

# **Ovodan Foods A/S**

**Havnegade 33-35  
5000 Odense C**

**CVR no. 78 87 84 28**

**Annual report for 2020**

Adopted at the annual general meeting on 28 May 2021

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Thor Stadil  
chairman

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## **Statement by management on the annual report**

The board of directors and executive boards have today discussed and approved the annual report of Ovodan Foods A/S for the financial year 1 January - 31 December 2020.

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 company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Odense, 28 May 2021

### **Executive board**

Henrik Marinus Pedersen  
CEO

### **Board of directors**

Thor Stadil  
Chairman

Christian Nicholas  
Rosenkrantz Stadil

Henrik Marinus Pedersen

## **Independent auditor's report**

### *To the shareholders of Ovodan Foods A/S*

#### **Opinion**

We have audited the financial statements of Ovodan Foods A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position 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.

#### **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.

#### **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 the 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 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.

## Independent auditor's report

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.

### 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.

## **Independent auditor's report**

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, we conclude that 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 management's review.

Odense, 28 May 2021

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

Gert Rasmussen  
State-authorized public accountant  
MNE no. mne35430

## Company details

Ovodan Foods A/S  
Havnegade 33-35  
5000 Odense C

CVR-no. 78 87 84 28

Financial year: 1 January - 31 December 2020

Domicile: Odense

### Board of directors

Thor Stadil, Chairman  
Christian Nicholas  
Rosenkrantz Stadil  
Henrik Marinus Pedersen

### Executive Board

Henrik Marinus Pedersen, CEO

### Auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
5100 Odense C

### Consolidated financial statements

The company is reflected in the group report as the parent company Thornico Food & Food Technology Group A/S, Odense CVR no. 37 75 09 13 (smallest group) and Thornico Holding A/S, Odense CVR no. 35 25 08 00 (largest group).

## Financial highlights

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

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Gross profit/loss	28.646	23.905	42.701	32.125	20.317
Profit/loss before net financials	6.300	1.333	20.239	11.901	945
Net financials	-9.919	-1.165	-1.745	-3.047	18
Profit/loss for the year	-2.832	78	14.493	6.777	656
Balance sheet total	163.315	148.009	153.548	162.600	146.691
Investment in property, plant and equipment	1.089	144	507	424	6.137
Equity	33.927	36.759	36.681	22.188	15.411
Return on assets	4,0%	0,9%	12,8%	7,7%	0,6%
Solvency ratio	20,8%	24,8%	23,9%	13,6%	10,5%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



## **Management's review**

### **Business review**

The company's activity consists of the production and sale of processed egg products to the food industry.

### **Financial review**

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 2.831.677, and the balance sheet at 31 December 2020 shows equity of DKK 33.927.482.

2020 was an extraordinary year influenced by Covid-19 and the consequential several lock downs globally. More or less immediately, sales to the food service industry took a giant dive and at the same time sales of consumer eggs to the supermarkets increased significantly. These sudden changes significantly influenced the whole egg processing industry, hereunder also Ovodan. However, with sales to 70+ markets and with sourcing of egg products globally as well, we have been less vulnerable compared to many of our competitors. The Covid-19 situation seems to continue on/off for the coming many months, and we continue to maneuver in accordance to this.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Expected development of the company, including specific prerequisites and uncertainties**

The current COVID-19 situation has in general had a significant impact on the egg industry. Producers of shell eggs selling eggs to the supermarkets have experienced an increased consumer demand whereas producers of egg products for the food service industry have experienced a significant decline in sales. Ovodan Foods A/S is predominantly selling its powdered egg products to BtB customers producing finished food items for supermarkets and thus less to the food service and has only to some extent experienced a decline in sales. This as per today's outlook which can change due to currently unknown factors. It is believed that the situation to some extent shall normalize, when the restrictions are lifted. However, we do believe that Covid-19 will influence the full fiscal year 2021.

### **The company's knowledge resources if of particular importance to its future earnings**

As being one of the leading manufacturers of Egg based powdered products globally, it is of greatest importance to recruit and maintain in-company human resources to maintain this competitive advantage. The company is on a frequent basis monitoring these in-company human resources to ensure that these comply with what is needed.

## **Management's review**

### **Impact on the external environment and measures taken to prevent, reduce or mitigate damage**

The impact, which the company has on the external environment, hereunder, but not only exclusively usage of gas, electricity, water, wastewater etc., is closely monitored on a frequent basis. The company has within the last years invested in various projects to reduce such usages and shall continue do so in the future as well when making sense.

### **Research and development activities in or for the company**

The company is continuously having projects with its clients mainly within developing Egg powder based solutions for various new applications.

### **Description of the company's use of financial instruments**

#### ***The company's objectives and policies for financial risk management***

As a result of its operations, investments and financing, the company is exposed to this change in currency and interest rate level.

As there is primarily activity in DKK and EUR, there is limited influence in currency.

The global raw material prices for egg have for some years been extremely high fluctuations in availability and hence price. With a sale today to more than 60 countries and more in a highly competitive global market with low margins, it is of the utmost importance for the company to continuously hedge its purchases in relation to sales prices obtained and other conditions.

## **Accounting policies**

The annual report of Ovodan Foods A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

## **Accounting policies**

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

### **Raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

### **Other external expenses**

Other external expenses include expenses related 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 pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax 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 tax losses to reduce their own taxable profits.

## Accounting policies

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, 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.

### Balance sheet

#### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Plant and machinery	7-14 years
Other fixtures and fittings, tools and equipment	3-14 years

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

#### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

Production overheads include the indirect cost of materials, wages and salaries 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 cost.

## **Accounting policies**

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale.

### **Receivables**

Receivables are measured at amortised cost.

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

### **Provisions**

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Deferred income**

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

## Accounting policies

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

### Cash flow statement

No cash flow statement has been prepared according to §86, stk. 4.

### Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
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Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
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**Income statement 1 January 2020 - 31 December 2020**

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Gross profit</b>		<b>28.646.209</b>	<b>23.905.427</b>
Staff costs	1	<u>-20.405.621</u>	<u>-20.665.119</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>8.240.588</b>	<b>3.240.308</b>
Depreciation and impairment of intangible assets and plant and equipment		<u>-1.940.875</u>	<u>-1.907.501</u>
<b>Profit/loss before net financials</b>		<b>6.299.713</b>	<b>1.332.807</b>
Financial income	2	1.145.556	1.009.091
Financial costs	3	<u>-11.065.053</u>	<u>-2.173.696</u>
<b>Profit/loss before tax</b>		<b>-3.619.784</b>	<b>168.202</b>
Tax on profit/loss for the year	4	<u>788.107</u>	<u>-90.138</u>
<b>Profit/loss for the year</b>		<b><u>-2.831.677</u></b>	<b><u>78.064</u></b>
Distribution of profit	5		



**Balance sheet at 31 December 2020**

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Assets</b>			
Plant and machinery		2.467.296	4.125.345
Other fixtures and fittings, tools and equipment		1.135.774	521.354
Leasehold improvements		<u>0</u>	<u>0</u>
<b>Tangible assets</b>	<b>6</b>	<b><u>3.603.070</u></b>	<b><u>4.646.699</u></b>
Receivables from group entities	7	<u>54.975.844</u>	<u>17.455.453</u>
<b>Fixed asset investments</b>		<b><u>54.975.844</u></b>	<b><u>17.455.453</u></b>
<b>Total non-current assets</b>		<b><u>58.578.914</u></b>	<b><u>22.102.152</u></b>
Raw materials and consumables		7.559.135	7.816.911
Finished goods and goods for resale		<u>40.221.821</u>	<u>35.051.294</u>
<b>Stocks</b>		<b><u>47.780.956</u></b>	<b><u>42.868.205</u></b>
Trade receivables		40.925.788	44.346.410
Receivables from group entities		6.289.912	34.985.841
Other receivables		1.657.277	1.442.681
Deferred tax asset	9	2.221.495	538.340
Prepayments	8	<u>11.098</u>	<u>95.545</u>
<b>Receivables</b>		<b><u>51.105.570</u></b>	<b><u>81.408.817</u></b>
<b>Cash at bank and in hand</b>		<b><u>5.849.174</u></b>	<b><u>1.630.217</u></b>
<b>Total current assets</b>		<b><u>104.735.700</u></b>	<b><u>125.907.239</u></b>
<b>Total assets</b>		<b><u>163.314.614</u></b>	<b><u>148.009.391</u></b>

**Balance sheet at 31 December 2020**

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Equity and liabilities</b>			
Share capital		5.000.000	5.000.000
Retained earnings		28.927.482	31.759.159
<b>Equity</b>		<b><u>33.927.482</u></b>	<b><u>36.759.159</u></b>
Prepayments received from customers		0	2.887.666
Other payables		1.056.256	355.715
<b>Total non-current liabilities</b>		<b><u>1.056.256</u></b>	<b><u>3.243.381</u></b>
Banks		15.702.617	1.972.481
Trade payables		10.757.612	5.337.409
Payables to group entities		93.105.467	92.331.943
Corporation tax		895.048	422.370
Other payables		7.870.132	7.747.031
Deferred income	10	0	195.617
<b>Total current liabilities</b>		<b><u>128.330.876</u></b>	<b><u>108.006.851</u></b>
<b>Total liabilities</b>		<b><u>129.387.132</u></b>	<b><u>111.250.232</u></b>
<b>Total equity and liabilities</b>		<b><u>163.314.614</u></b>	<b><u>148.009.391</u></b>
Contingent liabilities	11		
Mortgages and collateral	12		
Related parties and ownership structure	13		

**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 January 2020	5.000.000	31.759.159	36.759.159
Net profit/loss for the year	0	-2.831.677	-2.831.677
<b>Equity at 31 December 2020</b>	<b><u>5.000.000</u></b>	<b><u>28.927.482</u></b>	<b><u>33.927.482</u></b>

**Notes**

	<u>2020</u>	<u>2019</u>
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	18.768.143	19.020.649
Pensions	1.543.087	1.549.792
Other social security costs	94.391	94.678
	<u><b>20.405.621</b></u>	<u><b>20.665.119</b></u>
Average number of employees	<u>42</u>	<u>41</u>
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.		
<b>2 Financial income</b>		
Interest received from group entities	1.145.556	915.405
Exchange adjustments	0	93.686
	<u><b>1.145.556</b></u>	<u><b>1.009.091</b></u>
<b>3 Financial costs</b>		
Impairment losses on financial assets	8.000.000	0
Financial expenses, group entities	1.762.292	1.896.528
Other financial costs	293.845	277.168
Exchange adjustments costs	1.008.916	0
	<u><b>11.065.053</b></u>	<u><b>2.173.696</b></u>

## Notes

	2020 DKK	2019 DKK	
<b>4 Tax on profit/loss for the year</b>			
Current tax for the year	895.048	422.370	
Deferred tax for the year	-1.683.155	-376.614	
Adjustment of tax concerning previous years	0	44.382	
	<b>-788.107</b>	<b>90.138</b>	
<b>5 Distribution of profit</b>			
Retained earnings	-2.831.677	78.064	
	<b>-2.831.677</b>	<b>78.064</b>	
<b>6 Tangible assets</b>			
	Plant and ma- chinery	Other fixtures and fittings, tools and equipment	Leasehold im- provements
Cost at 1 January 2020	31.388.522	7.885.976	8.580.965
Additions for the year	0	1.089.347	0
Disposals for the year	0	-837.755	0
Cost at 31 December 2020	31.388.522	8.137.568	8.580.965
Impairment losses and depreciation at 1 January 2020	27.263.178	7.364.622	8.580.965
Depreciation for the year	1.658.048	264.135	0
Impairment and depreciation of sold assets for the year	0	-70.360	0
Reversal of impairment and depreciation of sold assets	0	-556.603	0
Impairment losses and depreciation at 31 December 2020	28.921.226	7.001.794	8.580.965
<b>Carrying amount at 31 December 2020</b>	<b>2.467.296</b>	<b>1.135.774</b>	<b>0</b>

## Notes

### 6 Tangible assets (Fortsat)

### 7 Fixed asset investments

	Receivables from group entites
	<u>                    </u>
Cost at 1 January 2020	17.455.453
Additions for the year	<u>45.520.391</u>
Cost at 31 December 2020	<u>62.975.844</u>
Impairment losses for the year	<u>8.000.000</u>
Impairment losses at 31 December 2020	<u>8.000.000</u>
<b>Carrying amount at 31 December 2020</b>	<b><u><u>54.975.844</u></u></b>

### 8 Prepayments

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

## Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
<b>9 Provision for deferred tax</b>		
Provision for deferred tax at 1 January 2020	-538.340	-161.726
Deferred tax recognised in equity	<u>-1.683.155</u>	<u>-376.614</u>
<b>Provision for deferred tax at 31 December 2020</b>	<b><u>-2.221.495</u></b>	<b><u>-538.340</u></b>
The expected due dates of deferred tax:		
Within one year	0	0
Between 1 and 5 years	2.221.495	538.340
Over 5 years	<u>0</u>	<u>0</u>
<b>Deferred tax at 31 December 2020</b>	<b><u>2.221.495</u></b>	<b><u>538.340</u></b>

## Notes

### 10 Deferred income

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

### 11 Contingent liabilities

The company is obliged by a rent lease to the parent company Thornico Food & Food Technology Group A/S. The liability amounts to DKK 2,721 thousand.

The company has entered into operating leases.  
The residual liability constitutes DKK 59 thousand.

The company is jointly taxed with its parent company, Thornico Holding A/S (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income as well as for payment of withholding taxes on dividends, interest and royalties.

### 12 Mortgages and collateral

As security for bank debt, the company has issued a joint self-debt guarantee, totalling DKK 13 million in affiliates in the Thornico Food & Food Technology Group. The companies include Thornico Food & Food Technology Group A/S, Lactosan A/S og Sanovo Technology A/S.

### 13 Related parties and ownership structure

#### Controlling interest

Ovodan Europe A/S, Odense, majority shareholder. Thornico Food & Food Technology Group A/S, Odense. Thornico A/S, Odense. Thornico Holding A/S, Odense. Christian Nicholas Rosenkrantz Stadil, ultimate owner (non-public address)

#### Transactions

According to the Danish Financial Statements Act, the company has only chosen to disclose transactions that have not been completed under normal market conditions. Management believes that all related party transactions take place on market terms.

#### Consolidated financial statements

The company is reflected in the group report as the parent company Thornico Food & Food Technology Group A/S, Odense CVR no. 37 75 09 13 (smallest group) and Thornico Holding A/S, Odense CVR no. 35 25 08 00 (largest group).