

LGI Denmark Invest ApS
Ulsnæs 33, 6300 Graasten

Annual report 2021

CVR no. 39 38 79 13

To the Danish Business Authority

The annual report was presented and approved
at the annual general meeting on 24 May 2022



(Chairman of the meeting)

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INFORMATION ON THE COMPANY

LGI Denmark Invest ApS
Ulsnæs 33
DK-6300 Gråsten

CVR no. 39 38 79 13

Management:

Asger Jacobsen
Claus Winther Petersen

Auditor:

EY Godkendt Revisionspartnerselskab
Nørre Havnegade 43
DK-6400 Sønderborg

State Authorized Public Accountant Christian S. Christiansen

Bank:

Sydbank

Annual General Meeting:

The Annual General Meeting will be held on 24 May 2022

LGI Denmark Invest ApS

Financial highlights and key ratios

	2018	2019	2020	2021
	DKK '000	DKK '000	DKK '000	DKK '000
Income statement				
Operating profit	(5)	(135)	(146)	(110)
Financial items	(1.664)	2.849	28.222	11.284
Profit for the year	(1.533)	3.853	25.972	11.293
Balance sheet				
Total assets	121.884	120.543	132.158	119.246
Equity	3.017	6.870	32.842	44.135
Interest-bearing debt	117.237	113.613	99.158	74.987
Non-interest-bearing debt	1.630	60	158	124
Key figures¹				
Return on equity	-101,6%	77,9%	130,8%	29,3%
Debt ratio	3885,9%	1653,8%	301,9%	169,9%
Equity ratio at year-end	2,5%	5,7%	24,9%	37,0%

¹ Key figures are calculated according to definitions described under accounting policies

MANAGEMENT REPORT

Main activities

LGI Denmark Invest ApS' main activities are to be a holding company and make investments and any other related activity.

Highlights of the financial year

No significant events occurred during 2021.

Financial performance

LGI Denmark Invest ApS realized a gain before tax of DKK 11.2 million in the financial year ended 31 December 2021 compared with a gain of DKK 28.1 million in 2020. This development is considered as satisfactory and in line with expectations.

Total assets amount to DKK 119 million, of which equity amounts to DKK 44 million, equal to 37,0%.

Outlook

The overall expectation for LGI Denmark Invest Group in 2022 is to achieve a positive income.

MANAGEMENT STATEMENT

The Management have today discussed and approved the annual report of LGI Denmark Invest ApS for the financial 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the annual report gives a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January – 31 December 2021.

We also consider the management report to give a true and fair view of the development in the company's operations and financial matters, and the results the company's operations and financial position.

We recommend that the annual report be adopted at the annual general meeting.

Graasten, 24 May 2022

Management:



Asger S. Jacobsen



Claus Winther Petersen

INDEPENDENT AUDITOR'S REPORT

To the shareholder of LGI Denmark Invest ApS

Opinion

We have audited the financial statements of LGI Denmark ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibility 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 that 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.

Auditors' responsibility

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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.

INDEPENDENT AUDITOR'S REPORT

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 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 **conclusion** 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 note 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 the Management's review

Management is responsible for the Management's review.

Our **opinion** on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the **information** required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with 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's review.

Sønderborg, 24 May 2022

EY GODKENDT REVISIONSPARTNERSELSKAB

CVR no. 30 70 02 28



Christian S. Christiansen

State Authorized

Public Accountant

mne32171

ACCOUNTING POLICIES

The annual report of LGI Denmark Invest ApS for 2021 has been prepared in accordance with the provisions applying to reporting class C enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Financial Statements Act section 86, sub-section 4 no cash flow statement has been prepared.

In accordance with the Danish Financial Statements Act section 112, sub-section 1 no Consolidated Financial Statement has been prepared. The financial Statement for LGI Denmark Invest ApS and its subsidiaries is included in the Consolidated Financial Statements for LGI International Holding S.á r.l.

Foreign currency translation

On initial recognition, transactions in foreign currencies are translated into Danish kroner at the exchange rate ruling at the transaction date or, if hedging contracts have been entered into, at the contract rate. Foreign exchange differences arising between the date of initial recognition and the date of payment are recognized in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at closing rates. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the time where the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or expenses.

INCOME STATEMENT

Administrative expenses

Administrative expenses include the costs of administrative staff, management, office premises, office expenses, and similar expenses.

Other operating income and expenses

Other operating income and expenses comprise items secondary to the entities' activities.

Financial income and expenses

Financial income and expenses include interest income and expenses, dividends from group companies, gains and losses on securities, payables and transactions in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from subsidiaries are recognized in the income statement in the financial year when the dividends are declared. Distributions of dividend where the dividend exceeds the profit/loss for the year or where the carrying amount of the Company's equity investments in the subsidiary exceed the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

ACCOUNTING POLICIES

Tax on the profit for the year

The company is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. All Danish subsidiaries of LGI International Holding S.a.r.l. are included in the joint taxation scheme from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The company LGI Denmark ApS acts as administration company for the joint taxation scheme and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year – comprising the year's current corporation tax, the year's joint taxation contributions and changes in deferred tax (including result of changes in tax rates) – is recognized in the income statement where it relates to the profit/loss for the year.

In addition to the Danish Tax liability the company is subject to taxation in Germany due to its role as a partner in a German GmbH & Co KG. Tax income/expenses based on the German tax computation is recognized in the profit/loss for the year.

BALANCE SHEET

Investments

Investments in group enterprises

Investments in group enterprises are measured at cost.

Investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Receivables

Receivables are measured at amortized cost.

Receivables are written down for anticipated loss.

Income tax and capitalized deferred tax

Current tax payables and receivables are recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contributions payable and receivable are recognized in the balance sheet under receivables from or payables to group enterprises.

Deferred tax assets, including the tax value of any tax loss carried forward, are recognized at the expected value of their utilization as a set-off against tax on future income.

ACCOUNTING POLICIES

Equity

Dividend

Proposed dividend is recognized as a liability when adopted by the shareholders at the general meeting. Dividend expected to be paid in respect of the year are stated as a separate line item under equity.

Income tax and foreign corporation tax due

Foreign tax payables and receivables is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint tax contributions payable and receivable are recognized in the balance sheet under receivables from or payables to group enterprises.

Liabilities

Liabilities are measured at net realizable value.

KEY RATIOS

Return on equity

Profit for the year attributable to the group as a percentage of average equity.

Debt ratio

Interest-bearing debt (mortgages and loans as well as bank loans and overdrafts) divided by equity.

Equity ratio at year-end

Equity divided by total assets.

LGI Denmark Invest ApS

Income statement for 1 January - 31 December 2021

Note	2021 DKK '000	2020 DKK '000
1		
Administrative expenses	(110)	(185)
Other external operating income	-	39
Operating profit	(110)	(146)
Dividend from Group Enterprises	11.898	28.620
Financial income	65	466
Financial expenses	(678)	(864)
Profit before tax	11.175	28.076
2		
Tax on profit for the year	118	(2.104)
Profit for the year	11.293	25.972
Proposed allocation of profit for the year:		
Retained earnings	11.293	25.972
	11.293	25.972

LGI Denmark Invest ApS

Balance sheet at 31 December 2021

Note	2021 DKK '000	2020 DKK '000	
ASSETS			
Fixed assets			
Investments			
3	Investments in group enterprises	119.217	119.217
		119.217	119.217
	Total fixed assets	119.217	119.217
Current assets			
Receivables			
	Receivables from group enterprises	27	-
4	Foreign tax receivable	-	12.941
	Capitalized deferred tax	2	-
		29	12.941
	Total current assets	29	12.941
	Total assets	119.246	132.158

LGI Denmark Invest ApS

Balance sheet at 31 December 2021

Note	2021 DKK '000	2020 DKK '000
LIABILITIES AND EQUITY		
Equity		
Contributed capital	500	500
Retained earnings	43.635	32.342
Total equity	44.135	32.842
Liabilities		
Short-term debt		
Payables to group enterprises	-	58
Bank loans and overdrafts	74.987	99.158
Other debt	124	100
	75.111	99.316
Total debt	75.111	99.316
Total liabilities and equity	119.246	132.158
5	Transactions with related parties	
6	Contingent liability	
7	Other commitments	

LGI Denmark Invest ApS

Statement of changes in equity at 31 December 2021

	Contributed capital DKK '000	Share Premium DKK '000	Retained earnings DKK '000	Total DKK '000
Balance at 31 December 2019	500	4.050	2.320	6.870
Retained earnings	-	-	25.972	25.972
Transferred	-	(4.050)	4.050	-
Balance at 31 December 2020	500	-	32.342	32.842
Retained earnings	-	-	11.293	11.293
Balance at 31 December 2021	500	-	43.635	44.135

The share capital comprises 500 shares with a nominal value of DKK 1000 DKK each.

LGI Denmark Invest ApS

Notes to the accounts for the year ended 31 December 2021

1 Staff costs

The company has not incurred any staff costs.

No remuneration has been paid to the Management and Board of Directors of the company.

	2021	2020
	DKK '000	DKK '000

2 Income tax

The tax charge can be specified as follows:

Tax on profit for the year:

Danish income tax, to be refunded from jointly taxed Danish companies	23	(62)
Change in capitalized deferred taxes	2	(1.246)
Adjustment of tax previous year	101	(90)
Foreign tax on share of profit in hewico Gmbh & Co KG	(8)	(706)
	118	(2.104)

Tax is distributed as follows:

Tax on ordinary profit	118	(2.104)
Total tax	118	(2.104)

3 Investment in group enterprises

Cost at 1 January	119.217	119.217
Carrying amount at 31 December	119.217	119.217

		Contributed capital	Share
Company:	<i>Note</i>		
hewico Gmbh & Co KG, Nordhorn, Germany	A	kEUR 102	100%
Bensa Management GmBH, Nordhorn, Germany		kEUR 12,5	100%

Notes:

The Entity contains the following group enterprises:

A)		Contributed capital	Ownership
Prowico Proteingewinnungs Gmbh, Nordhorn, Germany		kEUR 276	100%

LGI Denmark Invest ApS

Notes to the accounts for the year ended 31 December 2021

4 Foreign corporation tax receivable/due

	2021	2020
	DKK '000	DKK '000
Balance at 1 January	12.941	-
Tax on Dividend payment paid	(12.933)	13.647
Tax on profit for the year	(8)	(706)
Balance at 31 December	-	12.941

5 Related party transactions

Related party with controlling influence on the company is LGI International Holding S.a.r.l. and The Lauridsen Group, Inc., USA.

Related parties with significant influence on the company - in addition to the Board of Directors and the Management - include LGI Denmark Aps, its subsidiaries and its Board of Directors and Management.

Transactions with related parties have been made in terms of commercial conditions.

LGI Denmark Invest ApS is included in the consolidated accounts for LGI International Holding S.á r.l., Luxembourg. The consolidated financial statements are obtainable from the Danish Business Authority.

6 Contingent liability

The company is jointly taxed with the other Danish companies, which belong to the LGI International Holding S.á.r.l.. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed group.

7 Other commitments

The Company has, together with LGI Denmark ApS and BHJ A/S, entered a suretyship of DKK 550 mio.