

DLG SERVICE A/S

Ballesvej 2, 7000 Fredericia

CVR no. 16 18 15 28

ANNUAL REPORT FOR 2023

Adopted at the annual general meeting on 21 June 2024

chairman

Niklas Dupont Tellervo

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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 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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, 21 June 2024

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 2023, 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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, 21 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Tue Stensgård Sørensen
State Authorised Public Accountant
mne32200

Claus Lyngsø Sørensen
State Authorised Public Accountant
mne34539

Company details

The company	DLG Service A/S Ballesvej 2 7000 Fredericia
	CVR no.: 16 18 15 28
	Reporting period: 1 January - 31 December 2023
	Domicile: Fredericia
Supervisory board	Kristian Johnsen Hundebøll, chairman Christina Nielsen Jesper Pagh
Executive board	Jesper Pagh, CEO
Auditors	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:

	2023	2022	2021	2020	2019
	kDKK	kDKK	kDKK	kDKK	kDKK
Key figures					
Profit/loss					
Revenue	913,651	879,586	673,443	497,889	518,651
Gross profit	163,372	184,758	168,514	118,921	118,100
Operating profit excl. depreciations etc. (EBITDA)	50,753	69,554	76,461	51,477	47,495
Operation profit (EBIT)	47,467	66,723	73,879	49,526	45,954
Net financials	-16,777	-6,259	-3,043	-3,559	-5,850
Profit before tax (EBT)	30,690	60,464	70,836	45,967	40,104
Profit/loss for the year	32,392	56,740	64,463	43,790	38,707
Balance sheet					
Equity	232,288	210,002	204,486	240,362	196,470
Balance sheet total	572,809	580,757	419,895	437,076	429,823
Investment in property, plant and equipment	1,712	6,885	2,164	6,730	1,393
Inventories	120,398	135,427	84,266	95,533	106,509
Number of full-time employees	174	176	161	153	145
Financial ratios					
Gross margin	17.9%	21.0%	25.0%	23.9%	22.8%
EBITDA margin	5.6%	7.9%	11.4%	10.3%	9.2%
EBIT margin	5.2%	7.6%	11.0%	9.9%	8.9%
Return on assets	8.2%	13.3%	17.2%	11.4%	11.5%
Solvency ratio	40.6%	36.2%	48.7%	55.0%	45.7%
Return on equity	14.6%	27.4%	29.0%	20.0%	20.5%

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 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 2023 shows a profit of kDKK 32,392, and the balance sheet at 31 December 2023 shows equity of kDKK 232,288.

Net revenue increased by 3.9% from DKK 880 million in 2022 to DKK 914 million in 2023. It has been a challenging year, especially for Biofuel, which has resulted in a declining gross profit compared to last year and expectations for this year.

Retail: 2023 has been a good year for Land & Fritid, which has delivered a increase in revenue and profit. Our new stores continue to grow and has delivered according to our expectations. Two stores have been closed and we are currently at a total of 38 stores.

Our private label products for horses (Equisana), dogs and cats (Petfood) continue and stands strong in the competition for similar product. In the product area hunting, we have overall seen an increase in sales, primarily due to our biodegradable cartridges, which have been well received by the customers during the year. The chain has seen a growing demand for product (LandLiv) within the market for private households and smaller farms within chickens and hope to continue capitalizing on this.

Biofuel: The segment has in 2023 performed below expectations. We experienced significant loses in the first quarter due to high priced contracts made in 2022 when the market was volatile. During the year we have fought to regain the market, and by the end of 2023 we ended back on a positive note, and soon we expect to be back to normal.

Management's review

DCC: 2023 has overall been a good year, but it has been challenging in several business areas. The sale of heating oil to cogeneration and other companies in the industry has been absent as a result of lower gas prices compared to last year.

Veterinary medicine: DLG Vet I/S has had satisfactory earnings in 2023. The profit expectation was exceeded primarily as a result of higher revenue than expected.

Raw materials biogas: The product area of raw materials biogas has made great progress in 2023 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 2023. The focus of biofuel sales in 2024 will be to reduce risks, so that major price changes will not negatively affect earnings.

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.

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.

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 annual report for 2023, which can be found at <https://www.dlg.dk/en/dlg-group/Investor/annual-reports>.

Management's review

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

Board of Directors

Information on equal distribution of women and men

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 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 2022, and will be continued strengthened in 2024, 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 2023, where there were one female elected, which means that still is an equal representation of genders on the board.

On the additional management level, as of 31.12.2023, only two managers were employed and therefore not measurable for an equal distribution of genders.

Board of Directors

Total number of members	3
Underrepresented gender	33 %
Target figures	40 %
Year of achievement of target figures	2023

Other management levels

Total number of members	2
Underrepresented gender	0 %
Target figures	N/A
Year of achievement of target figures	N/A

Management's review

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

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

DLG Service A/S follows the CSR strategy in the parent company Dansk Landbrugsgrovarereselskab a.m.b.a., CVR no. 24 24 69 30, and with reference to section 99d, subsection 7 of the Danish Financial Statements Act, the statement on social responsibility is made in the DLG Group annual report for 2023, which can be found at <https://www.dlg.dk/en/dlg-group/Investor/annual-reports>.

Accounting policies

The annual report of DLG Service A/S for 2023 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 2023 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

Comparative figures in note 17 have been adapted to this year presentation. The adjustment of the comparative figures has no effect balance.

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.

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.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment comprise the year's depreciation, amortisation 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".

Accounting policies

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.

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.

Accounting policies

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

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, associates and participating interests

Investments in subsidiaries, associates and participating interests 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.

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.

Accounting policies

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

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.

Equity

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.

Accounting policies

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

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	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
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 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> kDKK	<u>2022</u> kDKK
Revenue	2	913,651	879,586
Cost of productions		<u>-750,279</u>	<u>-694,828</u>
Gross profit		163,372	184,758
Distribution costs		-160,973	-165,088
Administrative costs		<u>-14,301</u>	<u>-16,380</u>
Operating profit/loss		-11,902	3,290
Other operating income	4	<u>59,369</u>	<u>63,433</u>
Profit/loss before financial income and expenses		47,467	66,723
Income from investments in subsidiaries		3,247	2,628
Financial income	5	809	993
Financial costs	6	<u>-20,833</u>	<u>-9,880</u>
Profit/loss before tax		30,690	60,464
Tax on profit/loss for the year	7	<u>1,702</u>	<u>-3,724</u>
Net profit/loss for the year		<u>32,392</u>	<u>56,740</u>
Distribution of profit	8		

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> kDKK	<u>2022</u> kDKK
Assets			
Completed development projects		217	217
Intangible assets	9	217	217
Land and buildings		1,168	1,312
Plant and machinery		12,577	14,124
Other fixtures and fittings, tools and equipment		254	301
Tangible assets	10	13,999	15,737
Investments in subsidiaries	11	49,382	46,134
Investments in associates	12	309,989	273,133
Other fixed asset investments	13	29	29
Deposits	13	1,589	1,034
Deferred tax assets	13	10,785	9,082
Fixed asset investments		371,774	329,412
Total non-current assets		385,990	345,366
Raw materials and consumables		10,026	6,709
Finished goods and goods for resale		110,372	128,718
Stocks		120,398	135,427

Balance sheet at 31 December 2023 (continued)

	<u>Note</u>	<u>2023</u> kDKK	<u>2022</u> kDKK
Assets			
Trade receivables		40,995	49,086
Receivables from group enterprises		0	8,762
Receivables from associates		3,651	3,498
Other receivables		10,756	8,866
Prepayments	14	<u>2,532</u>	<u>22,796</u>
Receivables		<u>57,934</u>	<u>93,008</u>
Cash at bank and in hand		<u>8,487</u>	<u>6,956</u>
Total current assets		<u>186,819</u>	<u>235,391</u>
Total assets		<u><u>572,809</u></u>	<u><u>580,757</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> kDKK	<u>2022</u> kDKK
Equity and liabilities			
Share capital		2,000	2,000
Reserve for net revaluation under the equity method		204,323	164,219
Retained earnings		15,965	33,783
Proposed dividend for the year		<u>10,000</u>	<u>10,000</u>
Equity	15	<u>232,288</u>	<u>210,002</u>
Other provisions	16	<u>3,879</u>	<u>3,638</u>
Total provisions		<u>3,879</u>	<u>3,638</u>
Prepayments received from customers		8,489	10,057
Trade payables		49,497	38,264
Payables to group enterprises		246,512	262,933
Payables to associates		7,663	8,074
Corporation tax		0	4,538
Other payables		<u>24,481</u>	<u>43,251</u>
Total current liabilities		<u>336,642</u>	<u>367,117</u>
Total liabilities		<u>336,642</u>	<u>367,117</u>
Total equity and liabilities		<u><u>572,809</u></u>	<u><u>580,757</u></u>
Subsequent events	1		
Staff	3		
Rent and lease liabilities	17		
Contingent liabilities	18		
Mortgages and collateral	19		
Related parties and ownership structure	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 2023	2,000	164,219	33,783	10,000	210,002
Ordinary dividend paid	0	0	0	-10,000	-10,000
Exchange adjustment, foreign	0	1	0	0	1
Other equity movements	0	-107	0	0	-107
Net profit/loss for the year	0	40,210	-7,818	0	32,392
Proposed dividend for the year	0	0	-10,000	10,000	0
Equity at 31 December 2023	2,000	204,323	15,965	10,000	232,288

Notes

1 Subsequent events

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

	<u>2023</u> kDKK	<u>2022</u> kDKK
2 Revenue		
Sale of goods	913,523	879,509
Goods processing, maintenance and other services	<u>128</u>	<u>77</u>
Total revenue	<u>913,651</u>	<u>879,586</u>

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.

3 Staff

Wages and Salaries	59,502	60,859
Pensions	8,067	7,396
Other social security expenses	1,371	849
Other staff expenses	<u>3,802</u>	<u>4,995</u>
	<u>72,742</u>	<u>74,099</u>

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

Distribution expenses	69,974	70,391
Administrative expenses	<u>2,768</u>	<u>3,708</u>
	<u>72,742</u>	<u>74,099</u>

Number of fulltime employees on average	<u>174</u>	<u>176</u>
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Notes

	2023	2022
	kDKK	kDKK
4 Other operating income		
Income from investments in associates	44,963	48,551
Other operating income	14,406	14,882
	<u>59,369</u>	<u>63,433</u>
5 Financial income		
Income from fixed asset investments	17	0
Interest received from group enterprises	168	21
Other financial income	624	589
Exchange gains	0	383
	<u>809</u>	<u>993</u>
6 Financial costs		
Interest paid to group enterprises	15,801	7,096
Other financial costs	4,973	2,784
Exchange loss	59	0
	<u>20,833</u>	<u>9,880</u>
7 Tax on profit/loss for the year		
Current tax for the year	0	4,538
Deferred tax for the year	-1,702	-761
Adjustment of tax concerning previous years	0	-53
	<u>-1,702</u>	<u>3,724</u>
8 Distribution of profit		
Proposed dividend for the year	10,000	10,000
Reserve for net revaluation under the equity method	40,210	42,179
Retained earnings	-17,818	4,561
	<u>32,392</u>	<u>56,740</u>

Notes

9 Intangible assets

	Completed development projects	Total
Cost at 1 January 2023	502	502
Cost at 31 December 2023	502	502
Impairment losses and amortisation at 1 January 2023	285	285
Depreciation for the year	0	0
Impairment losses and amortisation at 31 December 2023	285	285
Carrying amount at 31 December 2023	217	217

10 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 January 2023	4,158	29,624	400
Additions for the year	0	1,592	120
Disposals for the year	0	-34	-130
Cost at 31 December 2023	4,158	31,182	390
Impairment losses and depreciation at 1 January 2023	2,846	15,500	99
Impairment losses for the year	0	13	0
Depreciation for the year	144	3,126	57
Reversal of impairment and depreciation of sold assets	0	-34	-20
Impairment losses and depreciation at 31 December 2023	2,990	18,605	136
Carrying amount at 31 December 2023	1,168	12,577	254

Notes

	2023 kDKK	2022 kDKK
11 Investments in subsidiaries		
Cost at 1 January 2023	39,150	39,150
Cost at 31 December 2023	39,150	39,150
Revaluations at 1 January 2023	6,984	5,635
Exchange adjustment	1	-1,279
Net profit/loss for the year	3,247	2,628
Revaluations at 31 December 2023	10,232	6,984
Carrying amount at 31 December 2023	49,382	46,134

Investments in subsidiaries are specified as follows:

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

Notes

	2023	2022
	kDKK	kDKK
12 Investments in associates		
Cost at 1 January 2023	115,898	115,898
Cost at 31 December 2023	115,898	115,898
Revaluations at 1 January 2023	157,235	117,629
Exchange adjustment	-107	55
Net profit/loss for the year	44,963	48,551
Received dividend	-8,000	-9,000
Revaluations at 31 December 2023	194,091	157,235
Carrying amount at 31 December 2023	309,989	273,133
Remaining positive difference included in the above carrying amount at 31 December 2023	114,596	117,134

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

13 Fixed asset investments

	Other fixed asset investments	Deposits	Deferred tax assets
Cost at 1 January 2023	29	1,034	9,082
Additions for the year	0	555	1,703
Cost at 31 December 2023	29	1,589	10,785
Carrying amount at 31 December 2023	29	1,589	10,785

14 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.

15 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.

16 Other provisions

	2023 kDKK	2022 kDKK
Balance at beginning of year at 1 January 2023	3,638	2,750
Provision in year	888	888
Employed in year	-647	0
Balance at 31 December 2023	3,879	3,638
Over 5 years	3,879	3,638
	3,879	3,638

Notes

	2023	2022
	kDKK	kDKK
17 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	3,723	3,913
Between 1 and 5 years	8,660	10,438
After 5 years	1,126	2,619
	<u>13,509</u>	<u>16,970</u>

18 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 28,002 (2022; kDKK 32,479) which are not recognised in the Company's balance sheet.

19 Mortgages and collateral

The company has no mortgages.

20 Related parties and ownership structure

Controlling interest:

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

Consolidated financial statements:

The consolidated financial statements can be obtained from Dansk Landbrugs Grovvareselskab a.m.b.a., Ballevej 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.