

Arla Foods Holding A/S

Sønderhøj 14

8260 Viby J

CVR No. 27466052

Annual Report 2023

The Annual Report was presented and approved at the Annual General Meeting of the Company on 6 June 2024

DocuSigned by:

Jesper Blauenfeldt

44265859FD604AE...
Jesper Blauenfeldt
Chairman

Arla Foods Holding A/S

Contents

Management's Statement	3
Independent auditor's report	4
Company details	6
Management's Review	7
Key Figures and Financial Ratios	9
Accounting Policies	10
Income Statement	13
Balance Sheet	14
Statement of changes in Equity	16
Notes	17

Arla Foods Holding A/S

Management's Statement

Today, Management has considered and approved the Annual Report of Arla Foods Holding A/S for the financial year 1 January 2023 - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

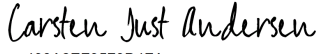
In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

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

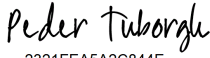
We recommend that the Annual Report be approved at the Annual General Meeting.

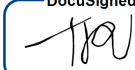
Aarhus, 6 June 2024


Executive Board

DocuSigned by:

433A2EF3573D1FA
Carsten Just Andersen

Board of Directors

DocuSigned by:

2321FEA5A2C844E...
Peder Tuborgh
Chairman

DocuSigned by:

1174937E5895304ED
Torben Dahl Nyholm

DocuSigned by:

EB01EB033471419...
John Duus Andersen

Arla Foods Holding A/S

Independent auditor's report

To the shareholders of Arla Foods Holding A/S

Opinion

We have audited the financial statements of Arla Foods Holding A/S for the financial year 1 January 2023 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

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

- * Identify and assess the risk 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.

Arla Foods Holding A/S

Independent auditor's report

- * 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 6 June 2024

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

DocuSigned by:

67A5D3733047422...
Henrik Kronborg Iversen
State Authorised Public Accountant
mne24687

Arla Foods Holding A/S

Company details

Company	Arla Foods Holding A/S Sønderhøj 14 8260 Viby J
CVR No.	27466052
Board of Directors	Peder Tuborgh Torben Dahl Nyholm John Duus Andresen
Executive Board	Carsten Just Andersen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228

Arla Foods Holding A/S

Management's Review

The Company's principal activities

The Company's principal activities consist of the ownership of shares in subsidiaries and joint ventures.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of kDKK 368.982 and the Balance Sheet at 31 December 2023 a balance sheet total of kDKK 5.972.430 and an equity of kDKK 5.071.050.

The result before tax and excluding results from investments in subsidiaries amounting to a loss of 52 mDKK is not in line with expectations from 2022, which was a loss in the range of 20-30 mDKK. The deviation is caused by higher financial costs.

Uncertainty related to recognition or measurement

In the annual report, there are no significant uncertainties in the calculations and measurement used.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations to the future

The Company expects a loss before tax and excluding the results from investments in subsidiaries within a range of 35-55 mDKK in 2024 primarily due to interest on subordinated loans.

Risks

The Company, is exposed to foreign currency exchange rate fluctuations when recognising foreign subsidiaries by equity valuation. The exposure concerns amongst other currencies USD and BHD.

Corporate Social Responsibility

For information on Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act, Arla Foods Holding A/S is using the exemption provision for subsidiaries and is referring to the parent compene Arla Foods amba. Please refer to the Sustainability Statements in the Management Review of the group annual report.

<https://www.arla.com/company/investor/annual-reports/>

Diversity of the Board of Directors and management

This report includes our statutory statement of Arla Foods Holding A/S in compliance with section 99b of the Danish Financial Statements Act, regarding diversity of the board of directors and management.

It is important to note that Arla Foods Holding A/S does not have an active decision-making board of directors (BoD), as the responsibility lies with the BoD of Arla Foods Group. Similarly, there is no active decision-making management at Arla Foods Holding A/S, as it is governed by the Executive Managment Team of Arla Foods Group. Gender diversity initiatives are managed at the Arla Foods Group level, where targets have been set and are monitored.

To comply with regulatory requirements, gender diversity reporting is conducted based on the registered BoD and management of Arla Foods Holding A/S. The registered management is considered as the first level of management aligned with the regulatory definition and Arla Foods Holding A/S does not have a second management level. The registered mangement consists only of one person, who is male. Because the registered management consists of less than 3 members no gender diversity target is set for other management. Gender diversity refers to the proportion of women in relation to total headcount. The measurement of gender diversity in the registered BoD is based on headcounts ad of 31 December 2023.

Arla Foods Holding A/S**Management's Review**

Gender diversity on Board of Directors	2023
Number of elected members	4
Underrepresented gender (%)	0%
Target (%)*	30%
Target year of fulfillment*	2026
Gender diversity on Management	2023
Number of members	1

*To be noted that gender diversity initiatives are managed at the Arla Foods Group level and targets are set and monitored on Group level. The target for gender diversity in BoD was updated in 2023 to 30 % before 2026. The previous target was 25 % which was reached on Group level in 2023.

In the end of 2023, the registered BoD of Arla Foods Holding A/S consisted of four members who are all male.

In Arla we believe that a diverse team brings together a wealth of perspectives, ideas and experiences, which ultimately drives innovation, sustainable growth and better performance. To promote diversity within our BoD, diversity and inclusion is included in presentations to the Board of Representatives as the Board of Representatives is responsible for electing the Board of Directors. Moreover, we recognize the importance of gender diversity across various levels of management. To address this, Arla has implemented onboarding sessions and leadership trainings focused on diversity and inclusion. These initiatives aim to raise awareness about subconscious biases.

Data Ethics

For information on Data Ethics in accordance with section 99d of the Danish Financial Statements Act, please refer to the Sustainability Statements in the Management Review of the group annual report.

<https://www.arla.com/company/investor/annual-reports/>

Arla Foods Holding A/S**Key Figures and Financial Ratios**

kDKK

The development in the Company's key figures and financial ratios can be described as follows:

	2023	2022	2021	2020	2019
Operating profit/loss	464	606	842	610	525
Net financial income and costs	369.931	764.395	86.403	419.035	139.900
Profit/loss for the year	368.982	788.034	97.056	423.960	141.603
Investment in tangible assets	4.316	0	0	2.826	7.600
Total assets	5.972.430	4.885.582	4.587.334	4.457.520	5.684.288
Total equity	5.071.050	4.171.560	3.846.002	3.313.423	4.021.029
Average equity	4.621.541	4.008.781	3.579.713	3.667.226	3.899.321
Return on equity (ROE) (%)	8	20	3	11	3
Solvency ratio (%)	85	85	84	74	71

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines:

Return on equity (ROE) (%) = Profit/loss for the year X 100 / Avg. equity

Solvency ratio (%) = Total equity X 100 / Total liabilities

The figures for the period 2019-2020 have been updated due to change in accounting policies and correction of material misstatements relating to amortisation of goodwill in 2018.

Arla Foods Holding A/S

Accounting Policies

Reporting Class

The annual report of Arla Foods Holding A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Company has decided not to include a cash flow statement due to Danish Financial Statements Act §86 (4). The Company's cash flows are included in the consolidated cash flows for the parent company Arla Foods a.m.b.a.

The Company has changed accounting class for 2023, from a medium class C to a large class C. Other than that, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated Financial Statements

With reference to § 112 (1) of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises are subsidiaries of a higher-ranking group.

Reporting currency

The annual report is presented in thousand Danish kroner.

Translation policies

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial costs.

Receivables, 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 costs.

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and costs.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external costs

Other external expenses include expenses for sales, administration and premises etc.

Depreciation and impairment of tangible assets

Depreciation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life.

Income from investments in subsidiaries

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortization of consolidated goodwill.

Arla Foods Holding A/S

Accounting Policies

Financial income and costs

Financial income and costs are recognised in the income statement based at the amounts that concern the financial year. Financial income and costs include interest revenue and costs, financial costs of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and costs directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Buildings

20-50 years

Investments in subsidiaries

Investments in group enterprises and associates are recognized in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parent Company's accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kDKK 0, and any amounts receivable from those enterprises are written down by the parent Company's share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent Company has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Arla Foods Holding A/S

Accounting Policies

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts. The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Receivables from group companies

Considering the nature of the scheme, account balances relating to the Group's cash pool scheme are not considered cash and cash equivalents, but are included in the financial statement item receivables from group entities.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Warranty commitments include obligations to remedy works within the warranty period of one to five years. Provisions are measured at value in use and are recognised to reflect the amount of work usually performed under warranties.

Current tax receivables/ liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

The company has chosen IAS 39 as interpretation for recognition and measurement of liabilities. Financial liabilities are recognised initially at the proceeds received net of transaction costs incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Subordinate loans

Subordinate loans and other lower-ranking creditors claims are recognised as independent liabilities in the balance sheet.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Arla Foods Holding A/S

Income Statement

	Note	2023 kDKK	2022 kDKK
Revenue	1	680	831
Other external expenses		-82	-91
Gross profit		598	740
Depreciation and impairment losses		-134	-134
Operating profit		464	606
Income from investments in subsidiaries		422.616	792.686
Financial income	2	553	1.896
Financial costs	3	-53.238	-30.187
Profit before tax		370.395	765.001
Tax	4	-1.413	23.033
Profit for the year	5	368.982	788.034
Proposed distribution of results	5		
Proposed dividend recognised in equity		80.000	0
Retained earnings		288.982	788.034
Distribution of profit		368.982	788.034

Arla Foods Holding A/S

Balance Sheet as of 31 December

	Note	2023 kDKK	2022 kDKK
Assets			
Land and buildings	6	14.284	10.102
Property, plant and equipment		14.284	10.102
Investments in subsidiaries	7, 8	5.934.853	4.693.538
Investments		5.934.853	4.693.538
Non-current assets		5.949.137	4.703.640
Trade receivables		100	214
Receivables from group companies		12.954	168.933
Current tax		10.239	12.795
Receivables		23.293	181.942
Current assets		23.293	181.942
Assets		5.972.430	4.885.582

Arla Foods Holding A/S

Balance Sheet as of 31 December

	Note	2023 kDKK	2022 kDKK
Liabilities and equity			
Contributed capital		22.000	22.000
Retained earnings		4.969.050	4.149.560
Proposed dividend recognised in equity		80.000	0
Equity		5.071.050	4.171.560
Deferred tax	9	850	0
Provisions for investments in subsidiaries	7, 10	25.184	13.232
Provisions		26.034	13.232
Subordinated loan	11	700.000	700.000
Long-term liabilities		700.000	700.000
Trade payables		140	223
Payables to group companies	12	174.796	134
Other payables		410	433
Short-term liabilities		175.346	790
Liabilities		875.346	700.790
Liabilities, provisions and equity		5.972.430	4.885.582
Contingent assets and liabilities	13		
Related parties	14		
Events after the balance sheet date	15		

Arla Foods Holding A/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	22.000	4.149.560	0	4.171.560
Increase of capital		700.000		700.000
Change of investments through net exchange differences		-52.732		-52.732
Other adjustments of equity		-116.760		-116.760
Profit (loss)		288.982	80.000	368.982
Equity 31 December 2023	22.000	4.969.050	80.000	5.071.050

The capital increased by DKK 1 in 2023. Share capital is now DKK 22.000.001.

Besides the increase in 2023 the contributed capital has been unchanged in the last 5 years.

Arla Foods Holding A/S

Notes

	2023 kDKK	2022 kDKK
1. Revenue		
Rental income	680	831
	680	831
2. Financial income		
Financial income from group companies	0	1.837
Other financial income	553	59
	553	1.896
3. Financial costs		
Financial costs regarding group companies	53.238	29.903
Other financial costs	0	284
	53.238	30.187
4. Tax		
Current tax	-11.460	-6.013
Adjustment of deferred tax, current year	850	0
Adjustment of current tax, previous years	12.023	-17.020
	1.413	-23.033
5. Distributions of profit		
Proposed dividend	80.000	0
Retained earnings	288.982	788.034
	368.982	788.034
6. Land and buildings		
Cost at the beginning of the year	10.426	10.426
Addition during the year	4.316	0
Cost at the end of the year	14.742	10.426
Depreciations at the beginning of the year	-324	-190
Depreciations for the year	-134	-134
Depreciations at the end of the year	-458	-324
Carrying amount at the end of the year	14.284	10.102

Arla Foods Holding A/S**Notes**

	2023	2022
	kDKK	kDKK
7. Investments in subsidiaries		
Cost at the beginning of the year	8.222.812	8.202.933
Addition during the year	1.023.086	19.879
Cost at the end of the year	9.245.898	8.222.812
Fair value adjustments at the beginning of the year	-3.529.274	-3.725.850
Dividends	-46.847	-152.588
Change due to foreign currency translation adjustment	-52.732	-47.966
Profit for the year incl. amortisation of goodwill	422.616	798.409
Other equity transactions	-116.760	-414.511
Provision for negative equity	11.952	13.232
Fair value adjustments at the end of the year	-3.311.045	-3.529.274
Carrying amount at the end of the year	5.934.853	4.693.538

Additions during the year relates to capital injections in the entity's subsidiaries Arla Foods International A/S, Arla Foods Investment A/S, Arla Foods Corporation and Arla Global Dairy Products Ltd.

The carrying amount of Investments in subsidiaries and associates includes a goodwill value of 1.387 mDKK. Goodwill amortisations for the year amount to mDKK 275, which are included in "Profit for the year incl. amortisation of goodwill" above.

8. Disclosure of investments in subsidiaries*Subsidiaries*

Name	Registered office	Shares %
AF A/S	Denmark	100,00
Arla Foods International A/S	Denmark	100,00
Arla Foods Distribution A/S	Denmark	100,00
Arla DP Holding A/S	Denmark	100,00
Arla Foods Belgien AG	Belgium	99,99
Arla Foods Ingredients GmbH	Germany	100,00
Tholstrup Cheese A/S	Denmark	100,00
Arla Foods Kuwait Company WLL	Kuwait	49,00
Arla Kallassi Foods Lebanon S.A.L.	Lebanon	50,01
Arla Foods Qatar WLL	Qatar	40,00
Arla Foods Sdn. Bhd.	Malaysia	100,00
Arla Foods Trading and Procurement Ltd.	Hong Kong	100,00
TG Arla Dairy Products LFTZ Enterprise	Nigeria	50,00
Arla Foods Investment A/S	Denmark	100,00
Arla Global Dairy Products Ltd.	Nigeria	100,00
Arla Foods W.L.L.	Bahrain	100,00
Arla Oy	Finland	100,00
Arl For General Trading Ltd.	Iraq	51,00
Arla Foods Corporation	Philippines	100,00
Arla Foods Limited	Ghana	100,00

Arla Foods Holding A/S**Notes**

	2023	2022
	kDKK	kDKK
9. Provisions for deferred tax		
Deferred tax liabilities	850	0
Balance at the end of the year	850	0

10. Provisions for investments in subsidiaries

Provision for investments in subsidiaries amounted to 25.184 kDKK at 31 December 2023.

Since the provision related to negative capital share in subsidiary, the total amount of 25.184 kDKK was expected to be long term at 31 December 2023.

11. Subordinated loan

The subordinated loan of kDKK 700.000 is committed by the lender, Arla Foods amba, and matures 16 October 2028

	Due	Due	Due
	within 1 year	within 1-5 year	after 5 years
	kDKK	kDKK	kDKK
Subordinated loan	0	700.000	0
	0	700.000	0

12. Payables to group companies

The Company participates in the cash pool arrangement for Arla Foods Group, managed by Arla Foods Finance A/S. As part of the cash pool, the Company participates in the In-House Bank and holds SAP bank accounts that is deemed as an external bank account from the Company's point of view with balances being booked as intercompany asset/liability.

The conditions outlined within the cash pooling agreement grant the right to mutually offset withdrawals and deposits, resulting in only the net balance of all pooled accounts being reflected as Arla Foods Finance A/S' balance within the In-House bank.

The amount recognized as payables to group companies relating to the cash pool agreement for Arla Foods Holding A/S amounts to 170.299 kDKK as of 31 December 2023 (2022: 155.979 kDKK as a receivable).

13. Contingent assets and liabilities

No contingent liabilities exist at the balance sheet date.

The company has joint and several tax liabilities with other Danish group companies for company taxes. This also includes withholding taxes on dividends, interest and royalties within the group.

Arla Foods Holding A/S**Notes****14. Related parties**

The Company is a wholly owned subsidiary of Arla Foods a/s, Viby J and is included in the consolidated financial statements. The consolidated financial statements can be obtained at the following address:
Arla Foods a/s, Sønderhøj 14, 8260 Viby J.

Transactions with related parties:

Other group companies	2023	2022
	kDKK	kDKK
Interest income on intercompany receivables	0	1.896
Interest costs on intercompany loans	396	59
Receivables from group companies	0	155.979
Payables to group companies	170.300	134
Received dividends	46.847	152.588
Parent company		
Other internal cost recharges	22	21
Interest costs on intercompany loans	52.842	29.903
Payable to parent company (subordinated loan)	700.000	700.000
Payable to parent company (other)	182	0

15. Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.