
Döhler Denmark A/S

Hestehaven 3, DK-5260 Odense S

Annual Report for 2022

CVR No. 56 46 23 17

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/7 2023

Stefan Christian Hörger
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Döhler Denmark 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 Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations and cash flows for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Odense S, 4 July 2023

Executive Board

Jan Eppo ten Have
CEO

Board of Directors

Stefan Christian Hörger
Chairman

Dan Reichardt

Christian Hebler

Independent Auditor's report

To the shareholder of Döhler Denmark 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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Döhler Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the 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' 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

Trekantområdet, 4 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Company information

The Company	Döhler Denmark A/S Hestehaven 3 DK-5260 Odense S CVR No: 56 46 23 17 Financial period: 1 January - 31 December Municipality of reg. office: Odense
Board of Directors	Stefan Christian Hörger, chairman Dan Reichardt Christian Hebel
Executive Board	Jan Eppo ten Have
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	332,027	326,123	356,974	335,189	389,523
Gross profit/loss	43,873	36,589	40,508	36,923	47,209
Profit/loss of ordinary primary operations	2,315	3,413	2,316	-1,379	9,516
Profit/loss before financial income and expenses	2,642	3,458	2,316	-1,530	3,911
Profit/loss of financial income and expenses	-768	-518	-1,313	74	-1,070
Net profit/loss	1,474	2,433	846	-1,132	2,217
Balance sheet					
Balance sheet total	195,933	217,286	208,738	183,882	203,642
Investment in property, plant and equipment	7,683	4,261	11,382	16,347	5,115
Equity	122,674	121,200	118,767	117,921	119,053
Cash flows					
Cash flows from:					
- operating activities	17,572	11,648	-10,840	28,756	14,476
- investing activities	-8,014	-5,551	-12,355	-17,419	-4,713
- financing activities	-7,435	-5,861	23,377	-10,188	-8,943
Change in cash and cash equivalents for the year	2,123	236	182	1,149	820
Number of employees	106	113	119	112	121
Ratios					
Gross margin	13.2%	11.2%	11.3%	11.0%	12.1%
Profit margin	0.8%	1.1%	0.6%	-0.5%	1.0%
Return on assets	1.3%	1.6%	1.1%	-0.8%	1.9%
Solvency ratio	62.6%	55.8%	56.9%	64.1%	58.5%
Return on equity	1.2%	2.0%	0.7%	-1.0%	1.9%

Management's review

Key activities

The purpose of the company is to operate manufacturing, trade and related business.

Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 1,474, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 122,674.

The past year and follow-up on development expectations from last year

Management evaluates the financial result for 2022 as unsatisfactory. The industry is exposed to increased cost awareness from customers and consumers, and this influences the results negatively.

With finalization of 3 major investment projects and high focus to increase sales volume, the management expects 2023 to show an improvement in the financial performance.

A significant part of the company business is aim for the British market. With the free trade agreement between the European Union and Great Britain in December 2020, it is management's expectations that the impact on the business with British customers will be minor going forward.

Operating risks

The company is assessed not to have any particular operating risks.

Market risks

Management is aware about the potential impacts of BREXIT and action plans for various scenarios have been prepared.

Foreign exchange risks

In our assessment, the Company is not subject to any individual foreign exchange risks.

Interest rate risks

In our assessment, the Company is not subject to any individual foreign interest rate risks.

Credit risks

In our assessment, the Company is not subject to any individual foreign credit risks.

Research and development

Innovation & Customers

Together with our customers we are not only developing new products to match market trends – we are innovating the next big trends within the industry. For several customers we are running a fully integrated development relationship and we analyse the market trends to ensure state-of-the-art development, product quality and product flexibility. High class development in close collaboration with customers is key to our business and a clear competitive advantage. In addition to the local Application team Döhler Group is having a fully developed R&D department.

Intellectual capital resources

It is essential to Döhler Denmark A/S' continued growth to attract and retain highly educated staff which possesses various qualifications and is diverse. In order to ensure high and at the same time competitive product quality, the Company applies the most modern and automated processes for its production.

Management's review

Statement of corporate social responsibility

Human Rights

Döhler Denmark A/S has a no tolerance to violation on human rights throughout the entire value chain. Döhler Denmark A/S is compliant to the Döhler Group CSR policy. All suppliers to Döhler Denmark are approved at Döhler Group level and they must adhere to the established policies. The Döhler CSR program covers areas such as human rights, sustainability and food safety. The group CSR program includes regular supplier audits. An extensive supplier audit program related to human rights is conducted from a group perspective on a regular basis. This audit also embraces suppliers to Döhler Denmark A/S. Döhler Denmark buy most of the raw materials from suppliers that are verified by through Group purchase department in Darmstadt. The risks of violation are low.

Döhler is a member of the Supplier Ethical Data Exchange (Sedex). In this context, independent verifications by Sedex Member Ethical Trade Audits (SMETA 4-pillar) ensure that operations are conducted in an ethical manner which is recognized by stakeholders and society across the globe. In order to reduce risks in the upstream supply chain, Döhler intends to make these audit procedures mandatory for its suppliers. The SMETA 4-pillar methodology uses the Ethical Trading Initiative Base Code and local law as measurement tools. The SMETA 6.0 methodology also defines clear criteria on modern slavery and supports due diligence processes for modern slavery prevention.

As a consequence of the Döhler Group CSR compliance program Döhler Denmark A/S undergo regular Sedex Members Ethical Trade Audits (SMETA). The external audit covers the areas of labour-, safety and health standards as well as environment and business ethics. No significant findings have been discovered during these audit. It is a clear goal for the company management to maintain a clean record sheet for such audits. Fulfilment of this goal has been maintained during 2022. In the coming months Döhler Denmark will undergo a new audit to maintain the certification.

Employee- and Social standard

At Döhler Denmark A/S we take pride in enrolling a wide variety of employees in the workforce. This implies that we have employees on job trial, under education, apprentices and other kind of positions aimed at helping people outside the job market to find a suitable position.

Our environment employee representative makes sure that the production site fully fulfils any requirements set forward within the Danish law of labour conditions. Furthermore that incidents are reported correctly and mitigation measures are defined, implemented and evaluated.

Primary focus during 2021 and 2022, has been to establish a good work environment organization. An organization that copes with the possible challenges and areas of improvement, to safeguard our employees from risks in their daily routines, e.g. risks related to burns, usage of machines and tools and fall accidents. Especially a close day-to-day tracking have continuously proven to be a valuable tool, for the management to act upon. In addition we have had a dedicated task force working at the company for 3 months of 2022 with the sole focus to interview and evaluate the feedback from all employees and assisting management to define action plans and measures to increase the quality of employee- and social standards. As a result of the survey a new position as Health and safety manager has been recruited in 2022 and the goal in 2023 is zero accidents. The company wishes to continue the focus on improving the standards for employees and wishes reach a level where this parameter can make the company an attractive employer among potential new candidates. Döhler Denmark A/S does not discriminate any stakeholders based on gender, religion, sexuality etc. The company executes regular internal surveys to determine any issues within the areas of work environment.

Döhler Denmark A/S focuses on a healthy and safe production environment - not only on the production site in Odense but throughout the value chain! All employees have a special responsibility to take notice of their surroundings in order to improve safety, quality and efficiency. This special responsibility is part of the regular management presentations etc. and it is an integrated part of the company culture. Our products and logistics are planned in the most efficient way possible and energy consumption and transportation is minimized to the furthest extend possible. During 2021 and 2022 a rebuilding of the factory and implementation of new production capabilities were finalized to increase efficiency through e.g. lower energy consumption and less material waste and handling.

Climate and Environmental Policy

Management's review

Döhler Denmark A/S has an ISO 14001 certification. Within the area of this classification environmental targets are defined. These targets are continuously evaluated and adjusted in order to reflect an ambitious climate policy. Döhler Denmark A/S aims to minimize the environmental side effects throughout the whole distribution channel. Some of the most significant initiatives within 2020 to 2022 has been the finalization of a factory redesign to minimize energy consumption and raw material waste etc.

The company has launched an internal program in order to engage in collaboration with external stakeholders that could benefit from the inevitable waste the production will generate. Since 2020 some of the waste material has been used for animal food production and other parts for biogas production. Both from an environmental and economic point of view the company has a high focus on bringing down waste material and utility consumption.

The company managed to increase the share of waste utilized for biogas production in 2022. Gas consumption has been reduced with 2,1 % per produced/KG. from 2021 to 2022 due to insulation of steam pipes late Q3 2022. In 2023 YTD May the reduction is 14,0% per produced/KG. compared to 2022 YTD May. Water consumption has been reduced with 15,6 % per produced/KG. from 2021 to 2022 due to use of steam cleaning production equipment and optimized cleaning of containers. In 2023 YTD May the reduction is 20,0% per produced/KG. compared to 2022 YTD May.

In the same period focus has been increased on employee awareness concerning utility consumption. As part of Döhler Group the company is working on introducing full transparency on Co2 emission on each finished good SKU level. This is a consequence of the expectations from management that this will become in increasingly more important parameter of competition going forward.

Döhler Denmark A/S aim to stay focused on minimizing the influence on the climate during purchasing, production and sales of Fruit Prep, where supervision and constant focus is maintained through the environmental certificate ISO 14001.

Döhler Denmark A/S continuously focus on energy reducing, hereunder reduction of electrical power usage, reduction of water usage, and reduction of natural gas usage.

In addition, climate change may have the risk that it may result in unstable supply chains and a general shortage of the raw materials that the company uses in its production.

Anti-Corruption Policy

Döhler Denmark A/S has a no tolerance to corruption and/or bribery throughout the entire value chain. The topic is also considered in the group supplier audit program mentioned in an earlier paragraph. In addition the topic is part of third party audits conducted at site. The company has a clean history in all areas related to corruption and bribery. In 2023, Döhler Danmark A / S will continue to perform screenings of current and future partners. The management of Döhler Danmark A/S will also maintain a high level of communication to their employees so that they are able to handle the threat of co-corruption and bribery.

To prevent bribery and corruption we have a double approval system. Which means that every invoice has to be approved by two persons before it can be booked in the system. In addition all outgoing payments are verified by at least two persons. At the very beginning of 2021 implementation of an electronic booking and payment system of invoices was finalized. Thereby the risk for fraud was minimized. The tool has proven effective and no incidents of fraud have been identified. In addition cash payments have been minimized and replaced by automated electronic transactions. In 2022 no cases or suspicion of any cases related to bribery, fraud or corruption have been detected.

Risk Analysis Regarding CSR Policies

We recognize the importance of risk analysis throughout the value chain for our business. However, we are also aware that some of these risks we cannot measure nor control. As previously described Döhler Denmark A/S benefits from the overall Döhler Group supplier audit program. On an internal perspective we continuously analyse product risk (including food safety), work environment risk and environmental risk. The quality department of Döhler Denmark A/S benefit, as well as the remaining part of the

business, from the competences hosted by Döhler Group worldwide. In an increasingly digitized world where normal business procedures are being challenged by a rapid changing financial situation, the company is aware of the increase in the risk for fraud from both internal and external stakeholders.

Management's review

In order to adhere to a common ethical standard, Döhler developed its own Code of Conduct (CoC). The purpose of the CoC is to ensure that Döhler acts with integrity in all business relationships, complies with the principles of human rights, labour law and environmental protection and operates in accordance with internationally recognised standards. The CoC provides guidelines on behaviour towards colleagues, business partners and society in general, and outlines mandatory, globally applicable guidance for acting in accordance with the law and in an ethically responsible way, with a focus on modern slavery and human trafficking. In order to ensure that the upstream supply chain also takes responsibility, Döhler made this standard mandatory for its suppliers. Adherence to the CoC is therefore always an integral part of contract conclusions with Döhler. The CoC is based on core principles contained in the International Bill of Human rights, fundamental International Labour Organization Conventions, relevant United Nation Conventions and Guidelines, as well as the Ethical Trading Initiative base code. In addition to the CoC, Döhler has a sustainability. Policy in place which sets clear targets in terms of social responsibility, with a focus on human rights, for example, as well as on fostering and accepting the diversity of people.

In order to ensure a group-wide policy development, implementation and adherence to the principles contained within these policies, Döhler has created several function units. These include the Group Sustainability and Group Human Resources function units, as well as local equivalents in the global Döhler operations.

Statement on gender composition

Gender Composition of Management

As of the balance sheet date the board of directors of Döhler Denmark A/S consists of 3 persons. One members are elected as employee representatives according to Danish law and two members are appointed by the capital owner of the company. Appointment of members to the board of director happens independently of gender and is solely based on objective qualifications and competences. The target for gender composition within the board of directors is to reach at least 33% participation of the underrepresented gender by 2025. As of today it has not been possible to identify and attract a candidate with the required competences of the underrepresented gender. The board is currently composed only of men.

As of the balance sheet date the management and team leaders of Döhler Denmark A/S consists of 7 persons. The company acknowledges the strength of having a diverse team and recruitments are based on experience and competences regardless of gender. The target for gender composition within the team is to reach at least 40% participation of the underrepresented gender latest by end of 2023. As of the balance sheet date 15% of the team were made up of the underrepresented gender. We acknowledge that the target is not fulfilled and recognize that activities have to be started to reach the goal: In case two equal candidates are identified for a position, the one representing the underrepresented gender will be chosen. In a similar approach recruitment agencies are encouraged to present candidates from the underrepresented gender for all positions – regardless of organization level.

Döhler Denmark A/S encourages all qualified candidates to apply for open positions regardless of gender. The evaluation of candidates are made without considering the gender of the candidate. The company has no direct policy within the area as qualification and motivation always comes before gender and other less relevant parameters in the evaluation of a candidate. However, in case two equal candidates are identified for a position, the one representing the underrepresented gender will be chosen. Until now the company has not been in a situation where two candidates from each gender were rated completely identical, therefore the policy has not yet brought any effect in the gender distribution.

Döhler Denmark A/S does not discriminate any stakeholders based on gender, religion, sexuality etc. this obviously also applies for potential candidates.

Statement on data ethics

Döhler Danmark A/S does not use advanced technologies such as artificial intelligence or machine learning. The company handles general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies. With the limited processing of data, it is the company's assessment that there is no need for a policy on data ethics. The company will continuously assess whether a policy is necessary.

Management's review

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The consequences of Covid-19 where many of the worlds governments are choosing to lock-down countries and/or specific group of a society on an on-off basis has already impacted the global economy to a great extent. Döhler Denmark A/S is exposed towards associated risks through both global raw material supply and customer demand. In 2021 and 2022 Döhler Denmark did not experience significant business impact caused by Covid-19 nor any related effects. The company monitors closely the development on a national as well as international scale and initiatives to secure raw material supply and demand maneuverability is being considered on a continuous basis. The company has experienced an increase in energy costs and costs for certain raw materials due to the conflict in Ukraine and continues to monitor the situation closely.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	1	332,027	326,123
Production expenses	2	-288,154	-289,534
Gross profit		43,873	36,589
Distribution expenses	2	-25,030	-18,644
Administrative expenses	2	-16,528	-14,532
Operating profit/loss		2,315	3,413
Other operating income		500	90
Other operating expenses		-173	-45
Profit/loss before financial income and expenses		2,642	3,458
Financial income	3	8	28
Financial expenses	4	-776	-546
Profit/loss before tax		1,874	2,940
Tax on profit/loss for the year	5	-400	-507
Net profit/loss for the year	6	1,474	2,433

Balance sheet 31 December

Assets

	Note	2022 TDKK	2021 TDKK
Completed development projects		2,016	2,023
Acquired licenses		0	0
Development projects in progress		0	710
Intangible assets	7	<u>2,016</u>	<u>2,733</u>
Land and buildings		25,617	21,062
Plant and machinery		20,662	22,533
Other fixtures and fittings, tools and equipment		2,437	2,141
Property, plant and equipment in progress		8,693	10,490
Property, plant and equipment	8	<u>57,409</u>	<u>56,226</u>
Fixed assets		<u>59,425</u>	<u>58,959</u>
Inventories	9	<u>71,578</u>	<u>63,999</u>
Trade receivables		46,520	39,508
Receivables from group enterprises		6,976	49,296
Other receivables		3,242	257
Prepayments	10	1,906	1,104
Receivables		<u>58,644</u>	<u>90,165</u>
Cash at bank and in hand		<u>6,286</u>	<u>4,163</u>
Current assets		<u>136,508</u>	<u>158,327</u>
Assets		<u>195,933</u>	<u>217,286</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital		10,001	10,001
Reserve for development costs		1,572	2,132
Retained earnings		111,101	109,067
Equity		122,674	121,200
Provision for deferred tax	11	2,876	2,477
Provisions		2,876	2,477
Other payables		6,190	6,190
Long-term debt	12	6,190	6,190
Mortgage loans		0	1,670
Trade payables		41,174	54,284
Payables to group enterprises	12	16,508	22,273
Corporation tax		18	895
Other payables	12	6,493	8,297
Short-term debt		64,193	87,419
Debt		70,383	93,609
Liabilities and equity		195,933	217,286
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Subsequent events	19		
Accounting Policies	20		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	10,001	2,132	109,067	121,200
Development costs for the year	0	-560	560	0
Net profit/loss for the year	0	0	1,474	1,474
Equity at 31 December	10,001	1,572	111,101	122,674

Cash flow statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Result of the year		1,474	2,433
Adjustments	14	8,708	9,747
Change in working capital	15	9,036	820
Cash flow from operations before financial items		19,218	13,000
Financial income		8	-462
Financial expenses		-776	-56
Cash flows from ordinary activities		18,450	12,482
Corporation tax paid		-878	-834
Cash flows from operating activities		17,572	11,648
Purchase of intangible assets		-278	-1,289
Purchase of property, plant and equipment		-7,736	-4,262
Cash flows from investing activities		-8,014	-5,551
Repayment of mortgage loans		-1,670	-1,677
Repayment of payables to group enterprises		-5,765	-4,184
Cash flows from financing activities		-7,435	-5,861
Change in cash and cash equivalents		2,123	236
Cash and cash equivalents at 1 January		4,163	3,927
Cash and cash equivalents at 31 December		6,286	4,163
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6,286	4,163
Cash and cash equivalents at 31 December		6,286	4,163

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
1. Revenue		
Geographical segments		
Revenue, Denmark	111,658	140,017
Revenue, Export	<u>220,369</u>	<u>186,106</u>
	<u>332,027</u>	<u>326,123</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
2. Staff		
Wages and salaries	54,967	60,482
Other social security expenses	1,466	1,464
Other staff expenses	<u>623</u>	<u>2,604</u>
	<u>57,056</u>	<u>64,550</u>

Wages and salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:

Production expenses	51,181	59,396
Distribution expenses	113	83
Administrative expenses	<u>5,762</u>	<u>5,071</u>
	<u>57,056</u>	<u>64,550</u>

Including remuneration to the Executive Board:

Executive board	<u>2,298</u>	<u>2,463</u>
	<u>2,298</u>	<u>2,463</u>

Average number of employees	<u>106</u>	<u>113</u>
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	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	0	27
Other financial income	<u>8</u>	<u>1</u>
	<u>8</u>	<u>28</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	519	130
Other financial expenses	33	173
Exchange adjustments, expenses	224	243
	<u>776</u>	<u>546</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	0	841
Deferred tax for the year	400	-334
	<u>400</u>	<u>507</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
6. Profit allocation		
Retained earnings	1,474	2,433
	<u>1,474</u>	<u>2,433</u>

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects	Acquired licenses	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	2,716	3,279	710
Transfers for the year	710	0	-710
Cost at 31 December	<u>3,426</u>	<u>3,279</u>	<u>0</u>
Impairment losses and amortisation at 1 January	693	3,279	0
Amortisation for the year	717	0	0
Impairment losses and amortisation at 31 December	<u>1,410</u>	<u>3,279</u>	<u>0</u>
Carrying amount at 31 December	<u>2,016</u>	<u>0</u>	<u>0</u>

Development projects relate to the development of new recipes of the Company's existing products. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The new recipes is expected to be sold in the present market to the Company's existing customers. Prior to the initiation of the projects, the Company inquired of its customers as to the need for the recipes, which was well received.

Notes to the Financial Statements

8. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	85,971	171,481	10,671	10,490
Additions for the year	0	347	0	7,335
Disposals for the year	-271	-1,505	0	0
Transfers for the year	7,602	970	560	-9,132
Cost at 31 December	<u>93,302</u>	<u>171,293</u>	<u>11,231</u>	<u>8,693</u>
Impairment losses and depreciation at 1 January	64,909	148,949	8,529	0
Depreciation for the year	2,776	3,154	265	0
Impairment and depreciation of sold assets for the year	0	33	0	0
Reversal of impairment and depreciation of sold assets	0	-1,505	0	0
Impairment losses and depreciation at 31 December	<u>67,685</u>	<u>150,631</u>	<u>8,794</u>	<u>0</u>
Carrying amount at 31 December	<u>25,617</u>	<u>20,662</u>	<u>2,437</u>	<u>8,693</u>

2022	2021
TDKK	TDKK

9. Inventories

Inventories - Raw materials and consumables	56,107	52,271
Inventories - Finished goods and goods for resale	15,471	11,728
	<u>71,578</u>	<u>63,999</u>

10. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
11. Provision for deferred tax		
Deferred tax liabilities at 1 January	2,477	2,810
Amounts recognised in the income statement for the year	399	-334
Deferred tax liabilities at 31 December	2,876	2,477

12. Long-term debt

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

The debt falls due for payment as specified below:

	2022	2021
	TDKK	TDKK
Other payables		
After 5 years	6,190	6,190
Long-term part	6,190	6,190
Within 1 year	0	0
Other short-term payables	6,493	8,297
	12,683	14,487

13. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2022	2021
	TDKK	TDKK
14. Cash flow statement - Adjustments		
Financial income	-8	-28
Financial expenses	776	546
Depreciation, amortisation and impairment losses, including losses and gains on sales	7,540	8,722
Tax on profit/loss for the year	400	507
	8,708	9,747

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
15. Cash flow statement - Change in working capital		
Change in inventories	-7,579	-17,585
Change in receivables	31,521	6,101
Change in trade payables, etc	-14,906	12,304
	<u>9,036</u>	<u>820</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
16. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with a carrying amount of	25,617	21,062
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	677,905	783,285
Between 1 and 5 years	1,019,267	1,383,110
	<u>1,697,172</u>	<u>2,166,395</u>

Other contingent liabilities

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

Notes to the Financial Statements

17. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Continental Fruit B.V.	Owner

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Döhler GmbH	Darmstadt, Germany

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
18. Fee to auditors appointed at the general meeting		
Audit fee	182	169
Tax advisory services	31	45
Non-audit services	<u>9</u>	<u>15</u>
	<u>222</u>	<u>229</u>

19. Subsequent events

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

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Döhler Denmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

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

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

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

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

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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

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

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

Segment information on revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Notes to the Financial Statements

Income statement

Net sales

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

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

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

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

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danich group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is years. Software licences are amortised over the period of the agreement, which is 5 years.

Property, plant and equipment

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

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

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

Production buildings	20-50 years
Other buildings	20-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5-10 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

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

Inventories

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

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

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

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

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

Prepayments

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

Deferred tax assets and liabilities

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

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

Current tax receivables and liabilities

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

Financial debts

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

Notes to the Financial Statements

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

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$