

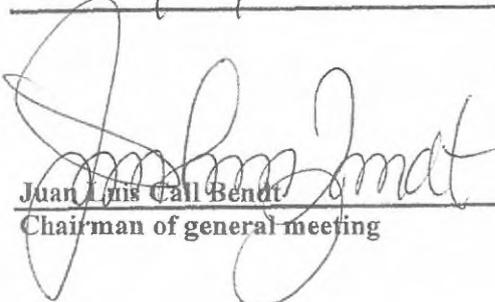
# AAK DENMARK HOLDING A/S

Slipvej 4  
8000 Aarhus C

Annual report  
1 January 2020 - 31 December 2020

The annual report has been presented and  
approved on the company's general meeting the

24/06/2021

  
\_\_\_\_\_  
Juan Luis Gall Bendt  
Chairman of general meeting

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## Company information

**Reporting company** AAK DENMARK HOLDING A/S  
Slipvej 4  
8000 Aarhus C  
Phone number: 87306000  
Fax number: 87306012  
CVR-nr: 45954919  
Reporting period: 01/01/2020 - 31/12/2020

**Auditor** PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Jens Chr. Skous Vej 1  
8000 Aarhus C  
DK Danmark  
CVR-nr: 33771231  
P-number: 1016977795

## Statement by Management

The board of directors and the managing director have today presented the annual report of AAK Denmark Holding A/S for the financial year 1 January to 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2020 and of the company's results of Its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Aarhus, 18 June 2021

### Management



Dorthe Bruun

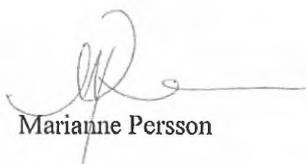


Marianne Persson

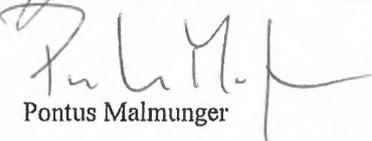
### Board of directors



Jarl Andreasson



Marianne Persson



Pontus Malmunger

# The independent auditor's report on financial statements

To the shareholders of AAK DENMARK HOLDING A/S

## Opinion

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

We have audited the Financial Statements of AAK Denmark Holding A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management for the financial statements

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

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

## Auditor's responsibility

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

### **Statement on the management's review**

Management is responsible for Management's Review.

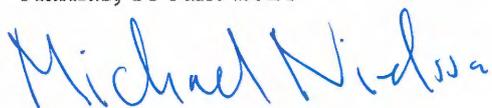
Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Aarhus, 18 June 2021



Michael Nielsson, mne15151

statsautoriseret revisor

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR: 33771231

## Management's Review

The main activity for AAK Denmark Holding A/S has in 2020 been to be a holding company for Danish and foreign companies. The main activity of these companies is to develop and produce vegetable oils of high quality, as ingredients for the food industry among others.

The company result for 2020 is -15 mDKK which is lower than expected, due to the correction of dividend from 2019 at -15 mDKK. The equity as at end of 2020 is 1,346 mDKK.

AAK Denmark Holding A/S's subsidiaries have managed to get through the first part of the pandemic - and the challenge that it has brought. Especially in 2nd quarter deliveries went down, but that have not been the picture for the whole year. The main focus has been on securing health and safety for employees and securing the operations and logistics, to keep on making deliveries necessary for our customers – primarily the food industry.

The result for 2021 is expected to be significantly higher than the result from 2020. The result depends on decision made for dividend payment during the year. It is still too early to conclude, if there will be an impact and if so, the effect that Covid-19 will have on the future operation of the subsidiaries.

However, there is a risk that Covid-19 and its effect on the world economy will get a negative impact on the revenue and profitability of the company's subsidiaries in 2021. It is still too early to conclude, if there will be an impact and if so, the effect that Covid-19 will have on the future operation of the subsidiaries

## Reporting on corporate social responsibility

AAK have released the AAK Sustainability report 2020 at [www.aak.com](http://www.aak.com). The report covers most of AAK Group, including AAK Denmark Holding A/S. We refer to the report by this link: [https://www.aak.com/reports/sustainability\\_report\\_2020/](https://www.aak.com/reports/sustainability_report_2020/)

## Reporting on gender composition of management.

The board of the company have an equal composition in relation to gender – two males and one female.

The company do not have any employees, so it is not relevant to report on gender composition of other management.

## Key figures and Financial Ratios

### Key figures

<b>mDKK</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Income from investment in group enterprises	-15,3	1.178,3	410,0	161,9	168,2
Profit from ordinary operating activities	-15,3	1.177,9	410,0	161,9	168,1
Net financials	0,1	-0,3	1,1	0,3	0,6
<b>Profit</b>	<b>-15,3</b>	<b>1,178,0</b>	<b>410,9</b>	<b>161,9</b>	<b>168,7</b>

<b>Total assets</b>	<b>1.774,7</b>	<b>1.361,4</b>	<b>1.253,3</b>	<b>1.427,3</b>	<b>1.278,4</b>
<b>Equity</b>	<b>1.346,1</b>	<b>1.361,4</b>	<b>1.253,3</b>	<b>1.427,2</b>	<b>12.65,2</b>

### Financial ratios

Equity ratio	75,8%	100,0%	100,0%	99,9%	99,0%
Return on Equity	-1,1%	90,1%	30,7%	12,0%	14,3%

# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C, large-size enterprise.

The accounting policies used are unchanged compared to last year.  
The annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared; cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of AAK Denmark Holding A/S and its group enterprises are included in the consolidated annual accounts for AAK AB, Malmo, Sweden (reg.no. 556669-2850).

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of AAK AB.

Pursuant to section 96(3) of the Danish Financial Statements Act, it has been decided not to disclose of audit fee for the company. The relevant information is included in the consolidated annual accounts of AAK AB.

## Recognition and measurement in general

Assets are recognized in the balance sheet when the company is liable to achieve fixture, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item. At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income is recognized in the profit and loss account concurrently with its realization, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortization, write-down, provisions, and reversals which are due to changes in estimated amounts previously recognized in the profit and loss account are recognized in the profit and loss account.

## Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction.

Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognized in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognized in the profit and loss account under financial income and expenses.

### **Profit and loss account**

#### **Administration costs**

Administration costs comprise costs which have been incurred during the year for management and administration.

#### **Result from investments in group enterprises**

Dividends from group enterprises are recognized in the profit and loss account in the financial year where dividend have been declared. In the circumstances that the dividend exceeds the accumulated profit after acquisition, are dividends recognized as a reduction in acquisition cost.

#### **Financial income and expenses**

Financial income and expenses include interest, gain and loss on financial assets, debt and transaction in foreign currency and amortizing of financial assets and liabilities.

#### **Tax of the result of the year**

AAK Denmark Holding A/S is taxed jointly with other Danish AAK companies. The actual tax is split between companies relative to the companies taxable income.

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognized in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

### **The balance Sheet**

#### **Investment in group enterprises**

Investments in group enterprises are measured at cost. Write-down takes place to recoverable value, if this value is lower than book value. Book value are reduced with dividend that exceeds the accumulated profit after acquisition.

#### **Debtors**

Debtors are measured at amortized cost which usually corresponds to the nominal value. In order to meet expected losses, write-down takes place at the net realizable value.

#### **Equity**

Proposed dividend is recognized as a liability at the time of declaration. Proposed dividend is shown as a separate item under equity.

**Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognized in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

**Other liabilities**

Other liabilities are measured at amortized cost which usually correspond to the nominal value.

**Financial ratios**

The financial ratios given in Key Figures and Financial Ratios are calculated this way:

- Equity ratio:  $\text{Equity, end of year} \times 100 / \text{Total liability assets, end of year}$
- Return on equity:  $\text{Profit} \times 100 / \text{Average equity}$

## Income Statement 1 January - 31 December 2020

	Disclosure	2020	2019
kDKK			
Income from investments in group enterprises		-15.292	1.178.275
Administrative expenses		-27	-67
<b>Profit (loss) from ordinary operating activities</b>		<b>-15.319</b>	<b>1.178.208</b>
Other finance income from group enterprises		99	106
Other finance income		15	3
Finance expenses arising from group enterprises		-1	-12
Sundry finance expenses		-57	-361
<b>Profit (loss) from ordinary activities before tax</b>		<b>-15.263</b>	<b>1.177.944</b>
Tax expense		-9	81
<b>Profit (loss)</b>		<b>-15.272</b>	<b>1.178.025</b>

## Balance sheet 31 December 2020

Assets	Disclosure	2020	2019
kDKK			
Investments in group enterprises		986.622	986.622
Other investments		0	0
<b>Investments</b>	<b>1</b>	<b>986.622</b>	<b>986.622</b>
<b>Total non-current assets</b>		<b>986.622</b>	<b>986.622</b>
Receivables from group enterprises		778.117	357.749
Tax receivables		9.958	17.046
Receivables		<b>788.075</b>	<b>374.795</b>
<b>Current assets</b>		<b>788.075</b>	<b>374.795</b>
<b>Total assets</b>		<b>1.774.697</b>	<b>1.361.417</b>

## Balance sheet 31 December 2020

	Disclosure	2020	2019
<b>Liability and equity</b>			
kDKK			
Contributed capital	2	400.000	400.000
Retained earnings		186.120	961.392
Proposed dividends		760.000	0
<b>Total equity</b>		<b>1.346.120</b>	<b>1.361.392</b>
Other payables, including tax payables, liabilities other than provisions		25	25
Payables to group enterprises		428.552	0
<b>Short-term liabilities other than provisions, gross</b>		<b>428.577</b>	<b>25</b>
<b>Liabilities other than provisions, gross</b>		<b>428.577</b>	<b>25</b>
<b>Liabilities and equity, gross</b>		<b>1.774.697</b>	<b>1.361.417</b>
Disclosure of contingent liabilities	3		
Disclosure of ownership	4		
Information on transactions with related parties made on an arm's length basis	5		
Proposed distribution of results	6		

**Statement of change in equity 1 January - 31 December 2020**

	Contributed capital	Retained earnings	Proposed dividens	Total
kDKK				
Equity, beginning balance	400.000	961.392	0	1.361.392
Profit (loss)	0	-775.272	760.000	-15.272
Equity, ending balance	400.000	186.120	760.000	1.346.120

## Disclosures

### 1 Investment in group enterprises

mDKK

Aquisition 1 January 2020	1.014
Additions	0
Disposals	0
<b>Aquisition 31 December 2020</b>	<b>1.014</b>

Revaluations, 1 January 2020	-27
Revaluation of the year	0
Revaluation on disposals	0
<b>Revaluations, 31 December 2020</b>	<b>-27</b>

**Book value, 31 December 2020** **987**

Investment in group enterprises includes:

Name and domicile	Share of ownership %	Equity 31	Result 2020 mDKK
		December 2020 mDKK	
AAK Mexico S.A, de C.V. Morelia, Mexico	94	474,7	93,5
AAK UK Ltd., Hull, Great Britain	100	208,8	0,0
Rowallan Creamery Limited, Great Britain	100	0,1	0,0
UNICAO Limited, Great Britain	100	0,1	0,0
Allied Foods Limited, Great Britain	100	0,0	0,0
AAK Denmark A/S, Aarhus, Denmark	100	999,8	27,7
Aarhus Malaysia Sdn. Bhd., Teluk Intan, Malaysia, under lik	100	1,5	0,0
Aarhus 3 A/S, Aarhus, Denmark	100	443,5	428,6
Aarhus 1 A/S, Aarhus, Denmark	100	31,5	-0,1
Ceylon Trading Co. Ltd, Sri Lanka *	100	22,7	7,1
Maersk Lanka (PVT) LTD.*	30		
Anglia Oils Ltd., Hull, Great Britain	100	0,7	0,0
AAK USA Inc., USA *	100	110,2	399,0
AAK Canada Ltd.. Canada *			
AAK USA K1, LLC, USA	100	537,8	147,9
AAK USA K2, LLC, USA	100	62,4	13,7
AAK USA Realco, LLC, USA	100	22,2	2,1
Oasis Foods Company, USA	100	273,3	-17,6
AAK USA Richmond Corp., USA	100	593,1	31,5
AAK Malaysia Sdn. Bhd, Malaysia *	100	84,1	-2,0
AAK Australia Pty.Ltd., Australia *	100		
AAK Havnen A/S, Denmark	100	17,7	0,3

Investment in group enterprises includes (continued):

Name and domicile	Share of ownership %	Equity 31	Result 2020 mDKK
		December 2020 mDKK	
OOO AAK, Russia	100	62,8	16,4
Hydrogen I/S, Denmark	68	2,3	1,9
AarhusKarlshamn Burkina Faso SARL, Burkina Faso	100	24,9	2,4
AAK do Brasil Indústria e Comércio de Óleos Vegetais Ltda., Brasil	99	197,6	-17,3
AAK Germany GmbH, Germany	100	1,6	0,1
AAK Mali SARL, Mali	100	1,7	4,2
AAK Nigeria Ltd. Nigeria	100	0,2	1,8
KI, Ghana Ltd.	100	10	-7,9
KNAR Benin Sarl, Benin *	100	12	-5,2
KNAR Togo, Togo *	100		
Book & Claim, Great Britain	100	0,0	0,0

\* Maersk Lanka (PVT) LTD. Is included in Ceylon Trading Co. Ltd  
 AAK Canada Ltd. Is included in AAK USA Inc.  
 AAK Australia Pty.Ltd. Is included in AAK Malaysia Sdn. Bhd.  
 KNAR, Togo is included in KNAR Benin Sarl

## 2 Contributed capital

The share capital consists of 4,000,000 shares, each with a nominal value of 100 kr  
 No shares hold particular rights

## 3 Disclosure of contingent liabilities

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and several liable with the other joint taxed companies for the total corporation tax

## 4 Disclosure of ownership

### Ownership

The company is owned 100 % by AAK AB (reg. no. 556669-2850), Malmö, Sverige

### Group

The company is included in the Group Annual Report for AAK AB, The Group Annual report can be downloaded at [www.aak.com](http://www.aak.com)

### Controlling interests

The owner AAK AB have controlling interest in the company.

## 5 Information on transactions with related parties made on an arm's length basis

Related parties with controlling interest is AAK AB and its subsidiaries

The company has chosen only to show transactions with related parties not made on arms lengthbasis

There have been none of such transactions in 2020

## 6 Proposed distribution of results

	2020	2019
	kDKK	kDKK
Proposed dividend recognized in equity	760.000	0
Extraordinary dividend paid in year	0	1.069.941
Retained earnings	-775.272	108.084
<b>Gross</b>	<b>-15.272</b>	<b>1.178.025</b>