar Nord Bank A/S

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.07.20 - 30.06.21 for Smilla Food A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30.06.21 and of the results of the company's activities for the financial year 01.07.20 - 30.06.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aalborg, October 5, 2021

Executive Board

Michael Bak-Pedersen

Board of Directors

Tom Andersen
Chairman

Bo Andersen

Michael Bak-Pedersen

Flemming Tøttrup

Independent auditor's report

To the Shareholder of Smilla Food A/S

Opinion

We have audited the financial statements of Smilla Food A/S for the financial year 01.07.20 - 30.06.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 30.06.21 and of the results of the company's operations for the financial year 01.07.20 - 30.06.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management’s review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management’s review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Aalborg, October 5, 2021

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jesper Mosskov Møller
State Authorized Public Accountant
MNE-no. mne35460

FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2020/21	2019/20	2018/19	2017/18	2016/17
Profit/loss					
Revenue	120,865	70,723	85,730	79,367	87,408
Index	138	81	98	91	100
Operating profit/loss	2,224	-1,162	2,214	2,634	4,840
Index	46	-24	46	54	100
Total net financials	384	-70	92	111	0
Index	-	-	-	-	100
Profit/loss for the year	2,031	-973	1,786	2,131	3,950
Index	51	-25	45	54	100
Balance					
Total assets	14,664	18,432	22,164	18,019	19,830
Index	74	93	112	91	100
Equity	7,958	5,926	8,399	8,613	9,083
Index	88	65	92	95	100

Ratios

	2020/21	2019/20	2018/19	2017/18	2016/17
Profitability					
Return on equity	29,3%	-13,6%	21,0%	24,1%	47,1%
Profit margin	1,8%	-1,6%	2,6%	3,3%	5,5%
Equity ratio					
Equity interest	54,3%	32,2%	37,9%	47,8%	46,0%
Others					
Number of employees (average)	3	3	3	3	3

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

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

Equity interest: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

The company's activities comprise of trading in food within the retail segment.

Development in activities and financial affairs

The income statement for the period 01.07.20 - 30.06.21 shows a profit/loss of DKK 2,031,322 against DKK -972,956 for the period 01.07.19 - 30.06.20. The balance sheet shows equity of DKK 7,957,528.

The activities and the result for the year is consistent with the expectations in the latest annual accounts.

The company's financial position and the results of the company's operations in the past year can also be seen frem the subsequent income statement for 2020/21 and the balance sheet as at 30 June 2021.

Outlook

Further growth in revenue as well as increased group earnings are expected for FY 2021/22.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2020/21 DKK	2019/20 DKK
	Revenue	**120,864,538**	**70,722,978**
	Cost of sales	-114,177,520	-65,213,977
	Other external expenses	-1,948,201	-4,028,366
	Gross profit	**4,738,817**	**1,480,635**
1	Staff costs	-2,510,990	-2,638,202
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**2,227,827**	**-1,157,567**
	Depreciation and impairments losses of property, plant and equipment	-4,170	-4,170
	Profit/loss before net financials	**2,223,657**	**-1,161,737**
	Financial income	523,925	89,557
2	Financial expenses	-140,033	-160,056
	Profit/loss before tax	**2,607,549**	**-1,232,236**
	Tax on profit or loss for the year	-576,227	259,280
	Profit/loss for the year	**2,031,322**	**-972,956**

Proposed appropriation account

Proposed dividend for the financial year	1,500,000	0
Retained earnings	531,322	-972,956
Total	**2,031,322**	**-972,956**

Balance sheet

ASSETS

	30.06.21 DKK	30.06.20 DKK
Other fixtures and fittings, tools and equipment	5,560	9,730
Total property, plant and equipment	**5,560**	**9,730**
Total non-current assets	**5,560**	**9,730**
Manufactured goods and goods for resale	477,080	189,137
Prepayments for goods	432,806	451,929
Total inventories	**909,886**	**641,066**
Trade receivables	10,157,058	10,091,275
Receivables from group enterprises	0	6,312
Income tax receivable	0	281,880
Other receivables	758,491	1,605,864
Prepayments	38,507	0
Total receivables	**10,954,056**	**11,985,331**
Cash	**2,794,675**	**5,795,905**
Total current assets	**14,658,617**	**18,422,302**
Total assets	**14,664,177**	**18,432,032**

Balance sheet

EQUITY AND LIABILITIES

Note		30.06.21 DKK	30.06.20 DKK
	Share capital	2,000,000	2,000,000
	Retained earnings	4,457,528	3,926,206
	Proposed dividend for the financial year	1,500,000	0
	Total equity	**7,957,528**	**5,926,206**
	Provisions for deferred tax	29,500	19,300
	Total provisions	**29,500**	**19,300**
3	Other payables	78,109	272,135
	Total long-term payables	**78,109**	**272,135**
	Payables to other credit institutions	575,330	6,647,364
	Prepayments received from customers	501,497	792,618
	Trade payables	3,333,328	4,091,145
	Payables to group enterprises	240,246	0
	Income taxes	566,027	0
	Other payables	1,382,612	683,264
	Total short-term payables	**6,599,040**	**12,214,391**
	Total payables	**6,677,149**	**12,486,526**
	Total equity and liabilities	**14,664,177**	**18,432,032**

4 Fair value information
5 Derivative financial instruments
6 Contingent liabilities
7 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Proposed dividend for the financial year
Statement of changes in equity for 01.07.19 - 30.06.20			
Balance as at 01.07.19	2,000,000	4,899,162	1,500,000
Dividend paid	0	0	-1,500,000
Net profit/loss for the year	0	-972,956	0
Balance as at 30.06.20	2,000,000	3,926,206	0
Statement of changes in equity for 01.07.20 - 30.06.21			
Balance as at 01.07.20	2,000,000	3,926,206	0
Net profit/loss for the year	0	531,322	1,500,000
Balance as at 30.06.21	2,000,000	4,457,528	1,500,000

	2020/21 DKK	2019/20 DKK

1. Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	2,300,395	2,432,781
Pensions	192,000	192,000
Other social security costs	21,890	24,708
Other staff costs	-3,295	-11,287
Total	2,510,990	2,638,202
Average number of employees during the year	3	3

2. Financial expenses

	2020/21 DKK	2019/20 DKK
Interest, group enterprises	3,667	0
Other financial expenses total	136,366	160,056
Total	140,033	160,056

3. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 30.06.21	Total payables at 30.06.20
Other payables	78,109	78,109	272,135
Total	78,109	78,109	272,135

4. Fair value information

Figures in DKK	Derivative financial instruments
Fair value as at 30.06.21	-113,360
Changes for the year of fair value recognised in the income statement	244,589

The company's valuation of derivative financial instruments at fair value is based upon agreement on trade as well as the exchange rate as of 30 June 2021. Credit rating of the company is taking in to consideration in relation to valuation of derivative financial instruments.

5. Derivative financial instruments

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The company concludes contracts for the sole purpose of hedging the currency risk on manufactures goods and goods for resale and trade receivables and the future sale of goods in foreign currency. The fair value of the forward exchange contracts amounts to DKK -242k as at 30.06.21, and the unrealised net gain before tax is recognised in the income statement. Forward exchange contracts has waived the accounting rules regarding future hedging. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

6. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 5-17 months and average lease payments of DKK 25k, a total of DKK 265k.

6. Contingent liabilities - continued -

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total tax liability for the jointly taxed companies at the balance steet date has not yet been calculated. For further information, please see the financial statements of the administration company Tomex Ejendomme ApS. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

7. Related parties

The company is included in the consolidated financial statements of the parent Tomex Danmark A/S, Aalborg.

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

8. Accounting policies - continued -

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

The company does not apply the hedge accounting rules under which changes in the fair value of derivative financial instruments are recognised under other net financials in the income statement.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

8. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Other plant, fixtures and fittings, tools and equipment	5	0

8. Accounting policies - continued -

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

8. Accounting policies - continued -

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

8. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Current and deferred tax

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

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

8. Accounting policies - continued -

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.