



Holding Solina Denmark ApS (under frivillig likvidation)

Niels Bohrs Vej 55
8660 Skanderborg
CVR No. 34073910

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.05.2022

Bertrand Marie Vaz

Chairman of the General Meeting

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Entity details

Entity

Holding Solina Denmark ApS (under frivillig likvidation)

Niels Bohrs Vej 55

8660 Skanderborg

Business Registration No.: 34073910

Registered office: Skanderborg

Financial year: 01.01.2021 - 31.12.2021

Statutory reports on the Entity's website

Statutory report on corporate social responsibility:

<https://www.solina-retail.dk/foedevareoversigt/sammenslutninger>

Liquidator

Dorte Munch-Nielsen Sønderup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Liquidator has today considered and approved the annual report of Holding Solina Denmark ApS (under frivillig likvidation) for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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.

Stilling, 24.05.2022

Liquidator

Dorte Munch-Nielsen Sønderup

Independent auditor's report

To the shareholders of Holding Solina Denmark ApS (under frivillig likvidation)

Opinion

We have audited the consolidated financial statements and the parent financial statements of Holding Solina Denmark ApS (under frivillig likvidation) for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Aarhus, 24.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jacob Nørmark

State Authorised Public Accountant
Identification No (MNE) mne30176

Anders Larsen

State Authorised Public Accountant
Identification No (MNE) mne47818

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	348,445	327,330	330,047	361,042	380,312
Gross profit/loss	109,119	99,563	95,874	95,962	84,041
Operating profit/loss	27,745	26,243	25,619	28,013	14,576
Net financials	(3,943)	(3,796)	(4,860)	(5,700)	(5,694)
Profit/loss for the year	18,567	17,538	15,926	17,097	6,443
Balance sheet total	167,735	144,876	163,761	177,273	201,413
Investments in property, plant and equipment	2,641	1,198	1,931	2,031	3,047
Equity	40,591	21,566	39,425	31,462	26,847
Average number of employees	114	107	107	108	109
Ratios					
Gross margin (%)	31.32	30.42	29.05	26.58	22.10
Net margin (%)	5.33	5.36	4.83	4.74	1.69
Return on equity (%)	59.74	57.51	44.93	58.64	27.07
Equity ratio (%)	24.20	14.89	24.07	17.75	13.33

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The Holding Solina Denmark ApS` s primary activities is to manufacture blends of spices and functional ingredients and to sell spices, ingredients, additives, intestine etc. for the industrial market in and outside Denmark. The Group is also a full-line supplier of spices, spice blends, marinades, packaging, intestine and hand tool for butchers as well as for butcher and food specialty stores in the Danish Retail sector.

On 18th of November 2021 an extraordinary general meeting was held in Holding Solina Denmark ApS. It was agreed to make a liquidation pursuant to part 14 of the Danish Companies Act. The chairman noted that the liquidator replaces the management. The purpose with the liquidation is to simplify the structure in Solina Group.

Pursuant to section 220 of the Danish Companies Act, the resolution to liquidate the company has been filed at the Danish Business Authority for registration and the publication in the Danish Business Authority's IT-system, whereby the company's creditors, with a notice of no less than three months (the time limit for claims), has been requested to file their claims with the liquidator. Simultaneously with applying for registration of the liquidation, the liquidator has notified all the company's known creditors of the resolution for the company has entered liquidation.

Development in activities and finances

The Group's income statement for 2021 shows a profit of DKK 18,567k, and the Company` s balance sheet on 31 December 2021 shows equity of DKK 40,591k.

The resources spent in the previous financial year on optimization of the Company` s future business model as part of the Solina Group is expected to contribute to progress in revenue as well as earnings.

Development and profit for the year is at an acceptable level seen in the light of the Covid-19 impact on society.

During 2021, Management, the enterprise, suppliers and customers have responded and adapted to the continued Covid-19 pandemic situation. Consequently, Management has estimated that there is no need to write down the Company` s production plant.

Profit/loss for the year in relation to expected developments

The realized profit for the year is as expected.

Outlook

Management is looking forward to a positive development in the coming financial year. Increasing sales are anticipated from a targeted effort towards international and regional key accounts, selected, untapped market segments and general cross-selling activities in which the Company can profit from Solina Group` s worldwide product portfolio.

During 2021 the Company also spent resources on investments in product development in the long term as well as short, term from which future benefits are expected to flow to the Company.

The lock downs in 2021, related to Covid-19, has affected especially our Food Service segment and has resulted in increased uncertainty about future customer demand, our supply chain and our future ability to deliver to our customers. However, none of these uncertainties had significant impact in 2021.

Statutory report on corporate social responsibility

The Group has joined the UN Global Compact. The publicly accessible UN Global report is compliant with the current CSR legislation for Danish companies according to Section 99a of the Danish Financial Statement Act and can be read by the following link: <https://www.solina-retail.dk/foedevareoversigt/sammenslutninger>

Statutory report on the underrepresented gender

Diversity and equality policy

It is important to the Group to avoid any kind of discrimination in all parts of the enterprise, in Denmark as well as abroad. It is the Group's aim that the specific conditions, including working conditions, comply with group policies and with relevant local conditions.

Employment with the Group is always based on the actual competences for which reason recruitment, promotions and dismissals are never affected by applicants or the employees' race, ethnic or social background, gender, religion etc. The Group wants the composition of the total workforce of employees and executives to be broad and diversified as we believe this to foster innovation and development and to be a basic condition for continued business success.

The Group has prepared a policy for equality in the different management boards of the enterprise with the purpose of securing more female representatives in management. This policy is also known to and complied by our external recruitment partner. In 2021 our recruitment and promotion processes paid regards to these targets. In SFK Food the Board of directors consists of 3 persons and the local management group consists of 6 persons. Our targets for both groups are 30% women as a minimum, and the targets have been met.

As Holding Solina Denmark is pursuant to a liquidation there is only a liquidator as member of the management end of year.

Statutory report on data ethics policy

The Group have not made a written policy for data ethics, since the Group does not collect or process external data by use of artificial intelligence or by certain algorithms. Those customer data which are processed by the Group are covered by the Data Protection Act and handled in accordance with applicable law.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue	1	348,445,159	327,330,352
Cost of sales		(195,437,754)	(186,382,999)
Production costs		(43,888,681)	(41,384,294)
Gross profit/loss		109,118,724	99,563,059
Distribution costs		(52,459,818)	(49,093,579)
Administrative expenses	2	(28,913,545)	(24,226,003)
Operating profit/loss		27,745,361	26,243,477
Other financial income	5	173,128	239,473
Other financial expenses	6	(4,116,313)	(4,035,111)
Profit/loss before tax		23,802,176	22,447,839
Tax on profit/loss for the year	7	(5,235,522)	(4,909,786)
Profit/loss for the year	8	18,566,654	17,538,053

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	10	3,553,883	3,687,798
Acquired intangible assets		0	0
Intangible assets	9	3,553,883	3,687,798
Plant and machinery		3,377,238	5,940,508
Other fixtures and fittings, tools and equipment		467,171	763,721
Leasehold improvements		5,259,667	6,893,082
Property, plant and equipment in progress		2,175,452	0
Property, plant and equipment	11	11,279,528	13,597,311
Deposits		2,977,068	2,905,949
Financial assets	12	2,977,068	2,905,949
Fixed assets		17,810,479	20,191,058
Raw materials and consumables		35,994,522	29,899,188
Manufactured goods and goods for resale		12,570,261	12,714,484
Inventories		48,564,783	42,613,672
Trade receivables		55,057,096	46,446,135
Receivables from group enterprises		7,064,379	13,663,517
Other receivables		178,700	111,758
Tax receivable		0	1,423,153
Prepayments	13	1,915,828	1,619,431
Receivables		64,216,003	63,263,994
Cash		37,143,649	18,807,312
Current assets		149,924,435	124,684,978
Assets		167,734,914	144,876,036

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		14,061,995	14,061,995
Retained earnings		26,529,498	7,504,338
Equity		40,591,493	21,566,333
Deferred tax	14	665,000	984,000
Provisions		665,000	984,000
Payables to group enterprises		71,358,040	68,089,732
Other payables		0	5,305,586
Non-current liabilities other than provisions	15	71,358,040	73,395,318
Bank loans		248,408	1,684,146
Trade payables		31,117,363	22,507,983
Payables to group enterprises		5,359,211	5,829,195
Tax payable		2,792,926	710,421
Joint taxation contribution payable		0	18,653
Other payables		15,602,473	18,179,987
Current liabilities other than provisions		55,120,381	48,930,385
Liabilities other than provisions		126,478,421	122,325,703
Equity and liabilities		167,734,914	144,876,036
Staff costs	3		
Amortisation, depreciation and impairment losses	4		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Transactions with related parties	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	14,061,995	7,504,338	21,566,333
Exchange rate adjustments	0	458,506	458,506
Profit/loss for the year	0	18,566,654	18,566,654
Equity end of year	14,061,995	26,529,498	40,591,493

Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		27,745,361	26,243,477
Amortisation, depreciation and impairment losses		7,483,493	8,199,980
Working capital changes	16	(8,069,977)	14,130,456
Cash flow from ordinary operating activities		27,158,877	48,573,913
Financial income received		173,128	47,375
Financial expenses paid		(4,116,313)	(3,843,013)
Taxes refunded/(paid)		(2,067,517)	(6,075,116)
Cash flows from operating activities		21,148,175	38,703,159
Acquisition etc. of intangible assets		(2,390,724)	(2,353,041)
Acquisition etc. of property, plant and equipment		(2,641,071)	(1,198,169)
Acquisition of fixed asset investments		(51,818)	(50,278)
Cash flows from investing activities		(5,083,613)	(3,601,488)
Free cash flows generated from operations and investments before financing		16,064,562	35,101,671
Repayments of loans etc.		0	(335,785)
Repayment of debt to group enterprises		3,268,308	(11,704,908)
Dividend paid		0	(35,000,000)
Repayment of short term bank debt		(1,435,738)	(692,986)
Cash flows from financing activities		1,832,570	(47,733,679)
Increase/decrease in cash and cash equivalents		17,897,132	(12,632,008)

Cash and cash equivalents beginning of year	18,807,312	31,832,318
Currency translation adjustments of cash and cash equivalents	439,205	(392,998)
Cash and cash equivalents end of year	37,143,649	18,807,312

Cash and cash equivalents at year-end are composed of:

Cash	37,143,649	18,807,312
Cash and cash equivalents end of year	37,143,649	18,807,312

Notes to consolidated financial statements

1 Revenue

	2021	2020
	DKK	DKK
Denmark	262,583,921	248,106,619
Other EU Countries	19,784,381	24,232,174
Other Countries	66,076,857	54,991,559
Total revenue by geographical market	348,445,159	327,330,352

The revenue is solely derived from one segment.

2 Fees to the auditor appointed by the Annual General Meeting

	2021	2020
	DKK	DKK
Statutory audit services	245,000	230,000
Other assurance engagements	22,500	47,900
Tax services	51,000	30,000
	318,500	307,900

3 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	63,124,204	54,708,766
Pension costs	4,481,401	4,078,732
Other social security costs	1,493,914	1,373,606
	69,099,519	60,161,104
Staff costs classified as assets	(2,390,724)	(2,353,041)
	66,708,795	57,808,063

Average number of full-time employees	114	107
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Referring to S. 98b, 3 of the Danish Financial Statement Act, disclosures on management's remuneration have been omitted.

4 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	2,524,639	2,408,269
Depreciation on property, plant and equipment	4,958,854	5,791,711
	7,483,493	8,199,980

5 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	0	47,375
Exchange rate adjustments	173,128	0
Other financial income	0	192,098
	173,128	239,473

6 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	3,393,436	3,572,050
Other interest expenses	463,125	408,016
Other financial expenses	259,752	55,045
	4,116,313	4,035,111

7 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	5,574,647	5,223,786
Change in deferred tax	(319,000)	(314,000)
Adjustment concerning previous years	(20,125)	0
	5,235,522	4,909,786

8 Proposed distribution of profit/loss

	2021	2020
	DKK	DKK
Extraordinary dividend distributed in the financial year	0	15,000,000
Retained earnings	18,566,654	2,538,053
	18,566,654	17,538,053

9 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	13,072,116	63,929,253
Additions	2,390,724	0
Cost end of year	15,462,840	63,929,253
Amortisation and impairment losses beginning of year	(9,384,318)	(63,929,253)
Amortisation for the year	(2,524,639)	0
Amortisation and impairment losses end of year	(11,908,957)	(63,929,253)
Carrying amount end of year	3,553,883	0

10 Development projects

Completed development projects consists of developed recipes on marinades and spice mixtures. All recipes are included in the company's sales and normal coverings are realized on these. Management has not identified indications of impairment losses in relation to the carrying amount.

11 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	45,152,382	15,243,899	18,814,970	0
Additions	272,477	193,142	0	2,175,452
Cost end of year	45,424,859	15,437,041	18,814,970	2,175,452
Depreciation and impairment losses beginning of year	(39,211,874)	(14,480,178)	(11,921,888)	0
Depreciation for the year	(2,835,747)	(489,692)	(1,633,415)	0
Depreciation and impairment losses end of year	(42,047,621)	(14,969,870)	(13,555,303)	0
Carrying amount end of year	3,377,238	467,171	5,259,667	2,175,452

12 Financial assets

	Deposits DKK
Cost beginning of year	2,905,949
Additions	51,818
Cost end of year	2,957,767
Exchange rate adjustments	19,301
Impairment losses end of year	19,301
Carrying amount end of year	2,977,068

13 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	782,000	811,000
Property, plant and equipment	(117,000)	173,000
Deferred tax	665,000	984,000

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	984,000	1,298,000
Recognised in the income statement	(319,000)	(314,000)
End of year	665,000	984,000

15 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Payables to group enterprises	71,358,040
	71,358,040

Outstanding after 5 years will be 0 DKK.

16 Changes in working capital

	2021 DKK	2020 DKK
Increase/decrease in inventories	(5,951,111)	1,411,329
Increase/decrease in receivables	(2,375,162)	435,547
Increase/decrease in trade payables etc.	256,296	12,283,580
	(8,069,977)	14,130,456

17 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	24,840,251	28,521,226

18 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Holding Solina

Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

19 Assets charged and collateral

The Company SFK Food A/S has provided a floating charge to Sydbank A/S of DKK 95,000,000. The floating charge is granted on unsecured claims, inventories, operating equipment as well as intellectual property rights.

The carrying amount of granted unsecured claims as per 31.12.2021 is DKK 50,013,948

The carrying amount of granted operating equipment as per 31.12.2021 is DKK 11,236,468

The carrying amount of granted inventories as per 31.12.2021 is DKK 47,579,523

The carrying amount of granted intellectual property rights as per 31.12.2021 is DKK 3,553,883

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Subsidiaries

	Registered in	Corporate form	Ownership %
SFK Food A/S	Skanderborg	A/S	100
Solina Norway AS	Norway	AS	100

Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Administrative expenses		(25,800)	(19,550)
Operating profit/loss		(25,800)	(19,550)
Income from investments in group enterprises		21,116,319	20,348,406
Other financial income		125,128	0
Other financial expenses	1	(3,393,931)	(3,581,103)
Profit/loss before tax		17,821,716	16,747,753
Tax on profit/loss for the year	2	744,938	790,300
Profit/loss for the year	3	18,566,654	17,538,053

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		102,340,120	95,765,296
Financial assets	4	102,340,120	95,765,296
Fixed assets		102,340,120	95,765,296
Receivables from group enterprises		4,643,076	0
Tax receivable		0	1,423,153
Joint taxation contribution receivable		5,300,873	831,800
Receivables		9,943,949	2,254,953
Cash		1,456,524	58,194
Current assets		11,400,473	2,313,147
Assets		113,740,593	98,078,443

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		14,061,995	14,061,995
Reserve for net revaluation according to equity method		6,601,215	26,391
Retained earnings		19,928,283	7,477,948
Equity		40,591,493	21,566,334
Payables to group enterprises		71,358,040	68,089,732
Non-current liabilities other than provisions	5	71,358,040	68,089,732
Trade payables		25,000	25,000
Payables to group enterprises		0	8,378,724
Tax payable		1,766,060	0
Joint taxation contribution payable		0	18,653
Current liabilities other than provisions		1,791,060	8,422,377
Liabilities other than provisions		73,149,100	76,512,109
Equity and liabilities		113,740,593	98,078,443
Contingent liabilities	6		
Assets charged and collateral	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	14,061,995	26,391	7,477,948	21,566,334
Exchange rate adjustments	0	458,505	0	458,505
Dividends from group enterprises	0	(15,000,000)	15,000,000	0
Profit/loss for the year	0	21,116,319	(2,549,665)	18,566,654
Equity end of year	14,061,995	6,601,215	19,928,283	40,591,493

Notes to parent financial statements

1 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	3,393,436	3,572,050
Other interest expenses	495	9,053
	3,393,931	3,581,103

2 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(724,813)	(790,300)
Adjustment concerning previous years	(20,125)	0
	(744,938)	(790,300)

3 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Extraordinary dividend distributed in the financial year	0	15,000,000
Retained earnings	18,566,654	2,538,053
	18,566,654	17,538,053

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	95,738,905
Cost end of year	95,738,905
Revaluations beginning of year	26,391
Exchange rate adjustments	458,505
Share of profit/loss for the year	21,116,319
Dividend	(15,000,000)
Revaluations end of year	6,601,215
Carrying amount end of year	102,340,120

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Payables to group enterprises	71,358,040
	71,358,040

Outstanding after 5 years will be 0 DKK.

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7 Assets charged and collateral

None.

8 Related parties with controlling interest

Solina Belgium NV/SA, Belgium, owns all shares in the company and thus has the controlling interest of the Entity.

Solina France SaS, France, owns all shares in Solina Belgium NV/SA and thus has the controlling interest of the this.

Solina Corporate SaS, France, owns all shares in Solina France SaS and thus has the controlling interest of the this.

9 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction

date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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.

The Parent is jointly taxed with all of its Danish group enterprises. 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).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be determined, the amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised

on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	1-5 years
Leasehold improvements	7-12 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

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

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions

receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.