

**VILOFOSS A/S**

Ballesvej 2, 7000 Fredericia

CVR no. 82 77 62 14

**ANNUAL REPORT FOR 2021**

Adopted at the annual general meeting on 31 May 2022

chairman

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**Brian Kærgaard Mathiesen**

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## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Vilofoss A/S for the financial year 1 January - 31 December 2021.

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

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

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.

Fredericia, 31 May 2022

### Executive board

Bøje Schaumann Kjær  
CEO

Jacob Holm Pedersen

Jacob Hendrik Boudewijn  
Morelissen

### Supervisory board

Niels Dingsø Jensen  
chairman

Jesper Pagh

Kristian Johnsen Hundebøll

Christina Nielsen

Hans Robin Philip

## **Independent auditor's report**

### ***To the shareholder of Vilofoss A/S***

#### **Opinion**

We have audited the financial statements of Vilofoss A/S for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 and IESBA Code. 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.

Hellerup, 31 May 2022

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Tue Stensgård Sørensen  
statsautoriseret revisor  
MNE no. mne32200

Claus Lyngsø Sørensen  
statsautoriseret revisor  
MNE no. mne34539

## Company details

### The company

Vilofoss A/S  
Ballesvej 2  
7000 Fredericia

CVR no.: 82 77 62 14

Reporting period: 1 January - 31 December 2021

Domicile: Fredericia

### Supervisory board

Niels Dengsø Jensen, chairman  
Jesper Pagh  
Kristian Johnsen Hundebøll  
Christina Nielsen  
Hans Robin Philip

### Executive board

Bøje Schaumann Kjær, CEO  
Jacob Holm Pedersen  
Jacob Hendrik Boudewijn Morelissen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial highlights

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

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	1,182,325	1,042,948	1,085,772	1,168,634	1,122,937
Gross profit	127,581	108,229	90,261	106,186	97,865
Profit/loss before net financials	69,222	35,673	24,656	54,401	45,148
Net financials	140,085	95,257	19,827	12,154	202,014
Profit/loss for the year	204,030	129,487	42,501	68,577	236,193
<b>Balance sheet</b>					
Balance sheet total	2,633,599	2,531,675	2,407,976	2,292,908	2,210,771
Investment in property, plant and equipment	27,716	29,368	55,079	34,248	6,709
Equity	725,815	510,911	385,705	629,039	586,308
<b>Financial ratios</b>					
Gross margin	10.8%	10.4%	8.3%	9.1%	8.7%
EBIT margin	5.9%	3.4%	2.3%	4.7%	4.0%
Return on assets	2.7%	1.4%	1.0%	2.4%	2.1%
Solvency ratio	27.6%	20.2%	16.0%	27.4%	26.5%
Return on equity	33.0%	28.9%	8.4%	11.3%	33.7%

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.

Stormøllen A/S and Vilofoss A/S were merged in 2020. Accounting policy is the book value method and comparative figures are not adjusted.

## **Management's review**

### **Business review**

The company is engaged in the production and sale of customized premix and mineral mixtures for use in compound feed.

In addition, the company leases properties, including production facilities, to Group enterprises which the Group enterprises use for production of their different products.

Vilofoss A/S is the owner of several companies whose activities are primarily related to the DLG Group.

### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 204,030, and the balance sheet at 31 December 2021 shows equity of TDKK 725,815.

The result is affected by increased revenue due to raising prices and with a marginal increase in sales volumes. Covid-19 has not had any significant effect on the profit since the products are mainly for activities in the agricultural sector which is not significantly affected.

### **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.

### **Expectations for 2022**

For 2022 management expects a Gross Profit on the same level as realized in 2021.

The associate company AV Nutrismart Holding ApS could be affected negatively in the future, as a result of the Russian invasion of Ukraine.

### **Risks - management of currency and interest risks**

Vilofoss A/S is a part of the DLG Group's overall financial risk management framework (treasury policy). The group treasury department has the overall responsibility to ensure that the financial positions are within the agreed guidelines and risk limits.

### **Statement of corporate social responsibility in accordance with section 99a of the Danish Financial Statements Act**

Vilofoss A/S follows the CSR strategy in parent company DLG a.m.b.a., CVR no. 24 24 69 30 and with reference to section 99a, subsection 7 of the Danish Financial Statements Act, the statement on social responsibility is made in the CSR report for 2021 for DLG a.m.b.a., which is available at <https://www.dlg.dk/en/dlg-group/Investor/CSR>.

## Management's review

### **Statement of the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act**

#### ***Description of target figures for the underrepresented gender***

The company is covered by the Danish Financial Statements Act's rules on reporting regarding the underrepresented gender. This means that the company must set up and account for target figures for the underrepresented gender on the company's board of directors, as well as set up and account for a policy for increasing the underrepresented gender on other management layers.

The target figure and time frame for meeting these for Vilofoss A/S is in accordance with the parent company where 4 out of 13 board members in the Board of Directors must be women in 2026. It is the same percentage expectations as in DLG Group. In contrast to the parent company, Vilofoss A/S did not meet its target when only one female board member were elected on the most recent annual general meeting.

The policy regarding diversity in additional management levels for Vilofoss A/S is in accordance with the policy of the DLG Group where it is planned to increase the underrepresented gender by recruiting from a diversified and qualified group of potential candidates. A foundation stone for diversity that was laid in 2021, and will be strengthened in 2022, was focus on bias in recruitments and promotions. In our recruitment efforts, we will clarify the most important competencies which a position entails with the recruiting manager during the initial dialogue and describe these competencies in the job ads in a specific and matter-of-fact way in the hope that this will help make the job ads appeal to a more diverse range of potential candidates.

We operate in an industry that is generally male-dominated, and therefore the Vilofoss Group faces the same challenge.

The share of female board members have developed in 2021, where there have been elected one female.

### **Statement on data ethics policy in accordance with section 99d of the Danish Financial Statements Act**

#### ***Description of entity's work with and policy for data ethical questions***

Management assess that the company does not have data that has not already been adequately handled via the GDPR legislation, due to this there is currently no need for at data ethics policy.

## **Accounting policies**

The annual report of Vilofoss A/S for 2021 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 are consistent with those of last year.

The annual report for 2021 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **Changes in classification in the income statement**

Comparative figures in the income statement have been restated to match this year's presentation. the adjustment of the comparative figures have no effect on net profit.

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

### **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**

### **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.

## **Accounting policies**

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### **Cost of productions**

Cost of productions comprises of direct and indirect costs of production to generate the year's revenue. Here in commercial goods which include cost of trade in goods and producing goods which include costs of raw materials and consumables, wages and salaries, and depreciation of production plant.

Cost of productions also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including rent.

### **Other operating expenses**

Other operating expenses comprise items of a secondary nature relative to the company's activities, including consumption costs, property taxes and other costs in connection with the renting of properties.

### **Distribution costs**

Distribution costs comprise costs incurred to distribute goods sold during the year and to carry through sales campaigns, etc. in the year, including costs related to sales staff, advertising, exhibitions and amortisation of distribution- and sales-related activities.

### **Administrative costs**

Administrative expenses comprise expenses incurred in the year related to management, administrative staff, office premises, office expenses, depreciation, 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.

## **Accounting policies**

### **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, 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.

### **Income from investments in subsidiaries and associates**

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement together with amortisation of goodwill on the shares in "Income from investments in subsidiaries" and "Income from investments in associates".

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

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries which is subject to corporation tax. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

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

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

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.

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**

### **Intangible assets**

#### ***Goodwill***

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years.

#### ***Other intangible assets***

Other intangible assets include ongoing and completed development projects with associated intellectual property rights, acquired intellectual property rights and prepayments for intangible assets. Intangible assets are recognized at cost and depreciated for up to 15 years. The amortisation period is determined on the basis of an assessment of the economic life of the acquired and developed assets.

## Accounting policies

### Tangible assets

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

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:

Production buildings	25-50 years
Plant and machinery	8-20 years
Other fixtures and fittings, tools and equipment	4-10 years

Assets costing less than DKK 30,700 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.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Leases

All leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

### Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

## **Accounting policies**

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Vilofoss A/S is adopted are not taken to the net revaluation reserve.

### **Other securities and investments, fixed assets**

Other securities and investments are measured at cost or a lower net realizable value.

### **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.

### **Receivables**

Receivables are measured at amortised cost or a lower net realizable value, which corresponds to nominal value less impairment losses. Impairment losses are calculated on the basis of an individual assessment of the individual receivables and as well as a general impairment loss based on the company's experience from previous years.

### **Prepayments**

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

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

As management company, Vilofoss A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

## **Accounting policies**

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. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

Other 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.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables', 'Derivative financial instruments, receivables', 'Other payables' or 'Derivative financial instruments, liabilities', respectively.

## **Accounting policies**

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in the fair value reserve under 'Equity'. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

### **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'.

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

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

### **Cash flow statement**

No cash flow statement has been prepared according to section 86(4) of the Danish Financial Statements Act.

**Accounting policies****Financial highlights**

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$

## Income statement 1 January 2021 - 31 December 2021

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Revenue</b>	1	<b>1,182,325</b>	<b>1,042,948</b>
Cost of productions		<u>-1,054,744</u>	<u>-934,719</u>
<b>Gross profit</b>		<b>127,581</b>	<b>108,229</b>
Distribution costs		-26,905	-35,860
Administrative costs		<u>-42,277</u>	<u>-39,868</u>
<b>Operating profit/loss</b>		<b>58,399</b>	<b>32,501</b>
Other operating income		30,896	23,740
Other operating costs		<u>-20,073</u>	<u>-20,568</u>
<b>Profit/loss before financial income and expenses</b>		<b>69,222</b>	<b>35,673</b>
Income from investments in subsidiaries		130,484	112,908
Income from investments in associates		53,123	26,796
Financial income	3	4,637	2,748
Financial costs	4	<u>-48,159</u>	<u>-47,195</u>
<b>Profit/loss before tax</b>		<b>209,307</b>	<b>130,930</b>
Tax on profit/loss for the year	5	<u>-5,277</u>	<u>-1,443</u>
<b>Net profit/loss for the year</b>		<b><u>204,030</u></b>	<b><u>129,487</u></b>
Distribution of profit	6		

**Balance sheet at 31 December 2021**

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Assets</b>			
Completed development projects		8,048	9,415
Goodwill		10,323	11,574
Development projects in progress		<u>0</u>	<u>64</u>
<b>Intangible assets</b>	<b>7</b>	<b><u>18,371</u></b>	<b><u>21,053</u></b>
Land and buildings		315,907	328,799
Plant and machinery		133,748	146,561
Other fixtures and fittings, tools and equipment		315	388
Property, plant and equipment in progress		<u>20,060</u>	<u>6,439</u>
<b>Tangible assets</b>	<b>8</b>	<b><u>470,030</u></b>	<b><u>482,187</u></b>
Investments in subsidiaries	9	1,378,470	1,324,475
Investments in associates	10	314,401	260,153
Receivables from group enterprises	11	9,870	9,906
Receivables from associates	11	116,908	129,594
Other fixed asset investments	11	2,615	22,976
Deferred tax assets	11	<u>5,802</u>	<u>20,113</u>
<b>Fixed asset investments</b>		<b><u>1,828,066</u></b>	<b><u>1,767,217</u></b>
<b>Total non-current assets</b>		<b><u>2,316,467</u></b>	<b><u>2,270,457</u></b>
Raw materials and consumables		73,444	59,696
Work in progress		602	366
Finished goods and goods for resale		<u>23,324</u>	<u>20,455</u>
<b>Stocks</b>		<b><u>97,370</u></b>	<b><u>80,517</u></b>

**Balance sheet at 31 December 2021 (continued)**

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Assets</b>			
Trade receivables		40,237	30,155
Receivables from subsidiaries		114,432	126,117
Receivables from associates		37,627	10,159
Other receivables		21,687	13,242
Derivative financial instruments, receivables		1,160	0
Prepayments		4,606	1,023
<b>Receivables</b>		<u><b>219,749</b></u>	<u><b>180,696</b></u>
<b>Cash at bank</b>		<u><b>13</b></u>	<u><b>5</b></u>
<b>Total current assets</b>		<u><b>317,132</b></u>	<u><b>261,218</b></u>
<b>Total assets</b>		<u><u><b>2,633,599</b></u></u>	<u><u><b>2,531,675</b></u></u>

**Balance sheet at 31 December 2021**

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Equity and liabilities</b>			
Share capital		150,001	150,001
Reserve for net revaluation under the equity method		184,691	100,261
Reserve for development expenditure		6,277	7,393
Reserve for current value of hedging		905	-318
Retained earnings		<u>383,941</u>	<u>253,574</u>
<b>Equity</b>	<b>12</b>	<b><u>725,815</u></b>	<b><u>510,911</u></b>
Other provisions		<u>23,356</u>	<u>23,064</u>
<b>Total provisions</b>		<b><u>23,356</u></b>	<b><u>23,064</u></b>
Mortgage loans		<u>99,616</u>	<u>117,323</u>
<b>Total non-current liabilities</b>	<b>13</b>	<b><u>99,616</u></b>	<b><u>117,323</u></b>
Short-term part of long-term debt	13	11,174	11,984
Trade payables		124,008	100,770
Payables to subsidiaries		1,623,796	1,711,406
Payables to associates		0	1
Corporation tax		11	3,755
Other payables		24,457	50,879
Deferred income		1,366	1,174
Derivative financial instruments, liabilities		<u>0</u>	<u>408</u>
<b>Total current liabilities</b>		<b><u>1,784,812</u></b>	<b><u>1,880,377</u></b>
<b>Total liabilities</b>		<b><u>1,884,428</u></b>	<b><u>1,997,700</u></b>
<b>Total equity and liabilities</b>		<b><u>2,633,599</u></b>	<b><u>2,531,675</u></b>
Staff	2		
Rent and lease liabilities	14		
Mortgages and collateral	15		
Financial instruments	16		
Related parties and ownership structure	17		
Fee to auditors appointed at the general meeting	18		

## Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Reserve for development expenditure	Reserve for current value of hedging	Retained earnings	Total
Equity at 1 January 2021	150,001	100,261	7,393	-318	253,574	510,911
Exchange adjustment, foreign	0	-8,863	0	0	-35	-8,898
Fair value adjustment of hedging instruments	0	8,125	0	1,223	0	9,348
Other equity movements	0	10,424	0	0	0	10,424
Transfers, reserves	0	-108,864	0	0	108,864	0
Net profit/loss for the year	0	183,608	-1,116	0	21,538	204,030
<b>Equity at 31 December 2021</b>	<b>150,001</b>	<b>184,691</b>	<b>6,277</b>	<b>905</b>	<b>383,941</b>	<b>725,815</b>

## Notes

	2021 TDKK	2020 TDKK
<b>1 Revenue</b>		
European Union	1,037,546	930,630
Rest of the world	144,779	112,318
<b>Total revenue</b>	<b><u>1,182,325</u></b>	<b><u>1,042,948</u></b>

Vilfoss A/S' revenue in the business segment is divided in vitamins and minerals.

	2021 TDKK	2020 TDKK
<b>2 Staff</b>		
Wages and Salaries	64,626	80,229
Pensions	6,748	6,823
Other social security expenses	867	1,194
Reimbursement of wages and salaries	0	-1,184
	<b><u>72,241</u></b>	<b><u>87,062</u></b>

Wages and Salaries, pensions, other social security expenses and reimbursement of wages and salaries are recognised in the following items:

Cost of sales	32,223	32,716
Distribution expenses	16,635	21,118
Administrative expenses	23,383	33,228
	<b><u>72,241</u></b>	<b><u>87,062</u></b>

Including remuneration to the executive board:

Executive Board	5,952	5,520
	<b><u>5,952</u></b>	<b><u>5,520</u></b>

Average number of employees	114	124
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## Notes

	2021	2020
	TDKK	TDKK
<b>3 Financial income</b>		
Income from fixed asset investments	1,577	0
Interest received from group enterprises	0	374
Interest received from associates	3,056	2,198
Other financial income	4	176
	<u>4,637</u>	<u>2,748</u>
<b>4 Financial costs</b>		
Interest paid to group enterprises	46,424	45,178
Other financial costs	1,577	1,934
Exchange loss	158	83
	<u>48,159</u>	<u>47,195</u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	0	3,844
Deferred tax for the year	3,945	-5,591
Adjustment of tax concerning previous years	-2,379	-258
Adjustment of deferred tax concerning previous years	3,711	3,448
	<u>5,277</u>	<u>1,443</u>
<b>6 Distribution of profit</b>		
Reserve for net revaluation under the equity method	183,608	139,705
Transferred to reserve for development expenditure	-1,116	3,632
Retained earnings	21,538	-13,850
	<u>204,030</u>	<u>129,487</u>

## Notes

### 7 Intangible assets

	Completed development projects	Goodwill	Development projects in progress
Cost at 1 January 2021	22,335	25,026	64
Additions for the year	49	0	0
Disposals for the year	0	0	0
Transfers for the year	64	0	-64
Cost at 31 December 2021	<u>22,448</u>	<u>25,026</u>	<u>0</u>
Impairment losses and amortisation at 1 January 2021	12,920	13,452	0
Depreciation for the year	<u>1,480</u>	<u>1,251</u>	<u>0</u>
Impairment losses and amortisation at 31 December 2021	<u>14,400</u>	<u>14,703</u>	<u>0</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>8,048</u></b>	<b><u>10,323</u></b>	<b><u>0</u></b>

The company's development projects relate to product development, IT and a lean project in order to gain a stronger position in the market.

## Notes

## 8 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 January 2021	625,694	393,952	4,732	6,439
Additions for the year	9,227	2,264	0	16,225
Disposals for the year	-27,888	-17,116	0	-673
Transfers for the year	1,931	0	0	-1,931
Cost at 31 December 2021	<u>608,964</u>	<u>379,100</u>	<u>4,732</u>	<u>20,060</u>
Impairment losses and depreciation at 1 January 2021	296,895	247,393	4,344	0
Depreciation for the year	8,299	13,596	73	0
Reversal of impairment and depreciation of sold assets	-12,137	-15,637	0	0
Impairment losses and depreciation at 31 December 2021	<u>293,057</u>	<u>245,352</u>	<u>4,417</u>	<u>0</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>315,907</u></b>	<b><u>133,748</u></b>	<b><u>315</u></b>	<b><u>20,060</u></b>

## Notes

	2021	2020
	TDKK	TDKK
<b>9 Investments in subsidiaries</b>		
Cost at 1 January 2021	1,204,158	1,228,987
Additions for the year	22,871	0
Disposals for the year	0	-24,829
Cost at 31 December 2021	<u>1,227,029</u>	<u>1,204,158</u>
Revaluations at 1 January 2021	120,317	25,637
Disposals for the year	0	-11,883
Exchange rate adjustment	-10,043	16,735
Net profit/loss for the year	135,265	121,095
Received dividend	-112,334	-16,250
Fair value adjustment of hedging instruments for the year	8,125	-8,364
Other equity movements, net	11,155	1,277
Depreciation of goodwill	-4,781	-8,187
Equity investments with negative net asset value transferred to provisions	3,737	257
Revaluations at 31 December 2021	<u>151,441</u>	<u>120,317</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>1,378,470</u></b>	<b><u>1,324,475</u></b>
Remaining positive difference included in the above carrying amount at 31 December 2021	<u>75,975</u>	<u>81,591</u>

## Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
DLG Service A/S	Denmark	100%
DLG Trading A/S	Denmark	100%
Købmand E. Hedegaard ApS	Denmark	100%
A/S C.A. Qvade & Co.	Denmark	100%
Dansk Frysetørring A/S	Denmark	100%
UAB Vitfoss	Lithuania	100%
SIA Vitfoss	Latvia	100%
Vitfoss Romania SRL.	Romania	95%
Samsø Korn A/S	Denmark	100%
Vitfoss Hungaria Kft.	Hungary	100%
Vilofoss Négoce SAS	France	100%
Vilofoss Polska Sp. Z.o.o.	Poland	100%
DLG Finance A/S	Denmark	100%
Svenska Foder AB	Sweden	100%
LFG af 10. oktober 2016 A/S	Denmark	100%
Vitfoss China Holding A/S	Denmark	67%
Vitfoss Ltd.	England	100%
Vitfoss Bulgarien EOOD	Bulgaria	100%
Ejendomsselskabet af 8/11 2017 A/S	Denmark	100%
FTB af 8/11 2017 A/S	Denmark	100%
DANÆG Holding A/S	Denmark	50%
Crop ApS	Denmark	100%
KK Spain June 2018 S.A.	Spain	100%
Nutriproof SPRL	Belgium	100%

## Notes

	2021	2020
	TDKK	TDKK
<b>10 Investments in associates</b>		
Cost at 1 January 2021	257,145	257,145
Additions for the year	650	0
Cost at 31 December 2021	<u>257,795</u>	<u>257,145</u>
Revaluations at 1 January 2021	3,008	1,248
Exchange rate adjustment	1,180	-12,130
Other adjustments	5,000	0
Net profit/loss for the year	57,148	30,821
Received dividend	-1,530	-19,840
Other equity movements, net	-729	-1
Depreciation of goodwill	-4,025	-4,025
Equity investments with negative net asset value transferred to provisions	-3,446	6,935
Revaluations at 31 December 2021	<u>56,606</u>	<u>3,008</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>314,401</u></b>	<b><u>260,153</u></b>
Remaining positive difference included in the above carrying amount at 31 December 2021	<u>25,118</u>	<u>28,589</u>

**Notes**

Investments in associates are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Scandagra Group AB	Sweden	50%
Scandagra Polska Sp. Z.o.o.	Poland	50%
Henan Puai Feed Co., Ltd	China	4%
LDI AB	Sweden	50%
AV Nutrismart Holding ApS	Denmark	50%
Protekta Inc. (USA)	USA	50%
Protekta Ltd	Canada	50%
AV Nutrismart Holding OY	Finland	50%

## Notes

### 11 Fixed asset investments

	Receivables from group enterprises	Receivables from associates	Other fixed asset investments	Deferred tax assets
Cost at 1 January 2021	9,906	129,594	22,976	20,113
Exchange rate adjustment	-36	-49	0	0
Additions for the year	0	2,237	789	0
Disposals for the year	0	-14,874	-21,150	-14,311
Cost at 31 December 2021	<u>9,870</u>	<u>116,908</u>	<u>2,615</u>	<u>5,802</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>9,870</u></b>	<b><u>116,908</u></b>	<b><u>2,615</u></b>	<b><u>5,802</u></b>

### 12 Equity

The share capital consists of:

	Nominal value
1 a shares of TDKK 149,700	149,700
1 a shares of TDKK 300	300
1 a share of TDKK 1	<u>1</u>
	<b><u>150,001</u></b>

There have been no changes in the share capital during the last 5 years.

## Notes

### 13 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Mortgage loans	129,307	110,790	11,174	64,534
	<b>129,307</b>	<b>110,790</b>	<b>11,174</b>	<b>64,534</b>

The priority debt is secured by a mortgage on properties with a book value at the status date of TDKK 149,998.

The mortgage further includes the production facilities and machines belonging to the properties. Exchange rate losses are depreciated and expensed as the loan are settled.

### 14 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

	2021 TDKK	2020 TDKK
Within 1 year	3,013	3,671
Between 1 and 5 years	13,854	16,520
After 5 years	4,721	7,350
	<b>21,588</b>	<b>27,541</b>

### 15 Mortgages and collateral

Vilofoss A/S is an administration company in a Danish joint taxation. Vilofoss A/S is therefore liable in accordance with the rules of the Danish Corporation Tax Act.

Reference is made to note 13 for information regarding mortgages.

### 16 Financial instruments

Vilofoss A/S has a mortgage with a floating interest rate which is exposed to CIBOR fluctuations. The risk is hedged using interest swaps with maturity in the end of 2027. They have a contractual value of TDKK 76,143 and a negative fair value of TDKK 1,160.

## Notes

### 17 Related parties and ownership structure

#### Controlling interest

DLG a.m.b.a., Ballesvej 2, 7000 Fredericia

#### Other related parties

Companies in which the main shareholder has a controlling influence and subsidiaries belonging to the DLG Group as well as subsidiaries belonging to the Vilofoss Group.

The company's executive board and board of directors.

#### Transactions

In accordance with section 98c(7) in the Danish Financial Statements Act, the transactions with related parties are not disclosed.

#### Consolidated financial statements

The company is reflected in the group report as the parent company.

The consolidated financial statements can be obtained from Dansk Landbrugs Grovareselskab a.m.b.a., Ballesvej 2, 7000 Fredericia, CVR no. 24 24 69 30.

### 18 Fee to auditors appointed at the general meeting

Fees to the auditor are not disclosed with reference to the Danish Financial Statements Act, section 96, subsection 2 and 3.