

# Fayrefield Ingredients Holding A/S

Lysholt Allé 3, 2., DK-7100 Vejle

CVR no. 42 34 50 08

## Annual report 2022

Approved at the Company's annual general meeting on 30 March 2023

Chair of the meeting:

.....  
Frank Therkildsen

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## 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 2022.

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 2022 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 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Vejle, 30 March 2023  
Executive Board:

.....  
Jens Bruun Haugstrup

Board of Directors:

.....  
Peter Nielsen  
Chairman

.....  
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 2022, 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 2022, 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 2022 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" (hereinafter 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### 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, 30 March 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Morten Klarskov Larsen  
State Authorised Public Accountant  
mne32736

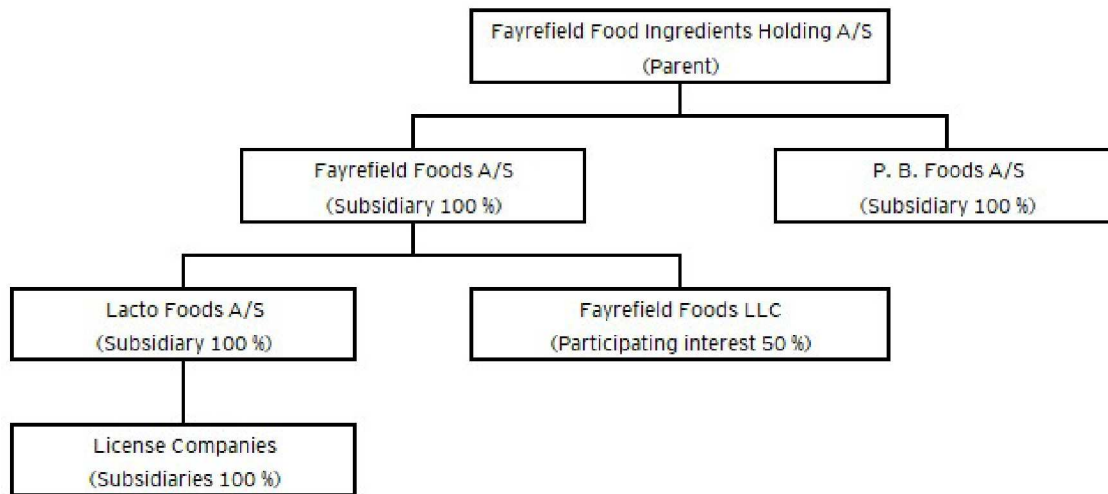
## Management's review

### 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	26 April 2021
Registered office	Vejle
Financial year	1 January - 31 December
Website	<a href="http://www.fayrefield.dk">www.fayrefield.dk</a>
Telephone	+45 75 83 70 66
Board of Directors	Peter Nielsen, Chairman 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	2022	2021	2020	2019	2018
<b>Key figures</b>					
Revenue	1,286,783	1,064,922	1,091,022	1,240,481	1,125,957
Gross profit	107,744	66,888	53,833	73,255	57,209
Profit before interest and tax (EBIT)	57,051	24,837	13,378	30,797	25,130
Net financials	-12,887	-9,849	-317	-11,195	-9,569
<b>Profit for the year</b>	<b>35,999</b>	<b>12,781</b>	<b>10,653</b>	<b>15,242</b>	<b>11,827</b>
Total assets	446,249	439,554	410,809	425,216	387,103
Investments in property, plant and equipment	-5,090	-2,963	-3,918	-5,830	-7,564
<b>Equity</b>	<b>100,495</b>	<b>68,710</b>	<b>60,998</b>	<b>51,048</b>	<b>60,914</b>
Cash flows from operating activities	98,129	-4,023	19,278	-22,132	-13,203
Net cash flows from investing activities	-5,090	-4,597	-3,891	-5,386	-39,148
Cash flows from financing activities	-93,004	8,585	-15,338	27,241	52,604
<b>Financial ratios</b>					
Operating margin	4.4%	2.3%	1.3%	2.5 %	2.2 %
Gross margin	8.4%	6.3%	4.9%	5.9%	5.1%
Equity ratio	22.5%	15.6%	14.8%	12.0%	15.7%
Return on equity	42.6%	19.7%	19.0%	27.2%	19.8%
Equity ratio including subordinated loans	26.5%	20.2%	20.8%	17.5%	15.7%
<b>Average number of full-time employees</b>					
	<b>55</b>	<b>59</b>	<b>58</b>	<b>49</b>	<b>49</b>

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 2022 shows a profit of DKK 35,999 thousand against a profit of DKK 12,781 last year, and the balance sheet at 31 December 2022 shows equity of DKK 100,495 thousand.

In the Annual report for 2021 management stated the expectations for 2021 as revenues of DKK 1,100 million and profits before tax of DKK 19 million. The group realized revenues of DKK 1,286 million which is DKK 186 million more than expected. Profits before tax was realized at DKK 44 million which is DKK 25 million more than expected. The main reason for the higher turnover is a combination of a strong USD and price increases within the dairy market. On this basis management considers the Group's financial performance in the year satisfactory,

In 2022 the shares in P. B. Foods ApS were sold from Fayrefield Foods A/S to Fayrefield Ingredients Holding A/S. As this is an intra-group transaction, it has no effect on the consolidated financial statements for 2022.

### 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. However, we expect a positive cash flow from our operations partly from profits generated partly from a lower working capital requirement.

For 2023 we expect revenues of DKK 1.300 million and profits before tax of DKK 29 million.

### 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.



## Management's review

### 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 at the primary bank deducted with DKK 40 million to DKK 225 million at end of the year. At a secondary bank a new limit of EUR 16 million has been provided. In total the bank limits at year end sums up to DKK 344 million. The Group's interest rate is variable.

### 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 Allianz.

### 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 2022. 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 optimize 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 2022 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 realized a measurable effect of energy improvements.

In the future, we seek to further optimize our energy consumption, thus reducing our environmental footprint. We are in a process of setting up solar cells at the factories. The solar cells are in use from December 2022.

## Management's review

### 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.

#### 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 2022 there has been an employee meeting in September with a focus on well-being, etc. Follow-up to this will take place during 2023. 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 2022, 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 2022 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 2022, 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.

## Management's review

### Account of the gender composition of Management

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.

In 2022, our other management consisted of 5 people, of whom 5 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 2022.

We are seeking to promote positive leadership stories for our underrepresented gender, in order to generate greater awareness and interest in this area.

Other management is defined as the CEO and management that refers directly to the CEO. The number of board members and other management is based on headcount at year-end.

### 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.

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

### Income statement

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
2	<b>Revenue</b>	1,286,783	1,064,922	971	105
	Other operating income	41	979	0	0
	Raw materials and consumables	-1,155,765	-986,806	0	0
3	Other external expenses	-23,315	-12,207	-783	-20
	<b>Gross profit</b>	107,744	66,888	188	85
4	Staff costs	-45,830	-37,321	0	0
	Amortisation/ depreciation and impairment of intangible assets and property, plant and equipment	-4,864	-4,722	0	0
	Other operating expenses	0	-8	0	0
	<b>Profit before net financials</b>	57,050	24,837	188	85
	Income from investments in group enterprises	0	0	36,242	12,714
	Income from Participating interests	1,908	1,255	0	0
5	Financial income	7,667	1,006	22	0
6	Financial expenses	-20,554	-10,855	-464	0
	<b>Profit before tax</b>	46,071	16,243	35,988	12,799
7	Tax for the year	-10,072	-3,462	9	-19
	<b>Profit for the year</b>	35,999	12,781	35,997	12,780

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

### Balance sheet

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
		<b>ASSETS</b>			
		<b>Fixed assets</b>			
8	<b>Intangible assets</b>				
	Goodwill	6,684	8,051	0	0
		<u>6,684</u>	<u>8,051</u>	<u>0</u>	<u>0</u>
9	<b>Property, plant and equipment</b>				
	Land and buildings	39,078	39,037	0	0
	Fixtures and fittings, other plant and equipment	9,673	8,121	0	0
		<u>48,751</u>	<u>47,158</u>	<u>0</u>	<u>0</u>
10	<b>Investments</b>				
	Investments in group enterprises	0	0	116,087	68,645
	Participating interests	8,308	5,971	0	0
	Other receivables	333	333	0	0
		<u>8,641</u>	<u>6,304</u>	<u>116,087</u>	<u>68,645</u>
	<b>Total fixed assets</b>	<u>64,076</u>	<u>61,513</u>	<u>116,087</u>	<u>68,645</u>
	<b>Non-fixed assets</b>				
	<b>Inventories</b>				
	Raw materials and consumables	220,007	205,873	0	0
	Finished goods and goods for resale	6,415	4,840	0	0
	Prepayments for goods	0	964	0	0
		<u>226,422</u>	<u>211,677</u>	<u>0</u>	<u>0</u>
	<b>Receivables</b>				
	Trade receivables	145,299	157,617	0	0
	Receivables from group enterprises	0	0	44	114
	Receivables from participating interests	158	1,593	0	0
	Joint taxation contribution receivable	0	0	11,254	1,178
	Other receivables	10,170	6,877	2	0
	Prepayments	40	228	0	0
		<u>155,667</u>	<u>166,315</u>	<u>11,300</u>	<u>1,292</u>
	<b>Securities and investments</b>	<u>59</u>	<u>41</u>	<u>0</u>	<u>0</u>
	<b>Cash</b>	<u>25</u>	<u>8</u>	<u>17</u>	<u>0</u>
	<b>Total non-fixed assets</b>	<u>382,173</u>	<u>378,041</u>	<u>11,317</u>	<u>1,292</u>
	<b>TOTAL ASSETS</b>	<u>446,249</u>	<u>439,554</u>	<u>127,404</u>	<u>69,937</u>



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

### Statement of changes in equity

		Group				
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Hedging reserve	Retained earnings	Total
	Equity at 1 January 2021	5,000	0	534	55,464	60,998
	Transfer through appropriation of profit	0	11,645	0	1,136	12,781
	Other value adjustments of equity	0	0	0	173	173
	Adjustment of hedging instruments at fair value	0	0	-1,592	0	-1,592
	Tax on items recognised directly in equity	0	0	350	0	350
	Proposed extraordinary dividend recognised under equity	0	0	0	-4,000	-4,000
	<b>Equity at 1 January 2022</b>	<b>5,000</b>	<b>11,645</b>	<b>-708</b>	<b>52,773</b>	<b>68,710</b>
	Transfer through appropriation of profit	0	-6,350	0	42,349	35,999
	Other value adjustments of equity	0	0	0	429	429
	Adjustment of hedging instruments at fair value	0	0	2,527	0	2,527
	Tax on items recognised directly in equity	0	0	-670	0	-670
	Proposed extraordinary dividend recognised under equity	0	0	0	-6,500	-6,500
	<b>Equity at 31 December 2022</b>	<b>5,000</b>	<b>5,295</b>	<b>1,149</b>	<b>89,051</b>	<b>100,495</b>

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

Statement of changes in equity (continued)

Note	DKK'000	Parent company				Total
		Share capital	Share premium account	Net revaluation reserve according to the equity method	Retained earnings	
	Formation of enterprise, share-exchange	5,000	52,000	0	0	57,000
18	Transfer, see "Appropriation of profit"	0	0	11,645	1,136	12,781
	Adjustment of investments through foreign exchange adjustments	0	0	0	-1,069	-1,069
	<b>Equity at 1 January 2022</b>	<b>5,000</b>	<b>52,000</b>	<b>11,645</b>	<b>66</b>	<b>68,711</b>
18	Transfer, see "Appropriation of profit"	0	0	27,100	8,897	35,997
	Adjustment of investments through foreign exchange adjustments	0	0	0	2,287	2,287
	Proposed extraordinary dividend recognised under equity	0	0	0	-6,500	-6,500
	<b>Equity at 31 December 2022</b>	<b>5,000</b>	<b>52,000</b>	<b>38,745</b>	<b>4,750</b>	<b>100,495</b>



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

### Cash flow statement

Note	DKK'000	Group	
		2022	2021
	Profit for the year	35,999	12,781
19	Adjustments	25,915	16,786
	Cash generated from operations (operating activities)	61,914	29,567
20	Changes in working capital	48,910	-20,311
	Cash generated from operations (operating activities)	110,824	9,256
	Interest paid, etc.	-12,887	-9,849
	Taxes paid	192	-3,430
	<b>Cash flows from operating activities</b>	<b>98,129</b>	<b>-4,023</b>
	Additions of property, plant and equipment	-5,090	-2,963
	Purchase of financial assets	0	-1,636
	Sale of financial assets	0	2
	<b>Cash flows to investing activities</b>	<b>-5,090</b>	<b>-4,597</b>
	Dividends paid	-6,500	-4,000
	Proceeds of long-term liabilities	6,498	-4,371
	Proceeds of bank debt, net	-93,002	16,956
	<b>Cash flows from financing activities</b>	<b>-93,004</b>	<b>8,585</b>
	<b>Net cash flow</b>	<b>35</b>	<b>-35</b>
	Cash and cash equivalents at 1 January	49	84
21	<b>Cash and cash equivalents at 31 December</b>	<b>84</b>	<b>49</b>

## 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 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

#### 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 is 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.

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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 Group 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

Other operating income comprise items of a secondary nature relative to the Group's core activities, including gains 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 Group'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 Group's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### 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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### Other operating expenses

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

#### Profit/loss 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 proportionate 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 Group has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Group 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 Group'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.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and participating interests 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

The Group has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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 Group'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.

#### 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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.



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 Group'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 Group'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.

##### 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 
$$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$$

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

	Group		Parent company	
	2022	2021	2022	2021
DKK'000				
<b>2 Segment information</b>				
<b>Breakdown of revenue by business segment:</b>				
Cheese	180,522	145,508	0	0
Powder	423,539	309,017	0	0
Export	682,722	610,397	0	0
Other	0	0	971	105
	<u>1,286,783</u>	<u>1,064,922</u>	<u>971</u>	<u>105</u>
<b>Breakdown of revenue by geographical segment:</b>				
Scandinavia	392,987	346,650	971	105
Europe - outside Scandinavia	147,623	108,602	0	0
Other	746,173	609,670	0	0
	<u>1,286,783</u>	<u>1,064,922</u>	<u>971</u>	<u>105</u>

	Group	
	2022	2021
DKK'000		
<b>3 Fee to the auditors appointed in general meeting</b>		
Total fees to EY	<u>217</u>	<u>196</u>
Statutory audit	74	66
Assurance engagements	10	12
Tax assistance	64	15
Other assistance	69	103
	<u>217</u>	<u>196</u>

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

### Notes to the financial statements

	Group		Parent company	
	2022	2021	2022	2021
DKK'000				
<b>4 Staff costs</b>				
Wages/salaries	40,318	32,469	0	0
Pensions	4,086	3,597	0	0
Other social security costs	700	689	0	0
Other staff costs	726	566	0	0
	<u>45,830</u>	<u>37,321</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	55	59	0	0

#### Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed for 2022.

For 2021 the total remuneration to Management was DKK 4,690 thousand.

#### Parent company

The parent company did not pay any remuneration to Management during the financial year. Remuneration paid in the year of comparison is DKK 0.

The parent Company has no employees.

	Group		Parent company	
	2022	2021	2022	2021
DKK'000				
<b>5 Financial income</b>				
Interest receivable, group entities	0	0	22	0
Other financial income	7,667	1,006	0	0
	<u>7,667</u>	<u>1,006</u>	<u>22</u>	<u>0</u>
<b>6 Financial expenses</b>				
Interest expenses, group entities	0	0	36	0
Other financial expenses	20,554	10,855	428	0
	<u>20,554</u>	<u>10,855</u>	<u>464</u>	<u>0</u>
<b>7 Tax for the year</b>				
Estimated tax charge for the year	9,960	3,708	-56	19
Deferred tax adjustments in the year	65	-87	0	0
Tax adjustments, prior years	47	-159	47	0
	<u>10,072</u>	<u>3,462</u>	<u>-9</u>	<u>19</u>

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

### Notes to the financial statements

#### 8 Intangible assets

	Group
	Goodwill
DKK'000	
Cost at 1 January 2022	13,669
Cost at 31 December 2022	13,669
Impairment losses and amortisation at 1 January 2022	5,618
Amortisation for the year	1,367
Impairment losses and amortisation at 31 December 2022	6,985
Carrying amount at 31 December 2022	6,684

#### 9 Property, plant and equipment

	Group		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
DKK'000			
Cost at 1 January 2022	48,730	22,912	71,642
Additions	1,768	3,322	5,090
Disposals	0	-80	-80
Cost at 31 December 2022	50,498	26,154	76,652
Impairment losses and depreciation at 1 January 2022	9,693	14,791	24,484
Depreciation	1,727	1,770	3,497
Reversal of accumulated depreciation and impairment of assets disposed	0	-80	-80
Impairment losses and depreciation at 31 December 2022	11,420	16,481	27,901
Carrying amount at 31 December 2022	39,078	9,673	48,751

Note 16 provides more details on security for loans, etc. as regards property, plant and equipment.

#### 10 Investments

	Group		
	Participating interests	Other receivables	Total
DKK'000			
Cost at 1 January 2022	3,013	333	3,346
Cost at 31 December 2022	3,013	333	3,346
Value adjustments at 1 January 2022	2,958	0	2,958
Foreign exchange adjustments	429	0	429
Profit/loss for the year	1,908	0	1,908
Value adjustments at 31 December 2022	5,295	0	5,295
Carrying amount at 31 December 2022	8,308	333	8,641

#### Group

##### Participating interests

Name	Domicile	Interest
Fayrefield Foods LLC	Chapel Hill, USA	50.00%

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

### Notes to the financial statements

#### 10 Investments (continued)

	<u>Parent company</u>
	<u>Investments in</u> <u>group</u> <u>enterprises</u>
DKK'000	
Cost at 1 January 2022	57,000
Additions from share-exchange	20,342
Cost at 31 December 2022	<u>77,342</u>
Value adjustments at 1 January 2022	11,645
Dividend received	-11,429
Profit/loss for the year	36,242
Changes in equity	<u>2,287</u>
Value adjustments at 31 December 2022	<u>38,745</u>
Carrying amount at 31 December 2022	<u><u>116,087</u></u>

#### Parent company

<u>Name</u>	<u>Domicile</u>	<u>Interest</u>
Fayrefield Foods A/S	Vejle	100.00%
Lacto Foods A/S	Vejle	100.00%
AB Foods ApS	Vejle	100.00%
AKH Foods ApS	Vejle	100.00%
Avanti ApS	Vejle	100.00%
AvIscenter Vest ApS	Vejle	100.00%
Bamsemælk ApS	Vejle	100.00%
Biolat ApS	Vejle	100.00%
BVQ Foods ApS	Vejle	100.00%
Caesin ApS	Vejle	100.00%
Dan Dairy ApS	Vejle	100.00%
Dairy Management ApS	Vejle	100.00%
Danzai ApS	Vejle	100.00%
DNR Imports ApS	Vejle	100.00%
Grating Ingredients ApS	Vejle	100.00%
JGP Imports ApS	Vejle	100.00%
Serost ApS	Vejle	100.00%
Skimmeloste ApS	Vejle	100.00%
Smørimportøren ApS	Vejle	100.00%
P. B. Foods ApS	Assens	100.00%

	<u>Group</u>		<u>Parent company</u>	
DKK'000	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>11 Deferred tax</b>				
Deferred tax at 1 January	4,814	4,916	0	0
Change in deferred tax	65	-102	0	0
<b>Deferred tax at 31 December</b>	<u><u>4,879</u></u>	<u><u>4,814</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

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

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

### Notes to the financial statements

#### 12 Non-current liabilities other than provisions

DKK'000	Group			
	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	6,781	1,300	5,481	0
Subordinate loan capital	19,832	2,070	17,762	0
	<u>26,613</u>	<u>3,370</u>	<u>23,243</u>	<u>0</u>

#### 13 Subordinate loan capital

Loans of t.DKK 19,214 has been granted by the parent companies and are subordinated in relation to all other creditors.

The loan of t.DKK 8,714 term to maturity over 6 years when the entity has solvency ratio of 20 %.

The loan of 5,500 t.DKK term to maturity is December 31, 2028. at the latest.

The loan of t.DKK 5,000 term to maturity is January 1, 2024 to December 31, 2028.

The interest is added to the principal and does fall annually and will be added to the principal until payment.

#### 14 Derivative financial instruments

##### Fair value disclosures

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

DKK'000	Forward Exchange contracts	Listed shares
<b>Group</b>		
Fair value at year end	5,649	58
Unrealised fair value adjustments for the year, recognised in the income statement	0	17
Unrealised fair value adjustments for the year, recognised in hedging reserve	2,460	0
Fair value level	2	1

#### 15 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

DKK'000	Group		Parent company	
	2022	2021	2022	2021
Import guarantees	212	1,303	0	0
	<u>212</u>	<u>1,303</u>	<u>0</u>	<u>0</u>

##### Other financial obligations

Other rent liabilities:

DKK'000	Group		Parent company	
	2022	2021	2022	2021
Rent liabilities	484	436	0	0

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

### Notes to the financial statements

#### 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 joint 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.

### 16 Collateral

#### Group

As security for the debt to banks of t.DKK 138,133, 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 365,073. Breakdown of the security/collateral and the carrying amount:

Trade receivables at a carrying amount of t.DKK 141,825, inventory at a carrying amount of t.DKK 215,615 and operating equipment at a carrying amount of t.DKK 7,633 at 31 December 2022 have been put up as security for debt to banks, totalling t.DKK 138,133.

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 15.517 at 31 December 2022.

#### Parent company

The parent Company has not provided any security or other collateral in assets at 31 December 2022.

### 17 Related parties

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

#### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
FF Medarbejder Invest ApS	Vejle	Shareholder
Nielsen & Steffensen Invest ApS	Børkop	Shareholder
Jens Haugstrup Holding ApS	Vejle	Shareholder
MBP Group Holding Ltd	Neuchâtel, Schweiz	Shareholder
Jens Bruun Haugstrup		Board member and managing director
Peter Nielsen		Member of the supervisory board
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.

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

### Notes to the financial statements

		Parent company	
DKK'000		2022	2021
<b>18</b>	<b>Appropriation of profit</b>		
	<b>Recommended appropriation of profit</b>		
	Extraordinary dividend distributed in the year	6,500	0
	Net revaluation reserve according to the equity method	27,100	11,645
	Retained earnings/accumulated loss	2,397	1,135
		<u>35,997</u>	<u>12,780</u>
		Group	
DKK'000		2022	2021
<b>19</b>	<b>Adjustments</b>		
	Amortisation/depreciation and impairment losses	4,864	4,722
	Gain/loss on the sale of non-current assets	0	8
	Income from investments in group entities/associates	-1,908	-1,255
	Financial income	-7,667	-1,006
	Financial expenses	20,554	10,855
	Tax for the year	10,072	3,462
		<u>25,915</u>	<u>16,786</u>
<b>20</b>	<b>Changes in working capital</b>		
	Change in inventories	-14,745	-13,380
	Change in receivables	11,835	-14,330
	Change in trade and other payables	51,820	7,399
		<u>48,910</u>	<u>-20,311</u>
<b>21</b>	<b>Cash and cash equivalents at year-end</b>		
	Cash according to the balance sheet	25	8
	Securities included as cash and cash equivalents	59	41
		<u>84</u>	<u>49</u>



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## Jens Bruun Haugstrup

LACTO FOODS A/S CVR: 21658871

### Direktion

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: ccee33e2-de5f-403a-982c-93ce77af27a7

IP: 46.132.xxx.xxx

2023-03-30 07:00:25 UTC



## Frank Therkildsen

### Dirigent

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: 487ecadb-7bb4-4903-8a19-0feee68394a9

IP: 80.209.xxx.xxx

2023-03-30 07:04:44 UTC



## Frank Therkildsen

### Bestyrelse

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: 487ecadb-7bb4-4903-8a19-0feee68394a9

IP: 80.209.xxx.xxx

2023-03-30 07:04:44 UTC



## Peter Nielsen

### Bestyrelse

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: PID:9208-2002-2-450849922392

IP: 80.209.xxx.xxx

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## Jens Bruun Haugstrup

Fayrefield Ingredients Holding A/S CVR: 42345008

### Bestyrelse

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: f2922f71-8d58-4b1a-a893-5af464a86dbf

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## Susanne Hougard Steffensen

### Bestyrelse

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: 72264d98-83e5-4104-8649-ab84e04827d8

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## Jens Søgaard Jacobsen

### Bestyrelse

På vegne af: Fayrefield Ingredients Holding AS

Serienummer: 78e226e5-c6c9-40dc-a02f-a73409ab0a1f

IP: 46.140.xxx.xxx

2023-03-30 15:45:55 UTC



## Morten Klarskov Larsen

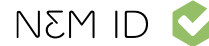
### Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:1274257778488

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