



De Danske Gærfabrikker

LALLEMAND

De Danske Gærfabrikker A/S

Bredstrupvej 33
DK-8500 Grenaa

CVR no. 30 92 18 60

Annual report 2022/23

The annual report was presented and approved at
the Company's annual general meeting on

3 May 2023

Nicolai Francis Jensen
Chairman of the annual general meeting

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De Danske Gærfabrikker A/S
Annual report 2022/23
CVR no. 30 92 18 60

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of De Danske Gærfabrikker A/S for the financial year 1 February 2022 – 31 January 2023.

The annual report has been 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 assets, liabilities and financial position at 31 January 2023 and of the results of the Company's operations for the financial year 1 February 2022 – 31 January 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Grenaa 3 May 2023
Executive Board:

Nicolai Francis Jensen
director

Board of Directors:

Lars Overvad Asferg
chairman

Francisco Pereira Da
Conceicoa

Per Henrik Larsen

Antoine Chagnon

William John Nankervis

Independent auditor's report

To the shareholder of De Danske Gærfabrikker A/S

Opinion

We have audited the financial statements of De Danske Gærfabrikker A/S for the financial year 1 February 2022 – 31 January 2023 comprising 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 Company's assets, liabilities and financial position at 31 January 2023 and of the results of the Company's operations for the financial year 1 February 2022 – 31 January 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' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

Independent auditor's report

- identify and assess the risks of material misstatement of the company 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 3 May 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459

Katrine Gybel
State Authorised
Public Accountant
mne45848

De Danske Gærfabrikker A/S
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CVR no. 30 92 18 60

Management's review

Company details

De Danske Gærfabrikker A/S
Bredstrupvej 33
8500 Grenaa

CVR no.:	30 92 18 60
Registered office:	Grenaa
Financial year:	1 February – 31 January

Board of Directors

Lars Overvad Asferg, chairman
Francisco Pereira Da Conceicoa
Per Henrik Larsen
Antoine Chagnon
William John Nankervis

Executive Board

Nicolai Francis Jensen, director

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
Key figures					
Revenue	498,636	396,758	349,533	281,167	281,307
Gross profit	128,901	120,570	117,422	91,886	87,953
Operating profit	31,161	28,594	28,404	24,324	21,837
Loss from financial income and expenses	-1,676	-1,434	-1,143	-898	-659
Profit for the year	23,820	21,987	21,623	18,321	16,549
Balance sheet					
Total assets	478,938	428,400	404,996	370,371	237,509
Equity	260,586	236,766	214,779	193,594	158,816
Investment in property, plant and equipment	63,709	52,044	33,632	111,451	78,557
Ratios					
Return on invested capital	6.9%	12.8%	12.8%	13.2%	14.5%
Current ratio	84.7%	78.6%	79.0%	66.5%	123.7%
Return on equity	9.6%	9.7%	10.6%	10.0%	11.0%
Solvency ratio	54.4%	55.3%	53.0%	52.3%	67.0%
Employees					
Average number of full- time employees	122	120	111	95	89

The financial ratios have been calculated as follows:

Return on invested capital	$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Average invested capital}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$

Management's review

Operating review

Principal activities

De Danske Gærfabrikker A/S is Denmark's only manufacturer of yeast for bakeries, specialties, wine yeast and yeast extract.

Development in activities and financial position

Profit for the year

The Company's income statement for 2023 shows a profit of DKK 23,820 thousand as against DKK 21,987 thousand in 2022. Equity in the Company's balance sheet at 31 January 2023 stood at DKK 260,586 thousand as against DKK 236,766 thousand at 31 January 2022.

Financial results were satisfactory. Slightly increased sales volumes for savory yeast ingredients and baker's yeast offset increasing raw material and energy costs.

Investments

Capital expenditure focuses on products and application areas expected to generate growth in the coming years. Investments in production equipment are expected to be on the same level as 2022.

Outlook

The Company is expected to continuously improve profitability and will remain focused on its teams, customers and services.

A profit in the range of DKK 20-23 million is expected for 2023/24.

Intellectual capital

The company manoeuvres on markets dominated by knowledge-driven companies. Management will increasingly focus on securing, maintaining and developing the human, structural and relational capital of the Company.

The research costs are to some extent recharged to companies benefiting from the research projects.

Environmental matters

The Company focuses on maintaining high environmental standards, adhering to or exceeding national regulations. This includes updating environmental approvals whilst keeping in close contact with local authorities on the local effects of our presence and production.

Research and development activities

The Company's research and development activities are primarily conducted in the subsidiary, Aktieselskabet Dansk Gærings-Industri. These activities focus on new, processed and specialised products.

The research costs are to some extent recharged to companies benefiting from the research projects.

Management's review

Operating review

Financial instruments

The Company's goals and policies for management of financial risks

Strict customer opening procedures and a stringent collection policy are applied for controlling credit risk.

The company has no external debt so there is only a minimum interest rate risk exposure.

Currency risks are considered minimal since the Company is doing business in EUR and DKK only.

The Company's risk exposure

No particular risks have been identified.

The company does not foresee any significant operating risks for 2023/24.

Ownership

Lallemand Denmark A/S owns the entire capital of De Danske Gærfabrikker A/S. Lallemand Denmark A/S is part of the Lallemand Group (Lallemand Inc., Canada), which is one of the world's leading yeast and bacteria producers.

Corporate social responsibility according to the Danish Financial Statement Act section 99a

The Company is primarily engaged in producing of yeast for baking, specialties, wine and yeast extract.

The ambition of the Company is to demonstrate social responsibility in line with its basic values on the areas of environment and climate considerations, social and employee conditions, respect for human rights and anti-corruption and bribery. Furthermore, the Company is determined to ensure a safe and healthy working environment and has consideration for environmental and climate conditions throughout its processes. Our Management is key part of all significant decisions on all above-mentioned areas, which is demonstrated in internal as well as external initiatives.

For the time being the company has not yet developed any policies for environmental and climate, social and employees, human rights, and anticorruption and bribery, because they have not identified any material risk within the four areas. The management have until now assessed that policies and actions were not necessary in order to manage the potential risk. However it is the company's goal to implement formal policies and they are currently working on implementing and harmonizing policies across the many production facilities of Lallemand Group.

Management's review

Operating review

Goals and policies for the underrepresented gender according to the Danish Financial Statement Act section 99b

It is the company policy that regardless of gender, race, and religion, all employees are treated equally, in order to ensure that everyone has equal opportunities for employment. The Company encourages and supports female employees that desire to advance into managerial positions.

To increase the number of the underrepresented gender on the Board of Directors, the Company has set the target that in 2024 the Board should have at least one woman. Currently, the Board consists of five persons of which all are males.

To support our target for the Board, we also focus on attracting females to our management positions throughout our organisation. Currently, female representation accounts for 23%. To attract and retain women in our organisation, we focus on the following initiatives:

- Inclusive environment
 - Flexible working hours incl. the possibility of jobsharing, reduced hours etc.
- Maternity (and paternity) programs, ramp-up/down programs
- HR ensuring that both genders are considered in recruitment
- Gender neutral language in job postings
- Promote our field of work to a broader audience (e.g. educational institutions and career fairs).
- Diversity is assessed during recruitment (throughout the process from job profile to employment)
- The only change in the composition of the board in the current year has been succession.
- Conduct internal training and education of staff to reduce turnover and ensure progression of female as well as male employees.

The Company hopes to see the results of these efforts in the coming years.

Statutory statement regarding data ethics in accordance with the section 99d of the Danish Financial Statements Act

Data ethics is an ethical dimension of the relationship between technology and the citizen as to fundamental rights, legal certainty, and fundamental social values that technological development gives rise to. The group has not implemented a policy for data ethics due to the limited to no usage of data toward citizens. Data in the group is of a public nature and manipulated towards thriving a more efficient operating, commercial and financial business which is in accordance with the Group's Ethical business conduct and compliance programs (see section above Ethical business conduct).

Financial statements 1 February – 31 January

Income statement

DKK'000	Note	2022/23	2021/22
Revenue	2	498,636	396,758
Cost of raw materials and consumables		-296,449	-211,644
Other operating income		177	543
Other external costs		<u>-73,463</u>	<u>-65,087</u>
Gross profit		128,901	120,570
Staff costs	3	-68,139	-63,584
Depreciation, amortisation and impairment losses		<u>-29,601</u>	<u>-28,392</u>
Profit before financial income and expenses		31,161	28,594
Income from equity investments in group entities		91	531
Other financial income		3	0
Other financial expenses	4	<u>-1,679</u>	<u>-1,434</u>
Profit before tax		29,576	27,691
Tax on profit for the year	5	<u>-5,756</u>	<u>-5,704</u>
Profit for the year	6	<u><u>23,820</u></u>	<u><u>21,987</u></u>

Financial statements 1 February – 31 January

Balance sheet

DKK'000	Note	31/1 2023	31/1 2022
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Land and buildings		21,196	21,214
Plant and machinery		255,922	224,406
Fixtures and fittings, tools and equipment		5,957	3,346
Property, plant and equipment under construction		33,317	47,265
		<u>316,392</u>	<u>296,231</u>
Investments	8		
Equity investments in group entities		2,332	2,241
Total fixed assets		<u>318,724</u>	<u>298,472</u>
Current assets			
Inventories			
Raw materials and consumables		65,491	39,152
Work in progress		10,147	4,813
Finished goods and goods for resale		47,880	33,847
		<u>123,518</u>	<u>77,812</u>
Receivables			
Trade receivables		16,848	13,510
Receivables from group entities		6,959	30,272
Other receivables		5,291	99
Prepayments	9	2,594	1,822
		<u>31,692</u>	<u>45,703</u>
Cash at bank and in hand		5,004	6,413
Total current assets		<u>160,214</u>	<u>129,928</u>
TOTAL ASSETS		<u>478,938</u>	<u>428,400</u>

Financial statements 1 February – 31 January

Balance sheet

DKK'000	Note	31/1 2023	31/1 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital	10	1,000	1,000
Reserve for fair value of investment assets		0	130
Retained earnings		<u>259,586</u>	<u>235,636</u>
Total equity		<u>260,586</u>	<u>236,766</u>
Provisions			
Provisions for deferred tax	11	<u>29,290</u>	<u>26,414</u>
Total provisions		<u>29,290</u>	<u>26,414</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables	12	<u>6,138</u>	<u>6,142</u>
Current liabilities other than provisions			
Trade payables		46,315	25,677
Payables to group entities		108,809	113,990
Joint taxation contribution		2,881	4,110
Other payables		<u>24,919</u>	<u>15,301</u>
		<u>182,924</u>	<u>159,078</u>
Total liabilities other than provisions		<u>189,062</u>	<u>165,220</u>
TOTAL EQUITY AND LIABILITIES		<u><u>478,938</u></u>	<u><u>428,400</u></u>

Financial statements 1 February – 31 January

Statement of changes in equity

DKK'000	Contributed capital	Reserve for fair value of investment assets	Retained earnings	Total
Equity at 1 February 2022	1,000	130	235,636	236,766
Transferred over the profit appropriation	0	-130	23,950	23,820
Equity at 31 January 2023	1,000	0	259,586	260,586

Financial statements 1 February – 31 January

Notes

1 Accounting policies

The annual report of De Danske Gærfabrikker A/S for 2022/23 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting principles used in preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of De Danske Gærfabrikker A/S and group entities are included in the consolidated financial statements of Lallemand Denmark A/S, Bredstrupvej 33, 8500 Grenaa, CVR no. 26 01 49 80.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Lallemand Denmark A/S.

Foreign currency translation

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 expenses.

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 expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods, comprising the sale of yeast, is recognised in revenue when delivery and transfer of risk to the buyer has taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxed charged on behalf of third parties. All discounts granted are included in revenue.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Financial statements 1 February – 31 January

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company, Lallemand Denmark A/S, is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 February – 31 January

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1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10-30 years
Fixtures and fittings, tools and equipment	3-7 years
Plant and Machinery	10-20 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Financial statements 1 February – 31 January

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1 Accounting policies (continued)

Equity investments in group entities

Equity investments in group entities and participating interests (including associates) are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entity prior to the approval of the annual report, are not tied up in the revaluation reserve.

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the average method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Financial statements 1 February – 31 January

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1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

The Company is jointly taxed with all Danish entities in the Lallemand Group.

Joint taxation contributions payable and receivable are recognised in the balance sheet under joint taxation contribution.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 February – 31 January

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1 Accounting policies (continued)

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

Assets in the segment comprise assets used directly in revenue-generating activities.

Segment liabilities comprise liabilities derived from the operations of the segment, including trade payables and other payables.

2 Segment information

DKK'000	2022/23	2021/22
Revenue, Scandinavia	262,320	230,967
Revenue, rest of Europe	215,990	144,476
Revenue, rest of world	20,326	21,315
	<u>498,636</u>	<u>396,758</u>

The only business segment is yeast.

3 Staff costs

DKK'000	2022/23	2021/22
Wages and salaries	65,190	60,140
Pensions	5,237	5,662
Other social security costs	482	459
Other staff costs	1,930	1,723
Recharge	-4,700	-4,400
	<u>68,139</u>	<u>63,584</u>
Average number of full-time employees	<u>122</u>	<u>120</u>

Remuneration of the Executive Board of De Danske Gærfabrikker A/S is not disclosed separately in accordance with section 98b (3) of the Danish Financial Statements Act. No remuneration was paid to the Board of Directors.

4 Other financial expenses

DKK'000	2022/23	2021/22
Interest expense to group entities	538	482
Other financial costs	1,141	952
	<u>1,679</u>	<u>1,434</u>

Financial statements 1 February – 31 January

Notes

5 Tax on profit for the year

Current tax for the year	2,881	4,380
Deferred tax for the year	<u>2,875</u>	<u>1,324</u>
	<u>5,756</u>	<u>5,704</u>

6 Proposed profit appropriation

Reserve for net revaluation under equity method	-130	130
Retained earnings	<u>23,950</u>	<u>21,857</u>
	<u>23,820</u>	<u>21,987</u>

7 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 February 2022	57,515	439,527	8,548	47,265	552,855
Additions for the year	0	0	0	49,761	49,761
Transfer for the year	<u>1,349</u>	<u>58,711</u>	<u>3,649</u>	<u>-63,709</u>	<u>0</u>
Cost at 31 January 2023	<u>58,864</u>	<u>498,238</u>	<u>12,197</u>	<u>33,317</u>	<u>602,616</u>
Depreciation and impairment losses at 1 February 2021	-36,301	-215,121	-5,202	0	-256,624
Depreciations for the year	<u>-1,367</u>	<u>-27,195</u>	<u>-1,039</u>	<u>0</u>	<u>-29,601</u>
Depreciation and impairment losses at 31 January 2023	<u>-37,668</u>	<u>-242,316</u>	<u>-6,241</u>	<u>0</u>	<u>-286,225</u>
Carrying amount at 31 January 2023	<u>21,196</u>	<u>255,922</u>	<u>5,956</u>	<u>33,317</u>	<u>316,391</u>

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8 Investments

	Equity investments in group entities
DKK'000	
Cost at 1 February 2022	2,501
Cost at 31 January 2023	2,501
Revaluations at 1 February 2022	-260
Net profit/loss for the year	91
Revaluations 31 January 2023	-169
Carrying amount at 31 January 2023	2,332

Name/legal form	Registered office	Voting rights and ownership interest	Equity DKK'000	Profit/loss for the year DKK'000
Aktieselskabet Dansk Gærings-Industri, Denmark	Grenaa	100%	2,332	91
			2,332	91

9 Prepayments

DKK'000	31/1 2023	31/1 2022
Other prepayments	2,594	1,822
	2,594	1,822

10 Equity

Contributed capital consists of 1,000 shares of a nominal value of DKK 1,000 each.
All shares rank equally.

11 Deferred tax assets

DKK'000	31/1 2023	31/1 2022
Deferred tax 1 February	26,414	24,820
Deferred tax adjustment for the year	2,876	1,594
	29,290	26,414

12 Other payables

< 1 year	28,346	15,301
1 - 5 years	6,138	6,142
	34,484	21,443

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13 Contractual obligations, contingencies, etc.

The Company is jointly taxed with all Danish entities in the Lallemand Group. The Company has unlimited joint and several liability for the Danish corporation taxes and withholding taxes on dividends and interest under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities is recognised in the consolidated financial statements of Lallemand Denmark A/S. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability.

DKK'000	<u>31/1 2023</u>	<u>31/1 2022</u>
Operating lease obligations		
Within 1 year	1,292	896
Between 1 and 5 years	<u>2,629</u>	<u>2,070</u>
	<u>3,921</u>	<u>2,966</u>

14 Related party disclosures

De Danske Gærfabriker A/S' related parties comprise the following:

Control

The Company's Parent Company and ultimate Parent Company exercise control.

Lallemand Denmark A/S holds the majority of the contributed capital in the Company.

The Company's related parties with significant influence comprise the Company's Board of Directors, Executive Board and executive staff.

De Danske Gærfabriker A/S is part of the consolidated financial statements of Lallemand Inc., Canada, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Lallemand Denmark A/S can be obtained from the website of the Danish Business Authority, www.cvr.dk.

De Danske Gærfabriker A/S is part of the consolidated financial statements of Lallemand Denmark A/S, Denmark, which is smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Lallemand Inc. can be obtained by contacting the Company.

Related party transactions

DKK'000	<u>2022/23</u>	<u>2021/22</u>
Sales to related parties	424,694	299,307
Purchases from related parties	68,219	48,339

Payables to and receivables from related parties are disclosed in the balance sheet, and interest expense is disclosed in note 4.

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15 Fees to auditor appointed at the general meeting

DKK'000	<u>2022/23</u>	<u>2021/22</u>
Statutory audit	<u>276,310</u>	<u>216,200</u>
	<u>276,310</u>	<u>216,200</u>