



## DSV Frø Danmark A/S

Energivej 3  
7500 Holstebro  
CVR No. 35411399

## Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual  
report on 29.11.2023

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**Lasse Skovlund Bech**  
Chairman of the General Meeting

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# Entity details

## Entity

DSV Frø Danmark A/S

Energivej 3

7500 Holstebro

Business Registration No.: 35411399

Registered office: Holstebro

Financial year: 01.07.2022 - 30.06.2023

## Board of Directors

Clive Krückemeyer

Edwin Dennes van Sligter

Dr. Eike Hupe

## Executive Board

Lasse Skovlund Bech

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DSV Frø Danmark A/S for the financial year 01.07.2022 - 30.06.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2023 and of the results of its operations and cash flows for the financial year 01.07.2022 - 30.06.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Holstebro, 29.11.2023

## Executive Board

**Lasse Skovlund Bech**

## Board of Directors

**Clive Krückemeyer**

**Edwin Dennes van Sligter**

**Dr. Eike Hupe**

# Independent auditor's report

## To the shareholder of DSV Frø Danmark A/S

### Opinion

We have audited the financial statements of DSV Frø Danmark A/S for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 30.06.2023 and of the results of its operations and cash flows for the financial year 01.07.2022 - 30.06.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Aarhus, 29.11.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Henrik Vedel**

State Authorised Public Accountant

Identification No (MNE) mne10052

**Mikael Møller**

State Authorised Public Accountant

Identification No (MNE) mne47835

# Management commentary

## Financial highlights

	2022/23	2021/22	2020/21	2019/20	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	348,065	431,676	383,565	351,022	321,753
Gross profit/loss	72,279	73,532	78,564	83,186	51,743
Operating profit/loss	27,120	30,228	42,367	49,098	21,708
Net financials	(8,049)	(1,200)	(812)	(551)	(861)
Profit/loss for the year	15,236	22,424	32,437	37,875	16,208
Total assets	384,753	280,823	191,288	172,080	138,293
Investments in property, plant and equipment	7,547	4,521	8,592	13,427	7,784
Equity	124,157	112,641	112,567	113,655	88,445
<b>Ratios</b>					
Gross margin (%)	20.77	17.03	20.48	23.70	16.08
Net margin (%)	4.38	5.19	8.46	10.79	5.04
Return on equity (%)	12.87	19.91	28.68	37.48	19.72
Equity ratio (%)	32.27	40.11	58.85	66.05	63.95

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

Gross profit/loss \* 100

Revenue

### Net margin (%):

Profit/loss for the year \* 100

Revenue

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Total assets



**Primary activities**

The Company's primary activity is wholesaling and retailing of seed, primarily processed from Danish grown seed as well as minor import. The company is exporting seeds for the international market.

**Development in activities and finances**

Profit of the year amounts to DKK 15.236k, which is considered satisfactory, however slightly below expectations for the result of the year, given the developments in the international markets leading to a decline in intercompany business.

**Profit/loss for the year in relation to expected developments**

Profit is below expectations set prior to the business year. Home market sales were at expected level, however the international market of which the company's intercompany business is dependent on, experienced a negative development in demand.

**Uncertainty relating to recognition and measurement**

There are no material uncertainties related to recognition and measurement of assets and liabilities.

**Unusual circumstances affecting recognition and measurement**

There are no unusual circumstances affecting recognition and measurement.

**Outlook**

For 2023/24, revenues are expected to remain stable, however profits will decreased due to higher costs for maintaining and financing stocks that are higher than normal.

**Knowledge resources**

Intellectual capital resources are in the parent company.

**Environmental performance**

DSV Frø has taken different initiatives, to contribute to positive environmental developments. One example is the installation of heating pumps in the production site in Sørbø.

**Research and development activities**

Only minor activities are carried out locally in Danish subsidiary.

**Foreign branches**

DSV Frø has a Swedish branch.

**Statutory report on corporate social responsibility**

DSV Frø is a part of the DSV Group, and as such the company is working within the Group's overall strategic framework.

**Business model**

DSV Frø produces and sells varieties of grasses, clover, rapeseed and other crops, that have been bred by the parent company or sister companies. The varieties are being multiplied by growers in Denmark, cleaned after harvest in our factories, and bagged and exported for the global markets. For the Scandinavian market, DSV Frø is mixing these varieties into mixtures the farmer can seed in the grass fields, for feeding cattle and other livestock. In addition, DSV also do seeds and mixtures for landscaping and gardening.

Seed is the fundament of food value chains, and as such DSV has an impact on making food production more efficient and produce more food with a lower impact.

## Impact on climate and environment

DSV Group is active in breeding and producing plant varieties, which creates the basis of future nutrition. The breeding activities in the Group strives towards a more efficient primary production, which at the same time takes the challenges of the society and the farmer into consideration. In our breeding following traits are being targeted, when selecting the variety candidates for further breeding: Yield, resistance to diseases, drought resistance / water consumption and digestibility. The composition of these traits are selected depending on the market needs compared to existing portfolio, within the given variety. The breeding activities, however, is carried out by parent and sister companies, where DSV Frø focus on the production. In order to improve the level of sustainability in the agricultural production chain and thereby the food chain as a whole, it is a focus of DSV Frø to increase the efficiency and maximize the output of the consumed resources in terms of fertilizer and other input material. By increasing the output it makes it possible to decrease the need for cultivated land relatively to the increasing demand for food.

A key driver for the efficiency in our production is the yield per produced area (hectar), which has increased from 1011 kg/ha in 2011 to 1704 kg/ha in 2022. Aim is a consistent increase to min. 1500 kg and have a 5-year average above that. Currently (from harvest 22) the 5 year average has increased to 1509 kg/ha (vs 1459 kg/ha prev. year), thus reaching the target of being above 1500 kg/ha. However, 2022 was an extraordinary good yield year, and the aim is to be consistently above 1500 kg /ha.

Furthermore we strive to minimize carbon footprint on all our operations from raw material to the finished packaged product. As a starting point DSV has followed recommendations from the mandatory energy report, thus installed energy measurement equipment at the production sites, replaced gas heating with heating pumps, as recommended in the report. There are many more points to address, and some must be coordinated through relevant industry associations, and others through negotiations with suppliers, including farmers.

Our breeding of varieties, development of production strategies and seed mixtures, make sure that the future food production reduces impact on climate and environment, through following:

- Higher yields per hectar
- Less dependency on fertilizers
- Resistance towards droughts
- Less consumption of crop protection products
- Improves fertility of soil
- Securing higher digestibility for live stock
- Less water consumption

## Risks

The largest risk DSV sees with regard to climate and environment is connected with the changing seasons . If it is the case, that the future will bring more extreme climate conditions and changing weather throughout a growing season, it becomes harder to deal with and optimize production from year to year. This will result in a smaller output per hectare over time.

## Human rights

DSV Frø has zero tolerance for the violation of human rights . The biggest risks related to human rights violations in our organization are related to discrimination and harassment as well as the right to time off. Violation of human rights in our organization could lead to loss of reputation and therefore competitiveness. In order to ensure that no such issues occur, we provide an open and inclusive environment, with a flexible approach to working hours. We have not experienced any violations of human rights for this financial year, and we intend to maintain a zero-tolerance policy here.

### **Social issues and personnel**

Regarding social issues and personnel, we recognize that not having a committed and motivated workforce can put our performance at risk. Hence, DSV Frø strives to be an attractive company for its employees. The aim is to maintain a flat hierarchy environment, which means managers are urged to be including in their approach to managing the individual departments. There is also a flexible approach to working hours, and possibilities for working from home - in order to ensure the possibility for DSV employees to keep a proper balance between work and social life. DSV Frø also offers health care insurance to its employees, and will expand that feature, making it free for all employees coming business year. Furthermore, DSV Frø is having an established HSE organization at their locations.

Coming business year proper management and business culture, which should focus on well-being of employees will be an action point. There will be held meetings with these topics on the agenda among all employee-responsible managers in the coming business year.

### **Anti-corruption**

DSV Frø is living up to auditor's recommendations of Control measures, to ensure arms-length and four eyes principles in transactions taking place.

DSV Frø has zero tolerance for corruption in our activities, as we acknowledge that we could risk losing customer trust as well as our reputation in the market. In 2022/23 no corrupt activities were reported, and we will continue to focus on this for the coming year. On group level, there will be formulated policies on these topics, which DSV Frø will be a part of.

### **Statutory report on the underrepresented gender**

The company is a flat-structured company with one managing director and few layers of management. The Managing Director is appointed by the shareholders - The mother company DSV AG, Germany. As DSV Frø Danmark A/S is a daughter company, there is no internal influence on the selection of top management.

We do not discriminate in our recruitment processes, as the aim is to secure equal access to any position in the company, regardless of gender, age, religion or sexual orientation. Open positions are published in a style of writing, that caters both to men and women. With these efforts we aim to ensure a diverse workforce broadly speaking incl. among managers. In the management group in the company 3 out of 8 are female.

Our Board of Directors consist of three persons of which all are men. We have set a target to obtain one woman on the Board by 2026, and have not in the past year found it possible to meet the target as we have not replaced members or found a need for expanding the Board with additional members. We continue to evaluate the possibility of getting gender diversity on the Board, while assessing the needed qualifications and experiences of the members should a need for replacement of the current members become relevant.

### **Statutory report on data ethics policy**

The Company have updated all Employee and Data Privacy policies to reflect the GDPR Regulations introduced in 2018. We have mapped each year as a Division what personal data we are holding on employees, customers, suppliers and other DSV Divisions. We have given training to our employees on what GDPR means to their day to day work and also on what action to take if there is a personal data breach. The Company is part of a Group which has a Data Protection Officer and a GDPR Steering Committee which meets quarterly. We have not identified the need for an actual Data Ethics Policy, as the type of data and the way we process it does not expose any relevant risks.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Revenue	2	348,064,997	431,676,302
Other operating income		1,655,156	1,290,298
Cost of sales		(231,728,279)	(318,744,063)
Other external expenses	3	(45,713,024)	(40,690,216)
<b>Gross profit/loss</b>		<b>72,278,850</b>	<b>73,532,321</b>
Staff costs	4	(40,479,936)	(38,969,489)
Depreciation, amortisation and impairment losses		(4,679,163)	(4,335,111)
<b>Operating profit/loss</b>		<b>27,119,751</b>	<b>30,227,721</b>
Other financial income		100,398	83,517
Other financial expenses		(8,149,445)	(1,283,253)
<b>Profit/loss before tax</b>		<b>19,070,704</b>	<b>29,027,985</b>
Tax on profit/loss for the year	5	(3,834,438)	(6,604,106)
<b>Profit/loss for the year</b>	6	<b>15,236,266</b>	<b>22,423,879</b>

# Balance sheet at 30.06.2023

## Assets

	Notes	2022/23 DKK	2021/22 DKK
Land and buildings		54,943,091	56,581,837
Plant and machinery		21,498,624	19,964,945
Property, plant and equipment in progress		4,681,475	1,718,372
<b>Property, plant and equipment</b>	<b>7</b>	<b>81,123,190</b>	<b>78,265,154</b>
Other investments		7,682	7,682
<b>Financial assets</b>	<b>8</b>	<b>7,682</b>	<b>7,682</b>
<b>Fixed assets</b>		<b>81,130,872</b>	<b>78,272,836</b>
Manufactured goods and goods for resale		291,648,479	146,548,751
<b>Inventories</b>		<b>291,648,479</b>	<b>146,548,751</b>
Trade receivables		9,800,515	11,076,783
Receivables from group enterprises		762,947	24,642,262
Other receivables		14,514	19,548,506
Prepayments	9	901,737	385,606
<b>Receivables</b>		<b>11,479,713</b>	<b>55,653,157</b>
<b>Cash</b>		<b>494,294</b>	<b>348,083</b>
<b>Current assets</b>		<b>303,622,486</b>	<b>202,549,991</b>
<b>Assets</b>		<b>384,753,358</b>	<b>280,822,827</b>

**Equity and liabilities**

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital		500,000	500,000
Retained earnings		123,657,125	112,140,859
<b>Equity</b>		<b>124,157,125</b>	<b>112,640,859</b>
Deferred tax	10	10,496,000	9,350,000
<b>Provisions</b>		<b>10,496,000</b>	<b>9,350,000</b>
Mortgage debt		14,506,558	16,174,247
<b>Non-current liabilities other than provisions</b>	11	<b>14,506,558</b>	<b>16,174,247</b>
Current portion of non-current liabilities other than provisions	11	1,667,688	1,670,867
Bank loans		169,565,296	121,977,175
Trade payables		7,333,736	4,829,341
Payables to group enterprises		31,772,992	1,918,324
Tax payable		1,447,445	3,609,223
Other payables		23,806,518	8,652,791
<b>Current liabilities other than provisions</b>		<b>235,593,675</b>	<b>142,657,721</b>
<b>Liabilities other than provisions</b>		<b>250,100,233</b>	<b>158,831,968</b>
<b>Equity and liabilities</b>		<b>384,753,358</b>	<b>280,822,827</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Non-arm's length related party transactions	16		
Group relations	17		

# Statement of changes in equity for 2022/23

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	108,420,859	3,720,000	112,640,859
Ordinary dividend paid	0	0	(3,720,000)	(3,720,000)
Profit/loss for the year	0	15,236,266	0	15,236,266
<b>Equity end of year</b>	<b>500,000</b>	<b>123,657,125</b>	<b>0</b>	<b>124,157,125</b>



# Cash flow statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Operating profit/loss		27,119,751	30,227,721
Amortisation, depreciation and impairment losses		4,638,735	4,335,111
Other provisions		0	(140,000)
Working capital changes	12	(53,416,668)	(89,571,280)
<b>Cash flow from ordinary operating activities</b>		<b>(21,658,182)</b>	<b>(55,148,448)</b>
Financial income received		100,398	83,517
Financial expenses paid		(8,149,445)	(1,283,253)
Taxes refunded/(paid)		(4,850,216)	(9,016,630)
<b>Cash flows from operating activities</b>		<b>(34,557,445)</b>	<b>(65,364,814)</b>
Acquisition etc of property, plant and equipment		(7,547,209)	(4,520,867)
Sale of property, plant and equipment		50,428	0
<b>Cash flows from investing activities</b>		<b>(7,496,781)</b>	<b>(4,520,867)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(42,054,226)</b>	<b>(69,885,681)</b>
Repayments of loans etc		(1,667,689)	(2,479,970)
Dividend paid		(3,720,000)	(22,350,000)
Short-term bank debt obtained		47,588,121	94,773,939
Other cash flows from financing activities		(7,677)	0
<b>Cash flows from financing activities</b>		<b>42,192,755</b>	<b>69,943,969</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>138,529</b>	<b>58,288</b>
Cash and cash equivalents beginning of year		355,765	297,477
<b>Cash and cash equivalents end of year</b>		<b>494,294</b>	<b>355,765</b>
Cash and cash equivalents at year-end are composed of:			
Cash		494,294	348,083
Securities		0	7,682
<b>Cash and cash equivalents end of year</b>		<b>494,294</b>	<b>355,765</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Revenue

	2022/23 DKK	2021/22 DKK
Sales Denmark	84,237,941	85,140,424
Sales EU	260,229,492	341,236,691
Sales other countries	3,597,564	5,299,187
<b>Total revenue by geographical market</b>	<b>348,064,997</b>	<b>431,676,302</b>

## 3 Fees to the auditor appointed by the Annual General Meeting

	2022/23 DKK	2021/22 DKK
Statutory audit services	261,044	230,000
Other assurance engagements	11,000	48,200
Tax services	163,138	308,302
Other services	58,906	71,351
	<b>494,088</b>	<b>657,853</b>

## 4 Staff costs

	2022/23 DKK	2021/22 DKK
Wages and salaries	36,359,519	35,074,612
Pension costs	3,313,458	3,123,078
Other social security costs	160,868	158,488
Other staff costs	646,091	613,311
	<b>40,479,936</b>	<b>38,969,489</b>
Average number of full-time employees	<b>71</b>	<b>70</b>

According to §98b of the Danish Financial Statements Act, management's remuneration is not disclosed.

## 5 Tax on profit/loss for the year

	2022/23 DKK	2021/22 DKK
Current tax	3,062,728	4,835,106
Change in deferred tax	1,146,000	1,769,000
Adjustment concerning previous years	(374,290)	0
	<b>3,834,438</b>	<b>6,604,106</b>

## 6 Proposed distribution of profit and loss

	2022/23 DKK	2021/22 DKK
Ordinary dividend for the financial year	0	3,720,000
Retained earnings	15,236,266	18,703,879
	<b>15,236,266</b>	<b>22,423,879</b>

## 7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Property, plant and equipment in progress DKK
Cost beginning of year	94,665,805	78,272,189	1,718,372
Transfers	0	821,862	0
Additions	0	4,584,106	2,963,103
Disposals	(642,541)	(688,613)	0
<b>Cost end of year</b>	<b>94,023,264</b>	<b>82,989,544</b>	<b>4,681,475</b>
Depreciation and impairment losses beginning of year	(38,083,976)	(58,307,244)	0
Transfers	0	(821,862)	0
Depreciation for the year	(1,638,736)	(2,999,999)	0
Reversal regarding disposals	642,541	638,185	0
<b>Depreciation and impairment losses end of year</b>	<b>(39,080,171)</b>	<b>(61,490,920)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>54,943,093</b>	<b>21,498,624</b>	<b>4,681,475</b>

## 8 Financial assets

	Other investments DKK
Cost beginning of year	7,682
<b>Cost end of year</b>	<b>7,682</b>
<b>Carrying amount end of year</b>	<b>7,682</b>

## 9 Prepayments

Prepayments comprise prepaid costs relating to subsequent financial year such as insurance.

**10 Deferred tax**

	<b>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
Property, plant and equipment	9,077,000	8,684,000
Inventories	1,430,000	678,000
Liabilities other than provisions	(11,000)	(12,000)
<b>Deferred tax</b>	<b>10,496,000</b>	<b>9,350,000</b>

	<b>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	9,350,000	7,581,000
Recognised in the income statement	1,146,000	1,769,000
<b>End of year</b>	<b>10,496,000</b>	<b>9,350,000</b>

**11 Non-current liabilities other than provisions**

	<b>Due within 12 months</b>	<b>Due within 12 months</b>	<b>Due after more than 12 months</b>	<b>Outstanding after 5 years</b>
	<b>2022/23</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Mortgage debt	1,667,688	1,670,867	14,506,558	7,866,876
	<b>1,667,688</b>	<b>1,670,867</b>	<b>14,506,558</b>	<b>7,866,876</b>

**12 Changes in working capital**

	<b>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(145,099,728)	(60,296,071)
Increase/decrease in receivables	44,173,444	(28,994,566)
Increase/decrease in trade payables etc	47,509,616	(280,643)
	<b>(53,416,668)</b>	<b>(89,571,280)</b>

**13 Unrecognised rental and lease commitments**

	<b>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	<b>631,105</b>	<b>1,014,174</b>

**14 Assets charged and collateral**

The Company has granted a floating charge in favour of Sydbank A/S for a total amount of DKK 60,000 k. The floating charge comprises unsecured claims and inventories. Carrying amount thereof amounts to DKK 301,448,994 as of 30.06.2023 and DKK 157,625,534 as of 30.06.2022.

Bank debt is secured by a deposited letter of indemnity for property of a nominal value of DKK 30,000 k. Carrying amounts of mortgaged properties and machinery amounts to DKK 45,376,345 as of 30.06.2023 and DKK 44,767,533 as of 30.06.2022.

**15 Related parties with controlling interest**

Deutsche Saatveredelung AG, Lippstadt, owns all shares in the Entity, thus exercising control.

**16 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

**17 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Deutsche Saatveredelung AG, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Deutsche Saatveredelung AG, Germany

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Income statement

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. .

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Buildings	50 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Other investments**

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

### **Inventories**

Inventories are measured at the lower of cost using the weighted average price method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.



**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.