



Nutrimin Holding ApS

Bodalen 11
8643 Ans By
CVR No. 34352925

Annual report 2020

The Annual General Meeting adopted the
annual report on 21.04.2021

Jesper Ørskov Nielsen
Chairman of the General Meeting

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Entity details

Entity

Nutrimin Holding ApS

Bodalen 11

8643 Ans By

Business Registration No.: 34352925

Registered office: Silkeborg

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Lars Bjerre Staunsbæk

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nutrimin Holding ApS for the financial year 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Ans By, 21.04.2021

Executive Board

Lars Bjerre Staunsbæk

Independent auditor's report

To the shareholders of Nutrimin Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nutrimin Holding ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 of 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.

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 and 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, 21.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach

State Authorised Public Accountant
Identification No (MNE) mne19691

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	48,510	39,173	29,580	29,839	28,394
Operating profit/loss	19,840	13,384	7,598	10,349	11,056
Net financials	(907)	385	(653)	(1,035)	(1,191)
Profit/loss for the year	14,730	10,906	5,594	7,265	7,706
Balance sheet total	113,874	113,786	102,526	88,645	77,845
Investments in property, plant and equipment	2,265	7,569	9,269	7,185	1,216
Equity	45,106	30,643	19,784	14,624	11,939
Ratios					
Return on equity (%)	38.89	43.25	32.52	54.70	97.70
Equity ratio (%)	39.61	26.93	19.30	16.50	15.34

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The Group's activities consist of production and direct sale of mineral mixtures and piglet feed on the Danish market as well as production and sale of vitamin mixtures and premixtures to the Danish market as well as the export market.

Development in activities and finances

In 2020, the Group realized its highest turnover to date of DKK 443,378k, which is 13% higher than in 2019. This is due to a generally increased influx of customers, primarily in the Danish market. Nutrimin A/S' operating profit (EBITDA) also reached a very satisfactory level of DKK 24,641k.

The result before after tax is realized with DKK 14,739k., which is satisfactory.

2020 has been a challenging year as supply security and major delays occurred in the beginning of COVID-19. Employees have fought bravely to make ends meet and we have managed to maintain deliveries to our customers, even when it was most difficult out.

Outlook

In 2021, the Group expects continued growth, and we have a good starting point in a continued highly competitive market at the beginning of 2021. There is still a focus on increasing activity levels, a profit before tax of approx. DKK 14,000k in 2021. These expectations have not been incorporated for continued follow-up from COVID-19.

Reference is also made to the management report's section on events after the balance sheet date.

Particular risks

Risk management is a large focus area for the Group. These risks relate primarily to volatile market prices, as well as financial risks within currency and interests. Effective risk management secures, that Nutrimin evaluates and access the risks they are taking on.. The Company's raw material and price risks are minimised, whenever possible, by entering into purchase contracts that minimise open positions on raw materials.

By far the largest part of revenue and purchase is conducted in DKK. The rest is in EUR. If transactions are conducted in other foreign currencies, currency risks are eliminated by entering into forward contracts. Therefore, the Company's currency risks are considered very minimal.

To ensure quality control at Nutrimin A/S, a certification according to the standards GMP+ and VLOG is implemented. The quality control system describes all steps in the process from approval of suppliers and purchase of raw materials to production and delivery of the finished goods to the customer.

The Company is vulnerable to the market conditions of the primary agriculture. To eliminate this risk, debtors are credit insured to the widest possible extent.

Raw materials

2020 has been a turbulent year, it started with oversupplies in the market on many feed additives, due to African swine fever in China and hence low prices. Then COVID-19 hit China, which meant that many manufacturers had great difficulty in fulfilling the supply agreements. Replacement purchases could not be avoided to secure production.

The Group only uses stable and well-known GMP + or FAMI-QS-approved manufacturers to ensure customers

high-quality products.

Knowledge resources

A Nutrimin guide has been prepared to ensure the following:

- An equal partnership
- The ability to acquire and communicate knowledge as well as a good deal of business practice
- Only bearing this in mind, we can ensure our customers the optimal feed mix.

Environmental performance

The Group has no policy for corporate social responsibility, but we pay much attention to environmental impacts from our factory. The Group meets the requirements of workplace evaluation, appraisals and working environment, the overall task of which is to create the basis for a good, sound and safe working environment at Nutrimin.

The Group applies HACCP - Own check and Risk analysis, which means that all steps in the individual processes are assessed. HACCP provides an overview of the risks and errors that are typical in the manufacturing process. Therefore, HACCP contributes to increasing the level of protection of human and animal health.

To ensure as low environmental impact as possible when delivering goods to Danish customers, the Group uses lorries that are approved according to class Euro 6.

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. The outbreak and spread of COVID-19 at the beginning of 2020 has not been and is not expected to be significant impact on the company's financial position and development. This is because the Group's business area with the production and sale of vitamin and mineral mixtures and pig feed for the Danish market and the export market has proceeded according to plan in the first period of the outbreak and spread of COVID-19. This is because the company business area as a subcontractor to the food industry, which will continue to play an important social role.

Consolidated income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		48,510,279	39,173,218
Staff costs	1	(23,869,418)	(21,851,127)
Depreciation, amortisation and impairment losses	2	(4,801,079)	(3,938,280)
Operating profit/loss		19,839,782	13,383,811
Other financial income		5,010	1,564,350
Impairment of financial assets		(74,550)	0
Other financial expenses		(837,799)	(1,179,321)
Profit/loss before tax		18,932,443	13,768,840
Tax on profit/loss for the year	3	(4,202,068)	(2,862,665)
Profit/loss for the year	4	14,730,375	10,906,175

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects		0	0
Goodwill		16,917	57,517
Intangible assets	5	16,917	57,517
Land and buildings		23,821,543	23,060,577
Plant and machinery		12,201,728	15,445,793
Other fixtures and fittings, tools and equipment		0	12,418
Property, plant and equipment	6	36,023,271	38,518,788
Other investments		25,000	99,550
Fixed asset investments	7	25,000	99,550
Fixed assets		36,065,188	38,675,855
Raw materials and consumables		43,643,474	37,441,587
Prepayments for goods		435,102	1,959,372
Inventories		44,078,576	39,400,959
Trade receivables		32,100,413	35,622,635
Other receivables		172,004	0
Tax receivable		0	84,215
Receivables		32,272,417	35,706,850
Cash		1,458,073	2,145
Current assets		77,809,066	75,109,954
Assets		113,874,254	113,785,809

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		84,166	84,166
Retained earnings		44,682,412	30,258,516
Proposed dividend for the financial year		339,000	300,000
Equity		45,105,578	30,642,682
Deferred tax	8	1,221,000	1,160,000
Provisions		1,221,000	1,160,000
Mortgage debt		9,086,507	9,759,109
Lease liabilities		2,762,500	3,400,000
Other payables	9	1,243,470	470,461
Non-current liabilities other than provisions	10	13,092,477	13,629,570
Current portion of non-current liabilities other than provisions	10	1,311,637	1,303,757
Bank loans		3,679,113	19,137,983
Prepayments received from customers		0	110,617
Trade payables		25,498,117	26,611,785
Payables to owners and management		13,308,432	13,047,482
Tax payable		450,315	0
Other payables	11	10,207,585	8,141,933
Current liabilities other than provisions		54,455,199	68,353,557
Liabilities other than provisions		67,547,676	81,983,127
Equity and liabilities		113,874,254	113,785,809
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Transactions with related parties	15		
Group relations	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	84,166	0	30,258,516	300,000	30,642,682
Ordinary dividend paid	0	0	0	(300,000)	(300,000)
Fair value adjustments of hedging instruments	0	41,694	0	0	41,694
Tax of entries on equity	0	(9,173)	0	0	(9,173)
Transfer to reserves	0	(32,521)	32,521	0	0
Profit/loss for the year	0	0	14,391,375	339,000	14,730,375
Equity end of year	84,166	0	44,682,412	339,000	45,105,578

Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		19,839,782	13,383,811
Amortisation, depreciation and impairment losses		4,801,079	3,938,280
Writedown of current assets		74,550	0
Working capital changes	12	516,606	(729,747)
Cash flow from ordinary operating activities		25,232,017	16,592,344
Financial income received		5,010	1,564,350
Financial expenses paid		(837,799)	(1,179,321)
Taxes refunded/(paid)		(3,615,711)	(4,677,981)
Cash flows from operating activities		20,783,517	12,299,392
Acquisition etc. of property, plant and equipment		(2,264,962)	(7,568,546)
Cash flows from investing activities		(2,264,962)	(7,568,546)
Free cash flows generated from operations and investments before financing		18,518,555	4,730,846
Loans raised		0	2,975,000
Repayments of loans etc.		(1,303,757)	(865,049)
Dividend paid		(300,000)	(300,000)
Cash flows from financing activities		(1,603,757)	1,809,951
Increase/decrease in cash and cash equivalents		16,914,798	6,540,797
Cash and cash equivalents beginning of year		(19,135,838)	(25,676,635)
Cash and cash equivalents end of year		(2,221,040)	(19,135,838)
Cash and cash equivalents at year-end are composed of:			
Cash		1,458,073	2,145
Short-term bank loans		(3,679,113)	(19,137,983)
Cash and cash equivalents end of year		(2,221,040)	(19,135,838)

Notes to consolidated financial statements

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	21,473,342	19,868,807
Pension costs	1,874,335	1,671,001
Other social security costs	521,741	311,319
	23,869,418	21,851,127

Average number of full-time employees	46	40
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Total amount for management categories	1,170,498	1,063,001
	1,170,498	1,063,001

2 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	40,600	40,600
Depreciation on property, plant and equipment	4,760,479	3,897,680
	4,801,079	3,938,280

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	4,182,806	3,130,566
Change in deferred tax	51,827	(275,950)
Adjustment concerning previous years	21,926	66,830
Refund in joint taxation arrangement	(54,491)	(58,781)
	4,202,068	2,862,665

4 Proposed distribution of profit/loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	339,000	300,000
Retained earnings	14,391,375	10,606,175
	14,730,375	10,906,175

5 Intangible assets

	Completed development projects DKK	Goodwill DKK
Cost beginning of year	1,018,500	703,000
Cost end of year	1,018,500	703,000
Amortisation and impairment losses beginning of year	(1,018,500)	(645,483)
Amortisation for the year	0	(40,600)
Amortisation and impairment losses end of year	(1,018,500)	(686,083)
Carrying amount end of year	0	16,917

6 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	26,895,223	33,266,208	743,677
Additions	1,713,017	551,945	0
Cost end of year	28,608,240	33,818,153	743,677
Depreciation and impairment losses beginning of year	(3,834,646)	(17,820,415)	(731,259)
Depreciation for the year	(952,051)	(3,796,010)	(12,418)
Depreciation and impairment losses end of year	(4,786,697)	(21,616,425)	(743,677)
Carrying amount end of year	23,821,543	12,201,728	0
Recognised assets not owned by Entity	0	3,400,000	0

7 Fixed asset investments

	Other investments DKK
Cost beginning of year	99,550
Cost end of year	99,550
Impairment losses for the year	(74,550)
Impairment losses end of year	(74,550)
Carrying amount end of year	25,000

8 Deferred tax

	2020	2019
	DKK	DKK
Intangible assets	(9,000)	(6,000)
Property, plant and equipment	1,230,000	1,166,000
Deferred tax	1,221,000	1,160,000

Changes during the year	2020	2019
	DKK	DKK
Beginning of year	1,160,000	1,364,800
Recognised in the income statement	61,000	(204,800)
End of year	1,221,000	1,160,000

9 Other payables

	2020	2019
	DKK	DKK
Holiday pay obligation	1,243,470	470,461
	1,243,470	470,461

10 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after	Outstanding
	months	months	more than 12	after 5 years
	2020	2019	months	2020
	DKK	DKK	DKK	DKK
Mortgage debt	674,137	666,257	9,086,507	6,783,517
Lease liabilities	637,500	637,500	2,762,500	425,000
Other payables	0	0	1,243,470	1,243,470
	1,311,637	1,303,757	13,092,477	8,451,987

11 Other payables

	2020	2019
	DKK	DKK
VAT and duties	5,705,230	4,269,656
Wages and salaries, personal income taxes, social security costs, etc. payable	2,309,386	1,138,662
Holiday pay obligation	943,111	1,466,615
Derivative financial instruments	0	41,693
Other costs payable	1,249,858	1,225,307
	10,207,585	8,141,933

12 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in inventories	(4,677,617)	(2,218,045)
Increase/decrease in receivables	3,350,218	(7,825,462)
Increase/decrease in trade payables etc.	1,844,005	9,313,760
	516,606	(729,747)

13 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	583,300	723,292

14 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on property of DKK 8,600k nominal.

Bank debt is secured on a floating charge of DKK 27,500k nominal.

The carrying amount of mortgaged properties is DKK 23,822k. and the carrying amount of mortgaged plant is DKK 12,202k.

Certain items of plant and machinery, and other fixtures etc. have been financed by means of finance leases. The carrying amount of assets held under finance leases is DKK 3,000k.

15 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.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Nutrimin Holding ApS, Bodalen 11, Ans By, Central Business Registration No. 34352925

17 Subsidiaries

	Registered in	Corporate form	Ownership %
Nutrimin A/S	Silkeborg, Denmark	A/S	100
Nutrimin Ejendomme ApS	Silkeborg, Denmark	ApS	100

Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(11,400)	(11,000)
Income from investments in group enterprises		14,843,237	11,114,581
Other financial income	1	127,655	0
Other financial expenses		(260,950)	(256,187)
Profit/loss before tax		14,698,542	10,847,394
Tax on profit/loss for the year	2	31,833	58,781
Profit/loss for the year	3	14,730,375	10,906,175

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Investments in group enterprises		49,544,246	41,268,488
Fixed asset investments	4	49,544,246	41,268,488
Fixed assets		49,544,246	41,268,488
Receivables from group enterprises		8,787,580	2,374,386
Tax receivable		31,833	84,215
Joint taxation contribution receivable		0	181,470
Receivables		8,819,413	2,640,071
Cash		62,850	1,009
Current assets		8,882,263	2,641,080
Assets		58,426,509	43,909,568

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		84,166	84,166
Reserve for net revaluation according to the equity method		36,919,246	28,343,488
Retained earnings		7,763,166	1,915,028
Proposed dividend for the financial year		339,000	300,000
Equity		45,105,578	30,642,682
Trade payables		12,499	12,500
Payables to owners and management		13,308,432	13,047,482
Joint taxation contribution payable		0	206,904
Current liabilities other than provisions		13,320,931	13,266,886
Liabilities other than provisions		13,320,931	13,266,886
Equity and liabilities		58,426,509	43,909,568
Contingent liabilities	5		
Assets charged and collateral	6		
Transactions with related parties	7		

Parent statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	84,166	28,343,488	1,915,028	300,000	30,642,682
Ordinary dividend paid	0	0	0	(300,000)	(300,000)
Other entries on equity	0	32,521	0	0	32,521
Transfer to reserves	0	(6,300,000)	6,300,000	0	0
Profit/loss for the year	0	14,843,237	(451,862)	339,000	14,730,375
Equity end of year	84,166	36,919,246	7,763,166	339,000	45,105,578

Notes to parent financial statements

1 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	127,655	0
	127,655	0

2 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Refund in joint taxation arrangement	(31,833)	(58,781)
	(31,833)	(58,781)

3 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	339,000	300,000
Retained earnings	14,391,375	10,606,175
	14,730,375	10,906,175

4 Fixed asset investments

	Investments in group enterprises DKK
Cost beginning of year	12,625,000
Cost end of year	12,625,000
Revaluations beginning of year	28,643,488
Adjustments on equity	32,521
Share of profit/loss for the year	14,843,237
Dividend	(6,600,000)
Revaluations end of year	36,919,246
Carrying amount end of year	49,544,246

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

5 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.

6 Assets charged and collateral

Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt with Spar Nord. Bank loans of group enterprises amount to DKK 3,679k.

7 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 prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

In accordance with an interpretation from the Danish Business Authority, withdrawals from the Group's overdraft facilities are classified in the cash flow statement as cash flows from financing activities, where the deduction on overdraft facilities was previously classified as cash in the cash flow statement.

The change has an effect on cash flows from financing activities of DKK ÷11,458k. in 2020 (DKK ÷7,764k in 2019) and an increase in cash and cash equivalents of DKK 3,679k. as per 31.12.2020 (DKK 19,138k. as per 31.12.2019).

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, costs of raw materials and consumables and external expenses.

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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

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.

Impairment of financial assets

Impairment of financial assets comprise impairment of financial assets which are not measured at fair value on a current basis.

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

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years. Goodwill is written down to the lower of recoverable amount and carrying amount.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed.

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.

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 estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

Buildings	30 years
Plant and machinery	10-15 years
Other fixtures and fittings, tools and equipment	5-10 years

or 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.

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.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

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.

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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan

applying the effective interest method.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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 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.