

Thornico Holding A/S

Havnegade 36, DK-5000 Odense

Annual Report for 2021

CVR No 35 25 80 00

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 June 2022

Thor Stadil
Dirigent
Chairman

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Thornico Holding A/S for the financial year 1 January – 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and cash flows for 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 30 June 2022

Executive Board

Christian Nicholas
Rosenkrantz Stadil

Supervisory Board

Thor Stadil

Kirsten Malling Stadil

Christian Nicholas
Rosenkrantz Stadil

Independent Auditor's Report

To the Shareholders of Thornico Holding A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Thornico Holding A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. 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 Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 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 parent financial statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 contents of the consolidated financial statements and parent financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Odense, 30 June 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56

Gert Rasmussen
State Authorised Public Accountant
Identification No: mne35430

Company Information

The Company

Thornico Holding A/S
Havnegade 36
DK-5000 Odense C

Telephone: +45 65 48 02 00

CVR No: 35 25 80 00

Financial period: 1 January - 31 December

Financial year: 9th financial year

Municipality of reg. office: Odense

Supervisory Board

Thor Stadil
Christian Nicholas Rosenkrantz Stadil
Kirsten Malling Stadil

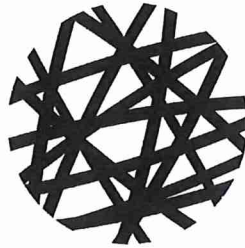
Executive Board

Christian Nicholas Rosenkrantz Stadil

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Tværkajen 5
5100 Odense C

Group Chart



THORNICO

GROUP STRUCTURE



FOOD

CONTROLLING INTEREST

Egg and cheese processing, trading and biotech

- Lactosan
- OVODAN
- OVODAN International as
- OVODAN FOODS A/S
- OVODAN
- OVODAN
- OVODAN BIOTECH
- OVODAN
- MÄT



FOOD TECHNOLOGY

CONTROLLING INTEREST

Food processing machinery and meditech

- SANOVO
- SANOVO
- RAMEHART
- FOODCRAFT
- SANOVO
- SANOVO
- SANOVO
- OVOTRACK
- NIHRO



SPORT & FASHION

CONTROLLING INTEREST

Footwear and apparel design and manufacturing

- hummel
- newline
- HALO
- MARKION



REAL ESTATE

CONTROLLING INTEREST

Real estate ownership and letting

- STANICO



SHIPPING

CONTROLLING INTEREST

Ship owning, management and brokering, etc.

- THORCO PROJECTS



PACKAGING

CONTROLLING INTEREST

Egg and fruit packaging solutions

- HARTMANN
- SANOVO
- SHINGEPHICH



VENTURE

NON-CONTROLLING INTEREST

Co-founder, seed, pre-seed and minority investor

- ALL UNITE
- w
- MyBestBook
- TATTOODO
- EARLABS
- Shanghai KREASSEN
- Burd Delivery
- trendsales
- REC
- ISTID
- INDIE FRAME
- LIBERTINE LIBERTINE
- myselfie

* 50-80% ownership

Financial Highlights of the Group

	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Profit/loss					
Revenue	10.177.657	8.575.274	9.211.750	8.393.614	7.556.329
Gross profit	2.683.722	2.215.495	2.179.341	1.799.341	1.731.492
EBITDA	1.235.292	930.864	901.542	658.580	609.940
Profit/loss before financial income and expenses	967.655	747.644	528.626	344.248	461.571
Net financials	47.311	-42.750	-13.226	-28.276	-137.456
Net profit/loss for the year	830.802	536.666	429.971	239.421	252.372
Balance sheet					
Balance sheet total	8.404.893	7.103.851	6.767.460	6.706.297	6.341.199
Equity	3.641.930	2.698.531	2.451.961	2.104.126	2.072.998
Investment in property, plant and equipment	588.839	403.967	474.348	372.759	310.595
Cash flows					
Cash flows from:					
- operating activities	659.268	751.512	381.398	356.668	181.804
- investing activities	-728.179	-718.106	-197.138	-352.041	-85.368
- financing activities	114.179	175.881	-207.496	9.740	-195.473
Changes for the year in cash and cash equivalents	45.268	209.287	-23.236	14.367	-99.037
Number of employees	5.107	4.335	4.036	3.929	3.907

Financial Highlights of the Group

	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Ratios					
Gross margin	26,4%	25,8%	23,7%	21,4%	22,9%
Profit margin	9,5%	8,7%	5,7%	4,1%	6,1%
Return on assets	11,5%	10,5%	7,8%	5,1%	7,3%
Solvency ratio	43,3%	38,0%	36,2%	31,4%	32,7%
Return on equity	22,8%	19,9%	17,5%	11,4%	12,2%

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

Reference is made to accounting policies.

Management Commentary

Main activities

The Group's activities comprise food ingredients, food technology and packaging, sport and fashion, real estate and shipping in global markets, primarily via wholly owned subsidiaries.

The Parent company's activity comprises investments in subsidiaries.

Development in activities and financials

The Annual Report for the Group shows consolidated sales of DKK 10,177,657k. Consolidated EBIT is DKK 967,655k compared to DKK 747,644k in 2020, an increase of DKK 220,011k. This is the highest Group result realised to date and in line with the strategic plans for the Group.

The Group's activities within food and food technology were influenced negatively by increased prices for raw materials and energy.

The Group's activities within sport and fashion show significantly improved results after the majority of markets have recovered from the severe implications of the Covid-19 crisis.

Whereas the above mentioned activities were impacted negatively by the supply chain disruptions in 2021, the Groups shipping activities profited from increased demand and increase freight prices, leading to a record result for the shipping activities.

The Group's real estate activities were for the main part in line with budgets.

The past year and follow-up on development expectations from last year

At the date of the Annual Report for 2020 Management expected EBIT for 2021 in the range of DKK 700m - 750m. EBIT has increased beyond expectation to DKK 967m.

Expected development

Management expect results for 2022 in the range of DKK 700m – 800m. Necessary price increases are expected to compensate in part for expected increases in raw material, energy and freight costs.

Particular risks

Currency risks

Due to the global nature of all activities in the Group, the Group is exposed to currency transaction risks and currency translation risks.

Transaction risk is generally hedged as concerns the packaging and textile activities. This is done in accordance with the foreign exchange policy for these activities. For the Group's other activities, hedging is handled within the Thornico Group through balancing of income and expenses in the currencies relevant for these activities.

Translation risks are mainly associated with the translation into DKK of earnings and net assets in foreign subsidiaries. Translation risks are not hedged.

Capital resources

Via its positive earnings and development, the Group has sound and adequate capital resources available for new investments and growth.

Business risks

The spreading of the Group's investments is well balanced between the different main areas, see our comments in the above paragraph Main activities. The Group's intention is to improve its market position in the individual areas. The Group is market leading in several areas within foods, and the Group intends to achieve a more dominant role in other areas within the respective industries.

Research and development

The Group incurs material expenses for both research and development to create a basis for the future positive financial development. The Group places great importance in recruiting and retaining competent and highly specialised employees in order to maintain a leading position within all its business activities.

Subsequent events

On 24 February 2022 Russian military forces invaded Ukraine. The geopolitical tensions ensuing from the invasion has led to sharp increases in already high costs of raw materials and energy which are impacting the Group.

The Group's trade with Russian counterparts has in general been halted.

On 1 April 2022, a subsidiary announced the initiation of a sales process for the subsidiary's Russian activities with a view to leave Russia where the current political and economic climate prevents the realisation of the subsidiary's business plan. On the balance sheet date, the Russian entity is treated and valued as continuing operations as the subsidiary will continue to operate the facilities and fulfill obligations within the limits of imposed sanctions and restrictions. Management has assessed the potential impact from the resulting uncertainties on the estimated values for the liabilities and assets in the group's Russian entity as well as other potentially affected assets and liabilities.

Report on Corporate Social Responsibility, cf. Section 99 a of the Danish Financial Statements Act and Report on the Gender Composition in Management, cf. Section 99 b of the Danish Financial Statements Act

Reference is made to the following link to the Group's CSR report including the Group's policy on gender equality at:

<http://www.thornico.com/Company-Karma>

Report on Data Ethics policy

Reference is made to the following link to the Group's CSR report including the Group's policy on data ethics at:

<https://www.thornico.com/contact/policies/>

Accounting Policies

Basis of Preparation

The Annual Report of Thornico Holding A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated Financial Statements for 2021 are presented in DKK thousands whereas the Parent Company Financial Statements are presented in DKK.

Recognition and measurement

The Annual Report has been prepared under the historical cost method.

Revenues are recognised in the income statement as earned including value adjustments of financial assets and liabilities. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Thornico Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the

votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends, and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the purchase method). Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life. Any remaining negative differences are immediately recognised in the income statement.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

In the consolidated financial statements amortisation of goodwill is allocated to the functions to which goodwill is related.

Minority interests

Minority interests form part of the consolidated equity. In the proposed distribution of profit, the net profit or loss of the year is allocated to minority interests and to equity belonging to the parent company.

Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests, where the Group retains a controlling interest in the subsidiary, the purchase price is recognised directly on equity.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are rec-

ognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting which is consequently recognised directly in the equity statement.

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Segment information is given on the basis of business areas. The segment allocation is in accordance with the company's internal reporting and areas of responsibility. Revenues have been reported for the following business areas: Food ingredients, food technology and packaging, real estate, sport & fashion, and shipping. The revenue of each business area has in turn been allocated geographically.

Other operating income

Other operating income comprises revenue from other operating activities which are not related to the principal activities of the company.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for administration, sale, distribution, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Fair value evaluation of investment property

Fair value evaluation of investment property comprises adjustments for the financial year of investment properties at fair value.

Income from investments in group enterprises and associates

The item "Income from investments in group enterprises and associates" in the income statement includes the proportionate share of the profit for the year less goodwill amortisation and elimination of internal profits or losses

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish subsidiaries. The Danish tax is allocated to the jointly taxed Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas. The amorti-

sation period is usually 20 years for strategically acquired companies with a strong market position.

Other intangible assets

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover production, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 years.

Patents, licences and trademarks are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents, licences and trademarks are amortised over the remaining patent period or a shorter useful life. The periods of amortisation are 3-20 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Land is not depreciated.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	10-50 years
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Ships	25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-8 years

Estimated useful lives and residual values are reassessed annually.

Investment property

Investment properties are initially measured at cost. Subsequently, investment properties are measured to fair value. Fair value adjustments are measured in income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

In Management's opinion it has not been possible this year to determine fair value through market information, and, consequently, valuation has been determined by using a return-based model.

The fair value of investment properties has been determined at 31 December 2021 for each property by using a return-based model. The calculations are based on property budgets for the upcoming year, adjusted for movements, which are caused by isolated events.

The expected cash flow is multiplied with an individually determined rate of return. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet, by which the fair value emerge.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in group enterprises and associates

Investments in group enterprises and associates 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 enterprise's equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises and associates with a negative equity value are measured at DKK zero. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent Company has a legal or constructive obligation to cover the liabilities of the relevant enterprises, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises and associates is transferred to the reserve for net revaluation according to the equity method in equity. Goodwill is the difference between cost of investments and fair value of the pro rata share 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. The amortisation periods used are 15-20 years.

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

Other fixed asset investments

Other fixed asset investments consist of long term receivables, etc.

Inventories

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

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receiv-

able, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments recognised under "Current Assets" comprise expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily converted into cash and which are subject only to insignificant risks of changes in value.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Pension obligations

Pension obligations comprise defined benefit plans where the Group has an obligation to pay a specific benefit (e.g. retirement pension in the form of a fixed proportion of the exit salary).

For defined benefit plans, annual actuarial calculations are made of the present value of future benefits payable under the pension plan. The present value is calculated based on assumptions about future developments in variables such as salary levels and interest, inflation and mortality rates. The present value is only calculated for benefits earned by the employees through their employment with the group to date.

The actuarial calculation of present value less the fair value of any plan assets is recognised in the balance sheet as pension obligations. The pension costs for the year, based on actuarial estimates and financial forecasts at the beginning of the year, are recognised in profit or loss. The difference between the forecast development in pension assets and liabilities and the realised values is called actuarial gains or losses and is recognised in equity statement.

If a pension plan constitutes a net asset, the asset is recognised only to the extent that it equals the value of future repayments under the plan or it leads to a reduction of future contributions to the plan.

Other provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment and fixed asset investments as well as dividend received from non-consolidated subsidiaries and associates.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand". The cash flow statement cannot be immediately derived from the published financial records.

Explanation of financial ratios

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	=	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Net profit for the year} \times 100}{\text{Equity at year end}}$

Consolidated Income Statement 1 January-31 December

	Note	2021 DKK '000	2020 DKK '000
Revenue	2	10.177.657	8.575.274
Other operating income	3	12.457	29.419
Expenses for raw materials and consumables		-3.872.141	-3.994.543
Other external expenses	4	-3.634.251	-2.394.655
Gross profit		2.683.722	2.215.495
Staff expenses	5	-1.448.430	-1.284.631
EBITDA		1.235.292	930.864
Fair value evaluation of investment property	12	70.910	70.216
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	6	-338.547	-253.436
Profit/loss before financial income and expenses		967.655	747.644
Income from investments in associates after tax	7	7.350	-145
Financial income	8	210.450	192.719
Financial expenses	9	-170.489	-235.324
Profit/loss before tax		1.014.966	704.894
Tax on profit/loss for the year	10	-184.164	-168.228
Net profit/loss for the year	25	830.802	536.666

Consolidated Balance Sheet at 31 December

Assets

	Note	2021 DKK '000	2020 DKK '000
Acquired rights	11	126.876	92.684
Completed development projects	11	97.441	85.158
Goodwill	11	246.596	215.309
Intangible assets		470.913	393.151
Land and buildings	12	856.444	740.964
Plant and machinery	12	987.543	897.086
Other fixtures, fittings, tools and equipment	12	93.006	98.616
Investment Property	12	1.134.548	1.001.212
Ships	12	0	45.514
Property, plant and equipment in progress	12	428.643	230.586
Property, plant and equipment		3.500.184	3.013.978
Investments in associates	13	45.636	65.140
Other fixed asset investments	14	42.762	39.634
Fixed asset investments		88.398	104.774
Fixed assets		4.059.495	3.511.903

Consolidated Balance Sheet at 31 December

Assets

	Note	2021 DKK '000	2020 DKK '000
Inventories	15	1.470.569	1.279.512
Trade receivables		1.658.014	1.279.211
Receivables from associates		3.813	4.972
Receivable corporation tax		132.372	19.473
Deferred tax asset	16	92.155	110.036
Other receivables		280.558	301.916
Prepayments	17	138.465	72.644
Receivables		2.305.377	1.788.252
Cash and cash equivalents		569.452	524.184
Current assets		4.345.398	3.591.948
Assets		8.404.893	7.103.851

Consolidated Balance Sheet at 31 December

Liabilities and equity

	Note	2021 DKK '000	2020 DKK '000
Share capital		5.000	5.000
Reserve for development expenditure		97.441	85.158
Hedging reserve		44.429	6.544
Translation reserve		-219.206	-245.349
Retained earnings		3.247.994	2.468.003
Proposed dividend for the year		20.000	20.000
		<hr/>	<hr/>
Equity excl. minority interests		3.195.658	2.339.356
Minority interests		446.272	359.175
		<hr/>	<hr/>
Equity		3.641.930	2.698.531
Provision for deferred tax	16	236.084	205.228
Pension obligations	18	9.600	35.200
Other provisions	19	104.466	175.309
		<hr/>	<hr/>
Provisions		350.150	415.737

Consolidated Balance Sheet at 31 December

Liabilities and equity

	Note	2021 DKK '000	2020 DKK '000
Mortgage debt	21	306.881	299.112
Credit institutions	22	1.050.902	984.286
Other payables	23	26.869	52.651
Long-term debt	20	1.384.652	1.336.049
Mortgage debt	21	21.164	16.986
Credit institutions	22	1.134.665	1.079.049
Trade payables		1.023.738	854.570
Payables to group companies		0	0
Payables to associates		18.871	8.017
Corporation tax		142.709	30.808
Other payables	23	604.120	627.521
Deferred income	24	82.894	36.583
Short-term debt		3.028.161	2.653.534
Debt		4.412.813	3.989.583
Liabilities and equity		8.404.893	7.103.851
Events after the balance sheet date	1		
Proposed distribution of profit	25		
Contingent liabilities and other financial obligations	26		
Related parties and ownership	27		

Statement of changes in consolidated Equity

	Share capital	Reserve for development expenditure	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 31 December 2021	5.000	85.158	6.544	-245.349	2.468.003	20.000	2.339.356	359.175	2.698.531
Net profit/loss for the year	0	12.283	0	0	767.121	20.000	799.404	31.398	830.802
Actuarial gain/loss on defined benefit plans	0	0	0	0	17.194	0	17.194	7.506	24.700
Tax	0	0	-10.685	12.925	-4.324	0	-2.084	-2.765	-4.849
Exchange adjustments, foreign enterprises	0	0	0	13.218	0	0	13.218	31.683	44.901
Value adjustment of hedging instruments	0	0	48.570	0	0	0	48.570	-3.799	44.771
Other entries on equity	0	0	0	0	0	0	0	23.074	23.074
Dividends paid	0	0	0	0	0	-20.000	-20.000	0	-20.000
Equity at 31 December 2021	5.000	97.441	44.429	-219.206	3.247.994	20.000	3.195.658	446.272	3.641.930

Consolidated Cash Flow Statement

	Note	2021 DKK '000	2020 DKK '000
Net profit/loss for the year		830.802	536.666
Adjustments	28	404.490	394.198
Change in working capital	29	-415.173	27.146
Cash flows from operating activities before financial income and expenses		820.119	958.010
Financial income		210.450	192.719
Financial expenses		-170.489	-235.324
Income taxes received/paid		-200.812	-163.893
Cash flows from operating activities		659.268	751.512
Purchase of intangible assets		-151.094	-180.824
Purchase of property, plant and equipment		-588.839	-403.967
Acquisition of subsidiaries		-130.826	-137.878
Purchase of financial assets		-5.717	-8.204
Sale of property, plant and equipment		148.297	12.767
Cash flows from investing activities		-728.179	-718.106

Consolidated Cash Flow Statement

	<u>Note</u>	<u>2021</u> DKK '000	<u>2020</u> DKK '000
Raising/repayment of mortgage loans		11.947	62.346
Raising/repayment of loans from credit institutions		122.232	133.535
Dividends paid		-20.000	-20.000
Cash flows from financing activities		<u>114.179</u>	<u>175.881</u>
Changes in cash and cash equivalents		45.268	209.287
Cash and cash equivalents at 1 January		524.184	314.897
Cash and cash equivalents at 31 December		<u>569.452</u>	<u>524.184</u>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		569.452	524.184
Cash and cash equivalents at 31 December		<u>569.452</u>	<u>524.184</u>

Notes to the Consolidated Annual Report

1 Events after the balance sheet date

On 24 February 2022 Russian military forces invaded Ukraine. The geopolitical tensions ensuing from the invasion has led to sharp increases in already high costs of raw materials and energy which are impacting the Group.

The Group's trade with Russian counterparts has in general been halted.

On 1 April 2022, a subsidiary announced the initiation of a sales process for the subsidiary's Russian activities with a view to leave Russia where the current political and economic climate prevents the realisation of the subsidiary's business plan. On the balance sheet date, the Russian entity is treated and valued as continuing operations as the subsidiary will continue to operate the facilities and fulfill obligations within the limits of imposed sanctions and restrictions. Management has assessed the potential impact from the resulting uncertainties on the estimated values for the liabilities and assets in the group's Russian entity as well as other potentially affected assets and liabilities.

2 Revenue

	Eurasia	Rest of the world	Total
	DKK '000	DKK '000	DKK '000
<u>Business segments:</u>			
Food ingredients	1.691.960	93.254	1.785.214
Food Technology	503.103	540.008	1.043.111
Packaging	1.770.609	1.018.854	2.789.463
Sport & fashion	1.858.425	0	1.858.425
Real Estate	45.970	0	45.970
Shipping	2.655.474	0	2.655.474
Total revenue 2021	8.525.541	1.652.116	10.177.657

3 Other income on operations

	2021 DKK '000	2020 DKK '000
COVID-19 compensation, fixed costs	0	4.894
COVID-19 compensation, salaries	6.380	24.525
Other income	6.077	0
	12.457	29.419

Notes to the Consolidated Annual Report

	2021 DKK '000	2020 DKK '000
4 Fee to shareholder appointed auditor		
Fee to Deloitte		
Statutory audit	5.779	4.743
Tax and VAT related services	254	700
Other services	816	1.198
	<u>6.849</u>	<u>6.641</u>
Fee to other auditors		
Statutory audit	2.081	2.789
Tax and VAT related services	245	187
Other services	241	1.063
	<u>2.567</u>	<u>4.039</u>
Total fee to auditors		
Statutory audit	7.860	7.532
Tax and VAT related services	499	887
Other services	1.057	2.261
	<u>9.416</u>	<u>10.680</u>
5 Staff expenses		
Salaries	-1.254.423	-1.120.729
Pensions	-95.524	-82.654
Other social security expenses	-98.483	-81.248
	<u>-1.448.430</u>	<u>-1.284.631</u>
Including remuneration to Executive and Supervisory Boards	<u>-1.595</u>	<u>-1.591</u>
Average number of employees	<u>5.107</u>	<u>4.335</u>

Notes to the Consolidated Annual Report

	2021 DKK '000	2020 DKK '000
6 Amortisation, depreciation and impairment of property, plant and equipment and intangible assets		
Intangible assets	-68.596	-45.268
Buildings	-49.171	-38.555
Ships	0	-5.975
Plant and machinery	-157.997	-137.852
Other fixtures, fittings, tools and equipment	-32.115	-30.775
Impairment losses	-73.600	0
Profit/loss on disposals of the year	42.932	4.989
	<u>-338.547</u>	<u>-253.436</u>
7 Income from investments in associates after tax		
Share of profit or loss in associates	7.350	-145
	<u>7.350</u>	<u>-145</u>

Notes to the Consolidated Annual Report

	2021 DKK '000	2020 DKK '000
8 Financial income		
Exchange adjustmens	120.438	52.587
Financial gain on closing of activities *)	70.372	126.767
Other financial income	19.640	13.365
	<u>210.450</u>	<u>192.719</u>
*) Financial gain on closing of activities is considered a special item.		
9 Financial expenses		
Exchange adjustments	-76.920	-174.230
Other financial expenses	-93.569	-61.094
	<u>-170.489</u>	<u>-235.324</u>
10 Tax on profit/loss for the year		
Current tax for the year	-199.814	-137.701
Deferred tax for the year	473	-29.156
Adjustment concerning previous years	15.177	-1.371
Total tax for the year	<u>-184.164</u>	<u>-168.228</u>

Notes to the Consolidated Annual Report

	Acquired rights	Completed development projects	Goodwill
	DKK '000	DKK '000	DKK '000
11 Intangible assets			
Cost at 1 January	174.092	170.013	326.236
Exchange adjustment, beginning of year	7.151	-52	10.226
Additions on acquisition of subsidiaries	16.989	8.538	48.864
Additions for the year	37.413	32.811	6.479
Disposals for the year	-1.611	-731	-130
Cost at 31 December	<u>234.034</u>	<u>210.579</u>	<u>391.675</u>
Impairment losses and amortisation at 1 January	-81.408	-84.855	-110.927
Exchange adjustment, beginning of year	-3.346	45	-1.374
Additions on acquisition of subsidiaries	-278	-7.066	-400
Impairment losses	-3.200	0	-12.000
Amortisation for the year	-26.966	-21.262	-20.368
Impairment losses and amortisation on assets sold	8.040	0	-10
Impairment losses and amortisation at 31 December	<u>-107.158</u>	<u>-113.138</u>	<u>-145.079</u>
Carrying amount at 31 December	<u>126.876</u>	<u>97.441</u>	<u>246.596</u>
Amortised over	<u>3-20 years</u>	<u>3-5 years</u>	<u>20 years</u>

Management is of the opinion that the chosen depreciation period is in accordance with the value of the acquired companies in view of the profitability and expectations concerning the future development of each of these companies.

Notes to the Consolidated Annual Report

12 Property, plant and equipment

	Land and buildings	Plant and machinery	Oth. fixtures, fittings, tools and equipment	Property, plant and equipment in progress
	DKK 'ooo	DKK 'ooo	DKK 'ooo	DKK 'ooo
Cost at 1 January 2021	1.299.518	2.846.476	355.719	230.586
Exchange adjustment, beg.	78.600	104.448	4.907	15.500
Additions on acquisition of subsidiaries	93.074	85.234	46.163	0
Additions during the year	54.424	177.512	48.463	182.557
Disposals during the year	-13.119	-86.388	-87.959	0
Cost at 31 December 2021	1.512.497	3.127.282	367.293	428.643
Impairment losses and depreciation at 1 January 2021	-558.554	-1.949.390	-257.103	0
Exchange adjustment, beg.	-26.839	-59.840	-8.677	0
Additions on acquisition of subsidiaries	-6.260	-32.555	-539	0
Impairment losses	-24.200	-31.800	-2.400	0
Depreciation for the year	-49.171	-157.997	-32.115	0
Impairment losses and depreciation on assets sold	8.971	91.843	26.547	0
Impairment losses and depreciation at 31. december 2021	-656.053	-2.139.739	-274.287	0
Carrying amount at 31. december 2021	856.444	987.543	93.006	428.643
Leased assets are included with the amount of DKK 1,5 million.				
Depreciated over	10-50 years	5-10 years	3-8 years	

Notes to the Consolidated Annual Report

12 Property, plant and equipment (continued)

	Investment property DKK '000
Cost at 1 January 2021	521.986
Exchange adjustment, beg.	208
Additions during the year	23.790
	<hr/>
Cost at 31 December 2021	545.984
	<hr/>
Fair value evaluation at 1. January 2021	479.226
Exchange adjustment, beg.	38.428
Fair value evaluation for the year	70.910
	<hr/>
Fair value evaluation at 31. December 2021	588.564
	<hr/>
Carrying amount at 31 December	1.134.548

Sensitivity in determination of fair value of investment properties

In assessing the fair market value at 31 December, 2021 the required rate of return has been determined individually for each property. The properties have been valued on the basis of a required rate of return between 3,00% and 8,00%. Market and rental income have been taken into account in connection with the valuation of the Group's properties.

The average required rate of return is determined at 4,45%.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,50%	Basis	0,50%
Rate of return	3,95%	4,45%	4,95%
Fair value	1.264.781	1.134.548	1.016.923
Change in fair value	130.233	0	-117.625

Notes to the Consolidated Annual Report

12 Property, plant and equipment (continued)

	<u>Ships</u> DKK '000
Cost at 1 January 2021	145.751
Exchange adjustment, beg.	0
Disposals during the year	-145.751
	<hr/>
Cost at 31 December 2021	0
	<hr/>
Impairment losses and depreciation at 1 January 2021	-100.237
Exchange adjustment, beg.	0
Depreciation for the year	0
Impairment losses and depreciation on assets sold	100.237
	<hr/>
Impairment losses and depreciation at 31 December 2021	0
	<hr/>
Carrying amount at 31. December 2021	0
	<hr/>
Depreciated over	<u>25 years</u>

Notes to the Consolidated Annual Report

	2021 DKK '000	2020 DKK '000
13 Investments in associates		
Cost at 1 January	32.524	24.539
Exchange adjustment, beginning of year	0	31
Additions during the year	5.717	8.204
Disposals during the year	-28.020	-250
Cost at 31 December	<u>10.221</u>	<u>32.524</u>
Valuation adjustments at 1 January	32.616	31.504
Exchange adjustment, beginning of year	1	218
Net profit/loss for the year	7.350	-145
Impairment losses and depreciation, disposals	-4.552	1.039
Revaluations at 31 December	<u>35.415</u>	<u>32.616</u>
Carrying amount at 31 December	<u>45.636</u>	<u>65.140</u>

Specification of investments in associates:

Name:	Registered office	Share of ownership and votes
K/S Generatorvej 4	Odense	50%
DanFiber A/S	Allerød	32%
Ovotrack BV	Netherlands	50%

Notes to the Consolidated Annual Report

	2021 DKK '000	2020 DKK '000
14 Other fixed asset investments		
Cost at 1 January	40.450	40.038
Exchange adjustment, beginning of year	-646	0
Additions during the year	2.740	1.602
Disposals during the year	-1.696	-1.190
Cost at 31 December	<u>40.848</u>	<u>40.450</u>
Valuation adjustments at 1 January	-816	-16
Net profit/loss for the year	0	1.659
Other adjustment for the year	2.730	-2.459
Revaluations at 31 December	<u>1.914</u>	<u>-816</u>
Carrying amount at 31 December	<u>42.762</u>	<u>39.634</u>
15 Inventories		
Raw materials and consumables	444.570	366.293
Work in progress	74.976	75.779
Finished goods and goods for resale	940.275	822.589
Prepayments	10.748	14.851
	<u>1.470.569</u>	<u>1.279.512</u>

Notes to the Consolidated Annual Report

	2021 DKK '000	2020 DKK '000
16 Provision for deferred tax		
Provision for deferred tax at 1 January	95.192	56.097
Amounts recognized in the income statement for the year	11.592	29.156
Amounts recognised in equity for the year	37.145	9.939
Provision for deferred tax at 31 December	143.929	95.192
Deferred tax asset	-92.155	-110.036
Provision for deferred tax	236.084	205.228
Provision for deferred tax at 31 December	143.929	95.192

Provision for deferred tax consists mainly of temporary differences between the carrying amount and the tax base of tangible fixed assets, provisions and other items. Tax loss carry-forwards and other negative differences have been set off against provisions for deferred tax. Deferred tax assets have been set off against provisions in the same legal tax entity and jurisdiction.

The valuation of deferred tax has been performed on the basis of the expectations for future earnings set by the executive board. The executive board expects a continuous stream of positive earnings the next five years, which will use the positive deferred tax.

	2021	2020
17 Prepayments		
Prepayments at 1 January	72.644	68.050
Amounts for the year	65.821	4.594
Prepayments at 31 December	138.465	72.644

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

18 Pension obligations		
Pension obligations at 1 January	35.200	32.200
Amounts for the year	-25.600	3.000
Pension obligations at 31 December	9.600	35.200

Pension obligations comprise defined benefit plans where the Group has an obligation to pay a specific benefit (e.g. retirement pension in the form of a fixed proportion of the exit salary). Under these plans the group carries the risk in relation to future developments in interest rates, inflation, mortality, etc.

Notes to the Consolidated Annual Report

	<u>2021</u> DKK '000	<u>2020</u> DKK '000
19 Other provisions		
Other provisions at 1 January	175.309	40.107
Amounts for the year	-70.843	135.202
Other provisions at 31 December	<u>104.466</u>	<u>175.309</u>

Other provisions comprise obligations concerning warranty commitments and legal disputes.

20 Debt

Payments falling due within one year are stated under short-term debt.

Other debt is recognised in long-term debt.

	<u>2021</u> DKK '000	<u>2020</u> DKK '000
21 Mortgage loans		
After 5 years	222.129	227.520
Between 1 and 5 years	84.752	71.592
Long-term part	<u>306.881</u>	<u>299.112</u>
Within 1 year	21.164	16.986
	<u>328.045</u>	<u>316.098</u>

Notes to the Consolidated Annual Report

	<u>2021</u> DKK '000	<u>2020</u> DKK '000
22 Credit institutions		
After 5 years	1.472	0
Between 1 and 5 years	1.049.430	984.286
	<hr/>	<hr/>
Long-term part	1.050.902	984.286
Within 1 year	1.134.665	1.079.049
	<hr/>	<hr/>
	2.185.567	2.063.335
	<hr/>	<hr/>
23 Other payables		
After 5 years	0	0
Between 1 and 5 years	26.869	52.651
	<hr/>	<hr/>
Long-term part	26.869	52.651
Within 1 year	604.121	627.521
	<hr/>	<hr/>
	630.990	680.172
	<hr/>	<hr/>
24 Deferred income		
Deferred income consists of prepayments received from customers.		
25 Proposed distribution of profit		
Proposed dividend for the year	20.000	20.000
Minority interests' share of net profit/loss of subsidiaries	31.398	182.097
Retained earnings	767.121	334.569
	<hr/>	<hr/>
	818.519	536.666
	<hr/>	<hr/>

Notes to the Consolidated Annual Report

26 Contingent liabilities and other financial obligations

Security

The following has been placed as security for foreign loans and other bank loans:

- Mortgage deed registered to the owner, DKK 1 million.

The following assets have been placed as security for mortgage debt:

- Mortgage deeds in the amount of DKK 368 million in property valued at 542 million.
- Indemnity letter covering security for DKK 45 million in land and buildings.
- Indemnity letter covering security for DKK 78 million in machinery and equipment.

As part of its ordinary activities, the Group has issued guarantees concerning deliveries, refunds received, letter of credit obligations, current credits, etc.

Rental and lease obligations

Rental and lease obligations of the group amount to DKK 157 million.

Contingent liabilities

As part of its ordinary activities, the Group has entered into sponsorship contracts.

In autumn 2019, the Brazilian tax authorities raised a claim of BRL 56 million, corresponding to DKK 66 million, against a subsidiary's company in Brazil concerning non-payment of industrial products tax (IPI) on sales of the company's products in 2015 and 2016. Based on judicial practice and statements from its legal advisers, the subsidiary is of the opinion that the company's products are not liable to IPI tax and accordingly considers the claim to be unjustified and therefore disputes the claim.

The subsidiary does not expect the claim to materially affect the company's financial position, results of operations or cash flows.

The Group has received a claim in the amount of DKK 100 million in relation to the shipping Group. Management considers the claim unjustified and therefore disputes the claim. The Group does not expect the claim to materially affect the financial position of the Group.

The Group is party to a limited number of other disputes. In management's opinion these disputes will not significantly affect the financial position of the Group.

Short term T/C hire obligations of the shipping group amount to DKK 152 million.

Contingent liabilities in relation to jointly taxed income.

Thornico A/S is jointly taxed with its Danish group related companies in which Thornico Holding A/S serves as the administration company.

The company thus has secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent.

Notes to the Consolidated Annual Report

27 Related parties and ownership

	Basis
Controlling interest	
Christian Nicholas Rosenkrantz Stadil, non-public address	Ultimate owner
Other related parties	
Supervisory and Executive Boards	Management control

In accordance with the Danish Financial Statements Act the company has chosen to only disclose transactions that have not been completed under normal market conditions. Management believes that all related party transactions take place on market terms.

	2021 DKK '000	2020 DKK '000
28 Cash flow statement - adjustments		
Financial income	-210.450	-192.719
Financial expenses	170.489	235.324
Depreciation and impairment losses, incl. gain and loss on sale	338.547	253.436
Fair value evaluation of investment property	-70.910	-70.216
Income on investments in associates	-7.350	145
Income tax in income statement	184.164	168.228
	404.490	394.198
29 Cash flow statement - change of working capital		
Change in inventories	-191.057	-131.408
Change in receivables	-396.454	202.161
Change in other provisions	-96.443	138.202
Exchange regulation, equity	112.160	-71.567
Change in suppliers etc	156.621	-110.242
	-415.173	27.146

Parent Company Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Other external expenses		-98.300	-83.823
Profit/loss before financial income and expenses		-98.300	-83.823
Income from investments in group enterprises	2	798.184.395	352.639.080
Financial income	3	317.886	1.354.208
Financial expenses	4	-481.904	-458.936
Profit/loss before tax		797.922.077	353.450.529
Tax on profit/loss for the year, income	5	1.481.153	1.119.100
Net profit/loss for the year	6	799.403.230	354.569.629

Parent Company Balance Sheet at 31 December

Assets

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Investments in group enterprises	2	3.164.104.110	2.309.020.308
Fixed asset investments		<u>3.164.104.110</u>	<u>2.309.020.308</u>
Fixed assets		<u>3.164.104.110</u>	<u>2.309.020.308</u>
Receivables from group enterprises		0	39.326.109
Receivable corporation tax		112.123.710	36.674.481
Receivables		<u>112.123.710</u>	<u>76.000.590</u>
Cash and cash equivalents		<u>4.443</u>	<u>109.773</u>
Current assets		<u>112.128.153</u>	<u>76.110.363</u>
Assets		<u>3.276.232.263</u>	<u>2.385.130.671</u>

Parent Company Balance Sheet at 31 December

Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Share capital		5.000.000	5.000.000
Reserve for revaluation under the equity method		1.945.926.322	1.090.842.520
Retained earnings		1.224.732.179	1.223.513.344
Proposed dividend for the year		20.000.000	20.000.000
Equity		<u>3.195.658.501</u>	<u>2.339.355.864</u>
Payable to group enterprises		39.643.577	0
Other payables		40.930.185	45.774.807
Short-term debt		<u>80.573.762</u>	<u>45.774.807</u>
Debt		<u>80.573.762</u>	<u>45.774.807</u>
Liabilities and equity		<u>3.276.232.263</u>	<u>2.385.130.671</u>
Proposed distribution of profit	6		
Security/Continent liabilities	7		
Related parties and ownership	8		

Statement of changes in Equity for Parent Company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2021	5.000.000	1.090.842.520	1.223.513.344	20.000.000	2.339.355.864
Dividends paid	0	0	0	-20.000.000	-20.000.000
Exchange adjustments, foreign enterprises	0	76.899.407	0	0	76.899.407
Dividends received	0	-20.000.000	20.000.000	0	0
Net profit/loss for the year	0	798.184.395	-18.781.165	20.000.000	799.403.230
Equity 31. December 2021	5.000.000	1.945.926.322	1.224.732.179	20.000.000	3.195.658.501

Notes to the Parent Company Annual Report

	<u>2021</u>	<u>2020</u>
1 Staff		
The company has no employees.		
Management is employed in a subsidiary and a management fee is paid to the subsidiary for this service.		
2 Investments in group enterprises		
Cost at 1 January	1.218.177.788	1.218.177.788
Cost at 31 December	<u>1.218.177.788</u>	<u>1.218.177.788</u>
Revaluation at 1 January	1.090.842.520	1.001.758.593
Net profit/loss for the year after tax	798.184.395	352.639.080
Exchange	76.899.407	-242.236.356
Dividend	-20.000.000	-20.000.000
Other equity transactions	0	-1.318.797
Revaluation at 31 December	<u>1.945.926.322</u>	<u>1.090.842.520</u>
Carrying amount at 31 December	<u>3.164.104.110</u>	<u>2.309.020.308</u>

Notes to the Parent Company Annual Report

	<u>2021</u>	<u>2020</u>
2 Investments in group enterprises (continued)		
The carrying amount is specified as follows in the balance sheet:		
Fixed asset investments	3.164.104.110	2.309.020.308
	<u>3.164.104.110</u>	<u>2.309.020.308</u>
The carrying amount at 31 December is specified as follows:		
Carrying amount at 1 January	2.309.020.308	2.219.936.381
Net profit/loss for the year after tax	798.184.395	352.639.080
Distribution of dividend	-20.000.000	-20.000.000
Other equity transactions	0	-1.318.797
Exchange adjustments	76.899.407	-242.236.356
Carrying amount at 31 December	<u>3.164.104.110</u>	<u>2.309.020.308</u>

Notes to the Parent Company Annual Report

Specification of investments in group enterprises:

Name:	Registered office	Share of ownership and votes
Thornico A/S	Denmark	100%
Mount Baldy A/S	Denmark	100%
Thornico Food & Food Technology Group A/S	Denmark	100%
Lactosan A/S	Denmark	100%
Lactosan Japan Ltd,	Japan	100%
Lactosan Holdings Ltd.	UK	100%
Lactosan-Sanovo UK	UK	100%
Lactosan UK	UK	100%
Intereggs Ltd	UK	100%
Lactosan Uruguay S.A.	Uruguay	100%
Deltanir S.A.	Uruguay	100%
Lactosan Russia Ltd,	Russia	100%
Lactosan China Ltd,	China	100%
Sanovo Technology A/S	Denmark	100%
Sanovo Technology USA Inc.	USA	100%
Sanovo Technology Japan Ltd.	Japan	100%
Sanovo Technology Italia S.r.l.	Italy	100%
Ramé-Hart Inc.	USA	100%
Staalkat Beheer B.V.	Netherlands	100%
Sanovo Technology Netherlands B.V.	Netherlands	100%
Sanovo Process Solutions A/S	Denmark	100%
Sanovo Technology Robotics A/S	Denmark	100%
Sanovo Technology Asia SDN BHD	China	100%
Sanovo Technology Mexico S.A. DE C.V.	Mexico	100%
Sanovo Logistic ApS	Denmark	100%
Sanovo Technology Brazil	Brazil	100%
Investeringsselskabet af 1. september Aps	Denmark	100%
Foodcraft Equipment Co., Inc.	USA	100%
Foodcraft Inc.	USA	100%
Sanovo Capital A/S	Denmark	100%
Sanovo Technology Process A/S	Denmark	100%
Shanghai Sanovo Machinery Technology Co. Ltd.	Kina	100%
Sanovo Plastic Logistics ApS	Denmar	100%
Danish Ovo Investment ApS	Denmark	100%
El Dorado C.A.	Venezuela	100%
Productos Danimex C.A.	Venezuela	70%
West-Star Foods BV	Netherlands	100%
Dominium II	Denmark	100%
Derivados del Huevo S.A.	Spain	100%
Danovo Aps	Denmark	100%
China Egg Products Aps	Denmark	100%
Ovodan Foods (China) Ltd	China	90%
Taiyo Foods Tianjin Ltd	China	90%
Guangdong Ovodan Foods	China	90%
Ovodan Egg Co. Ltd	China	100%
Ovodan Europe ApS	Denmark	100%
Ovodan Egg Products UK Ltd	UK	100%
Ovodan Foods A/S	Denmark	100%

Notes to the Parent Company Annual Report

Specification of investments in group enterprises:

Name:	Registered office	Share of ownership and votes
Ovodan International A/S	Denmark	100%
Ovodan Biotech A/S	Denmark	100%
Ovodan Germany ApS	Denmark	100%
Sanovo Pharmtech GmbH	Germany	100%
Ovodan Eiprodukte GmbH & Co. K.G.	Germany	100%
Eiproduktegesellschaft Ovodan Eiprodukte GmbH	Germany	100%
Sanovo Greenpack K/S	Denmark	100%
Martech Aps	Denmark	100%
Sanovo Packaging Denmark ApS	Denmark	100%
Sanovo Egg Packaging Chuzhou	China	100%
Brødrene Hartmann A/S	Denmark	68%
Hartmann Canada Inc.	Canada	68%
Hartmann Dominion Inc.	Canada	68%
Hartmann d.o.o.	Serbia	68%
Hartmann Finance A/S	Denmark	68%
Hartmann France S.a.r.l.,	Denmark	68%
Hartmann Hungary Kft.	Hungary	68%
Hartmann Italiana S.r.l.	Italy	68%
Hartmann Mai Ltd.	Israel	68%
Hartmann Papirna Ambalaza d.o.o.	Croatia	68%
Hartmann Polska Sp.z.o.o.	Poland	68%
Hartmann (UK) Ltd.	UK	68%
Hartmann USA Inc.	USA	68%
Hartmann US Inc.	USA	68%
JSC Hartmann-Rus	Russia	68%
OOO EKU-Holding	Russia	68%
Mohan Paper Mouldings Private Ltd.	India	68%
Mohan Fibre Products Ltd.	India	68%
Hartmann Verpackung AG	Switzerland	68%
Molarsa Chile SPA	Chile	68%
Moldeados Argentinos S.A.I.C.M.	Argentina	68%
Projects A/S	Denmark	68%
Sanovo Greenpack Argentina S.A.	Argentina	68%
Sanovo Greenpack Embalagens do Brasil Ltda	Brazil	68%
Mätfoods A/S	Denmark	100%
Siangpack Sdn. Bhd.	Malaysia	75%
Thornico IT A/S	Denmark	74%
I3 Ibero S.A.	Spain	100%
Dominium K/S	Denmark	100%
West-Star Italy A/S	Denmark	100%
Emery LLC	USA	100%
Thornico building K/S	Denmark	100%
West-Star Management BV	Netherlands	100%
West-Star Aps	Denmark	100%
Stanico A/S	Denmark	100%
Stanico South A/S	Denmark	100%
Jonstrupvej 117-119 Aps	Denmark	100%
Red Swan Aps	Denmark	100%
West-Star International A/S	Denmark	100%

Notes to the Parent Company Annual Report

Specification of investments in group enterprises:

Name:	<u>Registered office</u>	<u>Share of ownership and votes</u>
West-Star Holland A/S	Denmark	100%
West-Star Real Estate A/S	Netherlands	100%
Hummel Holding A/S	Denmark	100%
Hummel A/S	Denmark	100%
Ultra Bright Ltd.	Hong Kong	100%
Hummel International A/S	Denmark	100%
Bee Sport Aps	Denmark	100%
Hummel Bodh Gaya Aps	Denmark	100%
Hummel North America Aps	Denmark	100%
Hummel Sport & Leisure Warenhandelsgesellschaft mbH	Germany	100%
Hummel UK Ltd.	UK	100%
Hummel Sweden AB	Sverige	100%
Bumblebee ApS	Denmark	100%
Hummel France	France	100%
Akbulut Tekstil Sanayi Ve Ticaret S.S.	Turkey	75%
Hummel Iberical Sport & Fashion	Spain	51%
Performance Group Scandinavia A/S	Denmark	100%
Markon A/S	Denmark	51%
Hummel India Private Ltd.	India	100%
Hummel North America, Inc.	USA	100%
Cella Logistik GmbH	Germany	100%
Bee Sport GmbH	Germany	100%
Havnegade Capital Aps	Denmark	100%
Thorco Projects A/S	Denmark	100%
Thorco Capital III ApS	Denmark	100%
Thorco USA Ltd.	USA	75%
Thorco Shipping Germany GmbH	Germany	60%
Thorco Shipping Brazil	Brazil	60%
TS Lease Corp Ltd.	Panama	100%
Cargo Captains A/S	Denmark	100%
Thorco Svendborg ApS	Denmark	100%
Thorco Galaxy Aps	Denmark	100%
Thorco Africa Holding A/S	Denmark	100%
Komplementaranpartsselskabet Thor Ship II	Denmark	100%
Komplementaranpartsselskabet Thor Ship III	Denmark	100%

Notes to the Parent Company Annual Report

	<u>2021</u>	<u>2020</u>
3 Financial income		
Interest income, group enterprises	317.886	1.354.208
	<u>317.886</u>	<u>1.354.208</u>
4 Financial expenses		
Interest, others	-480.715	-457.482
Interest, bank	-189	-450
Interest, sundry	-1.000	-1.004
	<u>-481.904</u>	<u>-458.936</u>
5 Tax on profit/loss for the year		
Tax on profit/loss for the year is specified as follows:		
Adjustment conc. previous years, Parent	1.423.443	1.297.619
Tax on taxable income, Parent	57.710	-178.519
	<u>1.481.153</u>	<u>1.119.100</u>
No corporation tax has been paid in the financial year.		

Notes to the Parent Company Annual Report

	<u>2021</u>	<u>2020</u>
6 Proposed distribution of profit		
Proposed dividend for the year	20.000.000	20.000.000
Reserve for net revaluation under the equity method	798.184.395	352.639.080
Retained earnings	-18.781.165	-18.069.451
	<u>799.403.230</u>	<u>354.569.629</u>

7 Security/Contingent liabilities

Contingent liabilities in relation to jointly taxed income.

Thornico Holding A/S is jointly taxed with its Danish group related companies.

The company thus has secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent.

8 Related parties and ownership

	<u>Basis</u>
Controlling interest	
Christian Nicholas Rosenkrantz Stadil, non-public address	Ultimate owner
Other related parties	
Supervisory and Executive Boards	Management control

In accordance with the Danish Financial Statements Act the company has chosen to only disclose transactions that have not been completed under normal market conditions. Management believes that all related party transactions take place on market terms.