Approved at the Company's Annual General meeting on 30 November 2021

Johannes Burger
Chairman of the Annual General Meeting

ANNUAL REPORT 2020/21

Ingleby Farms & Forests ApS
Slotsgade 1A, 4600 Køge, Denmark. CVR: 35868062

INGLEBY FARMS

ANNUAL REPORT
2020/21

1. edition

Ingleby Farms & Forests ApS

Slotsgade 1A
4600 Køge
Denmark
+45 55 31 35 60
www.inglebyfarms.com

Registration No.: 35868062
Established: 30 June 1999
Registered office: Stevns
Financial year: 1 July – 30 June

BOARD OF DIRECTORS

Hans Henrik Koefoed, Chairman
David Blanchard, Vice-Chairman
Lisbet Rausing
Johannes Burger
William H. Camp
Gwyneth V. Burr
Nicolas Verschuere
Steffen Stræde
Peter L. Nilsson

EXECUTIVE BOARD

Andrei Pavel, Chief Executive Officer

AUDITORS

EY Godkendt Revisionspartnerselskab
Englandsgade 25
5000 Odense C
Denmark
Registration no.: 30700228

Photographers

Andrei Govereanu
Bogdan Gheorghiu
Dace Viznere
Emil Frej Hansen
Gary Smith
Hans Henrik Koefoed
Rasmus Juul Christoffersen
Rafael Leguisamo
Robin Begg
Vytautas Jundulas
Øjvind Krabbe

Design

BGRAPHIC

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The Ingleby vision

Our vision is to be world-leading regenerative farmers. We farm to produce good, healthy food, and also to protect the environment for future generations.

As farmers, we play an important part in solving some of the most pressing global challenges we face today. We want to farm with nature – not against it. We believe farming done right can help the planet, and we aim to live up to this task every day, in everything we do.

We apply regenerative farming principles and constantly improve our soils. We preserve and enhance the biodiversity on our farms, and work towards sustainable consumption and production.

We treat our animals, people and communities with care, love and respect.

Because the way we choose to farm today echoes for generations.

INGLEBY FARMS

Financial highlights

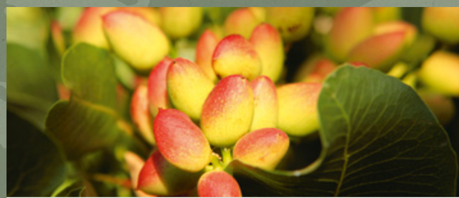
FINANCIAL HIGHLIGHTS FOR THE GROUP

Key figures – USD'000	2020/21	2019/20	2018/19	2017/18	2016/17
Revenue	172,056	130,927	156,608	114,111	115,585
Gross profit	12,047	38,289	65,762	31,022	39,749
Ordinary operation profit/loss	-71,470	-9,454	19,319	-7,362	10,703
Profit/Loss from financial income and expense	-8,033	-4,119	-5,006	-2,789	1,892
Profit/loss for the year	**-61,246**	**-19,297**	**6,174**	**-715**	**4,775**
Total assets	983,425	908,585	918,293	886,657	901,334
Portion relating to investment in property, plant and equipment	791,744	727,550	724,465	712,615	682,629
Equity	**663,537**	**704,237**	**731,428**	**736,325**	**742,919**
Cash flows from operating activities	9,038	7,237	22,921	-319	13,297
Net cash flows from investing activities	-46,646	-24,115	-31,120	-48,684	-89,131
Cash flows from financing activities	28,462	4,828	31,511	-6,195	119,333
Total cash flows	**-9,146**	**-12,050**	**23,312**	**-55,199**	**43,499**
Financial ratios					
Operating margin	-41.54%	-7.22%	12.34%	-6.45%	9.26 %
Gross margin	-7.00%	29.24%	41.99%	27.19%	34.39 %
Equity ratio	67.47%	77.51%	79.65%	83.04%	82.42 %
Return on equity	**8.96%**	**-2.69%**	**0.84%**	**-0.10%**	**0.66 %**
Average number of full-time employees	3,411	3,059	2,816	3,027	2,458

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.
For terms and definitions, please see the accounting policies.

Our Farms

We are long-term owners of land. As of 30 June 2021, we own and manage 45 farms and forests across nine countries and four continents. Our worldwide number of hectares adds up to 101,612 hectares of which we protect 29% as natural habitats, including 2.6% as water habitats. We own and manage arable land, pastures, horticulture and forests.



California, USA
1,825 hectares
1 farm

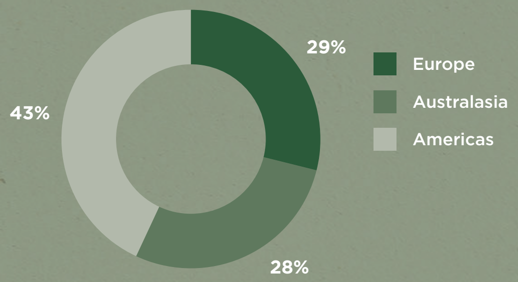
Peru
2,017 hectares
2 farms

Uruguay
27,217 hectares
7 farms

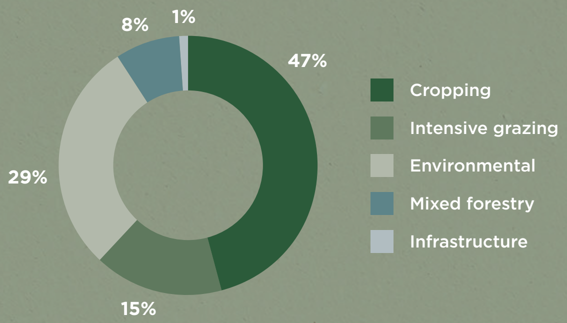
Argentina
12,519 hectares
10 farms

Avocados · Blueberries · Cattle · Mixed forestry · Milk · Pistachios · Row crops · Seeds · Sheep · Table grapes

Hectares by region



Hectare distribution



Latvia & Lithuania

9,805 hectares
3 farms

Romania

19,806 hectares
3 farms, 3 forests

New Zealand

6,735 hectares
4 farms

Australia

21,688 hectares
12 farms

Statement by the management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ingleby Farms & Forests ApS for the financial year 1 July 2020 – 30 June 2021.

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

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 30 June 2021 and of the results of their operations and consolidated cash flows for the financial year 1 July 2020 – 30 June 2021.

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

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

Køge, Denmark, 10 November 2021.

Executive Board

Andrei Pavel, CEO

Board of Directors

Hans Henrik Koefoed, Chairman

David Blanchard, Vice-Chairman

Lisbet Rausing

Johannes Burger

William H. Camp

Gwyneth V. Burr

Nicolas Verschuere

Steffen Straede

Peter L. Nilsson

The Ingleby Board

After 16 years as CEO of Ingleby Farms, Hans Henrik Koefoed retired, on 1 June 2021. On 1 July, the same year, Hans Henrik transitioned to serve as the Chairman of the Board.

On 1 July 2021, Peter Nilsson joined the Board of Ingleby Farms. Peter Nilsson has a degree in finance and international business. He has worked internationally in several multinational companies, such as Tetra Pak and Coca-Cola in finance and general management positions.

Since 2007, Peter has been the CEO of Ecolean, a global company providing lightweight packaging solutions to leading brand owners in over 30 countries.

Hans Henrik Koefoed,
Chairman

David Blanchard,
Vice-Chairman

Lisbet Rausing

Johannes Burger

William H. Camp

Gwyneth V. Burr

Nicolas Verschuere

Steffen Stræde

Peter L. Nilsson

Chairman's statement

Despite significant challenges of worldwide lockdowns and curfews caused by the COVID-19 pandemic, we were able to deliver overall excellent operational financial results in 2020/21.

Our trusted management structure and diversified portfolio of farms in over nine countries on four continents proved its strong resilience towards unprecedented challenges and ability to adapt fast.

I would like to thank our management and all our teams and their families for outstanding efforts during very difficult work circumstances. Thanks to your tireless efforts, Ingleby Farms has been fully operational throughout the pandemic and with no fatalities.

Ingleby Farms has been dedicated to sustainable agriculture since its inception in 1998, and our innovative regenerative farming practices will, without losing profitability, step by step lead us towards our 2030 goals of less synthetic inputs and reduced carbon emissions.

Our 2030 goals and strategy have become our future license to produce and will secure Ingleby Farms' long-term profitability. The renewed focus on regenerative farming is in many ways a return to farming practices which have proven themselves for generations, but now with the use of modern technology. An Ingleby Farms product is always healthy and nourishing, produced in a way which allows for and enhances biodiversity and nature.

There is a growing awareness among the new generation of consumers for Ingleby Farms' ethically produced food, feed and fibre. Our strategy of becoming the preferred supplier to selected customers thus evolves positively, well supported by our enhanced marketing and sales team.

Our more diversified and livestock-integrated crop rotations and derived resilience towards climate and market changes, are all well described in our Farming with Nature 2020/21 report.

After serving 16 years as the CEO, I stepped down on 1 June 2021. In my new role as Chairman of our Board of Directors, I am dedicated to support the positive future of Ingleby Farms and not at least our new CEO, Andrei Pavel.

Hans Henrik Koefoed
Chairman

Chief executive's review

Operating under pandemic restrictions throughout 2020/21 was challenging, yet we delivered a strong performance, achieving a revenue of USD 172 million (2019/20: USD 131 million) and – without including special items - an EBITDA of USD 40.5 million (2019/20: USD 10.7 million) and an operational result of USD 16.8 million (2019/20: USD -9.4 million). The overall result without special items was USD 0.7 million. This in relation to a budgeted revenue of USD 190 million, a budgeted EBITDA of USD 51.9 million, and a budgeted operational result of USD 27.2 million.

When including special items, the EBITDA becomes USD -47.8 million, and the operational result USD -71.5 million, and our overall result USD –61.2 million. The special item is a Settlement and Mutual Release of Claims Agreement, which has been entered into between Ingleby Farms' North American subsidiary and a third party. As a result of this agreement, Ingleby Farms will pay the third party a settlement amount of USD 88.3 million, reflecting an original long-term contract which stretched for multiple decades yet to come, but is now terminated. Having reached a settlement means that we are now in full control of all aspects of the farming activities which were previously run by a third party. Control of our supply chain has become increasingly important from a sustainability point of view. Ingleby Farms will pay the third party USD 80 million in equal instalments of USD 8 million each over 10 years, plus USD 8.3 million related costs. The settlement amount, including related costs, is considered a one-off item not related to the operating activity. The costs have been expensed in the income statement 2020/21 as "Other external costs" and the liability recorded under "Other payables" in the balance sheet. Further details can be found under Note 1 and 18 to the financial statements.

We consider the 2020/21 operational and financial result without the special items impact as more than satisfactory.

Our operational result was affected by challenges in Peru, where we were behind budget for all three crops. Additionally in the US, we made a strategic deferral of 2,948 tonnes (6.5 million pounds) of pistachios sales into the next financial year, which will carry forward an additional processing profit margin.

The health and safety of our colleagues have our highest priority. During 2020/21, we had no fatal accidents, but 25 accidents with time off work. Our LTIFR (lost time injury frequency rate) this year is 3.63, our second-best year in terms of safety, compared to 1.92 in 2019/20, the safest year ever. Our peer benchmark is between 7.71 and 9.70.

We have operated under pandemic restrictions for more than a year. Variations of the virus remain a risk, and we keep all preventive measures in place on our farms. Until 30 June 2021, a total of 140 team members have been infected with COVID-19, the vast majority in Peru. We have not had any fatalities. Regardless of all pandemic effects, we have operated all farms at full capacity, supported by our experienced management and production teams.

For 2020/21, we have achieved outstanding results on our row crop, beef, sheep and dairy farms in Australia, Argentina, Uruguay, Latvia, and Romania, based on solid yields and increasing prices. Our stable operations in New Zealand reached a result double of budgeted, which we are very proud of. This diversity has counter-balanced challenges in our horticultural productions. Prices for the main agricultural commodities have increased, driven by high demand and weather-related uncertainties. The downside is that when main agricultural commodity prices increase, input prices follow.

Our journey towards regenerative farming will reduce our need for inputs, creating a much more resilient Ingleby Farms.

During 2020/21, we continued our investments into irrigation in Tasmania, Uruguay, Romania and Lithuania, and in Romania we also continued our long-term drainage project. We expanded our macadamia investment with an additional 199-hectares farm, McKenzie's Road, in Queensland, Australia.

In 2021/22, we will continue our investments in further mechanization/automation, irrigation, drainage, storage and handling facilities for grain, seed and fruits. The establishment of our macadamia and hazelnut orchards in Australia and Romania will develop as planned.

The August 2021 IPCC report once and for all confirms that climate change and extreme weather is part of our future. Science shows that regenerative farming practices can significantly improve soil health and help mitigate the effects of climate change. We believe that the healthier the soil, the healthier the crop. When the plants benefit from the nutrients and root systems, they build compounds to help protect against insects and diseases. Thus, a healthy, living soil full of vital bacteria, fungi and nematodes is more likely to produce sustainable, nutritious food.

Global temperatures have set new records, the latest being extreme heatwaves in North America and Europe in June 2021, which was the fourth warmest month ever measured. The heatwaves impacted our farms in Europe and California by shortening the harvest window significantly and putting pressure on our water reserves.

The European Green Deal was delivered by the EU on 14 July 2021, overall aiming at reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Within agriculture, the EU has set a goal of reducing 50% of the use and risk of synthetic pesticides by 2030, as well as convert at least 25% of the agricultural areas to organic production. This Green Deal will not affect any of our farm practices as we are already well advanced on our European farms in reducing our use of synthetic pesticides, but we do hope this will drive increased awareness of farmland biodiversity.

Regardless of all pandemic impediments and climate change effects, all our farms are at 100% capacity, and we budget on 2021/22 financial year for a revenue of USD 186 million, an EBITDA of USD 47.8 million, and an operating profit of USD 8.9 million.

Our focus for the coming years is on supporting our farms in Peru, California and Romania in order to improve the overall performance of the horticultural activities. Budgeted figures do not include any additional COVID-19 related costs.

On 1 June 2021, I became CEO of a farming company in excellent shape. I look forward to supporting the progress towards our 2030 commitments as well as strengthening our company-wide collaboration towards "One Ingleby".

Andrei Pavel
CEO

Corporate social responsibility

Our business model is sustainable, regenerative farming. We own and manage 45 farms and forests across nine countries and four continents. This means we have 101,612 hectares. We protect 29% of these hectares as natural habitats, including 2.6% as water habitats.

We aim to increase the nutritional value of our products and the amount of calories that we produce, without expanding the area of land used for farming. Our teams work year-round to produce sustainable seeds, grains, vegetables, fruits, nuts, meat and milk of premium quality.

We believe that our focus on creating healthy soil will not only improve our yields, but also the nutritional value of our products. We believe that there is a correlation between fertile soil, healthy plants, and the quality of the grain, fruit or nuts.

We grew 52 different crops this year, and our total crop production reached 218,386 tonnes, equalling 4.8 tonnes of crop per cropping hectare. Converted into calories, our food production totals 638,615 million calories. This can feed 699,852 people for a year based on an estimated daily intake of 2,500 calories per person.

Reducing synthetic pesticides

Two years ago, we set the goal of becoming synthetic pesticide-free by 2030. Since then, we have reduced use on our crops by 23% against our benchmark. This is a collective effort from all the cropping teams worldwide and reflects their innovation, trials, new technology, precision with application, and not least, regenerative principles.

Show us the numbers

Measuring pesticide use is tricky. There are multiple variables to consider, including the product, the active ingredient and the toxicity of that active ingredient. We have been measuring pesticide use by the level of active ingredient (AI) per hectare in our sustainability reporting for more than ten years, so we had a solid benchmark for measuring progress. During 2019/20, our global cropping teams reduced pesticides by 12% against this benchmark and the following year by 23%.

We take nature seriously

Nature is not just a pretty add-on to our farms. Biodiversity in all its forms is vital to improve our farms and food production and maintain our planet's resources and ecosystems. Of all our owned land, 29% (29,803 hectares) are designated natural habitat and 2.6% are water bodies.

Biodiversity provides services which help to cycle nutrients, form soil, sequester carbon, store and filter water, provide pollination and control pests. We also believe that biodiversity makes our production systems more resilient to economic and environmental stresses, including the effects of climate change.

We continually seek to provide habitats for all species and promote connectivity between protected areas in our farming landscapes. We embrace regenerative practices and are on a journey to phase out synthetic pesticides and fertilisers to avoid their negative effects on biodiversity. We cherish our soils and make sure to support the myriads of life herein. Diversification in crops together with new varieties and combinations sustain yields.

In addition, these actions support our local biodiversity and ecosystems whilst providing more nutritious and healthy food for all.

We aim to be climate positive by 2030

Climate change is the defining issue of our time. While agriculture can be intensive with greenhouse gas emissions, this does not have to be the future.

As owners and stewards of the land, it is our full responsibility to act and create change in how we farm to not only reduce and mitigate emissions, but also to lock carbon back into our soils, trees and plants. Soil is one of Earth's most precious and diverse habitats – a living medium containing millions of microscopic organisms that form the backbone of above-ground biodiversity and ecosystems. As soil is a finite resource that is being degraded worldwide because of agriculture, we expect stronger farming and environmental regulation around practices such as tillage and agrochemical use. We also anticipate greater awareness and focus on waste and packaging. We believe that farming is at a crossroad where the time is now to create positive change and turn a corner towards new ways of farming, thinking, adapting. In 2019, we launched a cornerstone goal for a better future for farming: Aiming for climate positive farms by 2030. This means our farms will have positive net effects on the climate by drawing down and storing more CO_2-e than they release.

We are mapping out how to achieve this goal through regenerative agriculture and sequestering carbon in our soil. And we are working on a company-wide greenhouse gas (GHG) inventory of scopes 1, 2 and 3.

We expect – and hope – that climate impact, reporting and mitigation will become the focal point of agriculture's impact on the environment. Disclosing carbon emissions will inevitably become mandatory as legislation across the EU and locally emerges in light of the Paris Agreement targets. Ingleby Farms is already currently working on our company-wide scopes 1 and 2 greenhouse gas inventory.

All about carbon

Two years after launching our ambitious goal of climate-positive farming by 2030, here's what we have done so far, plus our road map for the coming years.

Crop GHG* benchmarking

Our farm teams have been busy using the CFT** to benchmark our cropping footprints over the two previous seasons (2019/20-2020/21).

This is the first major effort to benchmark our farming impact and set a trajectory for achieving climate-positive by 2030. Across our arable farms, we analysed 25 different cereal, oil and seed crops. Here's what we found:

- We reduced the overall crop GHG footprint by 40%, from 584 kh CO_2-e/ha in 2019/20 to 353 in 2020/21.
- The single largest source of emissions arises from the production and application of synthetic fertiliser.
- How we manage the crop residues is the second major source of emissions, since we mostly leave or mulch the residues on the fields to decompose. However, this also benefits surface protection of the soil as well as soil microbiology.
- Winter wheat is the most carbon-intensive crop assessed across Ingleby Farms. This is driven mainly by its synthetic nitrogen demand, coupled with the large portion of hectares dedicated to growing wheat.
- Our regenerative land management decisions with cover cropping and reduced tillage are showing to sequester carbon in the soil.

Ingleby Farms' methods and emissions scope

We have defined our operational boundaries for the responsibility of direct and indirect emissions, according to recommendations from The GHG Protocol Agricultural Guidance.

We report all scope 1 and 2 (direct) emissions in our crop assessments in the CFT. The scope 3 (indirect) emissions we include are transport

* Greenhouse gas ** Cool Farm Tool

Our Climate Journey

Here are the key milestones we are working towards before 2025, half-way on our journey to Climate Positive Farms by 2030. During the coming years, all 45 farms and forests will have a climate positive strategy in place as part of their Farming with Nature plans, with targets, actions and progress measured annually.

2021

Row crop benchmarking
We have completed two-year benchmarks for major cereal, oil and seed crop GHG footprints.

Fruit and nut benchmarking
We have started assessing our fruit crops in the CFT. By 2022 we plan to complete two-year benchmarks for all major perennial horticulture crops, such as avocados, grapes, blueberries and pistachios.

of goods to the farm, and synthetic fertiliser production. We do not include transport and freight of our produce to end destinations beyond our farm gates.

It is important to highlight that our crop GHG benchmark for 2019/20-2020/21 will be subject to carbon-modelling updates within the green-house gas calculator provider. These occur when the methodology and science behind emission factors used in such tools are updated. These will retroactively update Ingleby Farms' benchmark.

Cool Farm Tool carbon calculator

Ingleby Farms joined the Cool Farm Alliance in April 2019, and we are using their carbon calculator, the Cool Farm Tool (CFT), to measure key goals under our Farming with Nature Commitments.

2022

Dairy, beef and lamb benchmarking
Experimental livestock assessments are under-way, and we will finalise GHG footprints for our dairy production, plus a sample of our sheep, cattle and integrated farms during 2022.

Forests and habitats
We are investigating how to best measure carbon captured in regenerating habitats on farm together with our mixed forestry. We plan to have these in place by early 2023.

2023

GHG inventory
After the last of our production groups have GHG benchmarks in place, we will complete a company-wide GHG inventory for scopes 1, 2 and 3.

3rd party certified
We are investigating formal assurance or verification bodies for our GHG work, which we plan to have in place before 2024.

2024

Science-based targets set
We are inspired by the push of the Paris Agreement to limit temperature increase to 1.5 degrees, and we aim to have a science-based target in place by 2024.

Energy and renewables

Our biggest material risk of negatively impacting the climate is our large energy consumption. Agriculture uses energy in the form of fuel and electricity to operate farm machinery and equipment, to dry grain and cool fresh produce. At Ingleby Farms, we are acutely mindful of our energy consumption, embracing as much renewable energy as possible.

Across all our farms and offices electricity consumption (scopes 1 and 2), 61% is sourced renewably, including 2.14 million kWh of solar power generated on our farms.

In some of the regions where we farm, the national energy grids are mostly comprised of renewable energy sources. For example, most of the electricity used in Tasmania, Uruguay and New Zealand comes from hydro and wind power.

Energy use

We measure our energy use to continuously improve the environmental performance of our production systems. In 2020/21, we used a total of 308,384 giga-joules (GJ) of energy. This amounts to 3.51 GJ/ha, and an energy intensity of 0.73 tonnes produced per GJ. The majority of energy spent directly on our farms is in the form of diesel (46%) followed by electricity (31%) and natural gas (16%).

Irrigation is particularly energy-intensive, responsible for 74% of our global electricity use.

Clean, plentiful water

Water irrigates our crops, provides clean drinking water for our livestock, and supports our diverse wildlife habitats. It is therefore important for us to continuously manage our water in the best way possible and we believe that transparency in our water practices is a necessity.

Why and how we use water

Next to soil, water is our most precious natural resource. The most material risks within this area is the large quantity of water used, which might pose a threat to the environment. It irrigates our crops and pastures, provides fresh drinking water for livestock, and supports the most diverse habitats on our farms.

Irrigation stabilises and increases yield, ensuring the farms' ability to endure extreme weather conditions like prolonged drought. Irrigation also improves the crops' use of fertilisers, as plants are more efficient at taking up nutrients when the soil is moist.

On our cropped land, irrigation enables us to increase the number of crop rotations per year as harvest can be brought forward. These are the reasons why we irrigate a total of 7,340 hectares in Argentina, Australia, Lithuania, Peru, Romania, United States and Uruguay. The irrigated area equals 15% of our total arable land. In the fiscal year 2020/21, we applied 35,285 mega litres of water to our fields and orchards.

We don't exceed the long-term renewable supply of water, maintaining a water surplus, whether it comes from surface water or groundwater. Water withdrawal for irrigation is halted if water levels have decreased to a state that negatively affects the local aquatic and terrestrial ecosystem.

Conserving water

We use a range of nature-based solutions to conserve water and keep our rivers clean. We use terracing along slopes and keep grass waterways in low areas of our cropland. In this way, we slow the velocity of water after rainfall, and at the same time protect our soils and waters by reducing erosion and sedimentation. We have an obligation to protect waters and water habitats for ourselves, our neighbours, future generations, and for biodiversity and ecosystem services.

We raise our livestock outdoors

For us, animal welfare is always a top priority. We raise healthy and ethically treated animals. Our sheep, cattle and horses are open-range and grass-fed, grazing on extensive native or seeded pastures and fodder crops such as kale, beets, lucerne, clovers and vetch. As part of our regenerative agriculture strategy, we are increasingly integrating animals into crop and seed productions by grazing residues and cover crops. We follow strict ethical practices on how we treat and handle our livestock to ensure the best animal welfare, and ultimately, the best meat, milk and wool.

Striving to do right

Ingleby Farms operates in many countries, some of which are perceived to have a medium to high risk of corruption. We are committed to conducting our business in an honest and ethical manner. We work against corruption in all forms, including extortion and bribery.

Ethical policy

We abide by our Ethical Policy, Anti-Money Laundering & Anti-Corruption Policy and Supplier's Code of Conduct. Together, these constitute our Code of Business Conduct.

We require our employees and business partners to comply with the Ingleby Code of Business Conduct and to report any violations or suspected breaches. We ensure that all team members are aware of our anonymous whistleblower policy. By doing so, we try to ensure that all employees feel encouraged to bring attention to issues of concern. The whistleblower system can be accessed on our website. We continuously communicate with our employees and our business partners about our whistleblower system and Ingleby Code of Business Conduct. To mitigate these risks, we asked employees and suppliers we have contractual agreements with to sign and adhere to our Supplier's Code of Conduct, which includes our expectations and minimum standards for labour and human rights. In 2020/21, we have informed all new employees and partners about our Supplier's Code of Conduct, and our whistleblower policy.

We have zero-tolerance towards breaches of our Code of Business Conduct. For 2020/21, we are proud to report no breaches of ethical conduct, no production and sustainability breaches, no IT security breaches, and no whistleblowing cases.

We investigate all submissions thoroughly, take appropriate actions and report any breaches to the Board of Directors. We ensure there is no retaliation against people who report alleged breaches of the Code of Business Conduct. In the future we expect to continue these actions, to ensure compliance with our ethical policies.

Labour standards and human rights

We support and respect internationally recognised labour standards and human rights. We fulfil our legal obligations and offer reasonable terms on pay, pension, sick leave, holidays and notice periods. We do not use any form of forced or compulsory labour, and we do not use child labour. We uphold the freedom of association and the right to collective bargaining.

Our main risks related to human rights are found within our supply chains. To mitigate these risks, we asked all new suppliers to sign and adhere to our Supplier's Code of Conduct, which includes our expectations and minimum standards for labour and human rights. Again in 2020/21, we have not experienced any human rights violations on our farms or to our Supplier's Code of Conduct. In the coming years, we expect a focus on human rights to intensify, and we expect and anticipate being more involved in assessing our suppliers' values on human rights.

Equal opportunities

We oppose all forms of discrimination, and recruit employees regardless of age, race, gender, nationality, religion, sexual orientation or other personal diversity indicators. We are equal opportunity employers, and we want to create equal and fair working atmospheres welcome to all.

We monitor the gender ratio of our teams.
Our target is for the underrepresented gender to reach at least 40% by 2025 at all levels in the organisation, including the board of directors. In the financial year 2020/21 we have not reached this target. Women are currently the underrepresented gender, making up 36% of our total

employees, 15% in the global executive team, and 25% of the Board of Directors. In 2020/21, we added a male candidate to our Board since he was the best suited for the position and our upcoming challenges. Hence, the target has not been met in the reporting year. Through recruitment and career development, we focus on attracting and retaining female employees and executives, who wish to pursue careers in farming or forestry.

We put safety first

The safety and well-being of our employees is our main priority. Farming is a hazardous profession, and thus our main risk related to our employees is related to accidents and unhealthy conditions. Providing safe work environments for our teams is one of our most important responsibilities. During 2020/21, we had no fatal accidents, but 25 accidents with time off work. Our LTIFR (lost injury frequency rate) this year is 3.63, our second-best year in terms of safety, compared to 1.92 in 2019/20, the safest year ever. Our peer benchmark is between 7.71 and 9.70.

Providing safe work environments for our teams is one of our most important responsibilities. One of our major goals at Ingleby Farms is a zero-harm work culture. Realistically, we know that this is difficult to achieve. Our farm managers hold daily or weekly safety briefings with their teams. Our teams report on accidents, but also near misses.

We have created a QR-code based system to report near misses. This gives everyone on a site quick access to the reporting system. The QR-codes are placed in locations at high risk of incidents, like workshops. We are also working with employee surveys in Peru. Which means we, proactively, ask 100 team members every week about their working conditions. This also enables us to act fast if we see a negative trend.

Formula for calculating lost time injury frequency rate

$$\frac{\text{Number of lost time injuries} \times 1{,}000{,}000}{\text{Employee total hours worked}}$$

The number of accidents worldwide has increased since last year, unfortunately. 16 accidents in 2019/20 increased to 35 accidents in 2020/21. We continuously monitor and analyse this data to assess where we should direct efforts and resources to reduce risk. To increase awareness of safety, we have initiated a global campaign featuring our new safety mascot Farmer Fred and his safety buddy Frida. They will help us all to consider safety as a daily priority for ourselves and our colleagues.

Globally, we had zero accidents in September and January.

The formula for calculating lost time injury frequency rate is the number of lost time injuries multiplied by 1,000,000, divided by the total employee hours worked.

COVID-19

We have operated under pandemic restrictions for more than a year. Variations of the virus remain a risk, and we keep all preventive measures in place on our farms. To date, a total of 161 team members have been infected with COVID-19, the vast majority in Peru. We have not had any fatalities. Regardless of all pandemic effects, we have operated all farms at full capacity, supported by our experienced management and production teams.

COVID-19 restrictions during the year cancelled seminars and courses, preventing us from meeting each other; however we still managed to achieve the annual 2% training goal, with 2.11%.

Independent auditor's report

To the shareholders of Ingleby Farms & Forests ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Ingleby Farms & Forests ApS for the financial year 1 July 2020 – 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 30 June 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2020 – 30 June 2021 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 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 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 note 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.

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.

Independent auditor's report

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.

Odense, 10 November 2021
EY Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Lars Koch-Pedersen
State Authorised
Public Accountant
mne19682

INCOME STATEMENT

		Consolidated		Parent company	
USD	**Note**	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Revenue	2	**172,056,144**	**130,927,051**	**11,378,661**	**8,615,720**
Change in inventories and stock at fair value		10,003,347	9,571,379	0	0
Change in basic heards and animals at fair value		1,965,090	74,259	0	0
Costs for raw materials		-91,777,684	-87,744,966	0	0
Other external costs	3	-104,293,752	-14,538,515	-6,753,888	-5,563,452
Gross profit		**-12,046,855**	**38,289,208**	**4,624,773**	**3,052,268**
Staff costs	4	-35,794,481	-27,550,512	-4,753,321	-3,985,713
Impairment and depreciation of fixed assets		-23,628,860	-20,192,693	-202,965	-186,750
Operating profit/loss		**-71,470,196**	**-9,453,997**	**-331,513**	**-1,120,195**
Share of profit/loss in subsidiaries after tax		0	0	-56,251,570	-18,522,993
Financial income	5	19,706,468	7,610,210	14,372,576	6,248,303
Financial expenses	6	-27,738,545	-11,728,527	-18,656,583	-5,742,767
Profit/loss from ordinary activities before tax		**-79,502,273**	**-13,572,314**	**-60,867,090**	**-19,137,652**
Tax on profit/loss from ordinary activities	7	18,256,592	-5,724,329	-378,591	-158,991
Profit/loss for the year		**-61,245,681**	**-19,296,643**	**-61,245,681**	**-19,296,643**

BALANCE SHEET – ASSETS

		Consolidated		Parent company	
USD	**Note**	**30 June 2021**	**30 June 2020**	**30 June 2021**	**30 June 2020**
Licences and software	8	1,679,691	1,065,701	148,795	237,327
Intangible assets		**1,679,691**	**1,065,701**	**148,795**	**237,327**
Land, buildings, plantings and forests		695,067,063	656,601,385	1,491,206	1,491,206
Livestock – basic herd		28,522,373	9,925,023	0	0
Plant and machinery		45,888,896	36,373,417	0	0
Fixtures and fittings, tools and equipment		4,071,446	3,488,043	378,706	161,739
Property, plant and equipment under construction		18,194,348	21,162,156	0	0
Property, plant and equipment	9	**791,744,126**	**727,550,024**	**1,869,912**	**1,652,945**
Investments in subsidiaries		0	0	733,798,981	759,415,570
Investments	10	**0**	**0**	**733,798,981**	**759,415,570**
Total non-current assets		**793,423,817**	**728,615,725**	**735,817,688**	**761,305,842**
Raw materials and consumables		7,017,698	8,268,452	0	0
Work in progress		36,005,570	37,501,383	0	0
Inventories and stock at fair value		40,078,556	40,022,665	0	0
Inventories		**83,101,824**	**85,792,500**	**0**	**0**
Trade receivables		30,623,651	19,150,527	0	0
Amounts owed by affiliated companies		0	0	92,590,441	70,199,296
Other receivables		19,016,779	20,478,448	488,225	514,435
Joint taxation receivables		0	0	6,228	9,226
Corporation tax	11	935,963	2,520,336	409,509	39,312
Prepayments	12	2,239,588	2,536,873	0	0
Deferred tax asset	13	10,731,347	125,048	0	121,159
Receivables		**63,547,328**	**44,811,232**	**93,494,403**	**70,883,428**
Securities and investments		**3,825,156**	**2,414,972**	**0**	**0**
Cash at bank and in hand		**39,527,218**	**46,950,368**	**10,970,196**	**17,823,929**
Total current assets		**190,001,526**	**179,969,072**	**104,464,599**	**88,707,357**
TOTAL ASSETS		**983,425,343**	**908,584,797**	**840,282,287**	**850,013,199**

BALANCE SHEET – EQUITY & LIABILITIES

		Consolidated		Parent company	
USD	**Note**	**30 June 2021**	**30 June 2020**	**30 June 2021**	**30 June 2020**
Share capital	14	26,250	24,860	26,250	24,860
Free reserves incl. retained earnings		663,510,853	704,211,814	663,510,853	663,510,853
Equity		**663,537,103**	**704,236,674**	**663,537,103**	**663,537,103**
Deferred tax	15	26,216,142	38,358,869	49,235	0
Provisions		**26,216,142**	**38,358,869**	**49,235**	**0**
Long-term credit institutions	16	159,473,804	76,221,554	156,646,634	73,120,335
Long-term lease contracts	16	6,577,356	4,146,599	0	0
Long-term prepayments	17	216,874	515,559	0	0
Other payables	16	72,000,000	232,197	0	232,197
Non-current liabilities other than provisions		**238,268,034**	**81,115,909**	**156,646,634**	**73,352,532**
Short-term portion of long-term lease contracts	16	1,088,850	2,073,926	0	0
Credit institutions	16	947,223	46,058,820	34,333	45,100,395
Trade payables		15,764,928	16,432,863	492,200	286,041
Amounts owed to affiliated companies		0	0	7,423,514	14,768,787
Corporation taxes payables	11	595,071	819,616	0	0
Other payables	16	36,639,891	19,426,290	12,099,268	12,268,770
Prepayments	17	368,101	61,830	0	0
Current liabilities other than provisions		**55,404,064**	**84,873,345**	**20,049,315**	**72,423,993**
Total liabilities other than provisions		**293,672,098**	**165,989,254**	**176,695,949**	**145,776,525**
TOTAL EQUITY AND LIABILITIES		**983,425,343**	**908,584,797**	**840,282,287**	**840,282,287**
Special item	1				
Contingent liabilities	18,19				
Currency and interest rate risks and use of derivative financial instruments	18				
Related parties	21				
Proposed distribution of profit/loss	22				
Accounting policies	25				

CAPITAL & RESERVES

USD	Consolidated		
	Share capital	Free reserves incl. retained earnings	Total
Balance at 1 July 2020	24,860	704,211,814	704,236,674
Currency translation adjustment	1,390	20,524,619	20,526,009
Retained earnings, cf. profit appropriation	0	-61,245,681	-61,245,681
Value adjustment of hedging instrument	0	26,183	26,183
Tax on equity transactions	0	-6,082	-6,082
Balance at 30 June 2021	**26,250**	**683,510,853**	**663,537,103**

USD	Parent company		
	Share capital	Free reserves incl. retained earnings	Total
Balance at 1 July 2020	24,860	704,211,814	704,236,674
Currency translation adjustments	1,390	20,524,619	20,526,009
Retained earnings, cf. profit appropriation	0	-61,245,681	-61,245,681
Value adjustment of hedging instrument	0	26,183	26,183
Tax on equity transactions	0	-6,082	-6,082
Balance at 30 June 2021	**26,250**	**663,510,853**	**663,537,103**

CASH FLOW STATEMENT

		Consolidated	
USD	**Note**	**2020/21**	**2019/20**
Profit/Loss for the year		-61,245,681	-19,296,643
Adjustments for non-cash operation items	23	99,524,803	30,193,277
Cash generated from operations (operating activities) before changes in working capital		**38,279,122**	**10,896,634**
Changes in working capital	24	-20,278,531	1,715,644
Cash generated from operations (operating activities)		**18,000,591**	**12,612,278**
Interest received		798,803	369,862
Interest paid		-3,824,501	-2,546,031
Foreign exchange rate adjustments		-3,060,653	-2,418,158
Cash generated from operations (ordinary activities)		**11,914,240**	**8,017,951**
Corporation tax paid		-2,876,419	-780,531
Cash flows from operating activities		**9,037,821**	**7,237,420**
Acquisition of intangible assets, property, plant and equipment		-49,561,176	-26,665,731
Disposal of intangible assets, property, plant and equipment		3,075,109	2,525,499
Purchase of investment and securities		-160,184	24,991
Cash flows from investing activities		**-46,646,251**	**-24,115,241**
Loan financing:			
Loan obligations – financial institutions		32,257,911	7,406,379
Loan obligations		-809,614	-431,920
Lease obligations		-2,687,472	-2,009,434
Long-term prepayments		-298,685	-137,230
Cash flows from financing activities		**28,462,140**	**4,827,796**
Net cash flows from operating, investing and financing activities		**-9,146,290**	**-12,050,026**
Cash at 30 June 2020 before foreign exchange rate adjustments		46,950,368	59,342,734
Foreign exchange rate adjustments on cash at 30 June 2020		1,723,140	-342,340
Cash at 30 June 2021		**39,527,218**	**46,950,368**

The cash flow statement cannot be directly derived from the other components of the consolidated and parent company financial statements.

NOTE 1 : SPECIAL ITEMS

Special items comprise significant expenses of a special nature relative to the Group's revenue-generating operating activities, e.g. expenses incurred for extensive structuring of processes and basic structural adjustments. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Group's operating activities.

As disclosed in note 18, the profit/loss for the year is affected by one matters that Management does not consider part of the operating activities.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Costs				
Payment of settlement	88,300,000	0	88,300,000	0
Tax effect	-26,348,720	0	-26,348,720	0
Total	**61,951,280**	**0**	**61,951,280**	**0**
Special items are recognised in the below line items				
Other external costs	88,300,000	0	0	0
Share of loss in subsidiaries after tax	0	0	-61,951,280	0
Tax on loss from ordinary activities	-26,348,720	0	0	0
Net loss from special items	**61,951,280**	**0**	**-61,951,280**	**0**

NOTE 2 : SEGMENT INFORMATION – REVENUE

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Geographical				
Americas	102,548,730	71,021,294	8,024,613	5,546,298
Australasia	32,603,165	29,380,081	1,186,869	1,121,209
Denmark	3,575	0	38,367	36,336
Europe	36,900,674	30,525,676	2,128,812	1,911,877
Total	**172,056,144**	**130,927,051**	**11,378,661**	**8,615,720**
Activities				
Row Crops	49,148,623	43,797,952	0	0
Horticulture	84,545,090	52,512,706	0	0
Livestock	16,619,126	13,448,949	0	0
Dairy	10,993,726	12,024,784	0	0
Timber	1,124,641	461,309	0	0
Rental	1,552,682	1,210,995	88,728	61,769
Other	8,072,256	7,470,356	11,289,933	8,553,951
Total	**172,056,144**	**130,927,051**	**11,378,661**	**8,615,720**

NOTE 3 : FEES PAID TO AUDITORS

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
EY				
Fee regarding statutory audit	341,185	310,751	190,548	169,041
Assurance engagements	16,454	13,428	0	0
Tax assistance	325,996	312,618	324,150	312,618
Other assistance	0	40,540	0	4,043
Total fees EY	**683,635**	**677,337**	**514,698**	**485,702**
KPMG				
Fee regarding statutory audit	171,745	161,727		
Tax assistance	3,943	14,503		
Other assistance	2,383	19,923		
Total fees KPMG	**178,071**	**196,153**		
Moss Adams				
Fee regarding statutory audit	102,145	98,160		
Tax assistance	26,722	22,072		
Other assistance	3,195	0		
Total fees Moss Adams	**132,062**	**120,232**		

NOTE 4 : STAFF COSTS

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Wages and salaries	34,162,495	26,019,822	4,423,304	3,536,952
Pensions	493,461	434,023	242,435	211,409
Other social security costs	1,138,525	1,096,667	87,582	237,352
Total	**35,794,481**	**27,550,512**	**4,753,321**	**3,985,713**
Average number of full-time employees	3,411	3,059	25	23

Staff costs include remuneration of the Parent Company's Executive Board totalling USD 624 thousand as well as remuneration of the Parent Company's Board of Directors totalling USD 629 thousand (2019/20: Total remuneration of the Executive Board and the Board of Directors: USD 1,143 thousands).

NOTE 5 : FINANCIAL INCOME

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Interest income from affiliated companies	0	0	2,001,063	2,126,006
Foreign exchange gains	18,907,665	7,240,348	11,879,344	4,056,245
Other interest income	798,803	369,862	492,169	66,052
Total	**19,706,468**	**7,610,210**	**14,372,576**	**6,248,303**

NOTE 6 : FINANCIAL EXPENSES

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Interest expense to affiliated companies	0	0	210,951	507,944
Foreign exchange losses	23,536,842	9,182,496	15,856,567	3,474,286
Other financial expenses	4,201,703	2,546,031	2,589,065	1,760,537
Total	**27,738,545**	**11,728,527**	**18,656,583**	**5,742,767**

NOTE 7 : TAX ON THE PROFIT/LOSS FOR THE YEAR

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Current tax for the year	4,411,107	-243,884	209,989	122,843
Change of tax prior year	55,370	271,028	-2,484	0
Adjustment of deferred tax	-22,723,069	5,697,185	171,086	36,148
Total	**-18,256,592**	**5,724,329**	**378,591**	**158,991**
Specified as follows:				
Tax on the profit/loss for the year	-18,256,592	5,724,329	378,591	158,991
Tax on changes in equity	-6,082	-23,168	-6,082	-23,168
Total	**-18,262,674**	**5,701,161**	**372,509**	**135,823**

NOTE 8 : LICENSES AND SOFTWARE

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Cost at 1 July	2,726,813	2,768,272	506,038	509,627
Foreign exchange adjustments	215,874	-48,907	28,291	-3,589
Additions	882,610	7,448	0	0
Disposals	-18,198	0	0	0
Cost at 30 June	**3,807,099**	**2,726,813**	**534,329**	**506,038**
Impairment and amortisation at 1 July	1,661,112	1,365,555	267,711	173,524
Impairment and amortisation	353,618	314,420	102,293	94,335
Foreign exchange adjustments	130,876	-18,863	15,530	852
Disposals	-18,198	0	0	0
Impairment and amortisation at 30 June	**2,127,408**	**1,661,112**	**385,534**	**268,711**
Carrying amount at 30 June	**1,679,691**	**1,065,701**	**148,795**	**237,327**
Amortised over	5-10 years	5-10 years	5-10 years	5-10 years

NOTE 9 : PROPERTY, PLANT AND EQUIPMENT

USD	Consolidated					
	Land, buildings, plantings and forests	**Livestock – basic herd**	**Plant and machinery**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment under construction**	**Total**
Cost at 1 July 2020	703,027,376	5,821,396	69,357,577	9,882,179	21,162,156	809,250,684
Foreign exchange adjustments	18,478,004	23,411	2,888,926	355,297	671,701	22,417,339
Additions on acquisition of subsidiary	0	0	0	0	0	0
Additions	24,872,209	1,327,510	16,139,138	1,827,896	10,131,527	54,298,280
Transferred	11,365,569	0	2,400,236	5,231	-13,771,036	0
Transferred to/from current assets	-1,250,000	7,396,475	0	0	0	6,146,475
Disposals	-223,023	-2,160,060	-3,251,199	-725,040	0	-6,359,322
Cost at 30 June 2021	**756,270,135**	**12,408,732**	**87,534,678**	**11,345,563**	**18,194,348**	**885,753,456**
Revaluation at 1 July 2020	0	4,103,627	0	0	0	4,103,627
Foreign exchange adjustments	0	870,086	0	0	0	870,086
Transferred from current assets	0	9,174,838	0	0	0	9,174,838
Change in basic heards and animals at fair value	0	1,965,090	0	0	0	1,965,090
Revaluation at 30 June 2021	**0**	**16,113,641**	**0**	**0**	**0**	**16,113,641**
Impairment and depreciation at 1 July 2020	46,425,991	0	32,984,160	6,394,136	0	85,804,287
Foreign exchange adjustments	1,377,441	0	1,358,650	220,616	0	2,956,707
Depreciation	13,402,384	0	9,333,011	1,073,867	0	23,809,262
Transferred	0	0	0	0	0	0
Disposals	-2,744	0	-2,030,039	-414,502	0	-2,447,285
Impairment and depreciation at 30 June 2021	**61,203,072**	**0**	**41,645,782**	**7,274,117**	**0**	**110,122,971**
Carrying amount at 30 June 2021	**695,067,063**	**28,522,373**	**45,888,896**	**4,071,446**	**18,194,348**	**791,744,126**
Property, plant and equipment include finance leases with a carrying amount totalling	144,581	0	7,122,408	0	0	7,266,989
Depreciated over	8-50 years	N/A	3-25 years	3-10 years	N/A	

USD	Parent company		
	Land, buildings, plantings and forests	**Fixtures and fittings, tools and equipment**	**Total**
Cost at 1 July 2020	1,491,206	526,452	2,017,658
Foreign exchange adjustments	0	24,006	24,006
Additions	0	315,871	315,871
Disposals	0	-8,588	-8,588
Cost at 30 June 2021	**1,491,206**	**857,741**	**2,348,947**
Impairment and depreciation at 1 July 2020	0	364,713	364,713
Foreign exchange adjustments	0	19,109	19,109
Depreciation	0	100,672	100,672
Disposals	0	-5,459	-5,459
Impairment and depreciation at 30 June 2021	**0**	**479,035**	**479,035**
Carrying amount at 30 June 2021	**1,491,206**	**378,706**	**1,869,912**

NOTE 10 : INVESTMENTS IN SUBSIDIARIES

USD	Parent company	
	2020/21	**2019/20**
Cost at 1 July	838,449,063	837,498,869
Additions during the year	10,133,763	950,194
Cost at 30 June	**848,582,826**	**838,449,063**
Revaluations at 1 July	-79,033,493	-52,546,333
Foreign exchange adjustments	20,501,218	-7,964,167
Profit/Loss for the year	-56,251,570	-18,522,993
Revaluations at 30 June	**-114,783,845**	**-79,033,493**
Carrying amount at 30 June	**733,798,981**	**759,415,570**

Name	Registered office	Direct ownership	Direct & indirect ownerships
Ingleby Denmark 1 A/S	Denmark	100 %	100 %
Ingleby Denmark 2 A/S	Denmark	100 %	100 %
AKL Holding 2018 ApS	Denmark	0 %	100 %
Ingleby Australia Holding Ptv. Ltd.	Australia	100 %	100 %
Ingleby New Zealand LP	New Zealand	99,99 %	100 %
San Antonio y El Espejo S.A.	Argentina	99,99 %	99,99 %
Administration Agricola S.A.	Argentina	0 %	100 %
Campo El Tigre S.A.	Argentina	0 %	100 %
Ingleby Romania S.R.L	Romania	0 %	100 %
Campo D'Oro S.R.L	Romania	0 %	100 %
Ocolul Silvic Ingleby	Romania	0 %	100 %
Brattalid Inc	USA	0 %	100 %
Eriksson L.L.C	USA	0 %	100 %
Ingleby Peru Holding S.A.C.	Peru	0 %	100 %
Plantaciones del Sol S.A.C.	Peru	0 %	100 %
Clovelly Tasmania Pty. Ltd.	Australia	0 %	100 %
Bowood Pastoral Pty. Ltd.	Australia	0 %	100 %
Felton Pastoral WA Pty. Ltd.	Australia	0 %	100 %
Mt. Elephant Pty. Ltd.	Australia	0 %	100 %
Ingleby Queensland Pty. Ltd.	Australia	0 %	100 %
Ingleby NZ Holding Ltd.	New Zealand	0 %	100 %
Ingleby Latvia Agro SIA	Latvia	0 %	100 %
Dobele Agra SIA	Latvia	0 %	100 %
Juanagra SIA	Latvia	0 %	100 %
SIA Juanberze Agra	Latvia	0 %	100 %
Elaco SIA	Latvia	0 %	100 %
SIA Log & S	Latvia	0 %	100 %
SIA Terraco	Latvia	0 %	100 %
AKL SIA	Latvia	0 %	100 %
Ingleby Lithuania Holding UAB	Lithuania	0 %	100 %
Ingleby Lithuania Agro UAB	Lithuania	0 %	100 %
Ingleby Lithuania 1 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 2 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 3 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 4 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 5 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 6 UAB	Lithuania	0 %	100 %
Ingleby Uruguay S.R.L.	Uruguay	0 %	100 %
ME Holding 1 S.A.	Uruguay	0 %	100 %
Maria Elena Holding 2 S.A.	Uruguay	0 %	100 %
Maria Elena S.R.L.	Uruguay	0 %	100 %
CA3 Holding S.A.	Uruguay	0 %	100 %
CAH 4 S.A.	Uruguay	0 %	100 %
Chamizal S.R.L.	Uruguay	0 %	100 %

NOTE 11 : CORPORATION TAX

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Corporation tax payable at 1 July	1,700,720	914,761	39,312	7,510
Tax on taxable income for the year	-4,237,433	5,958	-40,502	-12,551
Corporation tax paid during the year	2,876,419	780,531	409,381	44,961
Foreign exchange adjustment	1,186	-530	1,318	-608
Corporation tax at 30 June	**340,892**	**1,700,720**	**409,509**	**39,312**
Included in assets	935,963	2,520,336	409,509	39,312
Included in liabilities	-595,071	-819,616	0	0
Corporation tax at 30 June	**340,892**	**1,700,720**	**409,509**	39,312

NOTE 12 : PREPAYMENTS, ASSETS

Prepayments consists of prepaid expenses concerning subsequent financial year, hereof prepaid insurance premium, prepaid lease payment ect.

NOTE 13 : DEFERRED TAX ASSET

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Deferred tax at 1 July	125,048	818,328	121,159	181,208
Foreign exchange adjustments	6,774	5,223	6,774	-733
Adjustment of deferred tax	10,599,525	-675,335	-127,933	-36,148
Tax on equity transactions	0	-23,168	0	-23,168
Deferred tax at 30 June	**10,731,347**	**125,048**	**0**	**121,159**
Deferred tax asset relates to:				
Property, plant and equipment	-11,324,173	0	0	0
Current assets	276,304	115,399	0	115,399
Liabilities other than provisions	21,779,216	5,760	0	5,760
Tax loss carryforward	0	3,889	0	0
Total	**10,731,347**	**125,048**	**0**	**121,159**

Based on the budgets, Management considers it likely that there will be future taxable income against which tax deductions can be offset.

NOTE 14 : SHARE CAPITAL

The share capital consists of 164,200 shares of nominal DKK 1 each. No shares have been ascribed special rights.
The company's share capital has increased in the following way during the last 5 years:

USD	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Balance at the beginning of the year	24,860	25,036	25,686	25,200	24,439
Capital increase	0	0	0	0	44
Foreign currency translation adjustment	1,390	-176	-650	486	717
Balance at the end of the year	**26,250**	**24,860**	**25,036**	**25,686**	**25,200**

NOTE 15 : DEFERRED TAX

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Deferred tax at 1 July	38,358,869	33,335,087	0	0
Foreign exchange adjustments	37,819	6,056	0	0
Adjustment of deferred tax	-12,186,628	5,017,726	43,153	0
Tax on equity transactions	6,082	0	6,082	0
Deferred tax at 30 June	**26,216,142**	**38,358,869**	**49,235**	**0**
Deferred tax relates to:				
Property, plant and equipment	27,413,456	33,878,981	0	0
Current assets	2,838,042	-423,402	49,235	0
Liabilities other than provisions	-928,262	7,911,246	0	0
Tax loss carryforward	-3,107,094	-3,007,956	0	0
Total	**26,216,142**	**38,358,869**	**49,235**	**0**

NOTE 16 : MORTGAGE CREDIT INSTITUTIONS AND BANKS

USD	Consolidated		Parent company	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Credit institutions:				
0-1 year	947,223	46,058,820	34,333	45,100,395
1-5 years	159,473,804	76,221,554	156,646,634	73,120,335
Total	**160,421,027**	**122,280,374**	**156,680,967**	**118,220,730**
Lease payments:				
0-1 year	1,088,850	2,073,926	0	0
1-5 years	6,442,986	4,146,599	0	0
> 5 years	134,370	0	0	0
Total	**7,666,206**	**6,220,525**	**0**	**0**
Other payables:				
0-1 year	16,300,000			
1-5 years	42,000,000	232,197	0	232,197
> 5 years	30,000,000			
Total	**88,300,000**	**232,197**	**0**	**232,197**
Specified as follows:				
Long-term	238,051,160	80,600,350	156,646,634	73,352,532
Short-term portion of long-term	18,336,073	48,132,746	34,333	45,100,395
Total	**254,387,233**	**128,733,096**	**156,680,967**	**118,452,927**

NOTE 17 : PREPAYMENTS, LIABILITIES

Prepayments under liabilities consists of received subsidies concerning subsequent financial years. The long-term part of prepayments is expected to be utilized within 5 years.

NOTE 18 : CONTRACTUAL LIABILITIES AND CONTINGENCIES, ETC.

Parent company

The Parent Company has signed lease contracts with non-termination periods until 30 August 2030. The total obligation is USD 3,848 thousands.

The parent company is jointly taxed with Ingleby Denmark 1 A/S, Ingleby Denmark 2 A/S and AKL Holding 2018 ApS. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividens, interest and royalties amounting to USD 0.

Group

In the event of disposal of property as asset deals a deferred tax liability amounting to USD 34,178 thousand should be recognised.

The group has signed lease contracts with non-termination periods until 30 August 2030. The total obligation is USD 5,871 thousand.

In September 2018, Ingleby subsidiary Brattalid Inc., USA, initiated an arbitration proceeding against a third party, seeking monetary damages and among other relief, a declaratory judgment that the Subsidiary has no obligations under agreements with the third party, on the basis of the third party's wrongdoing.

In the arbitration proceedings, the third party brought counterclaims against the Subsidiary for an undetermined amount of damages, alleging breach of contract and other claims. The Subsidiary has denied the claims. In their amended counterclaims, the third party asserted an additional claim of quantum meruit.

The dispute has now been settled and a Settlement and Mutual Release of Claims Agreement has been entered into. Having reached a settlement means that Ingleby Farms is now in full control of all aspects of the farming activities, which were previously run by a third party. As a result of this agreement Ingleby will pay to the third party 80 million USD in equal instalments over 10 years plus 8.3 million USD related costs. This reflects an original long-term contract which stretched for multiple decades yet to come, but is now terminated.

The settlement amount, including related costs, is considered a one-off item not related to the groups operating activity. The costs have been expensed in the income statement 2020/2021 as "Other external costs" and the liability recorded for under "Other payables" in the balance sheet.

Additionally, in February 2020, the Subsidiary filed a claim against a chemical supplier in regard to excess residue of chemical in the Subsidiary's pistachio nuts. The litigation is currently in the discovery phase.

NOTE 19 : MORTGAGES AND SECURITY

USD'000	Consolidated		Parent company	
	2020/21	2019/20	2020/21	2019/20
The following assets have been placed as security for the Group's bank debt:				
Shares in subsidiaries	0	0	121,239[1]	99,755
Land and buildings with a carrying amount of	864[2]	949	0	0
Plant and machinery with a carrying amount of	484[3]	1,123	0	0
Cash at bank and in hand	582[4]	1,300	0	0

1. Shares in Ingleby Australia Holding Pty Ltd. has been provided as security for an amount of USD 175,610 thousand.

   Additionally the shares in Ingleby Latvia Agro, SIA, Ingleby Dobele Agro SIA and Ingleby Lithuania Holding UAB have been provided as security for an amount of USD 6,527 thousand towards parent companys bank debt. This collateral has been provided by Ingleby Danmark 1 A/S.
2. Provided as collateral for a mortgage of USD 121 thousand in Latvia.
3. Provided as collateral for chattel mortgages of USD 180 thousand in Australia.
4. Of the assets recognized as "cash at bank and in hand", USD 582 thousand are deposited in respect to purchase of shares in a subsidiary company.

Parent company

Negative pledges have been registered in respect of shares in Ingleby Danmark 1 A/S and Ingleby Danmark 2 A/S.

Group

In Romania there have been issued commitments amounting to USD 2,253 thousand.

NOTE 20 : CURRENCY AND INTEREST RATE RISKS AND USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate risks

The Company had an interest rate swap embedded in its previous financing agreement with its bank, which determines the base interest rates followed the Eurobank offered rate but were floor-capped at 0%. A new agreement without a interest rate swap has been entered into in the current financial year.

USD'000	2020/21				2019/20			
	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity (months)	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity (months)
Interest rate swaps	0	26	0	0	53,033	105	-26	1

NOTE 21 : RELATED PARTIES

Ownership:

The ultimate shareholders are:

Dr. Johannes Burger, Rötibergstrasse 2, CH- 9442 Berneck Switzerland
Dr. Markus Summer, Stelzagass 17, LI – 9487 Gamprin Principality of Liechtenstein
Geoffrey Richards, Auring 52, LI – 9490 Vaduz Principality of Liechtenstein

The company has not had transactions covered by ÅRL § 98c, 7.

NOTE 22 : PROPOSED DISTRIBUTION OF PROFIT/LOSS

USD	Parent company	
	2020/21	**2019/20**
Retained earnings	-61,245,681	-19,296,643
Total	**-61,245,681**	**-19,296,643**

NOTE 23 : ADJUSTMENT FOR NON-CASH OPERATING ITEMS

USD	Consolidated	
	2020/21	**2019/20**
Depreciation, amortisation and impairment	23,628,860	20,192,693
Discounting adj. Of leasing debt	439,911	0
Profit/loss on disposal of fixed assets	-654,363	0
Changes in basic herds and animals at fair value	-1,965,090	-74,259
Tax on loss for the year	-18,256,592	5,724,329
Financial income	-19,706,468	-7,610,210
Financial expenses	27,738,545	11,728,527
Adj. of other long-term payables	88,300,000	232,197
Total	**99,524,803**	**30,193,277**

NOTE 24 : CHANGES IN WORKING CAPITAL

USD	Consolidated	
	2020/21	**2019/20**
Change in inventories	-10,761,724	-13,126,055
Change in receivables	-10,543,639	11,534,643
Change in prepayments and trade and other payables	1,026,832	3,307,056
Total	**-20,278,531**	**1,715,644**

NOTE 25 : ACCOUNTING POLICIES

The annual report of Ingleby Farms & Forests ApS for 2020/21 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The financial statements have been prepared in accordance with the same accounting policies as last year.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are the following.

REPORTING CURRENCY

The financial statements are presented in USD, as the entity's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.2553 (2019/20: 6.60502).

CONSOLIDATED FINANCIAL STATEMENTS

Control

The consolidated financial statements comprise the Parent Company Ingleby Farms & Forests ApS and subsidiaries controlled by Ingleby Farms & Forests ApS.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements.

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities.

The acquisition date is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Upon the acquisition of enterprises who possess farmland or forest and who do not comply with the accounting definition of an enterprise, any excess values are recognised as costs of the assets and liabilities acquired. On initial recognition, any differences between the accounting and tax values of assets and liabilities which do not relate to the acquisition of enterprises must not be recognised in the balance sheet, but are to be recognised as contingent liabilities.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

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 at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and 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 at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity must be transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

NOTE 25 : ACCOUNTING POLICIES – CONTINUED

INCOME STATEMENT

REVENUE

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

COSTS OF RAW MATERIALS

Costs for raw materials and consumables comprise costs incurred to achieve the year's revenue.

OTHER OPERATING INCOME

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

OTHER EXTERNAL COSTS

Other operating expenses include the costs of distribution, sales, marketing, administration, facilities, bad debt, operating leases, etc.

STAFF COSTS

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs to the company's employees.

PROFITS/LOSSES FROM INVESTMENTS IN SUBSIDIARIES

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

INTEREST INCOME AND EXPENSES AND SIMILAR ITEMS

Interest income and expenses and similar items comprise interest income and expenses, market gains and losses in respect of payables and transactions denominated in foreign currencies.

TAX ON PROFIT/LOSS FROM ORDINARY ACTIVITIES

The company is covered by the Danish rules on compulsory joint taxation of the Ingleby Group's Danish entities.

The Company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. 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.

BALANCE SHEET

INTANGIBLE ASSETS

Intangible assets consist of IT-software and water rights, and are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected economical lives of the assets. The expected depreciation periods do not exceed 10 years.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings assets consist of land and buildings, forests and bearer plants. Land and buildings assets, plant and machinery and fixtures and fittings, tools and equipment, are measured at cost less accumulated depreciation and impairment. Land, forests and assets under construction are not depreciated.

Livestock – basic herd consist of basic herds and useful animals. These are on initial recognition measured at cost. Basic herd and useful animals is measured at market value at year end. The market value is the value which the biological assets are expected to yield in a transaction between independent parties.

Change in fair value of Livestock – basic herd is included in Change in basic herds and animals at fair value in the income statement.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

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. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	50 years
Plant and machinery	3 – 25 years
Bearer plants	8 – 30 years
Fixtures and fittings, tools and equipment	3 – 10 years

Gains and losses on the disposal of equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as impairment and depreciations of fixed assets.

NOTE 25 : ACCOUNTING POLICIES – CONTINUED

LEASES

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in the contingencies.

IMPAIRMENT OF ASSETS

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries 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 expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises’ net asset values calculated in accordance with the Group’s accounting policies plus or minus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at USD 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under “Other provisions”.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Ingleby Farms & Forests ApS are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the purchase method is applied, see Consolidated financial statements above.

INVENTORIES

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

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods 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 maintenance and 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.

Work in progress comprise non-harvested crops on land.

The fair value of crops on land is computed at direct costs, such as seed, fertilizer, tractor station and crop protection (fences) and direct payroll costs, unless this value is deemed to differ from the fair value at the balance sheet date.

Inventories and stock at fair value comprise corn inventory, cut-down wood, straw and livestock held for sale.

Fair value is the market value which the assets are expected to yield in a transaction between independent parties.

Livestock held for sale is on initial recognition measured at cost and subsequent measured at market value at year-end. The market value is the value which the livestock held for sale are expected to yield in a transaction between independent parties.

Agriculture produce is initial recognised at fair value at the point of harvest less estimated costs to sell.

Value adjustments of inventories and stock at fair value are recognised as a change in inventories and stock at fair value in the income statement.

RECEIVABLES

Receivables are measured at the nominal value less write-down for bad debt losses based on an individual assessment.

PREPAYMENTS

Prepayments comprise costs incurred concerning subsequent financial years.

OTHER SECURITIES AND INVESTMENTS

Other securities and investments are measured at fair value based on a calculated capital value. To the extent fair value cannot be computed, other securities and investments are measured at cost.

NOTE 25 : ACCOUNTING POLICIES – CONTINUED

EQUITY

Reserve for net revaluation according to the equity method
Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net re-valuation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends
Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

CORPORATION TAX AND DEFERRED TAX

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.

Joint taxation contribution payable and receivable is recognised in the balance sheet as “Corporation tax receivable” or “Corporation tax payable”.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

LIABILITIES OTHER THAN PROVISIONS

Liabilities are measured at net realisable value.

DEFERRED INCOME

Deferred income, recognised under "Liabilities", comprises payments received concerning income in subsequent years.

CASH FLOW STATEMENT

The cash flow statement shows the Group’s cash flows from operating, investing and financing activities for the year, the year’s changes in cash and cash equivalents, as well as the Group’s cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities are calculated as the Group’s share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities comprise changes in the size or composition of the Group’s share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

SEGMENT INFORMATION

Information is disclosed by activities and geographical markets. Segment information is based on the Group's accounting policies, risks and management control.

FINANCIAL RATIOS

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	=	Operating profit x 100 / Revenue
Gross margin	=	Gross profit x 100 / Revenue
Equity ratio	=	Equity at year-end x 100 / Total equity and liabilities at year end
Return on equity	=	Profit from ordinary activities after tax x 100 / Average equity

Farming with Nature

As hands-on farmers and long-term owners of land, Ingleby Farms believes in farming in harmony with nature. Nature matters, diversity matters, and agriculture plays a central role in enhancing biodiversity and ecosystems.

Integrating livestock into cropping systems is key when farming with nature. Our sheep and cattle feed on cover crops, crop residues and waste crops that would otherwise be lost.

We also use livestock to graze seed crops that benefit from defoliation.

Grazing animals inoculate soils with dung and saliva, and there is a wealth of beetles, fungi and other organisms associated with this. Their hooves help incorporate plant residues, and belowground biomass increases together with soil biological activity.