

Arla ICC P/S (Under frivillig likvidation)

Sønderhøj 14

8260 Viby J

CVR No. 34732051

Annual Report 2022

The Annual Report was presented and approved at the Annual General Meeting of the Company on 22 June 2023

Jesper Blauenfeldt
Chairman

Arla ICC P/S (Under frivillig likvidation)

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Arla ICC P/S (Under frivillig likvidation)

Management's Statement

Today, Management has considered and approved the Annual Report of Arla ICC P/S (Under frivillig likvidation) for the financial year 1 January 2022 - 31 December 2022.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

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

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

Aarhus, 22 June 2023

Liquidator

Joris Andersen

Independent Auditor's Report

To the shareholders of Arla ICC P/S (Under frivillig likvidation)

Opinion

We have audited the financial statements of Arla ICC P/S (Under frivillig likvidation) for the financial year 1 January 2022 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Emphasis of matter in the financial statements

We draw attention to the Company's accounting policies, which is described in the financial statements. The financial statements have been prepared for purposes of the Company's liquidation. Consequently, the financial statements may not be suitable for other purposes.

We have not modified our opinion in respect of this matter.

Liquidator's responsibilities for the financial statements

Liquidator is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Liquidator is also responsible for such internal control that Liquidator 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, Liquidator 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 Liquidator either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report

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

- * Identify and assess the risk of material misstatements in 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 the liquidator.
- * Conclude on the appropriateness of Liquidator'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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Liquidator 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

Liquidator 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 misstatements of the Management's review.

Arla ICC P/S (Under frivillig likvidation)

Independent Auditor's Report

Aarhus, 22 June 2023

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Jan Krarup Mortensen

State Authorised Public Accountant

mne40030

Arla ICC P/S (Under frivillig likvidation)

Company details

| | |
|-------------------|--|
| Company | Arla ICC P/S (Under frivillig likvidation) Sønderhøj 14 8260 Viby J |
| CVR No. | 34732051 |
| Date of formation | 12 October 2012 |
| Financial year | 1 January 2022 - 31 December 2022 |
| Liquidator | Joris Andersen |
| Auditors | EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228 |

Management's Review

The Company's principal activities

The Company's principal activities comprise the sale of dairy products to the Chinese market.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of kDKK 1.398 and the Balance Sheet at 31 December 2022 a balance sheet total of kDKK 1.903 and an equity of kDKK 1.898.

In 2022 the parent company Inner Mongolia Mengniu Dairy (Group) Co., LTD sold its shares in the Company to Arla Foods amba.

The result is in line with the expectations for the year.

Uncertainty related to recognition and measurement

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

Post financial year events

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

Expectations for the future

The Company is to be liquidated in 2023. The liquidation was registered on 10.03.2023 and the company is now under voluntary liquidation.

Arla ICC P/S (Under frivillig likvidation)

Accounting Policies

Accounting policies

Reporting Class

The Annual Report of Arla ICC P/S (Under frivillig likvidation) for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in thousand Danish kroner.

Translation policies

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

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, cost of goods sold, other operating income and other external costs.

Revenue

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

Income from the sale of goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardized terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises.

Cost of goods sold

Cost of sales comprises direct and indirect costs for the acquisition of goods regarding the supply for the year.

Other external costs

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Corporation tax

As the Company is not an independent taxpayer, corporation tax is not recognised in the financial statements.

Accounting Policies

Balance Sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

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

Receivables from group companies

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

Dividends

Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Liabilities

Liabilities are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Prepayments

Prepayments comprise income incurred concerning subsequent financial years.

Arla ICC P/S (Under frivillig likvidation)

Income Statement

| | Note | 2022 kDKK | 2021 kDKK |
|--------------------------------------|-------------|----------------------|----------------------|
| Gross profit | 1 | <u>1.398</u> | <u>10</u> |
| Profit | | <u>1.398</u> | <u>10</u> |
| | | | |
| Proposed profit appropriation | 2 | | |
| Proposed dividends | | 0 | 10 |
| Retained earnings | | <u>1.398</u> | <u>0</u> |
| Distribution of profit | | <u>1.398</u> | <u>10</u> |

Arla ICC P/S (Under frivillig likvidation)

Balance Sheet as of 31 December

| | Note | 2022 kDKK | 2021 kDKK |
|----------------------------------|------|--------------|--------------|
| Trade receivables | | 51 | 1.299 |
| Receivables from group companies | | 1.784 | 60 |
| Other short-term receivables | | 68 | 0 |
| Receivables | | 1.903 | 1.359 |
| Cash at bank and in hand | | 0 | 2.496 |
| Current assets | | 1.903 | 3.855 |
| Assets | | 1.903 | 3.855 |

Arla ICC P/S (Under frivillig likvidation)

Balance Sheet as of 31 December

| | Note | 2022 kDKK | 2021 kDKK |
|--|------|--------------|--------------|
| Contributed capital | | 500 | 500 |
| Retained earnings | | 1.398 | 0 |
| Proposed dividend recognised in equity | | 0 | 10 |
| Equity | | 1.898 | 510 |
| Prepayments from customers | | 0 | 123 |
| Trade payables | | 0 | 24 |
| Payables to group companies | | 5 | 897 |
| Payables to former parent company | | 0 | 2.275 |
| Other short-term payables | | 0 | 26 |
| Short-term liabilities | | 5 | 3.345 |
| Liabilities | | 5 | 3.345 |
| Liabilities and equity | | 1.903 | 3.855 |
| Contingent liabilities | 3 | | |
| Related parties | 4 | | |

Arla ICC P/S (Under frivillig likvidation)

Statement of changes in Equity

kDKK

| | Share capital | Retained earnings | Proposed dividends | Total |
|--------------------------------|------------------|----------------------|-----------------------|--------------|
| Equity 1 January 2021 | 500 | 0 | 10 | 510 |
| Dividend paid | 0 | 0 | -10 | -10 |
| Profit (loss) | 0 | 1.398 | 0 | 1.398 |
| Equity 31 December 2022 | 500 | 1.398 | 0 | 1.898 |

The share capital has remained unchanged the last 5 years.

The share capital is divided into nominal DKK:

300.000 in A-share divided into shares of DKK 10.000 or multiples thereof.

200.000 in B-share divided into shares of DKK 10.000 or multiples thereof.

Every A-share has 5 votes and every B-share has 8 votes.

Arla ICC P/S (Under frivillig likvidation)

Notes

1. Gross profit

As in previous years the Company had no employees in 2022. No remuneration was paid to the Board of Directors and the Executive Board during the financial year. Arla Foods amba handles the administration of Arla ICC P/S.

2. Distribution of profit

| | 2022 | 2021 |
|-------------------|--------------|-----------|
| | kDKK | kDKK |
| Proposed dividend | 0 | 10 |
| Retained earnings | 1.398 | 0 |
| | <u>1.398</u> | <u>10</u> |

3. Contingent liabilities

The Company had no contingent liabilities at the balance sheet date.

4. Related parties

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