Fayrefield Ingredients Holding A/S

Lysholt Allé 3, 2., DK-7100 Vejle

CVR no. 42 34 50 08

Annual report 2021

Approved at the Company's annual general meeting on 31 March 2022

Chair of the meeting:

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Frank Therkildsen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Fayrefield Ingredients Holding A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2021 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Vejle, 31 March 2022
Executive Board:

Jens Bruun Haugstrup

Board of Directors:

Peter Nielsen Chair	Jens Bruun Haugstrup	Jens Søgaard Jacobsen
Susanne Hougaard Steffensen	Frank Therkildsen	Kunmei Lian

Independent auditor's report

To the shareholders of Fayrefield Ingredients Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Fayrefield Ingredients Holding A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Company financial statements" (herinafter collectively referred to as "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 the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 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 the 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- 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'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 the work we have performed, we conclude that the 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 of the Management's review.

Horsens, 31 March 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Klarskov Larsen
State Authorised Public Accountant
mne32736

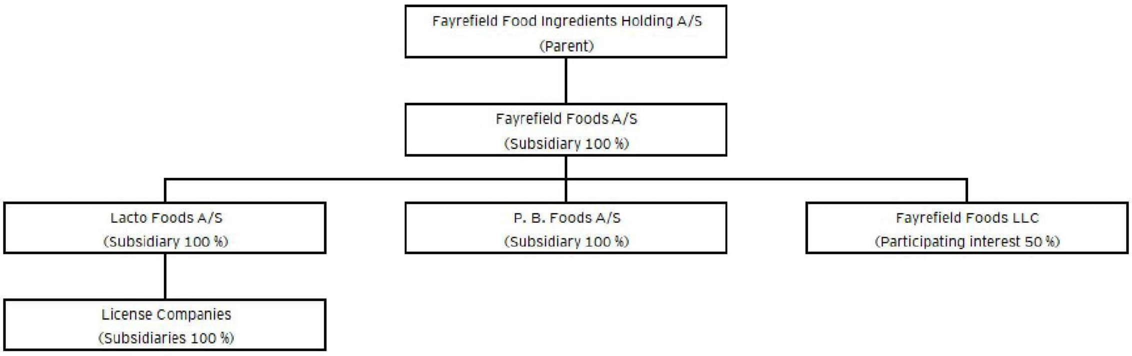
Management's review

Company details

Name	Fayrefield Ingredients Holding A/S
Address, Postal code, City	Lysholt Allé 3, 2., DK-7100 Vejle
CVR no.	42 34 50 08
Established	1 August 1997
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.fayrefield.dk
Telephone	+45 75 83 70 66
Board of Directors	Peter Nielsen, Chair Jens Bruun Haugstrup Jens Søgaard Jacobsen Susanne Hougaard Steffensen Frank Therkildsen Kunmei Lian
Executive Board	Jens Bruun Haugstrup
Auditors	EY Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark
Bankers	Sydbank A/S Kirketorvet 4, DK-7100Vejle

Management's review

Group chart



Financial highlights for the Group

DKK'000	2021	2020	2019	2018	2017
Key figures					
Revenue	1,064,922	1,091,022	1,240,481	1,125,957	1,060,403
Gross profit	66,888	53,833	73,255	57,209	48,922
Profit before interest and tax (EBIT)	24,837	13,379	30,797	25,130	25,575
Profit for the year	**12,781**	**10,653**	**15,242**	**11,827**	**18,170**
Total assets	439,553	410,809	425,216	387,103	312,773
Equity	**68,710**	**60,998**	**51,048**	**60,914**	**58,477**
Cash flows from operating activities	-4,023	19,278	-22,132	-13,203	-54,497
Net cash flows from investing activities	-4,597	-3,891	-5,386	-39,148	-5,753
Amount relating to investments in property, plant and equipment	-2,963	-3,918	0	-7,564	-4,834
Cash flows from financing activities	8,585	-15,338	27,241	52,604	58,366
Financial ratios					
Operating margin	2.3%	1.2%	2.5%	2.2 %	2.4 %
Gross margin	6.3%	4.9%	5.9%	5.1%	4.6%
Equity ratio	15.6%	14.8%	12.0%	15.7%	18.7%
Return on equity	19.7%	19.0%	27.2%	19.8%	39.2%
Equity ratio including subordinated loans	20.2%	20.8%	17.5%	15.7%	18.7%
Average number of full-time employees	**59**	**58**	**49**	**49**	**34**

For terms and definitions, please see the accounting policies.

Management's review

Business review

As in previous years the main object of the Group has been to conduct trading activities with goods and services primarily within the food industry.

Financial review

The income statement for 2021 shows a profit of DKK 12,781 thousand against a profit of DKK 10,653 thousand last year, and the group's balance sheet at 31 December 2021 shows equity of DKK 68,710 thousand.

Considering the expectations to be in line with 2020 for revenue and profit, the group realized revenues of DKK 26,100 thousand less than 2020. Profits before tax however was realized at DKK 2,102 thousand higher than 2020. On this basis management considers the Group's financial performance in the year satisfactory,

In 2021 a share-exchange has taken place making Fayrefield Ingredients Holding A/S the new parent company of the group. There have been no other changes in the group companies.

Non-financial matters

Knowledge resources

The group relies on well-educated employees. The group provides ongoing training where necessary. Further reference is made to the section "Social and employee conditions" in the statutory CSR report.

Financial risks and use of financial instruments

General risks

The most significant operating risks facing the group relate to its ability to be strongly positioned in the markets in which it buys and sells products.

Financial risks

Due to its operations, investments and financing, the group is exposed to changes in exchange rates and interest rates. It is the group's policy not to engage in active speculation in financial risks.Thus, the group's financial management activities are aimed only at managing risks already assumed.

Currency risks

The group's activities are affected by exchange rate fluctuations, as its revenue and cost of sales are primarily generated in foreign currency, whereas expenses, including wages and salaries are paid in DKK. The group's currency risks are primarily hedged through a distribution of income and expenses in the same currency and through financial instruments. In accordance with the policy approved by the Board of Directors, risks on recognised financial assets and liabilities are hedged by way of financial agreements. Hedging takes place using forward exchange contracts, which are to hedge minimum 80% of the risks. Loan transactions in foreign currency are hedged through interest swaps, based on an individual assessment.

Interest rate risks

The group's interest bearing debt, made up as mortgage debt and bank debt net of the group's portfolio of negotiable securities and cash balances, is unchanged at DKK 265 million in the year. The Group's interest rate is variable.

Management's review

Credit risks

The group's credit risks partly relate to financial assets and partly to derivative financial instruments with a positive fair value. Credit risks related to financial assets correspond to the value recognised in the statement of financial position.The group is not exposed to any significant risks relating to any particular customer or business partner. The group's policy in respect of credit risks implies that all major customers and other business partners are credit rated on an ongoing basis. Transactions with customers outside Denmark, except for immaterial agreements, are insured at Euler Hermes.

Impact on the external environment

The group is environmentally conscious and constantly strives at reducing its environmental impact from its operations. The group has no formal policy for this. Although there is no formal policy we have agreed the following guidelines. Since, it is guidelines no actions to follow-up are tracked or compared.

Research and development activities

The group does not carry on any particular R&D activities.

Statutory CSR report

Business model

As in previous years the main object of the Group has been to conduct trading activities with goods and services primarily within the food industry.

Environment and Climate impact

The process was started in 2019 and continued in 2021. Our focus is on how our core competencies can be used to make a difference for others who also work sustainably. Our ambition for our contribution to the environment and climate is to minimize resource use and optimise sustainable workflows.

In terms of negative impact on the environment and climate, we do not have significant major direct risks, as our production represents only a minor part of the total activity. However, we are aware of the lower risk of e.g. resource consumption, and therefore efforts are also made to deal with this, see below.

Less consumption
With the introduction of various digital alternatives and specific settings on our printers, we strive for less paper consumption. The effort to reduce paper consumption in 2021 has helped us to maintain the expected low consumption of paper. We are also working on energy optimization by, for example, minimizing resource use by continually replacing electronics, light bulbs, etc. to more environmentally correct alternatives. As a result of the increased activity, the group has not realised a measurable effect of energy improvements.

In the future, we seek to further optimize our energy consumption, thus reducing our environmental footprint.

Social and employee conditions

The biggest risks to our employee’s well-being are potential harassment and stress.

Diversity policy
We are actively working to ensure that employee composition reflects the workforce in Denmark. The main areas of action to ensure diversity are recruitment and career development. Everyone, regardless of age, gender, ethnicity, nationality and sexual, political or religious orientation, is encouraged to apply for vacancies with us. We focus on inclusiveness, tolerance, respect for diversity, and do not tolerate discrimination. We want a workplace with high wellbeing and work to promote a good working environment.

Management's review

Bullying and harassment policy
As part of our focus on high well-being and promoting a good working environment at work, our employees can expect to be treated properly and respectfully. Harassment has been an important focus area for a long time in terms of wellbeing and working conditions.

Stress policy
Our stress policy must help to ensure knowledge of the concept of stress among all employees. We want to have dialogue and openness about stress so that the danger signals are detected and they are responded to before stress develops into a disease. In order to evaluate the impact of stress policy on an ongoing basis, it is important that stress is part of the discussion of the psychological working environment in connection with employee interviews.

In 2021 there has been an employee meeting in August with a focus on well-being, etc. Follow-up to this will take place during 2022. The result of meeting showed that most of our workers are doing well at work. In the future we expect to continue our efforts within employee well-being.

Human rights

A fundamental element of our social responsibility is the commitment to living the principles of human rights.Our ambition is to support and respect the protection of internationally proclaimed human rights and to ensure that we do not contribute to the violation of human rights, including the right to privacy. Our ambition for our contribution to society is to take social responsibility through education and knowledge sharing and use core competencies to make a difference. With our geographical location and business model, we do not consider that there are any particular risks regarding human rights, in addition to the protection of the circumstances of our own employees as described above and the right to privacy, which is addressed by our GDPR policy. In 2018, a GPDR procedure was designed.

In 2021, all new employees were introduced and trained in the group’s GDPR procedure. No breaches of the group's GDPR policies were observed during the year. In the future, we seek to continue to introduce and train employees in GPDR procedures.

Anti-corruption and bribery

Our Code of ethics expresses our expectations of our and our employees' ethical behavior and establishes the framework for our dialogue with business relations and other stakeholders. The aim is to ensure the highest possible integrity. The group is aware of its exposure to corruption and bribery as some of the group's clients and partners operates in areas with a risk of corruption and bribery. As a consequence, we have a zero-tolerance policy against bribery and corruption, and we conduct business honestly and ethically. Our clients and partners must always be able to rely on us to act fairly and ethically. Ethical conduct is essential to our success.

All new employees in 2021 were introduced and trained in the group's anti-corruption policies. No breaches of the group's anti-corruption policy were observed during the year. In the future, we will continue to introduce and train our employees to our anti-corruption policy.

COVID-19

In 2021, the Covid-19 pandemic has put additional pressure on the physical and mental well-being of our employees caused by health risks and lockdowns. Favrefield Ingredients Holding A/S has put great focus on protecting our employees during this time by prescribing guidelines and providing protective equipment. This has, among other things, ensured the health of employees during the pandemic.

Account of the gender composition of Management, cf. §99b

The group is owner managed and therefore the Board of Directors is composed of owner representatives. The Board of Directors in the Company has set a target figure of 15% for the underrepresented gender on the Board of Directors. For the time being, the underrepresented gender makes up 33% of the members of the Board of Directors elected at the general meeting.

The Board of Directors currently consists of 6 members of mixed gender.

Management's review

In 2021, our other management consisted of 7 people, of whom 7 were male and 0 were female. The group policies for increasing the level of the underrepresented gender in managerial position is to encourage people with the right skills to apply for unfilled managerial position. There have been no vacant managerial positions during 2021.
We are seeking to promote positive leadership stories for our underrepresented gender, in order to generate greater awareness and interest in this area.

Data ethics

Our work with data ethics has been based on the Data Ethics Compass from the Data Ethics Council with the following areas: Self-determination, Dignity, Accountability, Equality and Justice, Progressiveness and Diversity.

Our goal for data ethics behavior is to have a responsible use of data at all times, as well as to create transparency in the company's data collection, data management and data development.

We have prepared a policy for the area that the employees comply with.

The Board of Directors is responsible for continuously, and at least once a year, assessing whether the policy on data ethics needs to be updated. The Executive Board is responsible for ensuring that the policy is implemented in the company's day-to-day operations and informs the Board of Directors at least once a year about the work with data ethics.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The COVID-19 pandemic and the war in Ukraine will continue to impact the markets we are operating in. It will have an influence on our sourcing from Ukraine and Belarus and challenges for transportation of goods caused on lack of containers. However, we expect a positive cash flow from our operations partly from profits generated partly from a lower working capital requirement.

For 2022 we expect revenues of DKK 1,100 million and profits before tax of DKK 19 million.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company
Note	DKK'000	2021	2020	2021
2	**Revenue**	1,064,922	1,091,022	105
	Other operating income	804	1,112	0
	Raw materials and consumables	-986,806	-1,026,356	0
	Other external expenses	-12,032	-11,945	-20
	Gross profit	66,888	53,833	85
3	Staff costs	-37,321	-36,021	0
	Amortisation/ depreciation and impairment of intangible assets and property, plant and equipment	-4,722	-4,433	0
	Other operating expenses	-8	0	0
	Profit before net financials	24,837	13,379	85
	Income from investments in group enterprises	0	0	12,714
	Income from Participating interests	1,255	1,079	0
	Financial income	1,006	8,871	0
	Financial expenses	-10,855	-9,188	0
	Profit before tax	16,243	14,141	12,799
4	Tax for the year	-3,462	-3,488	-19
	Profit for the year	12,781	10,653	12,780

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2021	Group 2020	Parent company 2021
	ASSETS			
	Fixed assets			
5	**Intangible assets**			
	Goodwill	8,051	9,418	0
		8,051	9,418	0
6	**Property, plant and equipment**			
	Land and buildings	39,037	38,918	0
	Fixtures and fittings, other plant and equipment	8,120	8,889	0
		47,157	47,807	0
7	**Investments**			
	Investments in group enterprises	0	0	68,645
	Participating interests	5,971	2,918	0
	Other receivables	333	335	0
		6,304	3,253	68,645
	Total fixed assets	61,512	60,478	68,645
	Non-fixed assets			
	Inventories			
	Raw materials and consumables	205,873	181,464	0
	Finished goods and goods for resale	4,840	10,797	0
	Prepayments for goods	964	6,036	0
		211,677	198,297	0
	Receivables			
	Trade receivables	157,617	144,791	0
	Receivables from group enterprises	0	0	114
	Receivables from participating interests	1,593	2,231	0
	Joint taxation contribution receivable	0	0	1,178
	Other receivables	6,877	1,979	0
	Prepayments	228	2,949	0
		166,315	151,950	1,292
	Securities and investments	41	27	0
	Cash	8	57	0
	Total non-fixed assets	378,041	350,331	1,292
	TOTAL ASSETS	439,553	410,809	69,937

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2021	Group 2020	Parent company 2021
	EQUITY AND LIABILITIES			
	Equity			
	Share capital	5,000	5,000	5,000
	Share premium account	0	0	52,000
	Net revaluation reserve according to the equity method	11,645	0	11,645
	Hedging reserve	-708	534	0
	Retained earnings	52,773	55,464	66
	Dividend proposed	0	0	0
	Total equity	68,710	60,998	68,711
	Provisions			
8	Deferred tax	4,814	4,916	0
	Total provisions	4,814	4,916	0
	Liabilities other than provisions			
9	**Non-current liabilities other than provisions**			
10	Subordinate loan capital	8,714	20,160	0
		8,714	20,160	0
	Current liabilities other than provisions			
9	Short-term part of long-term liabilities other than provisions	11,401	4,576	0
	Bank debt	231,135	214,179	0
	Trade payables	89,816	86,665	19
	Corporation tax payable	1,101	1,317	1,101
	Joint taxation contribution payable	0	0	97
	Other payables	23,802	17,998	9
	Deferred income	60	0	0
		357,315	324,735	1,226
	Total liabilities other than provisions	366,029	344,895	1,226
	TOTAL EQUITY AND LIABILITIES	439,553	410,809	69,937

1 Accounting policies
12 Contractual obligations and contingencies, etc.
13 Collateral
14 Related parties
15 Fee to the auditors appointed by the Company in general meeting
16 Appropriation of profit

Statement of changes in equity

Note	DKK'000	Group			
		Share capital	Net revaluation reserve according to the equity method	Hedging reserve	Reta earn
	Equity at 1 January 2020	5,000	0	0	44,9
	Transfer through appropriation of profit	0	0	0	10,6
	Other value adjustments of equity	0	0	0	-1
	Adjustment of hedging instruments at fair value	0	0	684	
	Tax on items recognised directly in equity	0	0	-150	
	Dividend distributed	0	0	0	
	Equity at 1 January 2021	5,000	0	534	55,4
	Transfer through appropriation of profit	0	11,645	0	1,1
	Other value adjustments of equity	0	0	0	1
	Adjustment of hedging instruments at fair value	0	0	-1,592	
	Tax on items recognised directly in equity	0	0	350	
	Proposed extraordinary dividend recognised under equity	0	0	0	-4,0
	Equity at 31 December 2021	5,000	11,645	-708	52,7

Statement of changes in equity (continued)

Note	DKK'000	Share capital	Share premium account	Parent comp Net revalua rese according to equity met
	Equity at 1 January 2021	0	0	
16	Transfer, see "Appropriation of profit"	0	0	11,6
	Adjustment of investments through forreign exchange adjustments	0	0	
	Formation of enterprise, share-exchange	5,000	52,000	
	Equity at 31 December 2021	5,000	52,000	11,6

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	DKK'000	2021	2020
	Profit for the year	12,781	10,653
17	Adjustments	16,786	7,159
	Cash generated from operations (operating activities)	29,567	17,812
18	Changes in working capital	-20,311	7,264
	Cash generated from operations (operating activities)	9,256	25,076
	Interest paid, etc.	-9,849	-317
	Taxes paid	-3,430	-5,481
	Cash flows from operating activities	-4,023	19,278
	Additions of property, plant and equipment	-2,963	-3,918
	Purchase of financial assets	-1,636	0
	Sale of financial assets	2	27
	Cash flows to investing activities	-4,597	-3,891
	Dividends paid	-4,000	-1,049
	Proceeds of long-term liabilities	-4,371	-87
	Proceeds of bank debt, net	16,956	-14,202
	Cash flows from financing activities	8,585	-15,338
	Net cash flow	-35	49
	Cash and cash equivalents at 1 January	84	35
19	**Cash and cash equivalents at 31 December**	49	84

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Fayrefield Ingredients Holding A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

For the parent company, 2021 is the first financial year, therefore there is no comparative figures for the parent company.

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

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating policy decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may presently be exercised or be converted into additional voting rights in considered when assessing if significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in participating interests are recognised in the consolidated financial statements using the equity method.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Comparative figures are not restated to reflect newly acquired entities.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, including cheese and other products, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

Raw materials and consumables, etc.

Raw materials 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 Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	30-40 years
Fixtures and fittings, other plant and equipment	3-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries and participating interests

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. Only porportionate elimination of intra-group gains/losses is made for equity investments in participating interests.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement 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, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The goodwill is related to the acquisition of Lacto Foods A/S and P.B. Foods ApS. Taking into consideration Lacto Foods A/S' and P.B. Foods ApS' market positions, Management has assessed that goodwill should be amortised over 10 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries and participating interests

Equity investments in subsidiaries and participating interests are measured according to the equity method.

On initial recognition, equity investments in subsidiaries and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Goodwill is amortised on a straight line basis of 10 years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Dividend received is deduced from the carrying amount.

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

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares are measured at fair value (market price) at the balance sheet date.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

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 investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$
Equity ratio including subordinated loans	$\frac{\text{Equity plus subordinated loans, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company
	DKK'000	2021	2020	2021
2	**Segment information**			
	Breakdown of revenue by business segment:			
	Cheese	145,508	159,083	0
	Powder	309,017	323,322	0
	Export	610,397	608,617	0
	Other	0	0	105
		1,064,922	1,091,022	105
	Breakdown of revenue by geographical segment:			
	Scandinavia	346,650	342,179	105
	Europe - outside Scandinavia	108,602	101,751	0
	Other	609,670	647,092	0
		1,064,922	1,091,022	105

		Group		Parent company
	DKK'000	2021	2020	2021
3	**Staff costs**			
	Wages/salaries	32,469	31,660	0
	Pensions	3,597	3,441	0
	Other social security costs	689	466	0
	Other staff costs	566	454	0
		37,321	36,021	0
	Average number of full-time employees	59	58	0

Group

Total remuneration to Management : DKK 4,690 thousand (2020: DKK 5,051 thousand).

Parent company

The parent Company has no employees.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2021	Group 2020	Parent company 2021
4	**Tax for the year**			
	Estimated tax charge for the year	3,708	3,283	19
	Deferred tax adjustments in the year	-87	205	0
	Tax adjustments, prior years	-159	0	0
		3,462	3,488	19

5 Intangible assets

DKK'000	Group Goodwill
Cost at 1 January 2021	13,669
Cost at 31 December 2021	13,669
Impairment losses and amortisation at 1 January 2021	4,251
Amortisation for the year	1,367
Impairment losses and amortisation at 31 December 2021	5,618
Carrying amount at 31 December 2021	8,051

6 Property, plant and equipment

DKK'000	Group Land and buildings	 Fixtures and fittings, other plant and equipment	 Total
Cost at 1 January 2021	46,899	24,035	70,934
Additions	1,831	1,071	2,902
Disposals	0	-2,194	-2,194
Cost at 31 December 2021	48,730	22,912	71,642
Impairment losses and depreciation at 1 January 2021	7,981	15,146	23,127
Depreciation	1,712	1,643	3,355
Reversal of accumulated depreciation and impairment of assets disposed	0	-1,997	-1,997
Impairment losses and depreciation at 31 December 2021	9,693	14,792	24,485
Carrying amount at 31 December 2021	39,037	8,120	47,157

Note 13 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

	Group		
DKK'000	Participating interests	Other receivables	Total
Cost at 1 January 2021	1,377	335	1,712
Additions from share-exchange	1,636	4	1,640
Disposals	0	-6	-6
Cost at 31 December 2021	3,013	333	3,346
Value adjustments at 1 January 2021	1,541	0	1,541
Foreign exchange adjustments	173	0	173
Profit/loss for the year	1,255	0	1,255
Value adjustments for the year	-11	0	-11
Value adjustments at 31 December 2021	2,958	0	2,958
Carrying amount at 31 December 2021	5,971	333	6,304

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Participating interests				
Fayrefield Foods LLC	Chapel Hill, USA	50.00%	11,942	2,510

	Parent company
DKK'000	Investments in group enterprises
Cost at 1 January 2021	0
Additions from share-exchange	57,000
Cost at 31 December 2021	57,000
Profit/loss for the year	12,714
Changes in equity	-1,069
Value adjustments at 31 December 2021	11,645
Carrying amount at 31 December 2021	68,645

Parent company

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Fayrefield Foods A/S	Vejle	100.00%	68,645	12,714

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2021	Group 2020	Parent company 2021
8 Deferred tax			
Deferred tax at 1 January	4,916	4,685	0
Other deferred tax	-102	231	0
Deferred tax at 31 December	4,814	4,916	0

The provision for deferred tax primarily relates to timing differences in respect of intangible assets and property, plant and equipment.

9 Non-current liabilities other than provisions

DKK'000	Group Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	20,115	11,401	8,714	0
	20,115	11,401	8,714	0

10 Subordinate loan capital

Loans of 20,115 t.DKK has been granted by the parent companies and are subordinated in relation to all other creditors.
The loan of 8,714 t.DKK term to maturity when the entity has solvency ratio of 20 %.
The loan of 10,500 t.DKK term to maturity is January 1, 2022.
The interest is added to the principal and does fall annually and will be added to the principal until payment.

11 Derivative financial instruments and disclosure of fair values

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK'000	Forward Exchange contracts	Listed shares
Group		
Fair value at year end	-3,058	41
Value adjustments in the income statement	-7,813	14
Changes recognised in the hedging reserve	-1,592	0
Fair value level	2	1

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Contractual obligations and contingencies, etc.

Other contingent liabilities

	Group		Parent company
DKK'000	2021	2020	2021
Import guarantees	1,303	5,225	0
	1,303	5,225	0

Other financial obligations

Other rent liabilities:

	Group		Parent company
DKK'000	2021	2020	2021
Rent liabilities	436	428	0

Parent company

As management company, the Company is jointly taxed with other Danish group entities. Together with other jointly taxed group entities, the Company has jointly and several liability for the payment of income taxes in the income year 2017 and withholding taxes falling due for payment on or after 1 January 2021 in the group of jointly taxed entities.

13 Collateral

Group

As security for the debt to banks of 231,135 t.DKK, the group has provided security or other collateral in its assets for a total amount of t.DKK 125,000. The total carrying amount of these assets is t.DKK 368,254. Breakdown of the security/collateral and the carrying amount:

Trade receivables at a carrying amount of t.DKK 155,091 at 31 December 2021, inventory at a carrying amount of t.DKK 206,837 and operating equipment at a carrying amount of t.DKK 6,326 at 31 December 2021 have been put up as security for debt to banks, totalling t.DKK 227,137.

Furthermore, as security for bank debts the group has pledged a mortgage deed registered to the mortgage of t.DKK 2,200 with security in land register no. 7 f Rostrup By, Rostrup, Rostrup Byvej 3, DK-9510 Arden. The book value of assets put up for collateral is t.DKK 16.088 at 31 December 2021.

Parent company

The parent Company has not placed any assets or other as security for loans at 31/12 2021.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Related parties

Group

Fayrefield Ingredients Holding A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
FF Medarbejder Invest ApS		Shareholder
Nielsen & Steffensen Invest ApS		Shareholder
Jens Haugstrup Holding ApS		Shareholder
MBP Group Holding Ltd		Shareholder
Jens Bruun Haugstrup		Board member and managing director
Peter Nielsen		Board member and managing director
Frank Therkildsen		Member of the supervisory board
Susanne Hougaard Steffensen		Member of the supervisory board
Jens Søgaard Jacobsen		Member of the supervisory board
Kunmei Lian		Member of the supervisory board

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

		Group	
	DKK'000	2021	2020
15	**Fee to the auditors appointed by the Company in general meeting**		
	Total fees to EY	196	165
	Statutory audit	66	63
	Assurance engagements	12	12
	Tax assistance	15	15
	Other assistance	103	75
		196	165

		Parent company
	DKK'000	2021
16	**Appropriation of profit**	
	Recommended appropriation of profit	
	Net revaluation reserve according to the equity method	11,645
	Retained earnings/accumulated loss	1,135
		12,780

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group	
	DKK'000	2021	2020
17	**Adjustments**		
	Amortisation/depreciation and impairment losses	4,722	4,433
	Gain/loss on the sale of non-current assets	8	0
	Income from investments in group entities/associates	-1,255	-1,079
	Financial income	-1,006	-8,871
	Financial expenses	10,855	9,188
	Tax for the year	3,462	3,488
		16,786	7,159
18	**Changes in working capital**		
	Change in inventories	-13,380	-7,020
	Change in receivables	-14,330	21,668
	Change in trade and other payables	7,399	-7,384
		-20,311	7,264
19	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	8	57
	Securities included as cash and cash equivalents	41	27
		49	84

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Jens Bruun Haugstrup
Direktion
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: PID:9208-2002-2-214029706457
IP: 77.241.xxx.xxx
2022-03-31 06:06:10 UTC

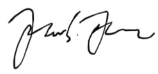
Frank Therkildsen
Bestyrelse
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: PID:9208-2002-2-415042730941
IP: 78.143.xxx.xxx
2022-03-31 06:24:29 UTC

Peter Nielsen
Bestyrelse
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: PID:9208-2002-2-450849922392
IP: 78.143.xxx.xxx
2022-03-31 06:42:35 UTC

Susanne Hougaard Steffensen
Bestyrelse
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: PID:9208-2002-2-299855700169
IP: 78.143.xxx.xxx
2022-03-31 07:52:53 UTC

Jens Bruun Haugstrup
Bestyrelse
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: PID:9208-2002-2-214029706457
IP: 78.143.xxx.xxx
2022-03-31 14:13:05 UTC

Jens Søgaard Jacobsen
Bestyrelse
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: jsj@mbpsolutions.com
IP: 188.62.xxx.xxx
2022-04-01 13:59:12 UTC



Kunmei Lian
Bestyrelse
På vegne af: Fayrefield Ingredients Holding AS
Serienummer: kli@mbpsolutions.com
IP: 178.195.xxx.xxx
2022-04-05 08:17:58 UTC

Morten Klarskov Larsen
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
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