

**DLG SERVICE A/S**

Ballesvej 2, 7000 Fredericia

CVR no. 16 18 15 28

**ANNUAL REPORT FOR 2022**

Adopted at the annual general meeting on 31 May 2023

chairman

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**Brian Kærgaard Mathiesen**

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

The supervisory board and executive board have today discussed and approved the annual report of DLG Service 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 company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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 2023

### **Executive board**

Jesper Pagh  
CEO

### **Supervisory board**

Kristian Johnsen Hundebøll  
chairman

Christina Nielsen

Jesper Pagh

## **Independent auditor's report**

### ***To the shareholder of DLG Service A/S***

#### **Opinion**

We have audited the financial statements of DLG Service A/S for the financial year 1 January - 31 December 2022, 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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

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

## Independent auditor's report

### 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, 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 2023

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

<b>The company</b>	DLG Service A/S Ballesvej 2 7000 Fredericia
	CVR no.: 16 18 15 28
	Reporting period: 1 January - 31 December 2022
	Domicile: Fredericia
<b>Supervisory board</b>	Kristian Johnsen Hundebøll, chairman Christina Nielsen Jesper Pagh
<b>Executive board</b>	Jesper Pagh, CEO
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 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:

	2022	2021	2020	2019	2018
	kDKK	kDKK	kDKK	kDKK	kDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	879,586	673,443	497,889	518,651	511,230
Gross profit	184,758	168,514	118,921	118,100	128,248
Operating profit excl. depreciations etc. (EBITDA)	69,554	76,461	51,477	47,495	34,541
Operation profit (EBIT)	66,723	73,879	49,526	45,954	32,704
Net financials	-6,259	-3,043	-3,559	-5,850	-3,803
Profit before tax (EBT)	60,464	70,836	45,967	40,104	28,901
Profit/loss for the year	56,740	64,463	43,790	38,707	26,209
<b>Balance sheet</b>					
Equity	210,002	204,486	240,362	196,470	181,990
Balance sheet total	580,757	419,895	437,076	429,823	371,415
Investment in property, plant and equipment	6,885	2,164	6,730	1,393	1,902
Inventories	135,427	84,266	95,533	106,509	103,499
Number of full-time employees	176	161	153	145	147
<b>Financial ratios</b>					
Gross margin	21.0%	25.0%	23.9%	22.8%	25.1%
EBITDA margin	7.9%	11.4%	10.3%	9.2%	6.8%
EBIT margin	7.6%	11.0%	9.9%	8.9%	6.4%
Return on assets	13.3%	17.2%	11.4%	11.5%	8.4%
Solvency ratio	36.2%	48.7%	55.0%	45.7%	49.0%
Return on equity	27.4%	29.0%	20.0%	20.5%	15.4%

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 activities include sales of products/services within biofuels, raw materials for biogas plants, retail, insurance for both businesses and individuals, as well as veterinary medicine for agriculture. In addition, the company's sales staff assists DCC in selling diesel, heating oil and related products to business within the the agriculture sector. This is done in a joint venture with DCC, in which DLG Service A/S has an ownership interest of 20%.

Insurance includes DLG's collaboration with Tryg on arranging insurance for DLG's customers within the segments; agriculture, disused agriculture and private individuals in the Danish market.

Biofuels are sold partly by the company's energy salesmen and the Land & Fritid chain to the segments agriculture and private individuals.

Retail includes sales and professional advice to anyone with a house, garden and pets via the store chain Land & Fritid.

The sale of veterinary medicine takes place via the subsidiary DLG Vet I/S, which is a distributor of medicines for livestock.

Raw materials biogas includes sales of additive products for biogas plants.

### Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of kDKK 56,740, and the balance sheet at 31 December 2022 shows equity of kDKK 210,002.

Overall the result is satisfactory. Net revenue increased by 31% from DKK 673 million in 2021 to DKK 880 million in 2022. Gross profit has also increased from DKK 169 million to DKK 185 million.

Retail: 2022 has been a good year for Land & Fritid, which has delivered a good increase in revenue and profit. Increasing costs for transport, wages and the opening of three new stores had a slight decline compared to the result from last year. Land & Fritid has in 2022 been able to maintain and expand a large influx of customers by closing and opening of new stores. Two of the new stores have been acquired from Vejle Specialfoder.

The expansion of private label products for horses (Equasana), dogs and cats (Petfood) continues and stands strong in the competition for similar product. The product area hunting has been positive affected by the introduction of biodegradable cartridges. This sustainable product have been well received by the customers. The chain has seen a growing demand for product (LandLiv) within the market for private households and smaller farms within chickens. Equasana is the DLG Group's international horse feed brand, which was created with the purpose of bringing together the DLG Group's competencies within horse feed. The competencies are within high professionalism and quality as well as good raw materials. The development in Equasana is still very positive and it is Denmark's largest horse feed brand.

## **Management's review**

DCC: The positive development from 2021 has continued in 2022 and has contributed to increased earnings as a result of good earnings in DCC.

Biofuel: The wood pellet business has been affected by the hot weather this year and the higher prices at the beginning of the year due to the war in Ukraine. In the end of the year the prices have been reduced. The lower volume due to the hot weather and the highly fluctuating prices of wood pellets has resulted in lower earnings in 2022 than in 2021.

Veterinary medicine: DLG Vet I/S is nationwide with distribution of prescription drugs and vaccines for agriculture, as well as veterinary practice with horses and cattle as a specialty. DLG Vet I/S offers competitive prices via net price concept as well as deliveries of high quality and service. Delivery is accurate and secure and offers an unbroken cold chain. The company has had satisfactory earnings in 2022 despite a decline in revenue due to the decline of the herds in agriculture.

Raw materials biogas: The product area of raw materials biogas has made great progress in 2022 and has contributed with good earnings.

### **The company's expected development, including special conditions and uncertain factors**

Expectations for earnings in DLG SERVICE A/S for the coming year is at the same level as the result for 2022. The management expects that the war in Ukraine will continue to affect fluctuations in markets. The focus of biofuel sales in 2023 will be to reduce risks, so that major price changes will not negatively affect earnings. In addition, the company will deliver high quality products through the company's energy sales and the store chain Land & Fritid.

Land & Fritid are expected to continue to contribute positively to earnings growth, and the store chain is expected to play a central role as an important sales channel for the DLG Group's products. Raw materials biogas is expected to continue to significantly increase their business volume as the number and size of biogas plants in Denmark increases.

### **Statement of the foundation's distribution policy**

The company has entered into necessary long-term agreements for the supply of biofuels and other commercial goods that are part of the company's primary operations, in order to ensure a stable supply, and the risk conditions in this connection are unchanged.

DLG Service A/S is part of the DLG Group's currency and interest rate risk management and is controlled in accordance with an approved fiscal policy. The central finance department in DLG has the overall responsibility for ensuring that financial transactions take place within the specified guidelines and risk limits. The company is not significantly exposed to financial risks. However, the company is affected by the risk of increased losses on debtors in financial recessions.

## Management's review

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

DLG Service A/S follows the CSR strategy in the parent company DLG, 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 DLG Group SUSTAINABILITY REPORT for 2022, which can be found at <https://dlg.dk/en/dlg-group/Investor/CSR>.

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

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.

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

One female board member were elected on the most recent annual general meeting. DLG Service A/S has continued equal distribution of genders in the Supervisory Board consisting of one out three boardmembers.

The executive board consist of one director, therefore the requirement for an equal distribution of gender does not apply.

The policy regarding diversity in additional management levels for DLG Service 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 2023, 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 DLG Service A/S faces the same challenge.

The share of female board members has not developed in 2022, where there were continuously one female elected.

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

It is the company's assessment that it does not have data that has not already been adequately handled via the GDPR legislation, which is why there is currently no need for a data ethics policy.

## **Accounting policies**

The annual report of DLG Service A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large class C entities.

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

The annual report for 2022 is presented in kDKK

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

### **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.

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.

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.

## **Accounting policies**

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including income from associated companies etc.

### **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.

### **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, 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 after elimination of depreciation of goodwill 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.

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.

## Accounting policies

### Balance sheet

#### Intangible assets

##### *Completed development projects*

Development projects involving products and processes that are clearly defined and identifiable are recognised as intangible assets if it is probable that the product or process will generate future economic benefits for the group, and if the development costs of the individual asset can be reliably measured.

Other development costs are recognised as costs in the income statement as the costs are incurred.

Development projects are initially measured at cost less accumulated depreciation and impairment losses. The cost of development projects covers costs, including wages and salaries, amortisation directly attributable to the development projects and that are necessary to complete the project, counting from the time when the development project first meets the criteria for recognition as an asset.

Completed development projects are amortised on a straight-line basis over their expected useful lives. The amortisation period is usually 10 years. For development projects that are protected by intellectual property rights, the maximum amortisation period is equivalent to the remaining term of such rights.

Gains and losses on the sale of intangible assets are calculated as the difference between selling price less costs to sell and the carrying amount at the date of sale.

Gains or losses from the disposal of intangible assets are recognised in the income statement as other operating income or other operating expenses, respectively.

#### Tangible assets

Items of land and buildings, 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. 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

## **Accounting policies**

Procurements with an economic service life under 3 years immediately charged under income statement.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under 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 contractual obligations 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 based on 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.

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.

### **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.

## **Accounting policies**

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### **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 based on 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.

### **Provisions**

Provisions includes expected costs to re-establishment etc.

Provisions are measured as the best estimate of the expenditure required to settle the obligation on the balance sheet date. Provisions for obligations expected to be settled later than one year from the date of the balance sheet are measured at present value.

### **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. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

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.



## **Accounting policies**

### **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.

### **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.

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.

Exchange adjustments on balances with self-sustaining foreign subsidiaries that are considered part of the total investment in that subsidiary are recognised directly in equity.

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

## Income statement 1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> kDKK	<u>2021</u> kDKK
<b>Revenue</b>	1	<b>879,586</b>	<b>673,443</b>
Cost of productions		-694,828	-504,929
<b>Gross profit</b>		<b>184,758</b>	<b>168,514</b>
Distribution costs		-165,088	-143,485
Administrative costs		-16,380	-12,317
<b>Operating profit/loss</b>		<b>3,290</b>	<b>12,712</b>
Other operating income		63,433	61,167
<b>Profit/loss before financial income and expenses</b>		<b>66,723</b>	<b>73,879</b>
Income from investments in subsidiaries		2,628	2,534
Financial income	4	993	563
Financial costs	5	-9,880	-6,140
<b>Profit/loss before tax</b>		<b>60,464</b>	<b>70,836</b>
Tax on profit/loss for the year	6	-3,724	-6,373
<b>Net profit/loss for the year</b>		<b>56,740</b>	<b>64,463</b>
Distribution of profit	7		

**Balance sheet at 31 December 2022**

	<u>Note</u>	<u>2022</u> kDKK	<u>2021</u> kDKK
<b>Assets</b>			
Completed development projects		217	262
<b>Intangible assets</b>	<b>8</b>	<b>217</b>	<b>262</b>
Land and buildings		1,312	1,464
Plant and machinery		14,124	10,170
Other fixtures and fittings, tools and equipment		301	4
<b>Tangible assets</b>	<b>9</b>	<b>15,737</b>	<b>11,638</b>
Investments in subsidiaries	10	46,134	44,785
Investments in associates	11	273,133	233,527
Other fixed asset investments	12	29	29
Deposits	12	1,034	621
Deferred tax assets	12	9,082	8,260
<b>Fixed asset investments</b>		<b>329,412</b>	<b>287,222</b>
<b>Total non-current assets</b>		<b>345,366</b>	<b>299,122</b>
Raw materials and consumables		6,709	6,186
Finished goods and goods for resale		128,718	78,080
<b>Stocks</b>		<b>135,427</b>	<b>84,266</b>

**Balance sheet at 31 December 2022 (continued)**

	<u>Note</u>	<u>2022</u> kDKK	<u>2021</u> kDKK
<b>Assets</b>			
Trade receivables		49,086	23,013
Receivables from group enterprises		8,762	1
Receivables from associates		3,498	2,594
Other receivables		8,866	3,665
Prepayments	13	<u>22,796</u>	<u>769</u>
<b>Receivables</b>		<b><u>93,008</u></b>	<b><u>30,042</u></b>
<b>Cash at bank and in hand</b>		<b><u>6,956</u></b>	<b><u>6,465</u></b>
<b>Total current assets</b>		<b><u>235,391</u></b>	<b><u>120,773</u></b>
<b>Total assets</b>		<b><u><u>580,757</u></u></b>	<b><u><u>419,895</u></u></b>

**Balance sheet at 31 December 2022**

	<u>Note</u>	<u>2022</u> kDKK	<u>2021</u> kDKK
<b>Equity and liabilities</b>			
Share capital		2,000	2,000
Reserve for net revaluation under the equity method		164,219	123,264
Retained earnings		33,783	29,222
Proposed dividend for the year		<u>10,000</u>	<u>50,000</u>
<b>Equity</b>	<b>14</b>	<b><u>210,002</u></b>	<b><u>204,486</u></b>
Other provisions	15	<u>3,638</u>	<u>2,750</u>
<b>Total provisions</b>		<b><u>3,638</u></b>	<b><u>2,750</u></b>
Prepayments received from customers		10,057	22,888
Trade payables		38,264	39,797
Payables to group enterprises		262,933	121,277
Payables to associates		8,074	9,469
Corporation tax		4,538	3,823
Other payables		<u>43,251</u>	<u>15,405</u>
<b>Total current liabilities</b>		<b><u>367,117</u></b>	<b><u>212,659</u></b>
<b>Total liabilities</b>		<b><u>367,117</u></b>	<b><u>212,659</u></b>
<b>Total equity and liabilities</b>		<b><u><u>580,757</u></u></b>	<b><u><u>419,895</u></u></b>
Staff	2		
Rent and lease liabilities	16		
Contingent liabilities	17		
Mortgages and collateral	18		
Related parties and ownership structure	19		
Fee to auditors appointed at the general meeting	20		

## Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2022	2,000	123,264	29,222	50,000	204,486
Ordinary dividend paid	0	0	0	-50,000	-50,000
Exchange adjustment, foreign	0	-1,279	0	0	-1,279
Other equity movements	0	55	0	0	55
Net profit/loss for the year	0	42,179	14,561	0	56,740
Proposed dividend for the year	0	0	-10,000	10,000	0
<b>Equity at 31 December 2022</b>	<b>2,000</b>	<b>164,219</b>	<b>33,783</b>	<b>10,000</b>	<b>210,002</b>

## Notes

	<u>2022</u>	<u>2021</u>
	kDKK	kDKK
<b>1 Revenue</b>		
Sale of goods	879,509	673,426
Goods processing, maintenance and other services	<u>77</u>	<u>17</u>
<b>Total revenue</b>	<b><u><u>879,586</u></u></b>	<b><u><u>673,443</u></u></b>

Net sales relate only to the "Retail and Biofuels" segment, and for now sales are only made in Denmark. Income from Germany and Sweden is included in income from investments in associates.

<b>2 Staff</b>		
Wages and Salaries	60,859	54,564
Pensions	7,396	6,444
Other social security expenses	849	1,247
Other staff expenses	<u>4,995</u>	<u>2,890</u>
	<b><u><u>74,099</u></u></b>	<b><u><u>65,145</u></u></b>

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

Distribution expenses	70,391	63,909
Administrative expenses	<u>3,708</u>	<u>1,236</u>
	<b><u><u>74,099</u></u></b>	<b><u><u>65,145</u></u></b>

Average number of employees	<u>176</u>	<u>161</u>
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The company's executive board and supervisory board has not received a remuneration in 2022 and 2021.



## Notes

	2022	2021
	kDKK	kDKK
<b>3 Other operating income</b>		
Income from investments in associates	48,551	47,831
Other operating income	14,882	11,076
Wage reimbursements	0	2,260
	<u><b>63,433</b></u>	<u><b>61,167</b></u>
<b>4 Financial income</b>		
Interest received from group enterprises	21	22
Other financial income	589	536
Exchange gains	383	5
	<u><b>993</b></u>	<u><b>563</b></u>
<b>5 Financial costs</b>		
Interest paid to group enterprises	7,096	3,507
Other financial costs	2,784	2,633
	<u><b>9,880</b></u>	<u><b>6,140</b></u>
<b>6 Tax on profit/loss for the year</b>		
Current tax for the year	4,538	3,823
Deferred tax for the year	-761	2,522
Adjustment of tax concerning previous years	-53	28
	<u><b>3,724</b></u>	<u><b>6,373</b></u>
<b>7 Distribution of profit</b>		
Proposed dividend for the year	10,000	50,000
Reserve for net revaluation under the equity method	42,179	12,365
Retained earnings	4,561	2,098
	<u><b>56,740</b></u>	<u><b>64,463</b></u>

## Notes

### 8 Intangible assets

	Completed development projects	Total
Cost at 1 January 2022	502	502
Cost at 31 December 2022	502	502
Impairment losses and amortisation at 1 January 2022	240	240
Depreciation for the year	45	45
Impairment losses and amortisation at 31 December 2022	285	285
<b>Carrying amount at 31 December 2022</b>	<b>217</b>	<b>217</b>

### 9 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 January 2022	4,158	23,077	62
Additions for the year	0	6,547	338
Cost at 31 December 2022	4,158	29,624	400
Impairment losses and depreciation at 1 January 2022	2,694	12,907	58
Depreciation for the year	152	2,593	41
Impairment losses and depreciation at 31 December 2022	2,846	15,500	99
<b>Carrying amount at 31 December 2022</b>	<b>1,312</b>	<b>14,124</b>	<b>301</b>

## Notes

	2022 kDKK	2021 kDKK
<b>10 Investments in subsidiaries</b>		
Cost at 1 January 2022	39,150	39,150
Cost at 31 December 2022	39,150	39,150
Revaluations at 1 January 2022	5,635	3,413
Exchange adjustment	-1,279	-312
Net profit/loss for the year	2,628	2,534
Revaluations at 31 December 2022	6,984	5,635
<b>Carrying amount at 31 December 2022</b>	<b>46,134</b>	<b>44,785</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Djur & Natur AB	Sweden	100%
InterFarm Handel GmbH	Germany	100%

## Notes

	2022	2021
	kDKK	kDKK
<b>11 Investments in associates</b>		
Cost at 1 January 2022	115,898	115,898
Cost at 31 December 2022	115,898	115,898
Revaluations at 1 January 2022	117,629	107,825
Exchange adjustment	55	-27
Net profit/loss for the year	48,551	47,831
Received dividend	-9,000	-38,000
Revaluations at 31 December 2022	157,235	117,629
<b>Carrying amount at 31 December 2022</b>	<b>273,133</b>	<b>233,527</b>
Remaining positive difference included in the above carrying amount at 31 December 2022	117,134	127,571

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
DCC Holding Denmark A/S	Copenhagen	20%
DLG Vet I/S	Skanderborg	50%

## Notes

### 12 Fixed asset investments

	Other fixed asset investments	Deposits	Deferred tax assets
Cost at 1 January 2022	29	621	8,260
Additions for the year	0	413	822
Cost at 31 December 2022	29	1,034	9,082
<b>Carrying amount at 31 December 2022</b>	<b>29</b>	<b>1,034</b>	<b>9,082</b>

### 13 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.

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.

### 14 Equity

The share capital consists of 2,000 shares of a nominal value of kDKK 1. No shares carry any special rights.

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

## Notes

	2022	2021
	kDKK	kDKK
<b>15 Other provisions</b>		
Balance at beginning of year at 1 January 2022	2,750	2,750
Provision in year	888	888
Employed in year	0	-888
<b>Balance at 31 December 2022</b>	<b>3,638</b>	<b>2,750</b>
Over 5 years	3,638	2,750
	<b>3,638</b>	<b>2,750</b>

	2022	2021
	kDKK	kDKK
<b>16 Rent and lease liabilities</b>		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	2,138	1,806
Between 1 and 5 years	4,587	3,690
After 5 years	630	1,413
	<b>7,355</b>	<b>6,909</b>

## 17 Contingent liabilities

### Guarantee and guarantee obligation

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 Vilofoss A/S, 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.

### Other contingent liabilities not recognised in balance sheet

The company holds shares in DLG Vet I/S. DLG Vet I/S has debt obligations of kDKK 32,479 (2021; kDKK 25,356) which are not recognised in the Company's balance sheet.

## Notes

### 18 Mortgages and collateral

The company has no mortgages.

## Notes

### 19 Related parties and ownership structure

Controlling interest:

Company' majority shareholder - Vilofoss A/S, Ballesvej 2, 7000 Fredericia, CVR no. 82 77 62 14.

Consolidated financial statements:

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

Transactions:

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

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

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