
Farm Company A/S

Ravnholtgyden 5, DK-6600 Vejen

Annual Report for 2023

CVR No. 32 47 06 88

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 6/5 2024

Jens Ohnemus
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Farm Company A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations for 2023.

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

Vejen, 6 May 2024

Executive Board

Hans Thorvald Jensen

Board of Directors

Jens Ohnemus
Chairman

Hans Thorvald Jensen

Maria Carlsson

Independent Auditor's report

To the shareholders of Farm Company A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Farm Company A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("the Financial Statements").

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 Group 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 responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Esbjerg, 6 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Stefan Dracea

State Authorised Public Accountant

mne42827

Company information

The Company	Farm Company A/S Ravnholtgyden 5 DK-6600 Vejen CVR No: 32 47 06 88 Financial period: 1 January - 31 December Municipality of reg. office: Vejen
Board of Directors	Jens Ohnemus, chairman Hans Thorvald Jensen Maria Carlsson
Executive Board	Hans Thorvald Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. DK-6700 Esbjerg

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Farm Company A/S	Vejen, Denmark	
Bøgeskovgaard ApS	Vejen, Denmark	100%
Nørregaard Årre ApS	Vejen, Denmark	100%
Ravninggaard ApS	Vejen, Denmark	100%
Vestergaard Hejnsvig ApS	Vejen, Denmark	100%
Ravnholtgård ApS	Vejen, Denmark	100%
Møllegaard ApS	Vejen, Denmark	100%

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Gross profit	3,409	4,645	2,734	2,631	1,708
Profit/loss of primary operations	1,063	2,590	830	718	308
Profit/loss of financial income and expenses	-459	2,716	-353	-392	-483
Net profit/loss for the year	474	4,116	377	254	-143
Balance sheet					
Balance sheet total	55,209	52,882	49,859	46,163	44,075
Investment in property, plant and equipment	1,676	2,093	4,936	1,947	4,363
Equity	33,566	32,169	27,654	25,182	20,920
Number of employees	30	28	23	24	20
Ratios					
Solvency ratio	60.8%	60.8%	55.5%	54.6%	47.5%
Net Asset Value per share (EUR)	0.2198	0.2106	0.1810	0.1745	0.1725

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		EUR	EUR	EUR	EUR
Gross profit before value adjustments		3,409,063	4,644,801	-687,356	-652,581
Value adjustments of assets held for investment		597,607	848,713	0	0
Gross profit after value adjustments		4,006,670	5,493,514	-687,356	-652,581
Staff expenses	2	-1,921,480	-1,640,011	-103,403	-34,911
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-967,850	-1,200,541	-862	-864
Other operating expenses		-54,560	-62,736	0	0
Profit/loss before financial income and expenses		1,062,780	2,590,226	-791,621	-688,356
Income from investments in subsidiaries	3	0	0	1,095,016	4,653,788
Financial income	4,5	176,567	3,589,609	0	0
Financial expenses		-635,492	-873,162	-4,427	-497
Profit/loss before tax		603,855	5,306,673	298,968	3,964,935
Tax on profit/loss for the year	6	-130,256	-1,190,222	174,631	151,516
Net profit/loss for the year		473,599	4,116,451	473,599	4,116,451

	Parent company	
	2023	2022
	EUR	EUR
Distribution of profit		
Proposed distribution of profit		
Reserve for net revaluation under the equity method	1,095,016	4,653,788
Retained earnings	-621,417	-537,337
	473,599	4,116,451

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		EUR	EUR	EUR	EUR
Land and buildings	8	11,246,786	11,097,813	0	0
Investment properties	7	32,672,068	30,944,177	0	0
Biological assets	7	2,229,298	2,236,653	0	0
Other fixtures and fittings, tools and equipment	8	3,948,775	3,835,407	0	848
Property, plant and equipment in progress	8	2,597	15,766	0	0
Property, plant and equipment		50,099,524	48,129,816	0	848
Investments in subsidiaries	9	0	0	12,831,278	10,812,080
Other investments	10	500,149	463,930	213,058	255,092
Deposits	10	0	2,999	0	0
Fixed asset investments		500,149	466,929	13,044,336	11,067,172
Fixed assets		50,599,673	48,596,745	13,044,336	11,068,020
Biological assets		827,718	1,073,965	0	0
Raw materials and consumables		1,706,882	1,705,036	0	0
Inventories		2,534,600	2,779,001	0	0
Trade receivables		771,029	1,019,158	0	0
Receivables from group enterprises	11	0	0	21,230,119	21,495,598
Other receivables		347,985	354,232	11,653	18,336
Deferred tax asset	12	0	0	250,524	383,530
Corporation tax receivable from group enterprises		0	0	94,503	106,855
Prepayments		140,378	63,712	78,099	5,290
Receivables		1,259,392	1,437,102	21,664,898	22,009,609
Cash at bank and in hand		814,995	69,071	41,980	2,520
Current assets		4,608,987	4,285,174	21,706,878	22,012,129
Assets		55,208,660	52,881,919	34,751,214	33,080,149

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		EUR	EUR	EUR	EUR
Share capital		20,506,918	20,506,918	20,506,918	20,506,918
Revaluation reserve		3,947,883	3,042,661	0	0
Reserve for net revaluation under the equity method		0	0	12,787,012	10,767,812
Retained earnings		9,111,562	8,619,001	272,433	893,850
Equity		33,566,363	32,168,580	33,566,363	32,168,580
Provision for deferred tax	12	2,324,306	1,688,288	0	0
Provisions		2,324,306	1,688,288	0	0
Mortgage loans		12,739,032	11,909,144	0	0
Credit institutions		4,286,814	4,360,278	0	0
Deposits		30,223	27,351	0	0
Long-term debt	13	17,056,069	16,296,773	0	0
Mortgage loans	13	229,456	228,793	0	0
Credit institutions	13	104,127	103,158	17	17
Trade payables		532,639	626,159	120,449	65,279
Payables to group enterprises	13	0	0	0	1,262
Payables to group enterprises relating to corporation tax		507	685,900	0	0
Other payables		1,321,581	1,079,137	1,064,385	845,011
Deferred income		73,612	5,131	0	0
Short-term debt		2,261,922	2,728,278	1,184,851	911,569
Debt		19,317,991	19,025,051	1,184,851	911,569
Liabilities and equity		55,208,660	52,881,919	34,751,214	33,080,149
Key activities	1				
Contingent assets, liabilities and other financial obligations	14				
Accounting Policies	15				

Statement of changes in equity

Group

	Share capital	Revaluation reserve	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 January	20,506,918	3,042,661	9,276,936	32,826,515
Net effect of correction of material misstatements	0	0	-657,935	-657,935
Adjusted equity at 1 January	20,506,918	3,042,661	8,619,001	32,168,580
Revaluation for the year	0	1,184,694	0	1,184,694
Tax on revaluation for the year	0	-260,510	0	-260,510
Reversal for the year of revaluation of assets sold	0	-18,962	18,962	0
Net profit/loss for the year	0	0	473,599	473,599
Equity at 31 December	20,506,918	3,947,883	9,111,562	33,566,363

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 January	20,506,918	10,767,812	1,551,785	32,826,515
Net effect of correction of material misstatements	0	0	-657,935	-657,935
Adjusted equity at 1 January	20,506,918	10,767,812	893,850	32,168,580
Revaluation for the year	0	924,184	0	924,184
Net profit/loss for the year	0	1,095,016	-621,417	473,599
Equity at 31 December	20,506,918	12,787,012	272,433	33,566,363

Notes to the Financial Statements

1. Key activities

The Group holds 6 farm clusters in Jutland, south-west of Denmark.

The key activity of the clusters comprise sale of milk, cattle and crop production.

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
2. Staff Expenses				
Wages and salaries	1,759,115	1,549,117	101,013	30,707
Pensions	6,145	3,453	0	0
Other social security expenses	33,178	28,818	731	490
Other staff expenses	123,042	58,623	1,659	3,714
	1,921,480	1,640,011	103,403	34,911
Average number of employees	30	28	1	1

	Parent company	
	2023	2022
	EUR	EUR
3. Income from investments in subsidiaries		
Share of profits	1,095,016	4,653,788
	1,095,016	4,653,788

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
4. Financial income				
Income from securities, which are fixed assets	172,397	157,802	0	0
Other financial income	4,170	3,431,807	0	0
	176,567	3,589,609	0	0

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
5. Special items				
Capital gains, mortgage debt	0	3,420,419	0	0
	0	3,420,419	0	0

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
6. Income tax expense				
Current tax for the year	507	473,595	-94,503	-179,313
Deferred tax for the year	390,259	977,254	-80,128	27,797
Adjustment of tax concerning previous years	-246,454	0	-212,698	0
Adjustment of deferred tax concerning previous years	246,454	0	212,698	0
	390,766	1,450,849	-174,631	-151,516
thus distributed:				
Income tax expense	130,256	1,190,222	-174,631	-151,516
Tax on equity movements	260,510	260,627	0	0
	390,766	1,450,849	-174,631	-151,516

Notes to the Financial Statements

7. Assets measured at fair value

Group

	Investment properties	Biological assets
	EUR	EUR
Cost at 1 January	23,703,608	2,063,025
Additions for the year	334,889	89,186
Disposals for the year	-157,824	-109,622
Cost at 31 December	<u>23,880,673</u>	<u>2,042,589</u>
Value adjustments at 1 January	7,215,236	173,627
Revaluations for the year	1,781,738	13,082
Reversal of revaluations of sold assets	-205,579	0
Value adjustments at 31 December	<u>8,791,395</u>	<u>186,709</u>
Carrying amount at 31 December	<u>32,672,068</u>	<u>2,229,298</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods.

The fair value of Investment properties has been calculated based on the following assumptions:

	Group	
	2023	2022
The fair value of investment properties amounts to	32,672,068	30,944,177
The fair value of biological assets amounts to	3,057,016	3,310,618
Value adjustment of investment properties, recognised in the income statement	597,607	848,713

Investment properties

The fair value of investment properties at 31 December 2023 has been assessed by an independent assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material

Biological assets

The fair value of biological assets relate to herds, consisting of cows, heifers, calves and bulls. The biological assets are measured annually based on an active market and indicate market values calculated by SEGES.

Notes to the Financial Statements

8. Property, plant and equipment

	Group			Parent company
	Land and buildings	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Other fixtures and fittings, tools and equipment
	EUR	EUR	EUR	EUR
Cost at 1 January	12,508,642	5,764,606	15,765	3,630
Additions for the year	518,549	731,236	2,597	0
Disposals for the year	0	-121,324	0	0
Transfers for the year	15,765	0	-15,765	0
Cost at 31 December	13,042,956	6,374,518	2,597	3,630
Impairment losses and depreciation at 1 January	1,419,270	1,895,425	0	2,766
Depreciation for the year	376,900	590,983	0	864
Reversal of impairment and depreciation of sold assets	0	-60,665	0	0
Impairment losses and depreciation at 31 December	1,796,170	2,425,743	0	3,630
Carrying amount at 31 December	11,246,786	3,948,775	2,597	0

Notes to the Financial Statements

	Parent company	
	2023	2022
	EUR	EUR
9. Investments in subsidiaries		
Cost at 1 January	44,266	44,268
Cost at 31 December	44,266	44,268
Value adjustments at 1 January	10,767,812	5,189,982
Net profit/loss for the year	1,095,016	4,653,788
Other equity movements, net	924,184	924,042
Value adjustments at 31 December	12,787,012	10,767,812
Carrying amount at 31 December	12,831,278	10,812,080

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Ravninggaard ApS,	Vejen	6,696	100%
Vestergaard Hejnsvig ApS	Vejen	6,696	100%
Ravnholtgård ApS	Vejen	10,761	100%
Nørregaard Årre ApS	Vejen	6,696	100%
Møllegaard ApS	Vejen	6,696	100%
Bøgeskovgaard ApS	Vejen	6,696	100%

Notes to the Financial Statements

10. Other fixed asset investments

	Group	Parent company
	Other investments	Other investments
	EUR	EUR
Cost at 1 January	655,711	450,127
Additions for the year	83,610	2,103
Cost at 31 December	<u>739,321</u>	<u>452,230</u>
Impairment losses at 1 January	195,035	195,035
Impairment losses for the year	44,137	44,137
Impairment losses at 31 December	<u>239,172</u>	<u>239,172</u>
Carrying amount at 31 December	<u>500,149</u>	<u>213,058</u>

11. Receivables

The following receivables fall due for payment more than 1 year after year end:

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
Receivables from group enterprises	0	0	21,156,946	21,304,066
	<u>0</u>	<u>0</u>	<u>21,156,946</u>	<u>21,304,066</u>

12. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
Deferred tax liabilities at 1 January	1,688,288	900,884	-383,530	-262,870
Adjustment regarding deferred tax previous years	245,759	-41,393	213,134	0
Amounts recognised in the income statement for the year	129,749	716,627	-80,128	27,797
Amounts recognised in equity for the year	260,510	112,170	0	-148,457
Deferred tax liabilities at 31 December	<u>2,324,306</u>	<u>1,688,288</u>	<u>-250,524</u>	<u>-383,530</u>

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
EUR	EUR	EUR	EUR

13. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Mortgage loans

After 5 years	11,798,225	11,018,363	0	0
Between 1 and 5 years	940,807	890,781	0	0
Long-term part	12,739,032	11,909,144	0	0
Within 1 year	229,456	228,793	0	0
	12,968,488	12,137,937	0	0

Credit institutions

After 5 years	4,286,814	4,360,278	0	0
Long-term part	4,286,814	4,360,278	0	0
Within 1 year	104,051	103,141	0	0
Other short-term debt to credit institutions	76	17	17	17
	4,390,941	4,463,436	17	17

Deposits

After 5 years	5,501	5,042	0	0
Between 1 and 5 years	24,722	22,309	0	0
Long-term part	30,223	27,351	0	0
Within 1 year	0	0	0	0
	30,223	27,351	0	0

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
14. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings and investment properties with a carrying amount of	34,311,681	32,973,729	0	0
The following assets have been placed as security with bankers:				
Land and buildings and investment properties with a carrying amount of	9,607,178	9,068,262	0	0

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Harvest Group ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

15. Accounting policies

The Annual Report of Farm Company A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in EUR. All other currencies are regarded as foreign currencies.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Farm Company A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Income from the rental of properties is recognised in the income statement for the relevant period.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses production and premises as well as administrative expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish Group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition.

Notes to the Financial Statements

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

After the initial recognition investment properties are measured at cost with revaluation at fair value recognized under the revaluation in equity. An independent valuer has been used to determine the fair value.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of certain investment properties has been assessed by the independent assessor firm Nybolig Landbrug at 31 December 2023.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

In Management's opinion the determination of fair value of properties for the year was enabled through comparable market transactions and, consequently, valuation is based on the expected selling price of investment properties

Biological assets

On initial recognition, biological assets, which comprise living plants and animals that are biological transformed and acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Subsequent to initial recognition, biological assets are measured in the balance sheet at fair value less costs to sell. Fair value is determined at the most recent selling prices ascertained in markets for similar assets.

Other property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	10 - 50 years
Other plant, fixtures and fittings, tools and equipment	3 - 20 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of cooperative accounts, are measured at cost.

Other fixed asset investments

Other fixed asset investments consist of

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

On initial recognition, biological assets, which comprise living plants and animals for biological transformation, acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. During the period of growth and until the time of harvest, biological assets are measured in the balance sheet at fair value less expected selling costs. Fair value is the amount at which the assets could be sold to an independent buyer. Fair value is determined at the most recent selling prices ascertained in markets for similar assets.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Revaluation reserve comprises revaluation of investment properties at fair value. The revaluation reserve is measured less deferred tax and reduced by depreciation of the revalued assets. On the disposal of the assets, the remaining amount is transferred from the revaluation reserve to retained earnings.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Solvency ratio $\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Net Asset Value per share (EUR)