ANNUAL REPORT 2021

NEW NUTRITION HOLDING APS

SATURNVEJ 51
DK – 8700 HORSENS
BUSINESS REGISTRATION NO 36903775

The annual General meeting adopted the annual report on 8 July 2022

Chairman of the General Meeting

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Erik Robert Visser

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COMPANY DETAILS

COMPANY
New Nutrition Holding ApS
Saturnvej 51
8700 Horsens

Business Registration No.: 36903775
Registered office: Horsens
Financial year: 01.01.2021 – 31.12.2021

BOARD OF DIRECTORS
Kjeld Johannesen, Chairman
Adam Dawson, Deputy chairman
Søren Dan Johansen, Deputy chairman
Sarah Bibi Vawda, Member

EXECUTIVE BOARD
Erik Robert Visser

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 New Nutrition Holding ApS for the financial year 1 January – 31 December 2021.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statement 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 December 2021 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2021.

In our opinion, the management review contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the annual General meeting.

Horsens, 8 July, 2022

EXECUTIVE BOARD

Erik Robert Visser

BOARD OF DIRECTORS

Kjeld Johannesen
Chairman

Adam Dawson
Deputy chairman

Sarah Bibi Vawda
Member

Søren Dan Johansen
Deputy chairman

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEW NUTRITION HOLDING APS
OPINION
We have audited the consolidated financial statements and the parent financial statements of New Nutrition Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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

BASIS FOR OPINION
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the 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 RESPONSIBILITES 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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 Parent'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 Group or 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 these 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 Parent'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 Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON THE MANAGEMENT COMMENTARY
Management is responsible for the management commentary.

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

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

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

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

Aarhus, 8 July 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No.: 33 96 35 56

Jacob Nørmark
State-Authorised Public Accountant
MNE no. 30176

Jacob Tækker Nørggaard
State-Authorised Public Accountant
MNE no. 40049

MANAGEMENT REVIEW

KEY FIGURES

DKK thousand	**2021**	**2020**	**2019**	**2018**	**2017**
Revenue	857.784	774.124	615.870	612.195	574.975
Gross profit	191.621	232.861	196.709	196.017	203.197
Operating profit before depreciation amortisation and impairments	47.052	78.543	24.487	50.056	55.767
Special items and non-recurring expenses	0	0	0	(12.196)	(15.074)
Profit/(loss) before financial expenses and tax	(24.257)	10.722	(59.144)	(119.596)	(32.487)
Financial expenses, net	(3.504)	(54.512)	(29.045)	(22.008)	(30.274)
Profit /(loss) for the year	(24.862)	(34.703)	(69.533)	(129.434)	(50.969)
Total assets	895.419	962.573	935.009	982.543	1.014.823
Equity	272.038	291.034	329.494	397.666	522.544
Cash flow from operating activities	20.087	37.721	(29.673)	40.049	23.371
Cash flows from investing activities	(30.970)	(24.625)	(49.968)	(98.615)	(31.553)
Acquisition of property, plant and equipment	(26.677)	(17.160)	(32.022)	(83.102)	(34.706)
Cash flow from financing activities	(51.739)	48.374	46.095	86.635	(2.800)
Total cash flow	(62.622)	61.470	(33.546)	28.071	(10.982)
Average number of fulltime employees	132	119	130	132	122
Ratios					
Operating margin	5,5%	10,1%	3,6%	8,2%	9,7%
Gross margin	22,3%	30,1%	31,9%	32,0%	35,3%
Return on assets	-2,6%	1,1%	-6,2%	-11,9%	-3,2%
Equity ratio	30,4%	30,2%	35,2%	40,5%	51,5%
Return on equity	-8,8%	-11,2%	-19,1%	-13,0%	-4,8%

The ratios have been prepared in accordance with the definition below.

$$\text{Operating margin} = \frac{\text{Operating profit before depreciation, amortisation and impairments x 100}}{\text{Revenue}}$$

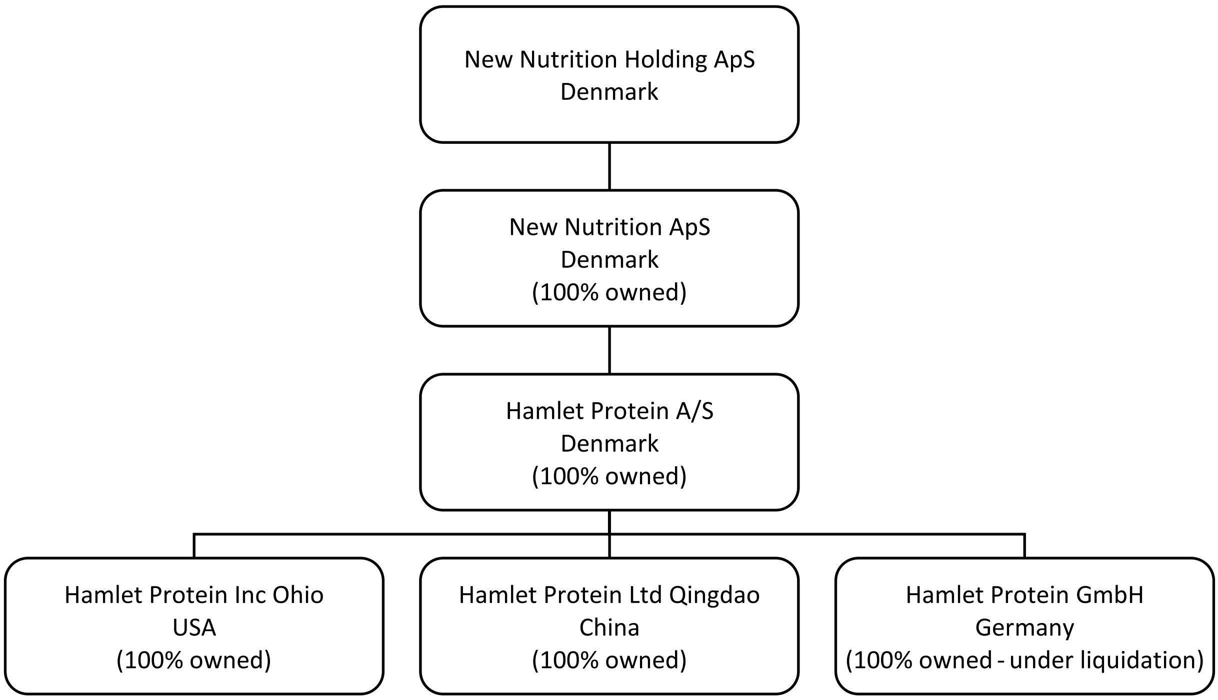
$$\text{Gross profit} = \frac{\text{Gross profit x 100}}{\text{Revenue}}$$

$$\text{Return on assets} = \frac{\text{Profit/(loss) before financial expenses and tax x 100}}{\text{Total assets, average}}$$

$$\text{Equity ratio} = \frac{\text{Equity end of year x 100}}{\text{Total assets}}$$

$$\text{Equity ratio} = \frac{\text{Profit /(loss) for the year x 100}}{\text{Average equity}}$$

GROUP CHART



DEVELOPMENT IN ACTIVITIES AND FINANCES

OPERATING REVIEW

GROUP'S PRINCIPLE ACTIVITES

The objective of the parent company New Nutrition Holding ApS is to own shares and other financial instruments. In 2015, the parent company acquired all shares in the HAMLET PROTEIN A/S Group via the fully owned subsidiary New Nutrition ApS.

HAMLET PROTEIN A/S' business strategy is to develop, produce and sell vegetable specialty protein solutions used in high value-add animal feed for young animals. The company services more than 50 countries from its two production facilities in Horsens, Denmark and Findlay, Ohio, USA.

The subsidiary, New Nutrition ApS is located in Denmark, and handles selected group functions

The subsidiary, HAMLET PROTEIN Inc., is located in Ohio, USA, and handles the production, sales, and distribution of products, primarily to North America and Asia. The subsidiary, Hamlet (Qingdao) Trading Co., Ltd. is located in Shandong, China, and handles import, sales and distribution to customers in China. The subsidiary, HAMLET PROTEIN GmbH with no operating activities was under liquidation.

FINANCIAL REVIEW

As the demand for safe and affordable meat products continues to grow in most regions of the world, so does the demand for high quality specialty feed protein. Our growth is supported by long-term structural mega trends such as population growth, transition from backyard farming towards more industrialized farming practices as well as greater focus on antibiotic free feed practices and feed safety. Especially the North American and Chinese markets have contributed with considerable growth in recent years, driven by the need for continued improvement of farm efficiency, while at the same time reducing or eliminating antibiotics in animal feed. Finally, demand is driven by an increased focus on feed security by reducing the use of animal-based protein in favour of secure, highly efficient products such as HAMLET PROTEIN's soy-based specialty products.

The development in the parent company is related to the activities in HAMLET PROTEIN A/S Group

At HAMLET PROTEIN we draw on our knowledge of bioavailability, biotechnology, bioconversion, and the practical application of our specialty feed ingredients to meet all these demands. Every year, we run a large number of tests in our pilot production plant to verify efficacy and customer value. Many of our innovation projects are run in partnership with customers and external research institutes. Together, we aim to lead the way to bigger and better achievements within specialty proteins for young animals. As an integral part of HAMLET PROTEIN's DNA, we continuously document the value-adding performance of HAMLET PROTEIN products in numerous international trials at farms and universities.

In late 2019 a new strategic plan for the HAMLET PROTEIN Group was formulated which focused on three main areas: branding & positioning, commercial acceleration, and entrepreneurial culture. We have continued to build on that strategy in 2021 resulting in:

- Sales growth of 11% in 2021 which was beyond the expectations of 5-10%. The growth was especially driven by APAC and South America
- Number of FTEs has been reduced from 144 at peak in 2019 to 132 by year end 2021
- EBITDA of 45 mDKK in 2021, which compares to 70 mDKK in 2020, as a challenging macro environment with increasing raw material, freight and utility prices made it difficult to maintain the margins of 2020. As a result, the expectations of a 10-20% EBITDA improvement could not be achieved
- Net loss for the year was -30 mDKK which was an improvement of 5 mDKK compared to 2020 mainly due to a reduction in the financial expenses due the refinancing completed during 2020.

Throughout most of 2020 and 2021 the global economy has been impacted by the Covid-19 pandemic. Even though the feed industry proved to be quite resilient during the pandemic, some notable effects occurred and became more visible in 2021. Continuous increases in freight costs, shifts in major export markets, and increased utilities costs as from Q4-21 and increased raw material costs were trends that accelerated in 2021.

HAMLET PROTEIN maintained its strong position in China, where Hamlet Protein has managed to grow its market presence through local resources and strong branding and positioning.

African Swine Fever (ASF) continues to play a role in market around the world, with export markets like Thailand and Philippines being affected, seeing a drop in swine population. The US swine market was under pressure from Porcine Reproductive and Respiratory Syndrome (PRRS) disease in swine.

We have maintained or increased our market share in most main markets through competitive positioning and expanded deployment of our own sales teams, mainly within piglets. Our position in veal followed market developments and in poultry we focused predominantly on the US, where we launched a cost-effective poultry product in H2-2021 (Avisure).

We are specialized in young animals and our strong market position is maintained and expanded via a deep and specific knowledge of the individual species, combined with solid documentation from feeding trials continuously ongoing across the world.

NON FINANCIAL MATTERS

Quality
Both our plants in Denmark and USA meet the criteria of the feed safety standard GMP+ and the food safety management standard ISO 22000. Further, our strict Feed Safety Policy ensures full traceability of both GMO and non-GMO products, allowing any batch of product to be easily traced if need be. Every week, our laboratory team analyses 200 protein samples, taken round-the-clock from our production lines. These analyses are an important part of our customer service and a guarantee of high product quality.

The sector specific knowledge and competences of the employees is an important driver for continuing the growth and development of HAMLET PROTEIN.

Shareholders
The Company is owned by New Nutrition Holding S.àr.l., Luxembourg, which ultimately is owned by Goldman Sachs Group Inc. ("GS Group") and Altor Fund IV Holding AB.

The Company's share capital is not divided into share classes, and the Company's articles of association do not stipulate any limits for ownership or voting right.

The Board of Directors regularly assesses whether the Company's capital structure is sound. The overall objective is to ensure that the Company's capital structure supports its growth strategy.

The Board of Directors' duties
The Board of Directors of the Company ensures that the Executive Board complies with the decisions, strategies and business procedures adopted by the Board of Directors. The Board of Directors in New Nutrition Holding ApS meets according to a fixed schedule. In 2021, the Board of Directors four meeting. In 2022 the meeting frequency will be the same.

The Board of Directors does not rely on any subcommittees due to the limited size and complexity of the Group. Accordingly, the entire Board of Directors has focused on significant accounting policies and significant accounting estimates, and transactions with related parties, if any, as well as uncertainties and risks in its financial reporting process. Together with the auditors, the quality of the Company's internal control systems is assessed on a regular basis, just as the auditors' independence is verified. Areas identified as particularly critical, such as foreign currency policy, procurement policy and insurance matters, are regularly discussed within the Board of Directors.

Outlook
For 2022 we expect that the global trend of increasing demand for high-quality, vegetable-based specialty protein will continue. We expect that the Asian and North American markets will be the main drivers of our 2022 growth revenue. The ambition is to grow revenue by 10-15% compared to 2021.

Any disruption could come from further spread of African Swine Fever and subsequent export restrictions for Hamlet Protein focus countries, Covid-19 restrictions on supply chain, and development of geo-political tension in Eastern Europe.

The high consumption of natural gas in the production process combined with the rapidly increasing price of natural gas has had a negative impact on the contribution margin for contracts entered before November 2021. For the fiscal year of 2022 it is expected that the negative impact on the contribution margin is around 14-18 mDKK.

We expect the challenging macro environment with and high raw material, freight and utility prices will continue throughout most of 2022. However, through investments in new products, process optimization and information technology we will seek to mitigate the challenges and drive further growth.

Particular risks
The pricing of HAMLET PROTEIN's raw materials and finished goods is influenced by the price development on international commodity exchanges, which, together with the price development on substitute goods, will influence the Company's and customers' competitive situation, resulting in uncertainty about forecasted results.

A substantial part of the Company's products is sold to the agricultural sector. The market conditions for these customers are subject to high volatility, meaning that the market situation may change rapidly and be difficult to predict. HAMLET PROTEIN strives to mitigate such conditions by setting up its production, sales and distribution channels as flexibly as possible.

Commodity and foreign currency risk
The Group is predominantly exposed to foreign currency risks in USD from sales, purchases and financing activities, and CNY from sales activities. Currency hedging is done mainly on the purchase of soy in USD. When entering into a sales contract an offsetting purchase contract for soy is concluded in order to obtain a stable margin except for sales to markets with long delivery time where soy is purchased based on a sales forecast.

It is the Groups policy not to have a structured hedging done for the purchase of energy due to which gas and electricity can be purchased at spot price and/or fixed prices.

No hedging of CNY has been done in 2021.

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group evaluates the net exposure on a frequent basis and when conducting finance activities. Based upon that the board decided during 2021 not to renew the interest rate swap of the Group which matured by the end of 2021.

Financing risk
Currency risks on the investment in the US subsidiary are partly hedged by loans denominated in USD. Loans in Denmark are primarily made in DKK or EUR.

Research and development activities
In 2021, HAMLET PROTEIN incurred research and development costs for products for both new and existing customers. During the year 3,2 mDKK have been capitalized on the balance sheet.

GROUP RELATIONS

Recommendations for active ownership and corporate governance for private equity funds
Being owned by private equity funds, New Nutrition Holding ApS is subject to the guidelines for active ownership and corporate governance for private equity funds and their controlled enterprises as issued by the Danish Venture Capital and Private Equity Association ("DVCA"). In general, New Nutrition Holding ApS complies with these recommendations apart from the incidents where the Company's management assesses that the disclosure of specific information will be detrimental to the Group's and the Company's competitive situation.

Statutory report on corporate social responsibility
HAMLET PROTEIN's business model is to develop, produce and sell vegetable protein solutions used in high value add animal feed for young animals mainly in Europe, North America and Asia. We strive to define our corporate social responsibility within the areas of energy and environment, responsible sourcing, human resource issues and compliance with ethical business standards.

ENVIRONMENTAL PERFORMANCE

Energy and impact on the external environment
Our production process requires energy and we acknowledge that energy production involves an environmental impact related to carbon dioxide emissions. Ever since we designed our production process in the early 1990s, we have focused on optimizing our use of energy and water and on reducing waste. This means that the plant in Denmark is certified according to the ISO 50001:2011 energy management system standard. The plant in US is built on the same level of technology. Apart from steam consisting of water and carbon dioxide, our emission is close to zero hence, the risk of directly polluting the external environment is negligible.

In both factories, we have already made considerable investments in thermal incineration plants reducing energy consumption per produced ton of finished goods by more than 10%.

In Denmark, we have worked intensively to further reduce energy consumption via condensation and recycling of excess heat. As a direct result of these efforts, HAMLET PROTEIN has entered into a partnership agreement with Horsens' district heating (Fjernvarme Horsens) to convert waste energy into heating.

Since its inauguration in 2020, the plant is providing annual heating to approximately 3.300 households in the Horsens area, and reduces energy waste at HAMLET PROTEIN to the lowest degree possible. We believe that our efforts have contributed to minimizing our environmental impact in 2021.

In 2022 we will continue to focus on further reducing our carbon footprint.

Responsible sourcing
We believe that human rights should be observed and respected in all aspects. Our predominant raw material is soy, which we acquire partly from producers in South America, and we are aware that there is a potential risk of lacking compliance with human rights in the production chain. The risk, however, is mitigated by means of our policy for responsible sourcing of raw materials.

Our objective is to be leading within product quality and product integrity, and we constantly strive to strengthen our supply chain towards sustainability but at the same time balancing the need for an effective and reliable flow of raw materials to our production units.

It is our policy only to buy from soy producers that demonstrate social and environmental responsibility. We buy our raw materials from the world's leading soy producers in North and South America and have since day one paid a surcharge to reach our goal proven by certifications since 2005. HAMLET PROTEIN solely buys soy from suppliers who are approved according to our quality management system before goods are delivered.

In the US, we buy soy from internationally recognized suppliers; either members of NOPA (National Oilseed processors Association) or related members.

In South America, we require the following from our suppliers:

- The supplier is not involved in or supports the use of child labor, forced labor, discrimination or harassment
- The supplier supports voluntary unionism of employees and the right to negotiate collective agreements for all employees
- The supplier does not buy soy from land in the Amazon Biome cleared after 24 July 2006.
- The supplier does not buy soy grown from land where natives' residences have been removed after May 2009, except if in accordance with national legislation
- The supplier supports the use of pesticides in accordance with local legislation, the Stockholm Convention and the Rotterdam Convention.

Alternatively, we require that our soy suppliers are certified according to the ProTerra Standard or committed to the Soy Moratorium or in any other way are able to document that they live up to the Basel Criteria (4th edition 16.02.2005). Our goal is that minimum 90% of our soy supplies should comply with these conditions. In recent years, the company has met and exceeded this minimum threshold, a trend that continued into 2021 and also expected to continue in 2022. As new and improved soy certification programs become available, we will consider implementing these programs in our standard basis for sourcing. Finally, in 2022 we will continue to focus our human rights efforts.

Compliance

Our long-term success is built on doing business in a fair and ethical way. The risk of failing to do so is unrelated to HAMLET PROTEIN's specific business model but merely a general risk of doing business is all parts of the world. Specific risk areas for HAMLET PROTEIN includes bribery in connection with government approvals and licenses for manufacturing and cross border trade, selling to unethical individuals or dealing with companies or individuals subject to international sanctions.

HAMLET PROTEIN has revised its compliance policies to reflect best practices in regard to Anti-Bribery and Corruption, Economic Sanctions and Anti-Money Laundering compliance, and we are committed to ensuring we conduct our business ethically and in line with these principles. The Anti-Corruption and Economic Sanctions Compliance Policy sets forth the policy of the Group to ensure compliance with all potentially applicable laws and conventions. The Policy applies to everyone working for the Company and any other member of the Group worldwide regardless of location, role or level of seniority. Third parties acting on behalf of the Group, such as agents, consultants, partners, or distributors must also comply with the spirit of this Policy and all applicable laws.

In addition, HAMLET PROTEIN provides a whistleblowing opportunity for all employees to report suspicions of misconduct. We encourage employees to raise their concern if they suspect a serious misconduct that should be prevented or corrected. If they feel they cannot be open with their information, they can raise their concern anonymously, by using a communication channel managed by a third-party. HAMLET PROTEIN has not received any external reports or complaints, nor any (anonymous) complaints from employees about incidents of unethical behaviour in 2021 and we continue to focus on our efforts within anti-corruption and business ethics in 2022.

Organization and employees

One of HAMLET PROTEIN's strategic drivers is to attract and retain qualified and motivated employees. The Company provides its employees with a safe and healthy workplace and follows procedures intended to safeguard all employees, avoid workplace accidents and maintain compliance. However, as for any other company, working at HAMLET PROTEIN involves a minimal level of risks such as work accidents in operations and stress.

To maintain and improve our safety standards, we focus on avoiding occupational accidents - security in our facilities is our top priority. We have established Safety Committees that are committed to work-place safety, and who regularly follow up and document workplace accidents. Industrial accidents are measured on "the number of hours absent due to industrial accidents per million working hours".

To ensure and improve the general working environment, HAMLET PROTEIN follows up on staff turnover, capability development and absence due to sickness. We continuously work with a number of activities to help promote the attractive and motivating working environment that the Company wishes to offer to all its employees.

We work diligently and are dedicated to the recruitment and integration of new employees, just as we focus on maintaining and developing our employees' personal and professional skills. The annual performance reviews is an important part of these efforts.

In Hamlet Protein A/S we measure short term and long-term absence due to sickness. For 2021, long-term absence in Hamlet Protein A/S was 0,72% (last year 1,84%) and short-term absence due to sickness was 1,22% (last year 1,69%), which is well below our objective of 2,5%. The aim for 2022 is to remain under the objective of 2,5%.

Statutory report on the underrepresented gender
New Nutrition Holding ApS' supreme governing body, the Board of Directors, consists at year-end of one female and three male members. The unchanged goal is to have at least one female board member. We see this goal as ambitious in an industry in which the recruitment base primarily consists of men.

We are an equal opportunity employer and aim at maintaining and reaching the gender ratio objective for each management group, but we will always employ the person who is best qualified for the job. We strive to, whenever possible, to have at least one candidate from the underrepresented gender represented among 3 final candidates for a management position; we have assessed barriers and challenges in relation to the underrepresented gender in other management levels, e.g. how we form job ads, how we recruit, how we train and develop our employees and how we communicate in relation to opportunities internally. Both male and female employees are encouraged to apply for internally advertised positions and to develop their skills and careers. At the present time the company does not have specific data for tracking this, but it is a priority for 2022.

Statutory report on data ethics
HAMLET PROTEIN has assessed that implementing a framework for complying with the General Data Protection Regulation is sufficient for how we handle data. However, the need for a data ethics policy is currently being evaluated by the management and the Board of Directors.

COVID-19
Even though the feed industry has proven to be quite resilient the impact on consumer behaviour has been visible to various degrees across geographies and species.

Next to that the supply chain disruption has increased cost levels especially on transportation and made it challenging to source key materials which has impacted the ability to produce and deliver on time.

Another effect of the supply chain disruption is the increased costs of raw materials for animal producers. An increased cost of nutrition combined with demand fall out in veal; pork and poultry markets, has put pressure on the demand for specialty feed ingredients.

Finally, African Swine Fever (ASF) continues to affect global market dynamics in the swine sector, creating supply chain imbalances due to temporary withdrawals of export permits for pork producers.

Due to continued Covid-19 travel restrictions our interaction with customers has been predominantly virtual.

In 2021 negative sales impact from Covid-19 is estimated at around 50-60 mDKK.

Events after the balance sheet date
Throughout the last quarter of 2021 utility costs started to increase due to the tension in Ukraine. After the closing of the financial year 2021 Russia has invaded Ukraine which has driven utility costs to a record high.

Each year the Danish Energy Agency publishes a list of companies who in case of an emergency will have their supply of natural gas reduced. In 2022 HAMLET PROTEIN is again to be found on that list. However, in case of a shortage, the supply to these companies will be prioritized based on whether their production is critical to society or not. The production at HAMLET PROTEIN is considered to be critical to society and is placed in one of the top 3 categories on the prioritization list published by the Danish Energy Agency.

Export to Ukraine is expected to decrease by 50% due to the war but on group level this is not material and there is no export to neither Russia nor Belarus.

During the first quarter of 2022 the liquidation of HAMLET PROTEIN GmbH was finalized.

CONSOLIDATED INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK thousand	**Note**	**2021**	**2020**
Revenue	5	857.784	774.124
Cost of goods sold		(666.163)	(541.263)
Gross profit/(loss)		**191.621**	**232.861**
Other operating income	7	94	98
Other external expenses		(56.276)	(64.971)
Staff costs	6	(88.388)	(89.445)
Operating profit before depreciation, amortization and impairments		**47.052**	**78.543**
Depreciation	13,14	(33.087)	(35.506)
Amortisation and impairments	12	(38.223)	(32.315)
Profit/(loss) before financial expenses and tax		**(24.258)**	**10.722**
Financial income	9	17.437	647
Financial expenses	9	(20.941)	(55.159)
Profit/(loss) before tax		**(27.762)**	**(43.790)**
Income tax for the year	10	2.900	9.087
Net profit/(loss) for the year		**(24.862)**	**(34.703)**
Attributable to:			
Owners of New Nutrition Holding ApS		(24.862)	(34.703)
Net profit / (loss)		**(24.862)**	**(34.703)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY - 31 DECEMBER

DKK thousand	**2021**	**2020**
Gross profit/(loss)	**(24.862)**	**(34.703)**
Other comprehensive income to be reclassified subsequently to profit or loss		
Net gain/(loss) on cash flow hedge	0	2.337
Exchange differences on translation of foreign operations	5.866	(5.490)
Net other comprehensive income to be reclassified subsequently to profit or loss	**5.866**	**(3.153)**
Total comprehensive profit / (loss) for the year net of tax	**(18.996)**	**(37.856)**
Attributable to:		
Owners of New Nutrition Holding ApS	**(18.996)**	**(37.856)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

DKK thousand	Note	2021	2020
ASSETS			
Intangible assets	12	335.468	369.109
Property, plant and equipment and leases	13,14	349.023	340.638
Deposits		128	314
Non-current assets)		**684.619**	**710.061**
Inventories	15	65.927	67.205
Trade and other receivables	16	115.169	93.375
Prepayments		1.383	2.534
Tax receivables		121	354
Cash and cash equivalents		28.200	89.044
Current assets		**210.800**	**252.512**
Total assets		**895.419**	**962.573**

EQUITY AND LIABILITIES			
Share capital		6.638	6.638
Retained earnings		265.400	284.396
Total equity		**272.038**	**291.034**
Loans and borrowings	19	446.228	456.074
Deferred tax liabilities	11	24.388	29.827
Other liabilities		5.112	5.672
Lease liability, right-of-use assets	18	3.171	4.454
Non-current liabilities		**478.899**	**496.027**
Loans and borrowings	19	35.570	73.959
Trade payables and other payables	17	107.167	99.434
Lease liability, right-of-use assets	18	1.745	2.119
Current liabilities		**144.482**	**175.512**
Total liabilities		**623.381**	**671.539**
Total equity and liabilities		**895.419**	**962.573**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1 JANUARY - 31 DECEMBER

DKK thousand	Share capital	Translation reserve	Retained earnings	Cash flow hedge	Total equity
2021					
Equity at 1 January	**6.638**	**(4.045)**	**288.441**	**0**	**291.034**
Equity at 1 January	**6.638**	**(4.045)**	**288.441**	**0**	**291.034**
Net profit/(loss)	0	0	(24.862)	0	(24.862)
Other comprehensive income	0	5.866	0	0	5.866
Comprehensive income	0	5.866	(24.862)	0	(18.996)
Equity at 31 December	**6.638**	**1.821**	**263.579**	**0**	**272.038**
2020					
Equity at 1 January	**6.610**	**1.445**	**324.523**	**(3.084)**	**329.494**
Equity at 1 January	**6.610**	**1.445**	**323.776**	**(2.337)**	**329.494**
Net profit/(loss)	0	0	(34.703)	0	(34.703)
Other comprehensive income	0	(5.490)	0	2.337	(3.153)
Comprehensive income	0	**(5.490)**	**(34.703)**	**2.337**	**(37.856)**
Capital increase	28	0	945	0	973
Proceeds from warrants	0	0	(395)	0	(395)
Treasury shares [1)]	0	0	(1.182)	0	(1.182)
Transactions with owners	**28**	**0**	**(632)**	**0**	**(604)**
Equity at 31 December	**6.638**	**(4.045)**	**288.441**	**0**	**291.034**

1) During 2020 120.016 warrants and nominal DKK 28.083 shares were re-acquired form a former management member and certain key employees.

CONSOLIDATED STATEMENT OF CASH FLOWS 1 JANUARY - 31 DECEMBER

DKK thousand	**Note**	**2021**	**2020**
Net profit/(loss) for the year		(24.862)	(34.703)
Depreciation	13,14	33.087	35.506
Amortisation and impairments	12	38.223	32.315
Other non-cash adjustments		117	603
Changes in trade and other receivables and prepayments		(20.643)	(10.015)
Changes in inventories		1.278	(21.274)
Changes in trade and other payables		7.173	16.823
Income taxes non-received/(paid)		(5.439)	(8.796)
Interest not received	9	(17.347)	(2.877)
Interest not paid	9	10.278	29.248
Net profit/(loss) for the year		**21.865**	**36.830**
Acquisition of property, plant and equipment		(26.677)	(17.160)
Acquisition of intangible assets		(4.293)	(7.789)
Cash flow from investing activities		**(30.970)**	**(24.949)**
Repayment of lease liabilities		(1.881)	(2.281)
Capital increase		0	973
Proceeds from warrants and shares		0	(395)
Purchase of treasury shares		0	(1.182)
Payment of deposits		0	(187)
Proceeds from deposits		186	0
Change in revolving credit facility		(7.671)	0
Repayment of borrowings		(42.373)	(44.372)
Proceeds from borrowings		0	97.033
Cash flow from financing activities		**(51.739)**	**49.589**
Total cash flow		**(60.844)**	**61.470**
Cash and cash equivalents at 1 January		89.044	27.574
Total cash flow		(60.844)	61.470
Cash and cash equivalents at 31 December	21	**28.200**	**89.044**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND BACKGROUND

The consolidated financial statements of New Nutrition Holding ApS (the "Company") for the year ended 31 December 2021 and its subsidiaries (collectively, the Group) were discussed and approved by the management on 30 June 2022.

New Nutrition Holding ApS (the Company or the parent company) is a limited liability company incorporated and domiciled in Denmark. The registered office is located in Horsens.

The Group is principally engaged in the development, production and sale of vegetable protein solutions used in high value-add animal feed for young animals. Information on the Group's structure and on other related party relationships of the Group is provided in note 25.

2. ACCOUNTING POLICIES

The accounting policies have been applied consistently in respect of the financial year and comparative figures.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements according to the Danish Financial Statements Act.

The consolidated financial statements are prepared based on the standards and interpretations that are effective as of 31 December 2021.

The consolidated financial statements are presented in DKK, which is the parent company's functional currency and the presentation currency of the Group.

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control and until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

FOREIGN CURRENCY TRANSLATIONS

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the primary currency used for the reporting entity's operations. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in profit or loss as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the end of the reporting period. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or the exchange rate in the latest consolidated financial statements is recognised in profit or loss as financial income or financial expenses.

On recognition in the consolidated financial statements of entities with a functional currency other than the presentation currency of New Nutrition Holding ApS (DKK), the statement of profit or loss is translated at the exchange rates at the transaction date, and the statement of financial position items are translated at the exchange rates at the end of the reporting period. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly deviate from the exchange rate at the transaction date. Foreign exchange differences arising on translation of the opening balance of equity of foreign entities at the exchange rates at the end of the reporting period and on translation of the statement of profit or loss from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognised in other comprehensive income (OCI) and attributed to a separate translation reserve in equity.

REVENUE RECOGNITION

The Group recognises revenue from sale of protein and fiber products.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when the performance obligation is satisfied, i.e. when control of the goods is transferred to the customer. Control of the goods is transferred at a point in time, typically on delivery.

OTHER OPERATING INCOME

Other operating income comprise items of a secondary nature relative to the Group’s core activities, including gains on the sale of certain non-current assets and government grants.

COST OF GOODS SOLD

Cost of goods sold consists of raw material and consumables include expenses relating to raw materials and consumables used in generating the year’s revenue.

OTHER EXTERNAL EXPENSES
Other external expenses include the year's expenses relating to the Group's core activities, including expenses relating to distribution, sale advertising, administration, premises, bad debts, etc.

EMPLOYEE BENEFIT EXPENSES
Employee benefit expenses comprise wages and salaries, pensions, social security costs and other related staff costs.

FINANCIAL INCOME AND EXPENSES
Finance income and costs comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

TAX ON PROFIT/LOSS FOR THE YEAR
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

New Nutrition Holding ApS (Parent company) 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.

Current income tax relating to items recognised directly in OCI or equity is recognised in OCI or equity. Management periodically evaluates positions taken in the tax returns with respect to situations, in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred tax is provided using the ability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

TAX ON PROFIT/LOSS FOR THE YEAR
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect or taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price and costs directly attributable to the acquisition until the date when the asset is ready for use.

Subsequent costs, e.g. for replacing part of an item, are recognised in the cost of the asset if it is probable that the future economic benefits embodied by the item will flow to the Group. The carrying amount of the item is derecognised when replaced and transferred to the income statement. All other costs for common repairs and maintenance are recognised in the income statement when incurred.

Depreciation is based on the cost of an asset less its residual value. When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately. The estimated useful life and residual value are determined at the acquisition date. If the residual value exceeds the carrying amount depreciation is discontinued.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives for current and comparative years are as follows:

	Estimate useful life
Buildings	25 – 40 years
Plant and machinery	10 – 30 years
Equipment	3 – 10 years

Land is not depreciated

Gains and losses arising on the disposal or retirement of property, plant and equipment are measured as the difference between the selling price less direct sales costs and the carrying amount, and are recognised in Other operating expenses in the year of sale, except gains and losses arising on disposal of property, which are recognised in Other income and expenses, net.

RIGHT-OF-USE ASSETS

The group leases various offices, warehouses and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

INTANGIBLE ASSETS
Goodwill is initially recognised at cost and subsequently at cost less accumulated impairment losses. Goodwill is not amortised. Goodwill is attributable mainly to technical expertise and technological knowhow.

Acquisition-related brands are recognised at fair value at the acquisition date. Brands with finite useful lives are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life, which is usually 12 years.

Acquisition-related customer relationships are recognised at fair value at the acquisition date and subsequently at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of the acquired portfolio, which is usually 12 years.

Development projects and technology are recognised at fair value at the acquisition date. Subsequently, technology is measured at cost less accumulated amortisation and impairment losses. The cost of development projects includes external costs to consultants and software as well as internal direct costs related to the development. Other development costs for which it cannot be rendered probable that future economic benefits will flow to the Group are recognised in the income statement as and when incurred. Amortisation is calculated on a straight-line basis over the estimated useful life, which is usually in the range of 3 to 10 years.

Amortisation methods and useful lives are reassessed at each reporting date and adjusted prospectively, if appropriate.

Intangible assets with an indefinite useful life, i.e. goodwill, are subject to impairment testing at least annually or when circumstances indicate that the carrying amount may be impaired. The carrying amount of other non-current assets is tested annually for indications of impairment.

If an indication of impairment exists, the recoverable amount of the asset is determined. The recoverable amount is the higher of the fair value of the asset less anticipated costs of disposal and its value-in-use. The value-in-use is calculated as the present value of expected future cash flows from the asset or the CGU to which the asset belongs.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash generating unit (CGU) to which goodwill is allocated.

An impairment loss is recognised in the income statement in a separate line if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses are only reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

In performing the impairment test management assesses whether the CGU to which the intangibles relate will be able to generate positive net cash flows sufficient to support the value of intangibles and other net assets of the entity.

This assessment is based on estimates of expected future cash flows (value-in-use) made on the basis of financial budgets for the following financial year and estimated discount rates, growth and margin development. In recent years, volatility in risk free interest rates has increased, which generally has increased the estimation uncertainty.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

Financial assets are measured initially at fair value plus, in the case of a financial asset not at fair value through profit of loss, transaction costs that are directly attributable to the acquisition of the financial asset.

For purposes of subsequent measurements, financial assets are classified as financial assets at fair value through profit or loss or financial assets at amortised cost.

Financial assets at fair value through profit or loss are measured at fair value and at end of each reporting period, with any fair value gains or losses recognised in the profit or loss to the extent they are not part of a designated hedging relationship (please see hedge accounting policy).

Financial assets at amortised costs are the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss amount. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

IMPAIRMENT OF FINANCIAL ASSETS

The group recognises a loss allowance for expected credit losses (ECL) on investment in debt instruments that are measured at amortised cost or trade receivables and contract assets. The amount of the expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit losses experience, adjusted for factors that are specific to the debtor, general economic conditions and an assessment of both the current as well as the forecast directions of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all positive default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of the lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

FINANCIAL LIABILITIES

All financial liabilities except derivatives are recognised initially at fair value less transaction costs.

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings. For more information refer to note 19.

DERIVATIVES AND HEDGING ACTIVITIES
The Group recognises derivatives at fair value on the date a derivative contract is entered into. Derivative financial instruments are measured at fair value at initial recognition and at each reporting period, such as interest rate swaps

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risk and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income, and subsequently reclassified to profit or loss when the hedge item affect profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges. Cash flow hedges hedge a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of the gains or losses on the hedging instrument are accounted for as follow:

- The effective portion of the gains or losses on the hedging instrument is recognised on Other Comprehensive Income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the profit or loss as finance costs. The group uses foreign exchange contracts as hedges of its exposure to foreign currency risk in forecast transactions. The ineffective portion relating to foreign currency contracts is recognised as finance cost in profit or loss.

- Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged finance income or finance cost is recognised or when a forecast sale occurs. Amounts previously recognised in OCI are transferred to the same item as the hedged item when the hedged item impacts profit or loss.

INVENTORIES
Inventories are measured at cost in accordance with the first-in/first-out method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

PREPAYMENTS
Prepayments comprise expenses incurred concerning subsequent financial years.

CASH AND CASH EQUIVALENTS
Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

EQUITY
Retained earnings is the Group's free reserves, which includes share premium. Share premium comprises amounts above the nominal share capital paid by shareholders of New Nutrition Holding ApS. Share premium includes also cash received from employees from sale of warrants. The share premium reserve is available for distribution.

Translation reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign entities with a functional currency other than DKK as well as from the translation of non-current balances which are considered part of the investment in foreign entities.

The reserve for hedges includes the accumulated net change in the fair value of hedging transactions qualifying for cash flow hedge accounting.

On full or partial realisation of a foreign entity where control is lost the foreign exchange adjustments are transferred to the income statement in the same line item as the gain or loss.

Common stock warrants: Equity-settled share options are measured at fair value minus consideration received at grant date and recognized in the income statement under share-based payment over the period in which the final right of the share options vest. The balancing item is recognized directly in equity.

The fair value of the share options granted is estimated by using a pricing model, taking into account the fair market value of the shares in New Nutrition Holding ApS.

STATEMENT OF CASH FLOWS
The statement of cash flows shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are presented using the indirect method as the profit before tax adjusted for non-cash operating items, changes in working capital, restructuring costs paid, interest received and paid, and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, and of intangible assets, property, plant and equipment and other non-current assets. The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the statement of cash flows from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the acquisition and disposal of non-controlling interests, raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS
In preparing these consolidated financial statements, management made various judgements, estimates and assumptions concerning future events that affected the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates and assumptions are reviewed on an ongoing basis and have been prepared taking macroeconomic developments into consideration, but still ensuring that one-off effects which are not expected to exist in the long term do not affect estimation and determination of these key factors, including discount rates and expectations for the future.

The following items involve significant accounting estimates and judgements:

	Estimates	**Judgements**	**Note**
Deferred tax assets	X		11
Intangible assets		X	12
Impairment tests	X		12

5. REVENUE

DKK thousand	**2021**	**2020**
Europe, Middle East and Africa	346.192	341.225
Asia and Pacific	352.502	266.654
North and central America	144.519	156.607
Brasil and South America	14.571	9.638
Total	**857.784**	**774.124**

All revenue is recognised at a point in time and there is no material difference in the product sold across the regions. The delivery terms are in line with the industry.

6. STAFF COSTS

DKK thousand	**2021**	**2020**
Wages and salaries	(81.041)	(79.859)
Pension costs (defined contribution plans)	(3.270)	(3.817)
Other social security expenses	(1.886)	(525)
Other staff expenses	(4.250)	(6.095)
Staff costs classified as assets	2.059	851
Total	**(88.388)**	**(89.445)**

Remuneration of key management personnel	**2021**	**2020**
Executive board - Wages and salaries	(8.141)	(5.473)
Executive board - Pensions	(126)	(334)
Fee to the Board of Directors	(1.270)	(1.042)
Total remuneration	**(9.537)**	**(6.849)**
Average number of employees	132	119

Management is eligible for short term cash bonuses which are paid which are depending on EBITDA from operations and paid out the following year. The bonuses for 2021 amounted to 3,2 mDKK.

COMMON STOCK WARRANTS

On 1 January 2020 New Nutrition Holding Group had issued 616.008 warrants to management and directors of the Group giving the warrant holders the right to subscribe to 616.008 shares in New Nutrition Holding ApS, with a par value of 1 Danish Krone.

The warrants were issued at fair market value and therefore no compensation expense is recognized

The common stock warrants expire at the earliest of (i) a change of control of the Group or an IPO or (ii) the period from 30 August 2025 to 30 September 2025. The Company's share capital may be increased in order to make it possible for the holders of the warrants to exercise the warrants.

In 2020 New Nutrition Holding Group has issued 112.260 warrants to management and directors of the Group giving the warrant holders the right to subscribe for 112.260 shares in New Nutrition Holding ApS, with a par value of 1 Danish Krone.

In 2021 New Nutrition Holding Group has not issued any warrants to management and directors of the Group:

Number of warrants	**2021**	**2020**
Outstanding 1 January	605.052	616.008
Granted during the period	0	112.260
Forfeited during the period	0	0
Repurchased during the period	0	(123.216)
Exercised during the period	0	0
Outstanding 31 December	605.052	605.052
Number of warrants which can be exercised at balance sheet date	0	0
Weighted average contractual life (years)	4	5
Weighted average exercise rate	0	0

7. OTHER OPERATING INCOME

DKK thousand	**2021**	**2020**
Government grants	94	98
Total	**94**	**98**

8. FEES PAID TO AUDITORS APPONITED AT THE ANNUAL GENERAL MEETING

DKK thousand	**2021**	**2020**
Fee to statutory auditors		
Statutory audit	(882)	(1.290)
Other assurance services	0	0
Tax and VAT advisory	(1.312)	(1.423)
Other services	(1.444)	(2.278)
Total	**(3.638)**	**(4.991)**

9. FINANCIAL INCOME AND EXPENSES

DKK thousand	**2021**	**2020**
Interest income on cash and cash equivalents	90	107
Interest income from related parties	382	353
Fair value adjustment	5.131	0
Foreign exchange gains	11.834	187
Financial income	**17.437**	**647**

DKK thousand	2021	2020
Interest expense on loans and borrowings	(12.550)	(18.709)
Amortisation of financing fees (non-cash)	(1.778)	(7.263)
Interest expenses from related parties	(3.042)	(2.533)
Interest on lease liabilities	(268)	(406)
Fair value adjustment	0	(1.918)
Other financial expenses	(2.689)	(3.648)
Foreign exchange losses	(614)	(20.682)
Financial expenses	**(20.941)**	**(55.159)**

10. INCOME TAXES

CONSOLIDATED STATEMENT OF PROFIT/ (LOSS)

DKK thousand	2021	2020
Current income tax charge	(1.867)	104
Prior year adjustment	(595)	0
Deferred tax charge	5.439	8.983
Other adjustments	(77)	0
Income tax/ (expenses) in the statement of profit/(loss) reported	**2.900**	**9.087**

CONSOLIDATED STATEMENT OF OCI

DKK thousand	2021	2020
Net gain /(loss) on cash flow hedge	0	(672)
Income tax /(loss) recognised in OCI	**0**	**(672)**

DKK thousand	2021	2020
Calculated tax charge at Denmark's statutory income tax rate of 22%	6.108	9.634
Tax rate deviations in foreign entities, net	216	(1.611)
Tax impact from permanent differences	(3.424)	(165)
Deferred tax recognised in OCI	0	672
Deferred tax not recognised and other adjustments	0	557
Income tax/ (expense) reported	**2.900**	**9.087**
Effective tax rate	**10,4%**	**20,8%**

11. DEFERRED TAX

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKK thousand	2021	2020
Property, plant and equipment	31.899	31.150
Intangible assets	42.775	43.470
Loans and borrowings	(715)	(323)
Inventory	266	527
Receivables	(55)	(64)
Accrued expenses	(753)	(1.192)
Losses available for offsetting against future taxable income	(49.029)	(43.741)
Net deferred tax liabilities	**24.388**	**29.827**

CONSOLIDATED INCOME STATEMENT AND OCI

DKK thousand	**2021**	**2020**
Property, plant and equipment	749	(4.533)
Intangible assets	(694)	(2.068)
Loans and borrowings	(392)	3.114
Inventory	(261)	556
Receivables	9	(64)
Accrued expenses	438	(438)
Losses available for offsetting against future taxable income	(5.289)	(5.550)
Net deferred tax liabilities	**(5.440)**	**(8.983)**

DKK thousand	**2021**	**2020**
Opening balance	29.827	38.269
Exchange rates	1	(131)
Deferred tax recognised on equity	0	672
Taxable income during the year recognised in profit or loss	(5.440)	(8.983)
Closing balance at 31 December	**24.388**	**29.827**

The Group offsets tax assets and liabilities only if it has a legally enforceable right to do so and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Tax losses related to the US subsidiary have a value of approximately 28 mDKK and expires in the year 2032 through 2041 but are expected to be utilised within the next five years.

12. INTANGIBLE ASSETS

DKK thousand	Goodwill[3])	Technology	Customer relationships	Brand	Development projects and acquired intangibles under construction[2])	Completed development projects and acquired intangibles[1])	Total
2021							
Cost at 1 January	254.563	174.100	114.300	35.900	11.191	48.074	**638.128**
Foreign exchange adjustments	0	0	0	0	0	289	**289**
Reclassifications	0	0	0	0	(5.739)	5.739	**0**
Additions	0	0	0	0	2.089	2.202	**4.291**
Cost at 31 December	**254.563**	**174.100**	**114.300**	**35.900**	**7.540**	**56.304**	**642.708**
Amortisation and impairment losses at 1 January	(100.000)	(76.716)	(51.541)	(15.820)	0	(24.940)	**(269.017)**
Amortisation	0	(14.508)	(9.350)	(2.992)	0	(11.087)	**(37.937)**
Impairment losses	0	0	0	0	0	(286)	**(286)**
Amortisation and impairment losses at 31 December	**(100.000)**	**(91.224)**	**(60.891)**	**(18.812)**	**0**	**(36.313)**	**(307.240)**
Carrying amount at 31 December	**154.563**	**82.876**	**53.409**	**17.088**	**7.540**	**19.991**	**335.468**
2020							
Cost at 1 January	254.563	174.100	114.300	35.900	6.658	46.099	**631.620**
Foreign exchange adjustments	0	0	0	0	(557)	557	**0**
Reclassifications	0	0	0	0	5.412	2.377	**7.789**
Additions	0	0	0	0	(322)	957	**(1.281)**
Cost at 31 December	**254.563**	**174.100**	**114.300**	**35.900**	**11.191**	**48.074**	**638.128**
Amortisation and impairment losses at 1 January	(100.000)	(62.208)	(42.191)	(12.828)	0	(20.434)	**(237.661)**
Amortisation	0	(14.509)	(9.349)	(2.992)	0	(5.465)	**(32.315)**
Impairment losses	0	0	0	0	0	957	**957**
Amortisation and impairment losses at 31 December	**(100.000)**	**(76.716)**	**(51.541)**	**(15.820)**	**0**	**(24.940)**	**(269.019)**
Carrying amount at 31 December	**154.563**	**97.384**	**62.759**	**20.080**	**11.191**	**23.134**	**369.109**

Except for goodwill, all other intangible assets have finite useful lives and are amortised according to the Group's accounting policies. Goodwill is tested for impairment annually.

1) New legislation is underway in many countries regulating the use of antibiotics and zinc in animal feed. Development projects completed in 2021 mainly relate to new or improved products aimed at piglet and poultry production with antibiotic- and zinc free feed. The capitalized cost relates mainly to external analysis and tests.

   The new legislation is expected to generate significant demand for such products, and impairment tests of the book value based on expected cash flows generated from anticipated sales in the years 2022, 2023 and 2024 (approved by management) has concluded that the expected future benefits from these projects exceed the book value.

2) The above-mentioned new legislation also generates new documentation requirements of Hamlet Protein's existing and new products relative to this particular legislation. Part of the ongoing development projects relate to the creation of such documentation in various countries. Estimated cost to complete of these projects is approximately 4 mDKK and completion is anticipated during 2022. Being a prerequisite for the continued sales on these markets it has been concluded that the expected future benefits from these projects exceeds the book value.

   Finally, ongoing projects relate to the implementation of a production management system. The capitalized cost of this project mainly consists of external consulting costs and internal hours captured through own time recording system.

3) The recoverable amount is determined on the basis of value-in-use. The value-in-use is established using certain key assumptions as described below. The key assumptions are revenue growth, operating profit before depreciation, amortisation and special items (EBITDA) and discount rates. The management considers the Group as one CGU.

   Value-in-use cash flow projections are based on financial budgets approved by management covering the following financial year. Revenue growth and operating margin assumptions applied in the short to medium term (forecasting period of five years) are based on management's expectations regarding the growth and operational development considering all relevant factors including past experience and external sources of information where possible and relevant.

   Terminal growth rates do not exceed the expected long-term average growth rate including inflation for the countries in which the Group operates.

   The discount rates, which are calculated net of tax, are generally based on 10-year government bonds. An interest premium is added to adjust for the inconsistency of applying government bonds with a short-term maturity when discounting the estimated future cash flows with infinite maturity.

   A target ratio of 30/70 (2020: 30/70) between the market value of debt and equity value has been applied in the calculation. As a company based in Europe, the Group assumes the long-term market equity risk premium to be 6,3% (2020: 6,3%).

   Uncertainties reflecting past performance and possible variations in the amount or timing of the projected cash flows are generally reflected in the discount rates. Consequently, a country specific risk premium is added to the discount rates to reflect the specific risk associated with CGU.

CARRYING AMOUNTS AND KEY ASSUMPTIONS

The carrying amount of goodwill and the key assumptions used in the impairment testing as per 31 December are presented below.

DKK million	**2021**	**2020**
Carrying amount	155	155
Long-term growth in revenue	1,5%	1,5%
Applied discount rate, net of tax	8,0%	8,0%
Applied discount rate, pre-tax	8,1%	8,1%

CARRYING AMOUNTS AND KEY ASSUMPTIONS

The impairment is still based on the assumption, that sales growth in North America and Asia will accelerate in the coming years. The expected sales growth in North America is driven by the general shift away from animal-based proteins towards vegetable based antibiotic free animal feed. In Asia sales is expected to continue the strong growth however dependent on the spread of African Swine Fever. The accelerated sales growth in Asia is especially driven by China where resent years' transformation of the pig farming industry from backyards to large industrial units is expected to be accelerated for environmental and disease control reasons (African Swine Fever). In addition, China is moving towards antibiotic free animal diets, which will increase demand for quality vegetable-based protein like Hamlet Protein. Along with increased capacity utilisation, our net earnings are expected to increase at a higher rate than sales over the same period.

13. PROPERTY, PLANT AND EQUIPMENT

DKK thousand	**Land and buildings**	**Plant and equipment**	**Other Equipment**	**Construction in progress**	**Total**
2021					
Cost at 1 January	76.763	408.395	10.146	10.016	**505.320**
Foreign exchange adjustments	3.104	26.061	130	22	**29.317**
Reclassifications	99	9.939	0	(10.038)	**0**
Additions	8.435	15.902	429	1.910	**26.677**
Disposals	0	(3.652)	(256)	0	**(3.908)**
Cost at 31 December	**88.402**	**456.645**	**10.449**	**1.910**	**557.406**
Depreciation at 1 January	(19.885)	(142.451)	(8.629)	0	**(170.965)**
Foreign exchange adjustments	(948)	(10.163)	(10)	0	**(11.121)**
Depreciation	(2.968)	(27.596)	(698)	0	**(31.263)**
Reclassifications	0	0	0	0	**0**
Amortisation and impairment losses at 31 December	**(23.802)**	**(180.210)**	**(9.337)**	**0**	**(213.349)**
Carrying amount at 31 December	**64.600**	**276.434**	**1.112**	**1.910**	**344.057**
2020					
Cost at 1 January	79.946	428.079	9.356	6.441	**523.822**
Foreign exchange adjustments	(3.196)	(31.929)	(17)	(520)	**(35.662)**
Reclassifications	0	4.949	686	(5.635)	**0**
Additions	13	7.296	121	9.730	**17.160**
Cost at 31 December	**76.763**	**408.395**	**10.146**	**10.016**	**505.320**
Depreciation at 1 January	(16.548)	(126.818)	(7.656)	0	**(151.022)**
Foreign exchange adjustments	778	12.491	(112)	0	**13.157**
Depreciation	(4.115)	(28.124)	(861)	0	**(33.100)**
Amortisation and impairment losses at 31 December	**(19.885)**	**(142.451)**	**(8.629)**	**0**	**(170.965)**
Carrying amount at 31 December	**56.878**	**265.944**	**1.517**	**10.016**	**334.355**

14. RIGHT-OF-USE ASSETS

DKK thousand	Cars	Land and Buildings	Plant and equipment	Total
2021				
Cost at 1 January	2.382	6.825	1.001	**10.208**
Additions	0	398	0	**398**
Foreign exchange adjustments	(175)	0	0	**(175)**
Disposals	(811)	0	0	**(811)**
Cost at 31 December	**1.396**	**7.223**	**1.001**	**9.620**
Amortisation and impairment losses at 1 January	(1.438)	(1.986)	(500)	**(3.924)**
Foreign exchange adjustments	0			**0**
Depreciation	(548)	(1.026)	(250)	**(1.824)**
Disposals	1.094	0	0	**1.094**
Amortisation and impairment losses at 31 December	**(892)**	**(3.012)**	**(750)**	**(4.654)**
Carrying amount at 31 December	**504**	**4.211**	**251**	**4.966**

LEASE-RELATED COSTS RECOGNISED IN THE INCOME STATEMENT

DKK thousand	2021
Depreciation of right-of-use assets	(1.824)
Interest expense on lease liabilities	(268)
Total	**(2.092)**

DKK thousand	Cars	Land and buildings	Plant and equipment	Total
2020				
Adoption of IFRS 16	3.221	6.825	1.001	**11.047**
Foreign exchange adjustments	(47)	0	0	**(47)**
Disposals	(792)	0	0	**(792)**
Cost at 31 December	**2.382**	**6.825**	**1.001**	**10.208**
Amortisation and impairment losses at 1 January	(1.080)	(993)	(250)	**(2.323)**
Foreign exchange adjustments	13	0	0	**13**
Depreciation	(1.163)	(993)	(250)	**(2.406)**
Disposals	792	0	0	**792**
Amortisation and impairment losses at 31 December	**(1.438)**	**(1.986)**	**(500)**	**(3.924)**
Carrying amount at 31 December	**944**	**4.839**	**501**	**6.284**

LEASE-RELATED COSTS RECOGNISED IN THE INCOME STATEMENT

DKK thousand	**2020**
Depreciation of right-of-use assets	2.406
Interest expense on lease liabilities	406
Total	**2.812**

15. INVENTORIES

DKK thousand	**2021**	**2020**
Raw materials and consumables	17.228	13.450
Finished goods	48.699	53.755
Total	**65.927**	**67.205**

During the period 207 thousand DKK (2020: DKK 0 thousand)

16. TRADE AND OTHER RECEIVABLES

DKK thousand	**2021**	**2020**
Trade receivables	102.231	78.200
Loss allowance	(513)	(603)
Trade receivables, net	**101.718**	**77.597**
Other receivables	5.834	10.607
Other receivables, net	**5.834**	**10.607**
Receivables from related parties	7.617	5.172
Receivables from related parties, net	**7.617**	**5.172**
Total receivables	**115.169**	**93.375**

EXPOSURE TO CREDIT RISK

We assess the Group's exposure to credit risk as low. The Group's customer portfolio is diversified in terms of geography and customer size. The Group is not exposed to credit risk related to significant individual customers.

Exposure to credit risk on trade receivables is managed locally in the operating entities and credit limits are set as deemed appropriate taking into account the customer's financial position and the current market conditions.

Outstanding customer receivables are followed up upon a regular basis and provisions are made for bad debt on a monthly basis. The calculation is based on actual historical data. The maximum exposure to credit risk at the reporting data is the carrying amount of each class of financial assets.

The Group considers the concentration of risk with respect to trade receivables low, as its customers are located in several jurisdictions and operate in largely independent markets.

Trade receivables are non-interest bearing and fall generally due on 30-45 days term.

DKK thousand	**2021**	**2020**
Loss allowance 1 January	**(603)**	**0**
Loss allowance	90	(603)
Loss allowance end of year	**(513)**	**(603)**

EXPOSURE TO CREDIT RISK

At 31 December, the aging analysis of trade receivables is as follows:

DKK thousand	Gross	Loss allowance	Carrying amount
2021			
Not past due	87.140	0	87.140
Past due 1 to 30 days	11.984	0	11.984
Past due 31 to 60 days	1.228	0	1.228
More than 60 days	1.879	(513)	1.366
Total	**102.231**	**(513)**	**101.719**
2020			
Not past due	58.739	0	58.739
Past due 1 to 30 days	15.869	0	15.869
Past due 31 to 60 days	2.210	0	2.210
More than 60 days	1.382	(603)	779
Total	**78.200**	**(603)**	**77.597**

17. TRADE PAYABLES AND OTHER PAYABLES

DKK thousand	2021	2020
Trade payables	70.114	63.148
Other payables	37.053	36.286
Total	**107.167**	**99.434**

Trade payables are non-interest bearing and are normally settled on 8-30 days term.

18. LEASE LIABILITY, RIGHT-OF-USE ASSETS

DKK thousand	0 to 1 year	1-5 years	> 5 years	Total
2021				
Cars	234	0	0	234
Land and building	1.272	3.227	603	5.102
Plant and equipment	276	0	0	276
Total	**1.782**	**3.227**	**603**	**5.612**

At 31 December 2021, the Group is committed to DKK 0 thousand for short-term leases.

Presentation in the balance sheet

DKK thousand	2021	2020
Current	1.745	2.119
Non-current	3.171	4.454
Total	**4.916**	**6.573**

DKK thousand	0 to 1 year	1-5 years	> 5 years	Total
2020				
Cars	723	292	0	1.015
Land and building	1.165	2.973	1.808	5.946
Plant and equipment	276	276	0	552
Total	**2.164**	**3.541**	**1.808**	**7.513**

19. INTEREST BEARING LOANS AND BORROWINGS

The Group has taken out the interest-bearing loans and borrowings as stated below, where the interest rate of the Facility A, Facility B and the Revolving Credit Facility is quarterly adjusted to depended on the leverage of the company.

DKK thousand	Nominal interest	Currency	Maturity	2021 Carrying amount	2020 Carrying amount
Facility A	2,75%-4,00%	DKK	2024	53.991	63.000
Facility B	3,25%-4,50%	DKK	2025	144.227	142.447
		EUR	2025	68.416	68.442
		USD	2025	32.805	30.288
Bank loan	LIBOR 2,75%-4,00%	DKK	2022	0	2.865
Payables to group enterprises	CIBOR + 2,00%	DKK	2023	155.575	152.533
Revolving credit facility	LIBOR 2,75%-4,00%	DKK	2022	20.675	61.270
Mortgage debt A	1,23%-1,93%	DKK	2021	0	851
Mortgage debt B	3,00%	DKK	2028	6.109	6.419
Total				**481.798**	**528.115**
Non-current				446.228	454.156
Current				35.570	73.959
Total				**481.798**	**528.115**

MATURITY – REPAYMENT & INTEREST

DKK thousand	0 to 1 year	1-5 years	> 5 years	Total
Facility A	15.808	43.110	0	58.918
Facility B	5.589	166.583	0	172.172
	2.651	79.020	0	81.671
	1.270	37.869	0	39.139
Bank loan	0	0	0	0
Payables to group enterprises	3.112	161.798	0	164.910
Revolving credit facility	21.373	0	0	21.373
Mortgage debt A	0	0	0	0
Mortgage debt B	1.093	5.427	500	7.020
Total	**50.896**	**493.807**	**500**	**545.203**

Interest rates are assumed as average of the interest span for each loan.

At 31 December 2021, capitalised borrowing costs amount to DKK 5.626 thousand (2020: DKK 7.424 thousand) and are amortised until the expiry date of the loans. Amortisation in 2021 amounts to DKK 1.798 (2020: DKK 7.844 thousand).

The debt facilities A and B as well as the revolving credit facility are subject to usual covenants, which include leverage, interest coverage ratios and investment amounts. All such covenants were in compliance during the year ending at 31 December 2021.

In 2022 additional borrowings amounting to 50 mDKK have been made.

20. FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS AT AMORTISED COST

DKK thousand	**2021**	**2020**
Trade and other receivables	115.169	93.375
Prepayments	1.383	2.534
Cash and short-term deposits	28.200	89.044
Total	**144.752**	**184.953**

FINANCIAL ASSETS AT AMORTISED COST

DKK thousand	**2021**	**2020**
Loans and borrowings	481.798	530.033
Trade payables	70.114	63.148
Other payables	37.050	36.286
Total	**588.962**	**629.467**

FINANCIAL LIABILITIES AT FAIR VALUE

DKK thousand	**2021**	**2020**
Derivative financial instruments	825	(4.306)
Total	**825**	**(4.306)**

FAIR VALUES

Financial instruments measured at fair value are limited to derivative instruments. As described below, the fair value of derivatives is based on marked data and valuation techniques (Level 2). The financial instruments are measured at fair value on recurring basis.

At 31 December 2021, the Group had entered into forward contracts with a nominal value of USD 10.150 thousand (2020: USD 9.830 thousand). The contracts are settled within 13 months from the balance sheet date.

The Group does not comply with hedge accounting.

AMORTISED COSTS

The carrying amount of the Group's financial instruments, measured at cost, are reasonable approximations of fair value, except for interest-bearing loans and borrowings.

DKK thousand	**2021**	**2020**
Loans and borrowings	487.423	535.539

VALUATION TECHNIQUES

Management has assessed that cash, trade receivables, trade payables, bank overdraft and other current liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

Derivative financial instruments with various counterparties are principally financial institutions with investment grade credit ratings. The applied valuation techniques are discounted cash flows models, which incorporated various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Fair values of the Group's interest-bearing borrowing and loans are determined by using the discounted cash flow (DCF) method using a discount rate that reflects the issuer's borrowing rate at the end of the reporting period (level 2). The own non-performance risk at 31 December 2021 was assessed to be insignificant.

21. NOTE TO THE CASH FLOW STATEMENT

CASH AND SHORT-TERM DEPOSITS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

DKK thousand	**2021**	**2020**
Cash and cash deposits	28.200	89.044

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 31 December 2021, the Group's undrawn committed borrowing facilities totalled DKK 54.325 thousand (2020: DKK 44.464 thousand)

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

DKK thousand	**2021**	**2020**
Bank loans 1 January	536.606	470.109
Proceeds from/repayment of borrowings	(42.373)	51.259
Change in revolving credit facility	(7.671)	0
Value adjustment of interest swap	0	(1.131)
Amortization of borrowing costs	1.798	7.263
Other adjustments	235	2.533
Lease liabilities, right-of-use assets	(1.881)	6.573
Total liabilities from financing activities 31 December	**486.714**	**536.606**

22. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group’s risk management policy has been established by the Board of Directors and includes guidelines and rules related to identification and measurement of risks, mandates, limits and hedging activities. The Group is primarily exposed to risks related to commodity prices, foreign currencies, interest rates credit, financing and liquidity.

The purpose of the risk management policies is to manage and reduce risks as a consequence of the Group’s operations, investments and financing related to its ordinary activities. Hence, it is the Group’s policy not to speculate in financial instruments.

The CFO is responsible for meeting the requirements and reports regularly – or if any breaches have been identified - to the Board. The Board updates and approves the policy once a year, or more often if circumstances require. The management of financial risks is centralised to group finance.

Below, each material risk is described in terms of risk type, risk management policies and activities and the impact on the financial statements.

COMMODITY PRICE RISK

Due to its ordinary activities the Group is exposed to price changes in soy. When entering into a sales contract an offsetting purchase contract for soy is concluded in order to obtain a stable margin except for sales to markets with long delivery time where soy is purchased based on a sales forecast. If an open net position is identified the Group enters into forward contracts with physical delivery - hence, volumes and timing of delivery is matched on a one to one basis at the time of entering into the sales contract but not subsequently.

The group is also exposed to price changes in gas and electricity. It is the groups policy not to have a structured hedging done for the purchase of energy due to which gas and electricity can be purchased at spot price and/or fixed prices.

FOREIGN CURRENCY RISK

Foreign currency risk arises when transactions or financing is obtained in a currency other than the functional currency of a group entity. The Group is predominantly exposed to foreign currency risks in USD from sales, purchases and financing activities, and CNY from sales activities. Since the EUR and DKK currencies are pegged, the Group hedges into EUR and not DKK.

Currency hedging is done mainly on the purchase of soy in USD and is done when new purchase contracts are concluded for soy. Hedging is done by use of forward contracts (buy USD / sell EUR) if the exposure exceeds allowed thresholds of USD 2.000 thousand for long positions and DKK 2.000 thousand for short positions. At 31 December 2021 and 2020, the group entered into forward contracts.

No hedging of CNY has been done in 2021.

SENSITIVITY ANALYSIS

The Group is sensitive to changes in the USD and CNY exchange rate.

At 31 December 2021, the Group had a net exposure of trade payables and receivables in RMB of 24,1 mDKK. An 10% increase/decrease in the RMB/DKK exchange rate would impact the Group's result by 2,4 mDKK.

At 31 December 2021, the Group had a net exposure of trade payables and receivables in USD of 22,2 mDKK. An 10% increase/decrease in the USD/DKK exchange rate would impact the Group's result by 2,2 mDKK.

INTEREST RATE RISK

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group evaluates the net exposure on a frequent basis and when conducting finance activities. Based upon that the board decided during 2021 not to renew the interest rate swap of the Group which matured by the end of 2021.

SENSITIVITY ANALYSIS

The Group is sensitive to changes in the interest rates however management considers the impact on profit before tax and equity to be limited.

HEDGE ACCOUNTING

At 31 December 2021, the Group had no interest rate swaps (2020: DKK 176.040 thousand). The interest rate swaps matured by the end of 2021 and the Group decided not to renew it.

23. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maximise shareholder value.

In order to achieve this overall objective, the Group's capital management aims, e.g. at ensuring that it meets financial covenants related to the interest-bearing loans and borrowings that define capital structure requirements. Failure to meet the financial covenants would permit the bank to call loans and borrowings.

The Group manages its capital structure and makes adjustments in the light of change in economic conditions and the requirements of the financial covenants.

24. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENCIES

The parent is jointly taxed with its Danish subsidiaries. The entities included in the joint taxation arrangement have joint and several unlimited liability for Danish corporate income taxes, etc. The Group as a whole is not liable to other parties.

PLEDGES AND COLLATERAL
Surityship (indemnity) toward the bank amounted at DKK 390 million at year end 2021.

A mortgage of USD 2,000 thousand secured upon the Group's properties was initially provided as collateral for borrowings with Ohio Department of Development. The remaining outstanding borrowings as of December 31, 2021 amounted to USD 966 thousand and the carrying amount of mortgaged properties amounted to USD 3.788 thousand.

A collateral for commitments with banks, the following have been deposited:

- Owner's mortgage of DKK 20.000 thousand and letter of indemnity of DKK 18.000 thousand secured on the Group's property Saturnvej 51, Horsens, Denmark.
- Movable property owner's mortgage of DKK 22.000 thousand secured by letter of indemnity on the Group's machinery.

The carrying amount of mortgaged properties amounted to DKK 39.930 thousand in 2021 (2020: DKK 32.984 thousand).

As collateral for commitments with banks, the following has been deposited:

- Letter of indemnity on movables of DKK 12.000 thousand and chattel mortgage registered to the owner of DKK 22.000 thousand secured upon machinery and fixtures and fittings, etc.

The carrying amount of assets provided as collateral amounted to DKK 39.765 thousand (2020: DKK 39.765 thousand)

25. RELATED PARTY DISCLOSURES
The consolidated financial statements include the financial statements of the Company and the subsidiaries listed below:

Company name	Principal activities	Place of incorporation	Equity interest
New Nutrition ApS	Subholding and selected group activities	Horsens, Denmark	100%
Hamlet Protein A/S	Production, distribution and selected group activities	Horsens, Denmark	100%
Hamlet Protein Inc.	Production and distribution	Ohio, USA	100%
Hamlet Trading Co. Ltd.	Sales and distribution	Qindao, China	100%
Hamlet Protein GmbH	Sales and distribution	Barmsted, Germany	100%

The direct parent company and ultimate ownership of New Nutrition Holding ApS is New Nutrition Holding S.a.r.l.

Goldman Sachs Group Inc. ("GS Group") and Altor Fund IV Holding AB have a 50/50 controlling interest.

REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE BOARD MANAGEMENT

	2021		2020	
DKK thousand	Board of Directors	Executive board	Board of Directors	Executive board
Wages and salaries including pensions	1.270	8.267	1.042	5.807
Total remuneration	**1.270**	**8.267**	**1.042**	**5.807**

TRANSACTIONS WITH RELATED PARTIES
Related parties with a significant influence comprise of the Board of Directors and the Executive Board management and their related parties. Remuneration is disclosed above.

Transactions with the direct parent company New Nutrition Holding S.a.r.l during 2021 includes a receivable of DKK 336 thousand and a payable of DKK 3.042 thousand.

At 31 December 2021, there is a receivable of DKK 5.554 thousand (2020: DKK 5.012 thousand) from New Nutrition Holding S.a.r.l. The loan carries an interest of 7,20% p.a.

At 31 December 2021, there is a payable of DKK 155.575 thousand (2020: 152.533 thousand) to New Nutrition Holding S.a.r.l. The loan carries an interest of CIBOR + 2,00% p.a.

26. ISSUED CAPITAL AND RESERVES

The share capital consists of 6.638.065 shares of DKK 1.00 each. Each share carries 1 vote. The shares are fully paid in. Premium paid-in over nominal share capital is recorded into the share premium reserve, but available for distribution under Danish law.

	2021	**2021**	**2019**
Nominal shares beginning of year	6.638	6.610	6.534
Additions	0	28	76
Nominal shares end of year	**6.638**	**6.638**	**6.610**

27. SUBSEQUENT EVENTS

Throughout the last quarter of 2021 utility costs started to increase due to the tension in Ukraine. After the closing of the financial year 2021 Russia has invaded Ukraine which has driven utility costs to a record high.

Each year the Danish Energy Agency publishes a list of companies who in case of an emergency will have their supply of natural gas reduced. In 2022 HAMLET PROTEIN is again to be found on that list. However, in case of a shortage, the supply to these companies will be prioritized based on whether their production is critical to society or not. The production at HAMLET PROTEIN is considered to be critical to society and is placed in one of the top 3 categories on the prioritization list published by the Danish Energy Agency.

The high consumption of natural gas in the production process has had a negative impact on the contribution of contracts entered before November 2021. For the fiscal year of 2022 it is expected that the negative impact on the contribution margin is around 14-18 mDKK.

Export to Ukraine is expected to decrease by 50% due to the war but on group level this is not material and there is no export to neither Russia nor Belarus.

During the first quarter of 2022 the liquidation of HAMLET PROTEIN GmbH was finalized.

28. NEW STANDARDS AND INTERPRETATIONS NOT YET IMPLEMENTED

IASB has published certain new standards, amendments to existing standards and interpretations that are not yet mandatory for the preparation of the consolidated financial statements of the Group at 31 December 2021. In addition, IASB has published certain new standards, amendments to existing standards and interpretations, which are not yet adopted by the EU at 31 December 2021.

The Group expects to adopt the new standards and interpretations when they become mandatory. The standards and interpretations that are approved with different effective dates in the EU than the corresponding effective dates under IASB will be early adopted so that the implementation follows the effective dates under IASB.

Based on the current business setup and level of activities, none of these standards and interpretations are expected to have a material impact on the recognition and measurement in the consolidated financial statements.

PARENT INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK thousand	**Note**	**2021**	**2020**
Other external expenses		(400)	(215)
Operating profit/(loss)		**(400)**	**(215)**
Share of profit/(loss) from subsidiaries net of tax using equity method		(24.547)	(34.596)
Financial income	6	3.168	2.675
Financial expense	6	(3.083)	(2.567)
Profit/ (loss) before tax		**(24.862)**	**(34.703)**
Income tax/(expense)	7	0	0
Net profit/(loss)		**(24.862)**	**(34.703)**
Attributable to:			
Owners of New Nutrition Holding ApS		(24.862)	(34.703)
Net profit/(loss)		**(24.862)**	**(34.703)**

PARENT STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY - 31 DECEMBER

DKK thousand	**2021**	**2020**
Gross profit/(loss)	**(24.862)**	**(34.703)**
Other comprehensive income to be reclassified subsequently to profit or loss		
Net gain/(loss) on cash flow hedge	0	2.337
Exchange differences on translation of foreign operations	5.866	(5.490)
Net other comprehensive income to be reclassified subsequently to profit or loss	**5.866**	**(3.153)**
Total comprehensive profit / (loss) for the year net of tax	**(18.996)**	**(37.856)**
Attributable to:		
Owners of New Nutrition Holding ApS	**(18.996)**	**(37.856)**

PARENT STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

DKK thousand	Note	2021	2020
ASSETS			
Investments in subsidiaries	8	268.368	287.049
Loans to Group undertakings		155.575	152.533
Deferred tax assets		390	390
Non-current assets		**424.333**	**439.972**
Other receivables		2.683	3.567
Cash and cash equivalents		669	97
Current assets		**3.352**	**3.664**
Total assets		**427.685**	**443.636**
EQUITY AND LIABILITIES			
Share capital		6.638	6.638
Retained earnings		265.400	284.396
Total equity		**272.038**	**291.034**
Loans and borrowings		155.575	152.533
Non-current liabilities		**155.575**	**152.533**
Total equity and liabilities		**427.685**	**443.636**

PARENT STATEMENT OF CHANGES IN EQUITY 1 JANUARY - 31 DECEMBER

DKK thousand	Share capital	Retained earnings	Total equity
2021			
Equity at 1 January	**6.638**	**284.396**	**291.034**
Equity at 1 January	**6.638**	**284.396**	**291.034**
Net profit/(loss)	0	(24.862)	(24.862)
Other comprehensive income	0	5.866	5.866
Comprehensive income	**0**	**(18.996)**	**(18.996)**
Equity at 31 December	**6.638**	**265.400**	**272.038**
2020			
Equity at 1 January	**6.610**	**322.884**	**329.494**
Equity at 1 January	**6.610**	**322.884**	**329.494**
Net profit/(loss)	0	(34.703)	(34.703)
Other comprehensive income	0	(3.153)	(3.153)
Comprehensive income	0	(37.856)	(37.856)
Capital increase	28	945	973
Proceeds from warrants	0	(395)	(395)
Treasury shares [1)]	0	(1.182)	(1.182)
Transactions with owners	**28**	**(632)**	**(604)**
Equity at 31 December	**6.638**	**284.396**	**291.034**

1) During 2020 120.016 warrants and nominal DKK 28.083 shares were re-acquired form a former management member and certain key employees.

PARENT STATEMENT OF CASH FLOWS 1 JANUARY - 31 DECEMBER

DKK thousand	Note	2021	2020
Net profit/(loss) for the year		(24.862)	(34.703)
Share of profit/(loss) in subsidiaries using the equity method	8	24.547	34.596
Changes in working capital		881	550
Interest not received		(3.168)	(2.675)
Interest not paid		3.083	2.567
Cash flow from operating activities		**481**	**335**
Cash flow from investing activities		**0**	**0**
Capital increase		0	973
Proceeds from warrants		0	(395)
Purchase of treasury shares		0	(1.182)
Cash flow from financing activities		**0**	**(604)**
Total cash flow		**481**	**(269)**
Cash and cash equivalents at 1 January		97	302
Total cash flow		481	(269)
Foreign exchange adjustments		91	64
Cash and cash equivalents at 31 December		**669**	**97**

NOTES TO PARENT FINANCIAL STATEMENTS

1. CORPORATE INFORMATION
The parent company is incorporated and domiciled in Denmark. The registered office is located in Horsens.

2. ACCOUNTING POLICIES
The parent company financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosures requirements according to Danish Financial Statement Act.

The Company was established on 26 May 2015 and acquired all shares in Hamlet Protein A/S and its subsidiaries on 18 September 2015.

The financial statements are prepared based on the standards and implementations that are effective as of 31 December 2021.

The parent company financial statements are presented in DKK, which is the parent company's functional currency, and all values are rounded to the nearest thousand (DKK '000) except when otherwise stated.

The accounting policies of New Nutrition Holding ApS are the same as for the consolidated financial statements with the additions included in note 3 below. For a description of the accounting policies of the consolidated financial statements, please refer to notes 1-5.

3. SUPPLEMENATARY ACCOUNTING POLICIES FOR THE PARENT COMPANY
INVESTMENT IN SUBSIDIARIES
The company's investments in its subsidiaries are accounted for using the equity method.

Under the equity method, investment in subsidiaries are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the subsidiary is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Company's share of the results of operations of the subsidiary net of tax. Any items recognised in other comprehensive income of those investees are presented as part of the Company's other comprehensive income. In addition, when an item has been recognised directly in the subsidiary's equity, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and its subsidiaries are eliminated to the extent of the interest in the subsidiary.

The aggregate of the Company's share of profit or loss of a subsidiary is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss net of tax and non-controlling interest of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investments in the subsidiaries are impaired. if there is such evidence, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises such impairment loss as "Share of profit or loss in subsidiaries net of tax using the equity method" in the statement of profit or loss.

4. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK thousand	2021	2020
Fee to statutory auditors		
Statutory audit	107	70
Other assurance services	0	0
Tax and VAT advisory	0	0
Other services	0	0
Total	**107**	**70**

5. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel of the Group as defined in note 25 to the consolidated financial statements are also considered key management personnel of the parent.

Remuneration to the Board of directors and Executive Group management are disclosed in note 6 and 25 to the consolidated financial statements.

6. FINANCIAL INCOME AND EXPENSES

DKK thousand	2021	2020
Interest income from related parties	3.168	2.675
Financial income	**3.168**	**2.675**
Interest expense to related parties	(3.083)	(2.567)
Financial expenses	**(3.083)**	**(2.567)**

7. PARENT STATEMENT OF PROFIT/ (LOSS)

DKK thousand	2021	2020
Current income tax charge	0	0
Income tax/ (expenses) in the statement of profit/(loss) reported	**0**	**0**

DKK thousand	2021	2020
Calculated tax charge at Denmark's statutory income tax rate of 22%	5.470	7.635
Adjustments in respect of losses in subsidiaries net of tax using equity method	(5.470)	(7.635)
Tax impact from permanent differences	0	0
Income tax/ (expense) reported	**0**	**0**

8. INVESTMENTS IN SUBSIDIARIES

DKK thousand	2021	2020
Cost at 1 January	648.419	648.419
Additions	0	0
Disposals	0	0
Cost at 31 December	**648.419**	**648.419**
Value adjustments at 1 January	(361.370)	(323.665)
Loss on ordinary activities net of tax	(24.547)	(34.552)
Foreign currency translation reserve	5.866	(5.490)
Cash flow hedge reserve, net of tax	0	2.337
Value adjustments at 31 December	**(380.051)**	**(361.370)**
Carrying amount	**268.368**	**287.049**

Investments in subsidiaries are specified as follows:

Company name	Principal activities	Place of incorporation	Equity interest
New Nutrition ApS	Subholding and selected group activities	Horsens, Denmark	100%

9. SHARE CAPITAL

Share capital is described in note 26 of the consolidated financial statements.

10. NEW STANDARDS AND INTERPRETATIONS NOT YET IMPLEMENTED

New standards and interpretations not yet implemented are described in note 28 of the consolidated financial statements.

11. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

New Nutrition Holding ApS is jointly taxed with its Danish subsidiaries. The entities included in the joint taxation arrangement have joint and several unlimited liabilities for Danish corporate income taxes, etc.

PLEDGES AND COLLATERAL

Surityship toward the bank amounted at DKK 390 million at year end 2021.

12. FINANCIAL RISKS

The company has only invested in the subsidiary, New Nutrition ApS, and does not have any significant receivables or payables. Risks related to currency, credit and liquidity are monitored and managed at group level. Please refer to note 22 of the consolidated financial statements for further information of the Group's exposure to such risks.

13. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise shareholder value, which is monitored and managed at Group level. Please refer to note 23 of the consolidated financial statements for further information on the Group's capital management.

14. RELATED PARTIES AND OWNERSHIP

Related parties and transactions with these are described in note 25 of the consolidated financial statements. All transactions with the related parties have been entered into on market terms. Remuneration of the Executive Board and the Board of Directors are disclosed in note 6 of the consolidated financial statement.

Transactions with the direct parent company New Nutrition Holding S.a.r.l during 2021 includes a receivable of DKK 336 thousand and a payable of DKK 3.042 thousand.

At 31 December 2021, there is a receivable of DKK 5.554 thousand (2020: DKK 5.012 thousand) from New Nutrition Holding S.a.r.l. The loan carries an interest of 7,20% p.a.

At 31 December 2021, there is a payable of DKK 155.575 thousand (2020: 152.533 thousand) to New Nutrition Holding S.a.r.l. The loan carries an interest of CIBOR + 2,00% p.a.

Other than above stated, the company does not have any related party transactions.

15. SUBSEQUENT EVENTS

Throughout the last quarter of 2021 utility costs started to increase due to the tension in Ukraine. After the closing of the financial year 2021 Russia has invaded Ukraine which has driven utility costs to a record high.

Each year the Danish Energy Agency publishes a list of companies who in case of an emergency will have their supply of natural gas reduced. In 2022 HAMLET PROTEIN is again to be found on that list. However, in case of a shortage, the supply to these companies will be prioritized based on whether their production is critical to society or not. The production at HAMLET PROTEIN is considered to be critical to society and is placed in one of the top 3 categories on the prioritization list published by the Danish Energy Agency.

The high consumption of natural gas in the production process has had a negative impact on the contribution of contracts entered before November 2021. For the fiscal year of 2022 it is expected that the negative impact on the contribution margin is around 14-18 mDKK.

Export to Ukraine is expected to decrease by 50% due to the war but on group level this is not material and there is no export to neither Russia nor Belarus.

During the first quarter of 2022 the liquidation of HAMLET PROTEIN GmbH was finalized.