



De Danske Gærfabrikker



De Danske Gærfabrikker A/S

Bredstrupvej 33
DK-8500 Grenaa

CVR no. 30 92 18 60

Annual report 2023/24

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

22 April 2024

Chairman of the annual general meeting

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 February – 31 January	11
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Notes	15

De Danske Gærfabrikker A/S
Annual report 2023/24
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 2023 – 31 January 2024.

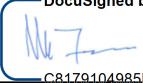
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 January 2024 and of the results of the Company's operations for the financial year 1 February 2023 – 31 January 2024.

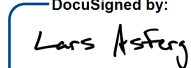
Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.


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

Grenaa 22 April 2024
Executive Board:

DocuSigned by:

C8179104985E412
Nicolai Francis Jensen
CEO

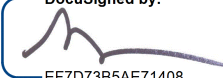
Board of Directors:

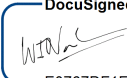
DocuSigned by:

QCDB451F14CE4C4...
Lars Overvad Asferg
Chairman

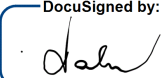
DocuSigned by:

2BB6E57D75AA4CD...
Francisco Pereira Da
Conceicao

DocuSigned by:

EB84B008C26D4FF...
Per Henrik Larsen

DocuSigned by:

FF7D73B5AE71408
Antoine Chagnon

DocuSigned by:

E0767DF4F540472...
William John Nankervis

DocuSigned by:

80443C3AD71A420...
Tiina Valk



De Danske Gærfabriker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Independent auditor's report

To the shareholder of De Danske Gærfabriker A/S

Opinion

We have audited the financial statements of De Danske Gærfabriker A/S for the financial year 1 February 2023 – 31 January 2024 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 2024 and of the results of the Company's operations for the financial year 1 February 2023 – 31 January 2024 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 financial statement 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, 22 April 2024

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Katrine Gybel
State Authorised
Public Accountant
mne45848

Dennis V. Hansen
State Authorised
Public Accountant
mne49092

De Danske Gærfabrikker A/S
Annual report 2023/24
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
Tiina Valk

Executive Board

Nicolai Francis Jensen, CEO

Auditor

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

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Management's review

Financial highlights

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Key figures					
Revenue	435,846	498,636	396,758	349,533	281,167
Gross profit/loss	120,334	126,972	118,847	115,829	91,886
Operating profit	18,945	31,162	28,594	28,404	24,324
Loss from financial income and expenses	-5,185	-1,676	-1,434	-1,143	-898
Profit for the year	12,650	23,821	21,987	21,623	18,321
Total assets					
Equity	528,420	478,938	428,400	404,996	370,371
Investment in property, plant and equipment	273,236	260,587	236,766	214,779	193,594
	40,052	63,709	52,044	33,632	111,451
Ratios					
Return on invested capital	3.8%	6.9%	12.8%	12.8%	13.2%
Current ratio	92.6%	84.7%	78.6%	79.0%	66.5%
Return on equity	4.7%	9.6%	9.7%	10.6%	10.0%
Solvency ratio	51.7%	54.4%	55.3%	53.0%	52.3%
Other key figures					
Average number of full- time employees	130	122	120	111	95

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	$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

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 2024 shows a profit of DKK 12,650 thousand as against a profit of DKK 23,821 thousand in 2023. Equity in the Company's balance sheet at 31 January 2024 stood at DKK 273,236 thousand as against DKK 260,587 thousand at 31 January 2023.

Financial results were satisfactory although below expectations. Volumes were impacted by customer stock building in previous years. Customers stock building in previous years, resulted in slightly lower production volumes, impacting the overall performance and result.

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 in 2023/24.

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 2024/25.

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.

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.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

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 significant financing and is therefore exposed to only a modest interest rate risk.

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 2024/25.

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 in accordance with the Danish Financial Statements 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 environment and climate, social and employee conditions, human rights, and anti-corruption and bribery, because they have not identified any material risks within the four areas. Management has until now assessed that policies and actions were not necessary in order to manage potential risks. However it is the Company's goal to implement formal policies, and they are currently working on implementing and harmonising policies across the many production facilities of Lallemand Group.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Management's review

Operating review

Goals and policies for the underrepresented gender in accordance with the Danish Financial Statements 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 female member. Currently, the Board of Directors consists of six persons, of which one is female.

To support our target for the Board of Directors, we also focus on attracting females to management positions throughout our organisation. Currently, female representation accounts for 20%. 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) programmes, ramp-up/down programmes
- 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 of Directors in the current year has been succession
- Conduct internal training and education of staff to reduce staff 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.

	2023	2024	2025	2026	2027
Top management body					
Total number of members	6				
Underrepresented gender in %	17%				
Target figures in %	17%				
The year in which the target figures are estimated to be fulfilled	2030				
Other Management levels					
Total number of members	15				
Underrepresented gender in %	20%				
Target figures in %	25%				
The year in which the target figures are estimated to be fulfilled	2030				

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Management's review

Operating review

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

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 programmes (see section above on ethical business conduct).

De Danske Gærfabrikker A/S
 Annual report 2023/24
 CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Income statement

DKK'000	Note	2023/24	2022/23
Revenue	2	435,846	498,636
Cost of raw materials and consumables		-247,263	-296,449
Other operating income		64	177
Other external costs		<u>-68,313</u>	<u>-75,392</u>
Gross profit		120,334	126,972
Staff costs	3	-68,376	-66,209
Depreciation, amortisation and impairment losses		<u>-33,013</u>	<u>-29,601</u>
Profit before financial income and expenses		18,945	31,162
Income from equity investments in group entities		1,123	91
Other financial income		0	3
Other financial expenses	4	<u>-5,185</u>	<u>-1,679</u>
Profit before tax		14,883	29,577
Tax on profit for the year	5	<u>-2,233</u>	<u>-5,756</u>
Profit for the year	6	<u><u>12,650</u></u>	<u><u>23,821</u></u>

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Balance sheet

DKK'000	Note	31/1 2024	31/1 2023
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Land and buildings		28,617	21,196
Plant and machinery		258,307	255,922
Fixtures and fittings, tools and equipment		9,809	5,957
Property, plant and equipment under construction		<u>26,697</u>	<u>33,317</u>
		<u>323,430</u>	<u>316,392</u>
Investments	8		
Equity investments in group entities		<u>3,455</u>	<u>2,332</u>
Total fixed assets		<u>326,885</u>	<u>318,724</u>
Current assets			
Inventories			
Raw materials and consumables		49,164	65,491
Work in progress		13,039	10,147
Finished goods and goods for resale		<u>75,929</u>	<u>47,880</u>
		<u>138,132</u>	<u>123,518</u>
Receivables			
Trade receivables		15,729	16,848
Receivables from group entities		13,648	6,959
Other receivables		11,557	5,291
Prepayments	9	<u>2,915</u>	<u>2,594</u>
		<u>43,849</u>	<u>31,692</u>
Cash at bank and in hand		<u>19,554</u>	<u>5,004</u>
Total current assets		<u>201,535</u>	<u>160,214</u>
TOTAL ASSETS		<u><u>528,420</u></u>	<u><u>478,938</u></u>

De Danske Gærfabriker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Balance sheet

DKK'000	Note	31/1 2024	31/1 2023
EQUITY AND LIABILITIES			
Equity			
Contributed capital	10	1,000	1,000
Retained earnings		<u>272,236</u>	<u>259,587</u>
Total equity		<u>273,236</u>	<u>260,587</u>
Provisions			
Provisions for deferred tax	11	<u>31,265</u>	<u>29,290</u>
Total provisions		<u>31,265</u>	<u>29,290</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables	12	<u>6,341</u>	<u>6,138</u>
Current liabilities other than provisions			
Trade payables		57,420	46,315
Payables to group entities		132,670	108,809
Joint taxation contribution		257	2,881
Other payables		<u>27,231</u>	<u>24,918</u>
		<u>217,578</u>	<u>182,923</u>
Total liabilities other than provisions		<u>223,919</u>	<u>189,061</u>
TOTAL EQUITY AND LIABILITIES		<u><u>528,420</u></u>	<u><u>478,938</u></u>

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 February 2023	1,000	259,586	260,586
Transferred over the profit appropriation	0	12,650	12,650
Equity at 31 January 2024	1,000	272,236	273,236

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

1 Accounting policies

The annual report of De Danske Gærfabrikker A/S for 2023/24 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.

Change in comparative figures

With reference to the true and fair view laid down in the Danish Financial Statements Act, the Company has made some reclassifications to individual items in the income statement and balance sheet. The reclassifications have affected the items other external costs and staff costs but have no impact on results before tax, results for the year or equity. Comparative figures have been reclassified accordingly.

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.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to the inventory of goods for resale.

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.

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 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.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

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	3-5 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.

Investments

Equity investments in group entities are measured at the proportionate share of the entities' net asset value, calculated in accordance with the parent company's accounting policies, plus or minus unrealised intra-group gains or losses, plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investment in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by the parent company's share of the negative net asset value. To the extent that the negative balance exceeds the receivable, the residual amount is recognised as provisions.

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 the the approval of the annual report, are not tied up in the revaluation reserve.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

1 Accounting policies (continued)

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.

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.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

1 Accounting policies (continued)

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.

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.

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

DKK'000	<u>2023/24</u>	<u>2022/23</u>
2 Segment information		
Revenue, Scandinavia	232,117	262,320
Revenue, rest of Europe	180,185	215,990
Revenue, rest of world	<u>23,544</u>	<u>20,326</u>
	<u><u>435,846</u></u>	<u><u>498,636</u></u>

The only business segment is yeast.

3 Staff costs

Wages and salaries	68,678	65,190
Pensions	6,624	5,237
Other social security costs	1,028	482
Recharge	<u>-7,954</u>	<u>-4,700</u>
	<u><u>68,376</u></u>	<u><u>66,209</u></u>
Average number of full-time employees	<u><u>130</u></u>	<u><u>122</u></u>

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

DKK'000	<u>2023/24</u>	<u>2022/23</u>
4 Other financial expenses		
Interest expense to group entities	3,712	538
Other financial costs	<u>1,473</u>	<u>1,141</u>
	<u><u>5,185</u></u>	<u><u>1,679</u></u>

5 Tax on profit for the year

Current tax for the year	257	2,881
Deferred tax for the year	<u>1,976</u>	<u>2,875</u>
	<u><u>2,233</u></u>	<u><u>5,756</u></u>

6 Proposed profit appropriation

Reserve for net revaluation under equity method	0	-129
Retained earnings	<u>12,650</u>	<u>23,950</u>
	<u><u>12,650</u></u>	<u><u>23,821</u></u>

De Danske Gærfabriker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

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 2023	58,864	498,238	12,197	33,317	602,616
Additions for the year	8,855	26,095	5,102	0	40,052
Transfer for the year	0	6,620	0	-6,620	0
Cost at 31 January 2024	67,719	530,953	17,299	26,697	642,668
Depreciation and impairment losses at 1 February 2021	-37,668	-242,316	-6,241	0	-286,225
Depreciation for the year	-1,434	-30,330	-1,249	0	-33,013
Depreciation and impairment losses at 31 January 2024	-39,102	-272,646	-7,490	0	-319,238
Carrying amount at 31 January 2024	28,617	258,307	9,809	26,697	323,430

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

8 Investments

	Equity investments in group entities
DKK'000	
Cost at 1 February 2023	2,501
Cost at 31 January 2024	2,501
Revaluations at 1 February 2023	-169
Net profit/loss for the year	1,123
Revaluations 31 January 2024	954
Carrying amount at 31 January 2024	3,455

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%	3,455	1,123
			3,455	1,123

9 Prepayments

DKK'000	31/1 2024	31/1 2023
Other prepayments	2,915	2,594
	2,915	2,594

10 Equity

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

DKK'000	31/1 2024	31/1 2023

11 Deferred tax assets

Deferred tax at 1 February	29,290	26,414
Deferred tax adjustment for the year	1,975	2,876
	31,265	29,290

12 Other payables

< 1 year	27,229	28,346
1 - 5 years	6,341	6,138
	33,570	34,484

De Danske Gærfabriker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

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 2024</u>	<u>31/1 2023</u>
Operating lease obligations		
Within 1 year	1,201	1,292
Between 1 and 5 years	<u>1,559</u>	<u>2,629</u>
	<u>2,760</u>	<u>3,921</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 Inc. can be obtained by contacting the Company.

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 Denmark A/S can be obtained from the website of the Danish Business Authority, www.cvr.dk.

Related party transactions

DKK'000	<u>2023/24</u>	<u>2022/23</u>
Sales to related parties	338,231	424,694
Purchases from related parties	58,627	68,219

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

De Danske Gærfabrikker A/S
Annual report 2023/24
CVR no. 30 92 18 60

Financial statements 1 February – 31 January

Notes

15 Fees to auditor appointed at the general meeting

DKK'000	<u>2023/24</u>	<u>2022/23</u>
Statutory audit	211	203
Tax services	51	49
Other assistance	<u>25</u>	<u>24</u>
	<u>287</u>	<u>276</u>