

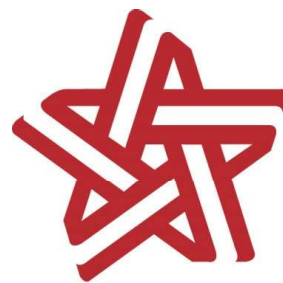
# DAT-SCHAUB A/S

## ANNUAL REPORT 2020/21

Vesterbrogade 4A, 2., 1620 Copenhagen V  
CVR No. 33 35 31 70

The annual report has been presented and approved  
at the company's annual general meeting on  
22 November 2021

Britta Veis  
Chairman of the meeting



DAT-Schaub



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# DAT-SCHAUB A/S

Central Business Registration no: 33 35 31 70

## ANNUAL REPORT 2020/21

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## Summary of the company

DAT-Schaub A/S  
Vesterbrogade 4A, 2.  
1620 Copenhagen V  
Phone +45 33 26 66 00  
E-mail [info@dat-schaub.dk](mailto:info@dat-schaub.dk)  
Web [www.dat-schaub.dk](http://www.dat-schaub.dk)

## Board of Directors

Jais Valeur (Chairman)  
Anders Wilhjem  
Asger Krogsgaard  
Hans Christian Ambjerg  
Peter Fallesen Ravn  
Thomas Ahle

## Executive Board

Jan Roelsgaard, Managing Director, CEO  
Lars Brynningsen, Group CFO  
Kasper Bremer Orloff, Group COO

## Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab



## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DAT-Schaub A/S for the financial year 1 October 2020 to 30 September 2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30 September 2021 and of the results of its operations for the financial year 1 October 2020 to 30 September 2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 19 November 2021

## Executive Board

Jan Roelsgaard  
Managing Director, CEO

Lars Brynningsen  
Group CFO

Kasper Bremer Orloff  
Group COO

## Board of Directors

Jais Valeur  
Chairman

Anders Wilhjelm

Asger Krogsgaard

Hans Christian Ambjerg

Peter Fallesen Ravn

Thomas Ahle



# ***Independent Auditor's Report***

To the Shareholders of DAT-Schaub A/S

## **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2021, and of the results of the Company's operations for the financial year 1 October 2020 – 30 September 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DAT-Schaub A/S for the financial year 1 October 2020 – 30 September 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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

## **Statement on 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, in our view, 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 in Management's Review.

## **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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 ISAs 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.

Hellerup, 19 November 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stengård Sørensen

statsautoriseret revisor

mne32200

Jakob Thisted Binder

statsautoriseret revisor

mne42816



## Management commentary

### Primary activities

The main activity of DAT-Schaub A/S is collecting and cleaning high quality hog casings from Danish Crowns hog abattoirs in Denmark. The hog casings are sold along with traded sheep casings on the world market. The company also sells hog stomachs, mucosa and other related products.

### Development in activities and finances

Turnover in 2020/21 ended at DKK 1,366 million, which was 5% higher than the turnover in 2019/20. Operating profit increased from DKK 242 million to DKK 350 million mainly due the higher turnover and increase in gross profit margin. As DAT-Schaub A/S is a parent company of a versatile international group of companies a significant part of income is coming from investment in subsidiaries which has been stable and went from DKK 159 million to DKK 158 million.

The net profit of the year ended at DKK 418 million which is regarded as satisfactory.

The total assets amount to DKK 1,861 million against last year DKK 1,792 million. Equity increased from DKK 814 million to DKK 932 million.

### Uncertainty relating to recognition and measurement

When preparing the annual report in accordance with the DAT-Schaub A/S' accounting policies the management is required to make estimates and assumptions that affect the assets and liabilities recognised, including information on any contingent assets and liabilities.

The management's estimates are based on historical experience and other assumptions which are deemed relevant at the time. These estimates and assumptions form the basis for the recognised carrying amounts of assets and liabilities and the related effects recognised in the income statement. The actual results may deviate from such estimates and assumptions.

#### *Inventories*

Inventories are valued taking into account marketability, obsolescence and development in expected selling price. The development in prices on the world market may be affected by access to distribution in the major markets.

### Outlook for 2021/22

Turnover and Net profit for the year 2021/22 is expected to be at the same level as seen in 2020/21.



## Particular risks

### *Veterinary matters*

The greatest threat to DAT-Schaub A/S is related to veterinary matters that may cut off or disrupt the sourcing, production and/or selling in specific markets. It is therefore crucial for the company to participate actively in fora discussing veterinary issues and to draw on all relevant industry related veterinary advisory to ensure that the markets are open for the products.

### *Market conditions*

Due to the long production time for natural casings changed market conditions can affect DAT-Schaub A/S both positively and negatively.

### *Currency risk*

DAT-Schaub A/S has a risk on its cash flow in foreign currency due to the fact that DAT-Schaub A/S buys and sells in foreign currency, which gives rise to uncertainty as to the DKK value of the future cash flow. The company seeks to counter this risk by using hedging instruments and by seeking to match receivables and debt in the same currency.

### *Interest risk*

DAT-Schaub A/S has both interest-bearing debt and receivables and is as such exposed to interest rate risks. The interest risk is sought to be reduced through the use of interest rate swaps and fixed versus variable debts and receivables with varying maturity.

## Environmental performance

Great volumes of water are used for the cleaning of casings. Developing new water savings methods is a strategic focus area for DAT-Schaub A/S whilst always ensuring that veterinary conditions are considered. The current production facilities in Esbjerg have made it possible to achieve water savings in different parts of the production process. Furthermore, equipment for chemical and mechanical pre-cleaning of wastewater minimise the amount of sludge.

## Corporate social responsibility

DAT-Schaub A/S has always been committed to meet the social responsibility of leading a large international group operating in many countries.

DAT-Schaub A/S's parent company Danish Crown A/S is a signatory of the UN Global Compact, a partnership between the UN and international businesses to enhance corporate social commitment in a global context. The Global Compact builds on ten principles within areas such as human rights, labour standards, the environment and anti-corruption. Danish Crown has incorporated the ten principles as the basis for the sustainability strategy which set the direction for the contribution to the UN 2020 Agenda for Sustainable Development – a strategy which is also implemented DAT-Schaub A/S.

The Danish Crown Sustainability report 2020/21 is an integral part of the management's review of the Danish Crown Annual Report 2020/21, and this report constitutes our report on corporate responsibility in accordance with section 99a of the Danish Financial Statements Act. Read more on [danishcrown.com/sustainability-report](http://danishcrown.com/sustainability-report).





## Report on gender composition of management

Danish Crown has a group policy for diversity and inclusion and defined goals for gender and nationality representation at different management levels.

In DAT-Schaub, we recognize the value of a diverse and inclusive management. In 2015/16 we thus adopted a target to have 10% of women in the board of directors. Regrettably, the goal has not yet been achieved, primarily due to the fact that it has not been possible to attract candidates with the required competences. We will naturally maintain our efforts and actions to achieve the target.

Further information about the Danish Crown goals for diversity may be found at our website [danishcrown.com/policies](http://danishcrown.com/policies).



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# Management commentary

## Financial highlights

	2020/21	2019/20	2018/19	2017/18	2016/17
<b>T. DKK</b>					
<i>Income statement</i>					
Turnover	1,366,187	1,300,022	1,317,796	1,077,189	926,016
Operating profit	349,959	241,620	129,033	43,127	68,964
Net financials	141,464	123,505	108,283	148,789	83,255
Profit before tax	491,423	365,125	237,316	191,916	152,219
Net profit for the year	417,775	317,387	212,869	186,461	147,004

### *Balance sheet*

Total assets	1,861,068	1,791,666	1,873,573	1,939,649	1,840,710
Investments in tangible assets	10,413	14,346	3,192	9,573	11,948
Equity	931,661	813,886	696,499	733,630	697,169
Solvency rate in % of total assets	50%	45%	37%	38%	38%
Return on Equity	51%	42%	30%	26%	21%
Average number of full-time employees	527	512	531	541	527

The financial highlights and key ratios have been defined and calculated in accordance with "Recommendations and Financial Ratios 2015" issued by the Danish Association of Financial Analysts.

Solvency rate in % of total assets  $\frac{\text{Equity} \times 100}{\text{Total assets}}$

Return on Equity  $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$



# Income statement for 2020/21

(1 October 2020 - 30 September 2021)

	<u>Note</u>	<u>2020/2021 T. DKK</u>	<u>2019/2020 T. DKK</u>
Turnover	1	1,366,187	1,300,022
Production costs	2,3	<u>-907,156</u>	<u>-976,777</u>
<b>Gross profit</b>		<b>459,031</b>	<b>323,245</b>
Distribution costs	2,3	-43,531	-36,824
Administrative expenses	2,3,18	<u>-65,541</u>	<u>-44,801</u>
<b>Operating profit</b>		<b>349,959</b>	<b>241,620</b>
Financial income	4	184,346	207,771
Financial expenses	5	<u>-42,882</u>	<u>-84,266</u>
<b>Profit before tax</b>		<b>491,423</b>	<b>365,125</b>
Tax on profit for the year	6	<u>-73,648</u>	<u>-47,738</u>
<b>Net profit for the year</b>		<b><u>417,775</u></b>	<b><u>317,387</u></b>



# Balance sheet at 30 September 2021

Assets	Note	30.09.2021 T. DKK	30.09.2020 T. DKK
Goodwill	8	77,712	86,113
<b>Intangible assets</b>		<b>77,712</b>	<b>86,113</b>
Land and buildings	9	54,251	58,635
Plant and machinery	9	15,632	19,503
Other fixtures, fittings, tools and equipment	9	4,411	4,527
Right-of-use assets	9	47,681	44,673
Assets under construction	9	645	3,557
<b>Tangible assets</b>		<b>122,620</b>	<b>130,895</b>
Investments in subsidiaries	10	677,137	630,290
Loans to affiliates	11	136,768	191,347
<b>Financial assets</b>		<b>813,905</b>	<b>821,637</b>
<b>Non-current assets</b>		<b>1,014,237</b>	<b>1,038,645</b>
Raw materials and consumables		42,194	64,381
Finished goods and goods for resale		240,225	183,255
<b>Inventories</b>		<b>282,419</b>	<b>247,636</b>
Loans to affiliates	12	359,708	316,291
Trade receivables		80,352	84,067
Receivables from affiliates		72,905	78,543
Receivables from associates		37	9
Other receivables		46,099	24,353
Deferred taxes	15	3,982	0
Prepayments	13	1,270	2,026
<b>Total receivables</b>		<b>564,353</b>	<b>505,289</b>
<b>Cash</b>		<b>59</b>	<b>96</b>
<b>Current assets</b>		<b>846,831</b>	<b>753,021</b>
<b>Total assets</b>		<b>1,861,068</b>	<b>1,791,666</b>



# Balance sheet at 30 September 2021

## Equity and liabilities

	Note	30.09.2021 T. DKK	30.09.2020 T. DKK
Share capital	14	50,739	50,739
Retained earnings		430,922	463,147
Proposed dividend		450,000	300,000
<b>Equity</b>		<b>931,661</b>	<b>813,886</b>
Provision for deferred tax	15	0	129
<b>Provisions</b>		<b>0</b>	<b>129</b>
Lease commitments	17	43,565	41,678
Loans from affiliates	17	650,000	0
<b>Non-current liabilities</b>		<b>693,565</b>	<b>41,678</b>
Subordinate loans	16	0	672,375
Lease commitments		4,988	3,435
Credit institutions		0	57,241
Loans from affiliates	12	13,083	10,593
Trade payables		33,840	31,557
Payables to affiliates	16	55,767	61,924
Payables to associates		6,164	4,729
Other payables		9,315	27,137
Deferred income		34,235	16,569
Income tax payable	6	78,450	50,413
<b>Current liabilities</b>		<b>235,842</b>	<b>935,973</b>
<b>Liabilities</b>		<b>929,407</b>	<b>977,780</b>
<b>Equity and liabilities</b>		<b>1,861,068</b>	<b>1,791,666</b>



## Statement of Equity at 30 September 2021

	Share capital T. DKK	Retained earnings T. DKK	Proposed dividend T. DKK	Total equity T. DKK
<b>2020/21</b>				
Equity at 30 September 2020	50,739	463,147	300,000	<b>813,886</b>
Profit for the year		417,775		<b>417,775</b>
Dividend paid to the shareholders			-300,000	<b>-300,000</b>
Proposed dividend		-450,000	450,000	<b>0</b>
<b>Equity at 30 September 2021</b>	<b>50,739</b>	<b>430,922</b>	<b>450,000</b>	<b>931,661</b>
<b>2019/20</b>				
Equity at 30 September 2019	50,739	445,760	200,000	<b>696,499</b>
Profit for the year		-317,387		<b>317,387</b>
Dividend paid to the shareholders			-200,000	<b>-200,000</b>
Proposed dividend		-300,000	300,000	<b>0</b>
<b>Equity at 30 September 2020</b>	<b>50,739</b>	<b>463,147</b>	<b>300,000</b>	<b>813,886</b>

### Ownership

Danish Crown A/S has controlling influence of DAT-Schaub A/S.

### Information in accordance with The Danish Company Accounts Act section 71

The Company is included in the consolidated financial statements for Leverandørselskabet Danish Crown AmbA, Marsvej 43, 8960 Randers SOE.

The consolidated financial statements for Leverandørselskabet Danish Crown Amba can be acquired by contacting the Company.



# Notes

1. Turnover
2. Staff costs
3. Depreciation, amortisation and impairment losses
4. Financial income
5. Financial expenses
6. Tax
7. Net profit at disposal
8. Intangible assets
9. Tangible assets
10. Investments in subsidiaries
11. Loans to affiliates
12. Cash pool
13. Prepayments
14. Share capital
15. Deferred tax
16. Subordinate loans
17. Non-current liabilities
18. Fees to the auditors
19. Contingent liabilities
20. Events after the balance sheet date
21. Accounting policies



	<u>2020/2021</u> T. DKK	<u>2019/2020</u> T. DKK
<b>1. Turnover</b>		
Distribution by markets		
Sales to Denmark	373,879	274,552
Sales outside Denmark	405,132	392,490
Sales to affiliated companies	587,176	632,980
	<u>1,366,187</u>	<u>1,300,022</u>
External sales outside Denmark in %	<u>52%</u>	<u>59%</u>
Sales of natural casings etc.	1,270,191	1,193,784
Sales of other product groups	95,996	106,238
	<u>1,366,187</u>	<u>1,300,022</u>

## 2. Staff costs

The total salaries and wages etc. of DKK 270,675 thousand can be specified as follows:

Salaries and wages	248,443	221,120
Defined contribution plans	17,334	16,078
Other employment and social security costs	4,898	6,919
	<u>270,675</u>	<u>244,117</u>

The staff costs are distributed as follows:

Production costs	209,150	193,736
Distribution costs	15,796	16,169
Administrative expenses	45,729	34,212
	<u>270,675</u>	<u>244,117</u>

The Board of Directors and the management in DAT-Schaub A/S have received the following payment:

The Board of Directors	473	455
The management	15,379	12,072

Management is part of a short-term incentive program based on yearly performance and part of a long-term incentive program based on long-term value creation targets on group level.

Average number of employees	527	512
Number of employees at the balance sheet date	539	515





	2020/2021 T. DKK	2019/2020 T. DKK
<b>3. Depreciation, amortisation and impairment losses</b>		
Intangible assets	8,401	8,401
Tangible assets	18,688	17,552
	<u>27,089</u>	<u>25,953</u>

Depreciation, amortisation and impairment losses are distributed as follows:

Production costs	12,717	13,428
Distribution costs	9,471	10,047
Administrative expenses	4,901	2,478
	<u>27,089</u>	<u>25,953</u>

#### 4. Financial income

Dividends received from subsidiaries	158,090	159,415
Interest income from affiliated companies	9,945	14,159
Other financial income	100	0
Gain on foreign exchange rate	16,211	34,197
	<u>184,346</u>	<u>207,771</u>

#### 5. Financial expenses

Interest expense to affiliated companies	24,489	35,870
Interest expenses, financial leasing	997	985
Interest expenses etc.	802	2,104
Loss on sale of shares in subsidiary	0	5,163
Loss on foreign exchange rate	16,594	40,144
	<u>42,882</u>	<u>84,266</u>



## 6. Tax

The corporate tax stated in the financial statement is calculated on the basis of the prevailing Danish and foreign tax legislation.

The corporation tax payable amounts to DKK 78,450 thousand (DKK 50,413 thousand in 2019/2020). DKK 78,450 thousand is to be paid in April 2022.

The value of deferred tax Asset totals DKK 3,981 thousand (Liability of DKK 129 thousand in 2019/20) and is calculated on the basis of income and expenses which in the company taxation is not included in the same period in the tax return and the profit and loss account.

	<u>2020/2021</u> <u>T. DKK</u>	<u>2019/2020</u> <u>T. DKK</u>
Tax on the profit for the year	-77,760	-50,722
Change in deferred tax	4,112	2,723
Adjustments re. previous years	0	261
	<u>-73,648</u>	<u>-47,738</u>

## 7. Net profit at disposal

The net profit is suggested distributed as follows

Proposed dividend	450,000	300,000
Retained earnings	<u>-32,225</u>	<u>17,387</u>
	<u>417,775</u>	<u>317,387</u>



	<u>Goodwill</u> <u>T. DKK</u>
<b>8. Intangible assets</b>	
Cost as at 30 September 2020	168,025
<b>Cost as at 30 September 2021</b>	<b>168,025</b>
Amortisation at 30 September 2020	81,912
Amortisation recognised for the year	8,401
<b>Amortisation at 30 September 2021</b>	<b>90,313</b>
<b>Carrying amount as at 30 September 2021</b>	<b>77,712</b>
Amortisation rate	5%

The amortization period for goodwill is assessed individually on the basis of a concrete assessment of the acquired activity, including customer composition, the expected life of contracts and synergies. Based on this long-term earnings profile, goodwill is estimated to have an expected useful life of up to 20 years.

	Land and buildings	Plant and machinery	Other tangible fixed assets	Right-of-use assets	Assets under construction	Total tangible fixed assets
	T. DKK	T. DKK	T. DKK	T. DKK	T. DKK	T. DKK
<b>9. Tangible assets</b>						
Cost as at 30 September 2020	88,183	183,628	27,680	48,050	3,557	351,098
Additions		1,166	1,337	7,910	0	10,413
Disposals and transfers	0	2,912	0		-2,912	0
<b>Cost as at 30 September 2021</b>	<b>88,183</b>	<b>187,706</b>	<b>29,017</b>	<b>55,960</b>	<b>645</b>	<b>361,511</b>
Depreciations at 30 September 2020	29,548	164,125	23,153	3,377	0	220,203
Depreciation	4,384	7,949	1,453	4,902		18,688
<b>Depreciations at 30 September 2021</b>	<b>33,932</b>	<b>172,074</b>	<b>24,606</b>	<b>8,279</b>	<b>0</b>	<b>238,891</b>
<b>Carrying amount as at 30 September 2021</b>	<b>54,251</b>	<b>15,632</b>	<b>4,411</b>	<b>47,681</b>	<b>645</b>	<b>122,620</b>
Depreciation percentage	0-5%	10-50%	20%	5-50%		

	<u>2020/2021</u> <u>T. DKK</u>	<u>2019/2020</u> <u>T. DKK</u>
<b>10. Investments in subsidiaries</b>		
Cost as at 30 September 2020	630,290	636,050
Additions	46,847	0
Disposals	0	-5,760
<b>Cost as at 30 September 2021</b>	<b>677,137</b>	<b>630,290</b>
<b>Carrying amount as at 30 September 2021</b>	<b>677,137</b>	<b>630,290</b>



## 10. Investments in subsidiaries (continued)

In accordance with the Danish Financial Statements Act § 97 A net result and equity are only specified for subsidiaries having published annual reports. As the annual reports for 2020/21 have not yet been published, the figures for 2019/20 are included in the table below:

	Year	Currency	Thousands	
			Net result	Equity
DAT-Schaub (PORTO) S.A.	2019/20	EUR	781	4,454
Oy DAT-Schaub Finland AB	2019/20	EUR	-56	3,266
Thomeko Oy	2019/20	EUR	-256	1,953
Thomeko Eesti Oü	2019/20	EUR	38	1,366
DAT-Schaub AB	2019/20	SEK	8,570	8,635
DAT-Schaub (Deutschland) GmbH	2019/20	EUR	5,574	18,735
DAT-Schaub Polska Sp. z o.o.	2019/20	PLN	15,387	34,546
DAT-Schaub (UK) Ltd.	2019/20	GBP	4,048	5,666
DAT-Schaub Norge AS	2019/20	NOK	-1,149	-2,980
DAT-Schaub Gallent S.L.	2020	EUR	49	1,454
Agrimares S.L.	2019/20	EUR	399	1,224

Group structure is specified below:

Company name	Country	Ownership %
DAT-Schaub Portugal, Indústria Alimentar Lda	Portugal	100.0
DAT-Schaub USA Inc.	US	100.0
DAT-Schaub France S.A.S.	France	100.0
DAT-Schaub Finland Oy	Finland	100.0
Thomeko Eesti OÜ	Estonia	100.0
DAT-Schaub AB	Sweden	100.0
DAT-Schaub (Deutschland) GmbH	Germany	100.0
Gerhard Küpers GmbH	Germany	100.0
DIF Organveredlung Gerhard Küpers GmbH & Co. KG	Germany	100.0
CKW Pharma-Extrakt Beteiligungs- und Verwaltungs GmbH	Germany	50.0
CKW Pharma-Extrakt GmbH & Co. KG	Germany	50.0
DAT-Schaub Polska Sp. z o.o.	Poland	100.0
DAT-Schaub (UK) Ltd.	UK	100.0
Oriental Sino Limited	Hong Kong	45.0 A
Yancheng Lianyi Casing Products Co. Ltd.	China	73.3 A
Yili Lianyi Casing Products Company Ltd.	China	100.0 A
Jiangsu Chongan Plastic Manufacturing Co. Ltd.	China	58.8 A
Yancheng Xinyu Food Products Ltd.	China	73.3 A
Yancheng Huawei Food Products Ltd.	China	73.3 A
DAT-Schaub Holdings USA, Inc.	US	100.0
DCW Casing LLC	US	51.0
DAT-Schaub Gallent S.L.	Spain	51.0
Vicente Gallent S.L.U.	Spain	100.0
DAT-Schaub Norge AS	Norway	100.0
Shanghai Natural Casing Co., Ltd	China	51.0
DAT-Schaub Spain Holding S.L.U.	Spain	100.0
DAT-Schaub Gallent S.L.	Spain	49.0
Vicente Gallent S.L.U.	Spain	100.0
Procesadora Insuban SpA.	Chile	100.0
Elaboradora de Subprodutos de Origem Animal do BRC Tripas - Comercio de Tripas Ltda.	Brazil	100.0
Tripas de Colombia S.A.S.	Colombia	100.0
Agrimares S.L.	Spain	100.0
CasCom Srl	Italy	49.0 A

A = Associated company

D = Dormant

J = Joint venture

Danish Crown has prepared the consolidated Annual report, which can be found on the web page [www.danishcrown.dk](http://www.danishcrown.dk).



## 11. Loans to affiliates

	2020/2021 T. DKK	2019/2020 T. DKK
Cost as at 30 September 2020	191,347	207,734
Additions	0	0
Disposals	-54,579	-16,387
<b>Cost as at 30 September 2021</b>	<b>136,768</b>	<b>191,347</b>
<b>Carrying amount as at 30 September 2021</b>	<b>136,768</b>	<b>191,347</b>

## 12. Cash pool

Short-term loans to and loans from affiliates include a group cash pool arrangement between the Group's main bank connections and the cash is available for daily operations according to the Group's instructions.

## 13. Prepayments

Prepayments recognised under assets comprise incurred costs relating to the subsequent financial year.

## 14. Share Capital

The share capital consists of 50,738,889 shares at DKK 1.

## 15. Deferred tax

	Deferred tax as at 1 October 2020 T. DKK	Changes in respect of previous years T. DKK	Recognised in net profit for the year T. DKK	Deferred tax as at 30 September 2021 T. DKK
2020/21				
Intangible assets	-8,617	0	1,848	-6,769
Tangible assets	5,271	0	-274	4,997
Financial assets	23	0	-83	-60
Current assets	2,457	0	-1,559	898
Current liabilities	737	0	4,179	4,916
	<b>-129</b>	<b>0</b>	<b>4,111</b>	<b>3,982</b>
2019/20				
Intangible assets	-10,466	0	1,849	-8,617
Tangible assets	5,935	0	-664	5,271
Financial assets	-229	0	252	23
Current assets	1,205	-232	1,484	2,457
Current liabilities	703	0	34	737
	<b>-2,852</b>	<b>-232</b>	<b>2,955</b>	<b>-129</b>



	<u>2020/2021</u> <u>T. DKK</u>	<u>2019/2020</u> <u>T. DKK</u>
<b>16. Subordinate loans</b>		
Debt to affiliated company	0	650,000
Accrued interests, affiliated company	0	22,375
	<u>0</u>	<u>672,375</u>

During 2020/21 the loan has been refinanced with a long term loan, the new loan is no longer subordinated.

## 17. Non-current liabilities

DKK 677,694 thousand of the total non-current liabilities of DKK 693,565 thousand (DKK 41,678 thousand in 2019/20) falls due after 5 years from the balance sheet day.

## 18. Fees to the auditors

In pursuance of Section 96(3) of the Danish Financial Statements Act, the company has omitted providing information on audit fees as the company is fully consolidated in Danish Crown Amba's consolidated financial statements, in which the audit fees for the Group as a whole are disclosed.

## 19. Contingent liabilities

DAT-Schaub A/S has issued a Guarantee in relation to the credit line of an associated company for EUR 1,1mill. (T.DKK 8,180).

The company is part of a Danish joint taxation with Danish Crown A/S as managing company. The Company is therefore held liable on income taxes etc. under the Corporation Tax Act rules with effect from the financial year 2012/13, for the jointly taxed companies and from 1 July 2012 for any obligation to withhold tax on interest and dividends, royalties for the jointly taxed companies.

## 20. Events after the balance sheet date

No material events have occurred after the balance sheet date.



## 21. Accounting policies

### Reporting class

This annual report for DAT-Schaub A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (Big).

The Annual Report for 2020/21 is presented in DKK '000.

### Consolidated financial statements

DAT-Schaub A/S has not prepared consolidated financial statements as the company has used the exemption rules in §112 of the Danish Financial Statements Act saying that a parent company being a subsidiary owned by more than 90% of a parent company is not obliged to prepare consolidated financial statements. DAT-Schaub A/S is included in the consolidated financial statements for Leverandørselskabet Danish Crown AmbA.

### General information on recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Entity, and the value of the relevant asset can be measured reliably.

Liabilities are recognised in the balance sheet if DAT-Schaub A/S has a legal or constructive obligation arising from a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments on financial assets and financial liabilities are recognised in the income statement as financial income and financial costs.

### Foreign currency translation

On initial recognition transactions in currencies other than the functional currency are translated at the exchange rates applicable at the transaction date. Receivables, payables and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated using the exchange rates applicable at the balance sheet date. Exchange rate differences arising between the transaction date and the payment date and the balance sheet date, respectively, are recognised in results as net financials.

### Derivative financial instruments

On initial recognition derivative financial instruments are measured at cost and subsequently at fair value at the settlement date. After initial recognition, the derivative financial instruments are



measured at the fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively. Changes in the fair value of derivative financial instruments classified as and meeting the requirements for hedging the fair value of a recognised asset, a recognised liability or a firm commitment are recognised in results together with changes in the value of the hedged asset or the hedged liability. For derivative financial statements, which do not meet the requirements for treatment as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

## **Income statement**

### **Turnover**

Turnover from the sale of goods for resale and finished goods is recognised in the income statement when delivery has taken place and risk has been passed to the buyer in accordance with IFRS 15. Turnover comprises the invoiced sales. Turnover is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Production costs**

Production costs comprise costs incurred to earn revenue for the financial year. In production costs trading include cost of sales and the manufacturing include costs relating to raw materials, consumables, production staff as well as maintenance and depreciation, amortisation and impairment losses on tangible and intangible assets used in the production process. In addition, the item includes ordinary write-down of inventories.

### **Distribution costs**

Distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns including costs for sales and distribution staff, advertising costs as well as depreciation, amortisation and impairment losses on tangible and intangible assets used in the distribution process.

### **Administrative expenses**

Administrative expenses comprise costs incurred for the management and administration of DAT-Schaub A/S including costs for the administrative staff and the management as well as office expenses and depreciation, amortisation and impairment losses on tangible and intangible assets used in the administration of DAT-Schaub A/S.

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

Dividends from investments in subsidiaries are recognised as income in the income statement in the financial year in which the dividend is declared.

Investments in subsidiaries written down to the lower of recoverable amount and carrying amount are recognised as expenses in the income statement.

Financials comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premiums/deductions concerning mortgage debt etc.





Interest income and interest expenses are accrued on the basis of the principal amount and the effective rate of interest. The effective rate of interest is the discount rate used to discount the expected future payments which are related to the financial asset or the financial liability in order for the present value of these to correspond to the carrying amount of the asset and the liability, respectively.

### **Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

DAT-Schaub A/S is jointly taxed with all Danish entities in the Danish Crown Group. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

The tax rules and rates applicable at the balance sheet date are used to compute the current tax.

### **Balance sheet**

#### **Goodwill**

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is 20 years for strategically acquired activities with a strong market position and a long-term earnings profile as the amortisation period is considered to reflect the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### **Tangible assets**

Land and buildings, plant and machinery and other tangible fixed assets are measured at cost less accumulated depreciations and impairment losses. Land and assets under construction are not depreciated.

Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset until such time as the asset is ready to be put into operation.

Interest expenses on loans for financing the construction of property, plant and equipment are included in cost if they relate to the construction period. Other loan costs are recognised in the income statement.

The cost of an aggregate asset is divided into separate components, which are depreciated separately if the useful lives of the individual components are different.

If the acquisition or use of the asset requires DAT-Schaub A/S to incur costs for the demolition or re-establishment of the asset the estimated costs of such measures are recognised as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost less estimated residual value after the end of the useful life. The residual value is re-estimated yearly.



Straight-line depreciation is carried out based on the following assessment of the expected useful lives of the assets:

Buildings:	20 years
Plant and machinery:	2-10 years
Other tangible fixed assets:	5 years
Right-of-use assets	2-21 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured at cost and are written down to the lower of recoverable amount and carrying amount.

Investments in subsidiaries are assessed annually for indications of impairment. Where cost exceeds the recoverable amount, the investments are written down to this lower amount.

Any write-downs are recognised in the profit and loss account under write-down of financial assets.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables comprises the purchase price plus landing costs. The cost of manufactured goods and work in progress comprises costs of raw materials, consumables and direct labour costs as well as fixed and variable production overheads.

Variable production overheads comprise indirect materials and labour and are distributed on the basis of estimates of the goods actually produced. Fixed production overheads comprise costs relating to maintenance and depreciation of the machinery, factory buildings and equipment used in the production process as well as general costs for factory administration and management. Fixed production costs are distributed on the basis of the normal capacity of the technical plant.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

### **Receivables**

Receivables comprise trade receivables and other receivables. On initial recognition receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

### **Income tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on the taxable income for the year, adjusted for prepaid tax.



## **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

## **Cash**

Cash comprises cash in hand and bank deposits.

## **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

## **Other provisions**

Provisions are recognised when DAT-Schaub A/S has a legal or actual obligation resulting from events in the financial year or previous years, and it is likely that fulfilling the obligation will draw on DAT-Schaub A/S' financial resources.

Provisions are measured as the best estimate of the costs necessary to discharge the liabilities at the balance sheet date. Provisions falling due more than one year after the balance sheet date are measured at discounted value.

## **Pension obligations etc.**

DAT-Schaub A/S has entered into pension agreements with a significant proportion of its employees. Under the defined-contribution plans, the company makes regular, defined contributions to independent pension companies and the like. The contributions are recognised in the income statement in the period in which the employees have performed the work entitling them to the pension contribution. Payments due are recognised in the balance sheet as a liability.

## **Leases**

If a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is or contains a lease.

Each contract is assessed at inception whether it is or contains a lease. If the contract is a lease, the Company, as a lessee, recognizes in accordance with IFRS 16 Leases the right-of-use assets and lease liabilities for the rights and obligations created by leases.

The Company applies the recognition exemptions allowed by IFRS 16. This means that low value asset leases and short-term leases are recognized as expenses in the statement of profit or loss.

The recognition exemptions allows that leases, where the lease term is initially 12 months or less and the leases do not contain any purchase options, are recognized as rental expenses on straight-line basis in the statement of profit or loss.

Gains arising from modifications in lease contracts are recognized as other operating income and losses as other operating expenses.

## **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.



Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets. At each balance sheet date it is estimated whether it is likely that sufficient taxable income will be generated in future to enable utilisation of the deferred tax asset.

### **Other financial liabilities**

Other financial liabilities comprise subordinate loans, bank debt, trade payables and other payables to public authorities etc.

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Deferred income**

Deferred income comprises income received in respect of subsequent financial years. Deferred income is measured at cost.

### **Cash flow statement**

The consolidated financial statements of Leverandørselskabet Danish Crown AmbA contain a cash flow statement for the group, and a separate statement for the entity is therefore not included as per the exemption section 86(4) of the Danish Financial Statements Act.



# List of Signatures

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## Annual Report 2020-21.pdf

Name	Method	Signed at
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