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# ***Baltic Pulses & Proteins A/S***

Møllebugtvej 5, DK-7000 Fredericia

## **Annual Report for 1 January - 31 December 2020**

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CVR No 39 18 87 67

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
9 /4 2021

Susanne Gade  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Baltic Pulses & Proteins A/S for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

Fredericia, 9 April 2021

## Executive Board

Simon Christensen  
Executive Officer

## Board of Directors

Klaus G. Andersen  
Chairman

Simon Christensen

Torben Herman Christensen

Niels Jørgen Andersen

Jørgen Snedgaard Clausen

Susanne Devantier Gade

Kim Gubbi Jørgensen

# Independent Auditor's Report

To the Shareholder of Baltic Pulses & Proteins A/S

## Opinion

We have audited the Financial Statements of Baltic Pulses & Proteins A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

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

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

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

# Independent Auditor's Report

audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information re-

# Independent Auditor's Report

quired under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Trekantområdet, 9 April 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Lars Almskou Ohmeyer  
statsautoriseret revisor  
mne24817

Henrik Forthoft Lind  
statsautoriseret revisor  
mne34169

## **Company Information**

### **The Company**

Baltic Pulses & Proteins A/S  
Møllebugtvej 5  
DK-7000 Fredericia

CVR No: 39 18 87 67

Financial period: 1 January - 31 December

Municipality of reg. office: Fredericia

### **Board of Directors**

Klaus G. Andersen, Chairman  
Simon Christensen  
Torben Herman Christensen  
Niels Jørgen Andersen  
Jørgen Snedgaard Clausen  
Susanne Devantier Gade  
Kim Gubbi Jørgensen

### **Executive Board**

Simon Christensen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

# Management's Review

## Key activities

The object of the Company will be to (i) establish and manage an independent product line which, according to Danish statutory provisions, is to be owned by the parties and to (ii) process broad beans and potentially other legumes (iii) with a view to distributing fish feed products in the Baltic Sea region.

## Development in the year

The income statement of the Company for 2020 shows a profit of DKK 6,879,690, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 19,126,137.

The consequences of Covid-19, in which many governments around the world have decided to "shut down the countries", are having a major impact on the world economy. The outbreak of Covid-19 did not affect the company during the financial period and is not expected to affect the company significantly.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>10.782.636</b>	<b>-39.907</b>
Depreciation, amortisation and impairment of property, plant and equipment		-1.831.540	-1.672.114
Other operating expenses		0	-37.250
<b>Profit/loss before financial income and expenses</b>		<b>8.951.096</b>	<b>-1.749.271</b>
Financial income		5.686	12.086
Financial expenses	1	-882.770	-738.896
<b>Profit/loss before tax</b>		<b>8.074.012</b>	<b>-2.476.081</b>
Tax on profit/loss for the year	2	-1.194.322	-37.222
<b>Net profit/loss for the year</b>		<b>6.879.690</b>	<b>-2.513.303</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		6.879.690	-2.513.303
		<b>6.879.690</b>	<b>-2.513.303</b>

# Balance Sheet 31 December

## Assets

	Note	2020 DKK	2019 DKK
Plant and machinery		13.784.824	14.990.955
<b>Property, plant and equipment</b>	3	<b>13.784.824</b>	<b>14.990.955</b>
<b>Fixed assets</b>		<b>13.784.824</b>	<b>14.990.955</b>
<b>Inventories</b>	4	<b>24.309.848</b>	<b>25.432.237</b>
Trade receivables		677.965	1.088.252
Other receivables		5.702.796	4.326.549
Prepayments		382.139	173.287
<b>Receivables</b>		<b>6.762.900</b>	<b>5.588.088</b>
<b>Cash at bank and in hand</b>		<b>20.341.734</b>	<b>2.309.906</b>
<b>Currents assets</b>		<b>51.414.482</b>	<b>33.330.231</b>
<b>Assets</b>		<b>65.199.306</b>	<b>48.321.186</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		14.900.000	14.900.000
Retained earnings		4.226.137	-2.653.553
<b>Equity</b>		<b>19.126.137</b>	<b>12.246.447</b>
Provision for deferred tax		1.194.322	0
<b>Provisions</b>		<b>1.194.322</b>	<b>0</b>
Payables to group enterprises		18.070.661	0
Other payables		0	23.293.518
<b>Long-term debt</b>	5	<b>18.070.661</b>	<b>23.293.518</b>
Trade payables		24.822.950	10.422.937
Payables to group enterprises	5	1.719.636	0
Payables to owners and Management		0	2.266.584
Other payables	5	265.600	91.700
<b>Short-term debt</b>		<b>26.808.186</b>	<b>12.781.221</b>
<b>Debt</b>		<b>44.878.847</b>	<b>36.074.739</b>
<b>Liabilities and equity</b>		<b>65.199.306</b>	<b>48.321.186</b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	14.900.000	-2.653.553	12.246.447
Net profit/loss for the year	0	6.879.690	6.879.690
<b>Equity at 31 December</b>	<b>14.900.000</b>	<b>4.226.137</b>	<b>19.126.137</b>

## Notes to the Financial Statements

	2020	2019
	DKK	DKK
<b>1 Financial expenses</b>		
Interest paid to group enterprises	423.903	0
Other financial expenses	368.762	719.865
Exchange adjustments, expenses	90.105	19.031
	<b>882.770</b>	<b>738.896</b>
 <b>2 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Deferred tax for the year	1.194.322	37.222
	<b>1.194.322</b>	<b>37.222</b>
 <b>3 Property, plant and equipment</b>		Plant and machinery
		DKK
Cost at 1 January		18.032.542
Additions for the year		625.410
Cost at 31 December		18.657.952
Impairment losses and depreciation at 1 January		3.041.588
Depreciation for the year		1.831.540
Impairment losses and depreciation at 31 December		4.873.128
 <b>Carrying amount at 31 December</b>		<b>13.784.824</b>
Depreciated over		5-10 years
 <b>4 Inventories</b>		
Raw materials and consumables	17.906.524	10.618.740
Finished goods and goods for resale	6.403.324	14.813.497
	<b>24.309.848</b>	<b>25.432.237</b>

# Notes to the Financial Statements

## 5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
<b>Payables to group enterprises</b>		
Between 1 and 5 years	18.070.661	0
Long-term part	<u>18.070.661</u>	<u>0</u>
Other short-term debt to group enterprises	1.719.636	0
	<u><b>19.790.297</b></u>	<u><b>0</b></u>
<b>Other payables</b>		
Between 1 and 5 years	0	23.293.518
Long-term part	<u>0</u>	<u>23.293.518</u>
Other short-term payables	265.600	91.700
	<u><b>265.600</b></u>	<u><b>23.385.218</b></u>

## 6 Contingent assets, liabilities and other financial obligations

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Kalundborg Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of Baltic Pulses & Proteins A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2020 are presented in DKK.

### Recognition and measurement

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

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

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

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

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Expenses for raw materials and consumables

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

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

#### Amortisation, depreciation and impairment losses

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

#### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.



# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Tax on profit/loss for the year

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

## Balance Sheet

### Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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

Plant and machinery	5-10 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Inventories

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

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

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

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

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

### Equity

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

#### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### Financial debts

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

## Notes to the Financial Statements

### 7 Accounting Policies (continued)

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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