Approved at the Company's Annual General meeting on 10. November 2022

Johannes Burger
Chairman of the Annual General Meeting

ANNUAL REPORT 2021/22

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

INGLEBY FARMS.

ANNUAL REPORT
2021/22

1. edition

Ingleby Farms & Forests ApS
Slotsgade 1A
4600 Køge
Denmark
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www.inglebyfarms.com

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

BOARD OF DIRECTORS

Hans Henrik Brandt Koefoed, Chairman
David Blanchard, Vice-Chairman
Sigrid Rausing Koerner
Benjamin Rausing Koerner
William H. Camp
Johannes Burger
Gwyneth V. Burr
Nicolas Verschuere
Steffen Stræde
Lars Peter Nilsson

EXECUTIVE BOARD

Andrei Pavel, Chief Executive Officer

AUDITORS

EY Godkendt Revisionspartnerselskab
Cortex Park Vest 3
5230 Odense M
Denmark
Registration No. 30700228

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 people, animals and communities with care and respect.

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

INGLEBY FARMS

Financial highlights

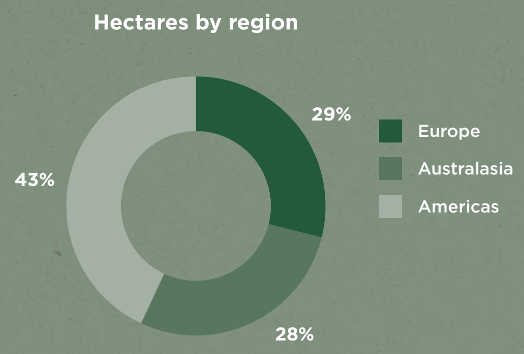
FINANCIAL HIGHLIGHTS FOR THE GROUP

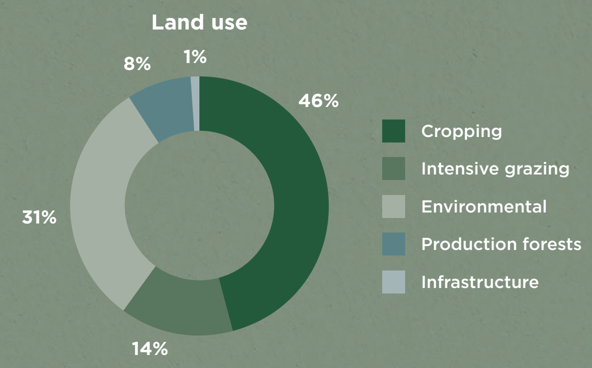
Key figures – USD'000	2021/22	2020/21	2019/20	2018/19	2017/18
Revenue	187,788	172,056	130,927	156,608	114,111
Gross profit	85,248	12,047	38,289	65,762	31,022
Ordinary operation profit/loss	20,880	-71,470	-9,454	19,319	-7,362
Profit/loss from financial income and expense	4,802	-8,033	-4,119	-5,006	-2,789
Profit/loss for the year	**24,099**	**-61,246**	**-19,297**	**6,174**	**-715**
Total assets	940,947	983,425	908,585	918,293	886,657
Portion relating to investment in property, plant and equipment	761,200	791,744	727,550	724,465	712,615
Equity	**658,229**	**663,537**	**704,237**	**731,428**	**736,325**
Cash flows from operating activities	35,038	9,038	7,237	22,921	-319
Net cash flows from investing activities	-26,359	-46,646	-24,115	-31,120	-48,684
Amount relation to investments in property, plant and equipment	-29,250	-48,679	-26,658	-33,750	-51,178
Cash flows from financing activities	-11,509	28,462	4,828	31,511	-6,195
Total cash flows	**-2,830**	**-9,146**	**-12,050**	**23,312**	**-55,199**
Financial ratios					
Operating margin	11.12%	-41.54%	-7.22%	12.34%	-6.45%
Gross margin	45.40%	-7.00%	29.24%	41.99%	27.19%
Equity ratio	69.95%	67.47%	77.51%	79.65%	83.04%
Return on equity	**3.65%**	**8.96%**	**-2.69%**	**0.84%**	**-0.10%**
Average number of full-time employees	3,045	3,411	3,059	2,816	3,027

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 2022, we own and manage 42 farms and forests across nine countries and four continents. Our worldwide number of hectares adds up to 101,637 hectares of which we protect 31% as natural habitats, including 2.7% as water habitats. We own and manage arable land, pastures, horticulture and forests.





California, USA
1,825 hectares
1 farm

Latvia & Lithuania
9,805 hectares
3 farms

Romania
19,832 hectares
3 farms, 3 forests

New Zealand
6,735 hectares
4 farms

Peru
2,017 hectares
2 farms

Uruguay
27,217 hectares
7 farms

Argentina
12,519 hectares
10 farms

Australia
21,688 hectares
9 farms

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

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 2021 – 30 June 2022.

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 2022, and of the results of their operations and consolidated cash flows for the financial year 1 July 2021 – 30 June 2022.

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.

Motupe, Peru, 10. November 2022

Executive Board

Andrei Pavel,
CEO

Board of Directors

Hans Henrik Koefoed,
Chairman

David Blanchard,
Vice-Chairman

Sigrid Koerner

Ben Koerner

William Henry Camp

Johannes Burger

Steffen Stræde

Lars Peter Nilsson

Gwyneth V. Burr

Nicolas Verschuere

The Ingleby Board

After 24 years on the Board, Lisbet Rausing retired from the Board as she transitioned into a role as Senior Advisor to the Board 1 July 2022. As of 1 July 2022, two new members joined the Board: Sigrid Koerner and Ben Koerner.

Sigrid Koerner is a graduate of Jesus College, Cambridge, has a master's degree from the University of Oxford and has an active interest in regenerative farming.

Ben Koerner is a Harvard College graduate with an AB in Comparative Literature. He completed his graduate work in political economy at the London School of Economics.

Hans Henrik Koefoed,
Chairman

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Johannes Burger

Gwyneth V. Burr

Nicolas Verschuere

Steffen Stræde

Lars Peter Nilsson

Chairman's statement

2021/22 was a worrying year with a growing climate crisis, war in Ukraine, continued Corona challenges, ongoing supply problems and escalating worldwide inflation.

Despite this, Ingleby Farms delivered one of the strongest financial results ever. Therefore, a big recognition and thanks from the Ingleby Board to our management and teams worldwide for your tireless efforts, initiative and energy.

In an increasingly unpredictable world, our Ingleby values are more important than ever; family, hands-on, innovative, trustworthy and sustainable. Our values serve as a compass that guides our organization through every imaginable challenge.

We are skilled farmers, always close to our land and business every single day and with a high degree of delegation of responsibilities and tasks. Orderliness, care and accuracy characterise everything we do. This ensures that all our 42 farms in nine countries are optimally run at all times.

Our continued readiness for change, courage, creativity, optimism and persistence will be a prerequisite for the continued sustainable development, growth and success towards our 2030 goals of a far more self-sustaining agriculture with a significantly reduced need for synthetic inputs and thus improved carbon balances, soil health, biodiversity and farm life.

Ingleby Farms has set itself ambitious goals and our regenerative farming practices is a mindset based upon cultivating beneficial life under-ground to promote soil fertility.

This will ensure living Ingleby farms producing healthy and nutritious food for many genera-tions to come.

Hans Henrik Koefoed
Chairman

Chief executive's review

2021/22 has been a very unusual year, impacted by all sorts of challenges; continued pandemic restrictions, the war in Ukraine, energy crisis, disrupted trade flows, food crisis, frequent extreme weather events, soaring inflation, increased interest rates, water issues – and the list goes on. Although affected by the current state of the world, our farms are in good shape; our diversity and long-term perspective are proving their worth.

Despite the unpredictable global instability, we delivered a positive and satisfactory financial result, achieving a revenue of USD 188 million (2020/21: USD 172 million), an EBITDA of USD 45 million (2020/21: USD -47.8 million) and an operational result of USD 21 million (2020/21: USD -71.5 million). The overall result for the year ending 30 June 2022 was USD 24.1 million (2020/21: USD -61.2 million). This in relation to a budgeted revenue of USD 180 million, a budgeted EBITDA of USD 38.2 million, and a budgeted operational result of USD 10 million.

Main drivers behind this result were the record-high commodity and livestock prices combined with a significant stock of inputs acquired before prices skyrocketed. On the other hand, market oversupply, reduced discretionary consumer income and logistical challenges had a negative impact on our avocado performance.

The health and safety of our colleagues is our highest priority. During 2021/22, we had 17 accidents with time off work. Our LTIFR (lost time injury frequency rate) this year was 2.76, our second-best year in terms of safety, compared to 1.92 in 2019/20, the safest year ever. Peer benchmark is 9.5. We are determined to reach our goal of zero accidents and have increased general safety awareness through internal campaigns focusing on identifying and correcting unsafe conditions, as well as sharing learning from reported near misses.

Our harvest season in Europe was seriously affected by unusual and severe weather conditions; a drought and heatwave during June and July 2021 caused all crops to mature at the same time – and then extreme rain in early August delayed our harvest for weeks. In Romania, several hailstorms in July took a toll on our blueberry orchard, while we saw our East Cape farms in New Zealand being flooded. We also saw a severe drought in California. This trend in weather events confirms that water access and drainage are extremely critical, and that regenerative soil management practices are key to resilient farms. Thus, during the year we continued our investments into irrigation in Uruguay, Romania and Lithuania, and our long-term drainage project in Romania is progressing according to plan.

In 2022/23, we will carry on with our investments in mechanization, automation, irrigation, drainage, storage and handling facilities for grain, seed and fruits, accommodation facilities in Peru and Romania and development of our macadamia and hazelnut orchards in Australia and Romania.

As well, taking further steps towards our climate positive goal, we plan to increase our renewable electricity capacity via solar panels on our European farms.

Our teams' dedication to regenerative farming is encouraging and we improve the quality of our soil every year. We do this by leaving sufficient crop residues on the ground, using cover crops, tilling as little as possible, striving for living roots throughout the year and by integrating animals for manure application, weed suppression and for stomping plant residues into the soil. These practices increase the quantity of organic carbon returned to the soil, limit erosion, add or fix nitrogen to the soil and increase biodiversity in the fields and in the soil. This rich ecosystem will support a myriad of beneficial organisms that will maintain a balance in our production and prevent pests and weeds from taking over.

Despite all the disruptions around us, we steadily "walk the talk" on each farm, every day.

To nurture best-practice sharing and cross-pollination of ideas across our 42 farms, we launched the Ingleby Pioneers programme. The programme was well-received and will ultimately support our journey towards our 2030 commitments.

With all challenges impacting the current state of the world, our farms are at 100% capacity, and we budget on 2022/23 financial year for a revenue of USD 215 million, an EBITDA of USD 58 million, and an operating profit of USD 30 million.

I look forward to supporting our 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 42 farms and forests across nine countries and four continents. This means we have 101,637 hectares. We protect 31% of these hectares as natural habitats, including 2.7% as water habitats.

We aim to increase the nutrients 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 health 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 48 different crops this year, and our total crop production reached 201,587 tonnes, equalling 4.4 tonnes of crop per cropping hectare. Converted into calories, our food production totals 587,214 million calories. This can feed 643,522 people for a year based on an estimated daily intake of 2,500 calories per person.

Reducing synthetic pesticides

Three years ago, we set the goal of becoming synthetic pesticide-free by 2030. Since then, we have reduced use on our crops by 7% 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, the following year by 23% and this year by 7%.

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, 31% (31,506 hectares) are designated natural habitats and 2.7% 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 healthy food for all.

We aim to be climate positive by 2030

Climate change is a 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 and 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 parts of scope 3.

This season (2021/22) the combined net greenhouse gas (GHG) emissions of our horticultural crops across Peru, California and Romania are climate positive, sequestering more GHG than they emit! The crops in questions are table grapes, avocados, pistachios and blueberries. Combined net GHG emissions are -478 kg CO2e/ha or -0.04 kg CO2e/kg of fruit/nut produced.

The key drivers of the sequestering are cover cropping, transition to permanent crops and adjacent planted shelterbelts.

In row crops, Ingleby Farms made a solid progress with a 46% GHG reduction compared to benchmark year (2019/20-2020/21).

All about carbon

Three 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 seasons (2019/20-2020/21).

This effort to benchmark our farming impact will 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:

- Crop GHG assessments have now been completed for the third season which we can compare against our benchmark of 704 kg CO_2e/ha – from the two previous seasons (2019/20 – 2020/21). Combined crop GHG emissions were 378 kg CO_2e/ha (2021/22), a 46% reduction compared to the benchmark.
- 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.

* Greenhouse gas ** Cool Farm Tool

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 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 greenhouse 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.

A major update to CFT 1.0 occurred in February 2022, where the methodology and science behind emission factors were refined and updated, for instance with new guidelines published by the IPCC and with new research. As a result, Ingleby's 2019-21 baseline has been retroactively updated from 469 kg CO_2e/ha to 704 kg CO_2e/ha.

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.

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 42 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 Cool Farm Tool (R). We have completed our two-year benchmarks for all major perennial horticulture crops, such as avocados, grapes, blueberries and pistachios.

2022

Dairy, beef and lamb benchmarking
Experimental livestock assessments are underway, and we will finalise GHG footprints for our dairy production, plus our sheep, cattle and integrated farms during 2022.

Forests and habitats
We are currently investigating how to best measure carbon captured in regenerating habitats on farm together with our mixed forestry. This practice will be in place by mid-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.

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), 67% is sourced renewably, including 2.12 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 2021/22, we used a total of 320,506 gigajoules (GJ) of energy. This amounts to 3.65 GJ/ha, and an energy intensity of 0.65 tonnes produced per GJ. The majority of energy spent directly on our farms is in the form of diesel (50%) followed by electricity (33%) and natural gas (9%).

Irrigation is particularly energy-intensive, responsible for 71% 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 8,175 hectares in Argentina, Australia, Lithuania, Peru, Romania, United States and Uruguay. The irrigated area equals 17% of our total arable land. In the fiscal year 2021/22, we applied 38,826 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. This is supported by our online whistleblower system allowing for full anonymity.

We have a zero tolerance towards breaches of our Code of Business Conduct. For 2021/22, 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.

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 2021/22, 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 the 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 2021/22 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 20% of the Board of Directors. 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 the main risks for our employees is related to accidents and unhealthy conditions. Providing safe work environments for our teams is one of our most important responsibilities. During 2021/22, we had no fatal accidents, but 17 accidents with time off work. Our LTIFR (lost injury frequency rate) this year is 2.76, 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.

The number of accidents worldwide in 2021/22 was 34 accidents. This is only one less compared with 2020/21, unfortunately. We continuously monitor and analyse this data to assess where we should direct efforts and resources to reduce risk. We have continued with our safety mascot Farmer Fred and his safety buddy Frida with great success. They help us all to consider safety as a daily priority for ourselves and our colleagues.

Formula for calculating lost time injury frequency rate

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

We remain comitted to providing adequate, usable, and appropriate training to our teams worldwide. In 2021/21, we managed to surpass the annual 2% training goal, with 2.5%.

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.

Data ethics

We use data in different parts of our business, especially in our production and to measure our progress towards our 2030 goal. In none of these areas data is automated for processing. We make sure to follow the legal developments and comply with the GDPR regulations.

However, we have not found it necessary to formulate an official data ethics policy, but we will continuously follow the regulatory development in this area for possible consideration at a later point in time and if we start using automated data.

COVID-19

We have operated under pandemic restrictions for more than two years now, and we are seeing the world slowly opening up again. However, we remain aware of the importance of taking preventive measures on our farms.

Regardless of all pandemic effects, we have operated all farms at full capacity, supported by our experienced management and production teams.

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 2021 – 30 June 2022, 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 2022 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 2021 – 30 June 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 2022
EY Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Lars Koch-Pedersen
State Authorised
Public Accountant
mne19682

INCOME STATEMENT

USD	Note	Consolidated 2021/22	Consolidated 2020/21	Parent company 2021/22	Parent company 2020/21
Revenue	2	**187,787,922**	**172,056,144**	**4,977,952**	**11,378,661**
Change in inventories and stock at fair value		-894,816	10,003,347	0	0
Change in basic herds and animals at fair value		6,843,045	1,965,090	0	0
Costs for raw materials		-96,268,429	-91,777,684	0	0
Other external costs	3	-12,220,145	-104,293,752	-3,653,277	-6,753,888
Gross profit		**85,247,577**	**-12,046,855**	**1,324,675**	**4,624,773**
Staff costs	4	-40,198,319	-35,794,481	-5,080,207	-4,753,321
Impairment and depreciation of fixed assets		-24,169,285	-23,628,860	-178,700	-202,965
Operating profit/loss		**20,879,973**	**-71,470,196**	**-3,934,232**	**-331,513**
Share of profit/loss in subsidiaries after tax		0	0	19,619,517	-56,251,570
Financial income	5	35,988,361	19,706,468	17,630,921	14,372,576
Financial expenses	6	-31,185,889	-27,738,545	-8,342,981	-18,656,583
Profit/loss from ordinary activities before tax		**25,682,445**	**-79,502,273**	**24,973,225**	**-60,867,090**
Tax on profit/loss from ordinary activities	7	-1,583,104	18,256,592	-873,884	-378,591
Profit/loss for the year		**24,099,341**	**-61,245,681**	**24,099,341**	**-61,245,681**

BALANCE SHEET – ASSETS

		Consolidated		Parent company	
USD	**Note**	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**
Licences and software	8	1,179,697	1,679,691	52,138	148,795
Intangible assets		**1,179,697**	**1,679,691**	**52,138**	**148,795**
Land, buildings, plantings and forests		666,468,219	695,067,063	1,491,206	1,491,206
Livestock – basic herd		30,633,896	28,522,373	0	0
Plant and machinery		42,807,305	45,888,896	0	0
Fixtures and fittings, tools and equipment		5,304,486	4,071,446	251,031	378,706
Property, plant and equipment under construction		15,985,716	18,194,348	0	0
Property, plant and equipment	9	**761,199,622**	**791,744,126**	**1,742,237**	**1,869,912**
Investments in subsidiaries		0	0	750,730,625	733,798,981
Investments	10	**0**	**0**	**750,730,625**	**733,798,981**
Total non-current assets		**762,379,320**	**793,423,817**	**752,525,000**	**735,817,688**
Raw materials and consumables		10,153,140	7,017,698	0	0
Work in progress		35,834,980	36,005,570	0	0
Inventories and stock at fair value		40,839,823	40,078,556	0	0
Inventories		**86,827,943**	**83,101,824**	**0**	**0**
Trade receivables		20,900,139	30,623,651	0	0
Amounts owed by affiliated companies		0	0	60,440,861	92,590,441
Other receivables		17,425,234	19,016,779	625,268	488,225
Joint taxation receivables		0	0	24,780	6,228
Corporation tax	11	2,009,530	935,963	0	409,509
Prepayments	12	4,550,195	2,239,588	0	0
Deferred tax asset	13	8,956,368	10,731,347	0	0
Receivables		**53,841,466**	**63,547,328**	**61,090,909**	**93,494,403**
Securities and investments		**4,042,034**	**3,825,156**	**0**	**0**
Cash at bank and in hand		**33,856,197**	**39,527,218**	**10,222,814**	**10,970,196**
Total current assets		**178,567,640**	**190,001,526**	**71,313,723**	**104,464,599**
TOTAL ASSETS		**940,946,960**	**983,425,343**	**823,838,723**	**840,282,287**

BALANCE SHEET – EQUITY & LIABILITIES

		Consolidated		Parent company	
USD	**Note**	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**
Share capital	14	23,243	26,250	23,243	26,250
Free reserves incl. retained earnings		677,971,592	663,510,853	658,206,006	663,510,853
Translation reserve		-19,765,586	20,524,619	0	0
Equity		**658,229,249**	**663,537,103**	**658,229,249**	**663,537,103**
Deferred tax	15	22,470,336	26,216,142	3,410	49,235
Provisions		**22,470,336**	**26,216,142**	**3,410**	**49,235**
Long-term credit institutions	16	154,036,977	159,473,804	152,630,680	156,646,634
Long-term lease contracts	16	4,909,954	6,577,356	0	0
Long-term prepayments	17	360,647	216,874	0	0
Other payables	16	64,000,000	72,000,000	0	0
Non-current liabilities other than provisions		**223,307,578**	**238,268,034**	**152,630,680**	**156,646,634**
Short-term portion of long-term lease contracts	16	2,493,266	1,088,850	0	0
Credit institutions	16	97,589	947,223	37,299	34,333
Trade payables		15,075,773	15,764,928	654,010	492,200
Amounts owed to affiliated companies		0	0	11,023,132	7,423,514
Corporation taxes payables	11	379,664	595,071	72,340	0
Other payables	16	18,841,047	36,639,891	1,188,603	12,099,268
Prepayments	17	52,458	368,101	0	0
Current liabilities other than provisions		**36,939,797**	**55,404,064**	**12,975,384**	**20,049,315**
Total liabilities other than provisions		**260,247,375**	**293,672,098**	**165,606,064**	**176,695,949**
TOTAL EQUITY AND LIABILITIES		**940,946,960**	**983,425,343**	**823,838,723**	**840,282,287**
Special item	1				
Contingent liabilities	18,19				
Related parties	20				
Proposed distribution of profit/loss	21				
Accounting policies	24				

CAPITAL AND RESERVES

	Consolidated			
USD	Share capital	Free reserves incl. retained earnings	Translation reserve	Total
Balance at 1 July 2021	26,250	642,986,234	20,524,619	663,537,103
Capital increase	15	10,886,017	0	10,886,032
Currency translation adjustment	-3,022	0	-40,290,205	-40,293,227
Retained earnings, cf. profit appropriation	0	24,099,341	0	24,099,341
Balance at 30 June 2022	**23,243**	**677,971,592**	**-19,765,586**	**658,229,249**

USD	Parent company			
	Share capital	Free reserves incl. retained earnings		Total
Balance at 1 July 2021	26,250	663,510,853		663,537,103
Capital increase	15	10,886,017		10,886,032
Currency translation adjustments	-3,022	-40,290,205		-40,293,227
Retained earnings, cf. profit appropriation	0	24,099,341		24,099,341
Balance at 30 June 2022	**23,243**	**658,206,006**		**658,229,249**

CASH FLOW STATEMENT

		Consolidated	
USD	Note	2021/22	2020/21
Profit/Loss for the year		24,099,341	-61,245,681
Adjustments for non-cash operation items	22	18,845,517	99,524,803
Cash generated from operations (operating activities) before changes in working capital		**42,944,858**	**38,279,122**
Changes in working capital	23	-283,682	-20,278,531
Cash generated from operations (operating activities)		**42,661,176**	**18,000,591**
Interest received		159,345	798,803
Interest paid		-4,043,242	-3,824,501
Foreign exchange rate adjustments		983,303	-3,060,653
Cash generated from operations (ordinary activities)		**39,760,582**	**11,914,240**
Corporation tax paid		-4,722,918	-2,876,419
Cash flows from operating activities		**35,037,664**	**9,037,821**
Acquisition of intangible assets, property, plant and equipment		-29,268,510	-49,561,176
Disposal of intangible assets, property, plant and equipment		3,126,475	3,075,109
Purchase of investment and securities		-216,878	-160,184
Cash flows from investing activities		**-26,358,913**	**-46,646,251**
Loan financing:			
Loan obligations – financial institutions		7,782,532	32,257,911
Loan obligations		-847,744	-809,614
Lease obligations		-2,286,971	-2,687,472
Long-term prepayments		143,773	-298,685
Other long-term debt		-16,300,000	0
Cash flows from financing activities		**-11,508,410**	**28,462,140**
Net cash flows from operating, investing and financing activities		**-2,829,659**	**-9,146,290**
Cash at 30 June 2021 before foreign exchange rate adjustments		39,527,218	46,950,368
Foreign exchange rate adjustments on cash at 30 June 2021		-2,841,362	1,723,140
Cash at 30 June 2022		**33,856,197**	**39,527,218**

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 2020/21 was affected by 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	
	2021/22	2020/21	2021/22	2020/21
Costs				
Payment of settlement	0	88,300,000	0	88,300,000
Tax effect	0	-26,348,720	0	-26,348,720
Total	**0**	**61,951,280**	**0**	**61,951,280**
Special items are recognised in the below line items				
Other external costs	0	88,300,000	0	0
Share of loss in subsidiaries after tax	0	0	0	-61,951,280
Tax on loss from ordinary activities	0	-26,348,720	0	0
Net loss from special items	**0**	**61,951,280**	**0**	**-61,951,280**

NOTE 2 : SEGMENT INFORMATION – REVENUE

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Geographical				
Americas	117,610,312	102,548,730	2,680,157	8,024,613
Australasia	34,326,032	32,603,165	769,049	1,186,869
Denmark	3,327	3,575	37,256	38,367
Europe	35,848,251	36,900,674	1,491,490	2,128,812
Total	**187,787,922**	**172,056,144**	**4,977,952**	**11,378,661**
Activities				
Row Crops	55,629,829	49,148,623	0	0
Horticulture	88,628,759	84,545,090	0	0
Livestock	20,295,904	16,619,126	0	0
Dairy	11,530,326	10,993,726	0	0
Timber	2,088,714	1,124,641	0	0
Rental	1,195,688	1,552,682	77,340	88,728
Other	8,418,702	8,072,256	4,900,612	11,289,933
Total	**187,787,922**	**172,056,144**	**4,977,952**	**11,378,661**

NOTE 3 : FEES PAID TO AUDITORS

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
EY				
Fee regarding statutory audit	351,922	341,185	208,525	190,548
Assurance engagements	14,887	16,454	0	0
Tax assistance	466,785	325,996	391,983	324,150
Other assistance	0	0	0	0
Total fees EY	**833,594**	**683,635**	**600,508**	**514,698**
KPMG				
Fee regarding statutory audit	168,838	171,745		
Tax assistance	8,031	3,943		
Other assistance	2,313	2,383		
Total fees KPMG	**179,182**	**178,071**		
Moss Adams				
Fee regarding statutory audit	125,125	102,145		
Tax assistance	23,010	26,722		
Other assistance	3,495	3,195		
Total fees Moss Adams	**151,630**	**132,062**		

NOTE 4 : STAFF COSTS

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Wages and salaries	38,461,534	34,162,495	4,670,078	4,423,304
Pensions	551,242	493,461	262,282	242,435
Other social security costs	1,185,543	1,138,525	147,847	87,582
Total	**40,198,319**	**35,794,481**	**5,080,207**	**4,753,321**
Average number of full-time employees	3,045	3,411	26	25

Staff costs include remuneration of the Parent Company's Executive Board totalling USD 397 thousand as well as remuneration of the Parent Company's Board of Directors totalling USD 647 thousand (2020/21: Total remuneration of the Executive Board and the Board of Directors: USD 1,253 thousands).

NOTE 5 : FINANCIAL INCOME

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Interest income from affiliated companies	0	0	2,717,763	2,001,063
Foreign exchange gains	35,829,016	18,907,665	14,908,773	11,879,344
Other interest income	159,345	798,803	4,385	492,169
Total	**35,988,361**	**19,706,468**	**17,630,921**	**14,372,576**

NOTE 6 : FINANCIAL EXPENSES

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Interest expense to affiliated companies	0	0	175,692	210,951
Foreign exchange losses	26,765,445	23,536,842	5,902,006	15,856,567
Other financial expenses	4,420,444	4,201,703	2,265,283	2,589,065
Total	**31,185,889**	**27,738,545**	**8,342,981**	**18,656,583**

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

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Current tax for the year	3,278,689	4,411,107	919,709	209,989
Change of tax prior year	1,648,459	55,370	0	-2,484
Adjustment of deferred tax	-3,344,044	-22,723,069	-45,825	171,086
Total	**1,583,104**	**-18,256,592**	**873,884**	**378,591**
Specified as follows:				
Tax on the profit/loss for the year	1,583,104	-18,256,592	873,884	378,591
Tax on changes in equity	0	-6,082	0	-6,082
Total	**1,583,104**	**-18,262,674**	**873,884**	**372,509**

NOTE 8 : LICENSES AND SOFTWARE

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Cost at 1 July	3,807,099	2,726,813	534,329	506,038
Foreign exchange adjustments	-345,095	215,874	-61,806	28,291
Additions	18,271	882,610	0	0
Disposals	0	-18,198	0	0
Cost at 30 June	**3,480,275**	**3,807,099**	**472,523**	**534,329**
Impairment and amortisation at 1 July	2,127,408	1,661,112	385,534	267,711
Impairment and amortisation	388,325	353,618	85,357	102,293
Foreign exchange adjustments	-215,155	130,876	-50,506	15,530
Disposals	0	-18,198	0	0
Impairment and amortisation at 30 June	**2,300,578**	**2,127,408**	**420,385**	**385,534**
Carrying amount at 30 June	**1,179,697**	**1,679,691**	**52,138**	**148,795**
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 2021	756,270,135	12,408,732	87,534,678	11,345,563	18,194,348	885,753,456
Foreign exchange adjustments	-34,689,983	-702,315	-6,061,161	-803,785	-2,077,248	-44,334,492
Additions on acquisition of subsidiary	0	0	0	0	0	0
Additions	11,226,816	1,527,606	10,808,883	1,193,537	7,238,157	31,994,999
Transferred	5,417,024	0	303,863	1,624,186	-7,345,073	0
Transferred to/from current assets	0	0	0	2,177	0	2,177
Disposals	-363,691	-1,805,738	-6,277,081	-557,852	-24,468	-9,028,830
Cost at 30 June 2022	**737,860,301**	**11,428,285**	**86,309,182**	**12,803,826**	**15,985,716**	**864,387,310**
Revaluation at 1 July 2021	0	16,113,641	0	0	0	16,113,641
Foreign exchange adjustments	0	-1,276,070	0	0	0	-1,276,070
Transferred from current assets	0	0	0	0	0	0
Change in basic herds and animals at fair value	0	4,368,040	0	0	0	4,368,040
Revaluation at 30 June 2022	**0**	**19,205,611**	**0**	**0**	**0**	**19,205,611**
Impairment and depreciation at 1 July 2021	61,203,072	0	41,645,782	7,274,117	0	110,122,971
Foreign exchange adjustments	-1,267,895	0	-3,489,782	-429,079	0	-5,186,756
Depreciation	11,678,558	0	10,144,914	1,067,561	0	22,891,033
Transferred	0	0	0	0	0	0
Disposals	-221,653	0	-4,799,037	-413,259	0	-5,433,949
Impairment and depreciation at 30 June 2022	**71,392,082**	**0**	**43,501,877**	**7,499,340**	**0**	**122,393,299**
Carrying amount at 30 June 2022	**666,468,219**	**30,633,896**	**42,807,305**	**5,304,486**	**15,985,716**	**761,199,622**
Property, plant and equipment include finance leases with a carrying amount totalling	116,526	0	6,519,328	0	0	6,635,854
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 2021	1,491,206	857,741	2,348,947
Foreign exchange adjustments	0	-102,879	-102,879
Additions	0	6,241	6,241
Disposals	0	-139,184	-139,184
Cost at 30 June 2022	**1,491,206**	**621,919**	**2,113,125**
Impairment and depreciation at 1 July 2021	0	479,035	479,035
Foreign exchange adjustments	0	-64,528	-64,529
Depreciation	0	93,343	93,343
Disposals	0	-136,962	-136,962
Impairment and depreciation at 30 June 2022	**0**	**370,888**	**370,887**
Carrying amount at 30 June 2022	**1,491,206**	**251,031**	**1,742,238**

NOTE 10 : INVESTMENTS IN SUBSIDIARIES

USD	Parent company	
	2021/22	2020/21
Cost at 1 July	848,582,826	838,449,063
Additions during the year	37,555,770	10,133,763
Cost at 30 June	**886,138,596**	**848,582,826**
Revaluations at 1 July	-114,783,845	-79,033,493
Foreign exchange adjustments	-40,243,643	20,501,218
Profit/Loss for the year	19,619,517	-56,251,570
Capital transactions in subsidiaries	0	0
Revaluations at 30 June	**-135,407,971**	**-114,783,845**
Carrying amount at 30 June	**750,730,625**	**733,798,981**

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 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 %
Chamizal S.R.L.	Uruguay	0 %	100 %

NOTE 11 : CORPORATION TAX

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Corporation tax payable at 1 July	340,892	1,700,720	409,509	39,312
Tax on taxable income for the year	-3,279,804	-4,237,433	-944,489	-40,502
Corporation tax paid during the year	4,722,918	2,876,419	616,564	409,381
Foreign exchange adjustment	-154,140	1,186	-153,924	1,318
Corporation tax at 30 June	**1,629,866**	**340,892**	**-72,340**	**409,509**
Included in assets	2,009,530	935,963	0	409,509
Included in liabilities	-379,664	-595,071	72,340	0
Corporation tax at 30 June	**1,629,866**	**340,892**	**72,340**	**409,509**

NOTE 12 : PREPAYMENTS, ASSETS

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

NOTE 13 : DEFERRED TAX ASSET

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Deferred tax at 1 July	10,731,347	125,048	0	121,159
Foreign exchange adjustments	0	6,774	0	6,774
Adjustment of deferred tax	-1,774,979	10,599,525	0	-127,933
Tax on equity transactions	0	0	0	0
Deferred tax at 30 June	**8,956,368**	**10,731,347**	**0**	**0**
Deferred tax asset relates to:				
Property, plant and equipment	-8,823,916	-11,324,173	0	0
Current assets	-752,267	276,304	0	0
Liabilities other than provisions	16,651,684	21,779,216	0	0
Tax loss carryforward	1,880,867	0	0	0
Total	**8,956,368**	**10,731,347**	**0**	**0**

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 164,300 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:

The company's share capital has increased in the following way during the last 5 years:	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Balance at the beginning of the year	26,250	24,860	25,036	25,686	25,200
Capital increase	15	0	0	0	0
Foreign currency translation adjustment	-3,022	1,390	-176	-650	486
Balance at the end of the year	**23,243**	**26,250**	**24,860**	**25,036**	**25,686**

NOTE 15 : DEFERRED TAX

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Deferred tax at 1 July	26,216,142	38,358,869	49,235	0
Foreign exchange adjustments	-259,991	37,819	0	0
Adjustment of deferred tax	-3,485,815	-12,186,628	-45,825	43,153
Tax on equity transactions	0	6,082	0	6,082
Deferred tax at 30 June	**22,470,336**	**26,216,142**	**3,410**	**49,235**
Deferred tax relates to:				
Property, plant and equipment	23,300,037	27,413,456	0	0
Current assets	3,028,391	2,838,042	3,410	49,235
Liabilities other than provisions	-830,358	-928,262	0	0
Tax loss carryforward	-3,027,734	-3,107,094	0	0
Total	**22,470,336**	**26,216,142**	**3,410**	**49,235**

NOTE 16 : MORTGAGE CREDIT INSTITUTIONS AND BANKS

USD	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
Credit institutions:				
0-1 year	97,589	947,223	37,299	34,333
1-5 years	154,036,977	159,473,804	152,630,680	156,646,634
> 5 years	0		0	
Total	**154,134,566**	**160,421,027**	**152,667,979**	**156,680,967**
Lease payments:				
0-1 year	2,493,266	1,088,850	0	0
1-5 years	4,800,971	6,442,986	0	0
> 5 years	108,983	134,370	0	0
Total	**7,403,220**	**7,666,206**	**0**	**0**
Other payables:				
0-1 year	8,900,000	16,300,000		
1-5 years	32,000,000	42,000,000	0	0
> 5 years	32,000,000	30,000,000		
Total	**72,900,000**	**88,300,000**	**0**	**0**
Specified as follows:				
Long-term	222,946,931	238,051,160	152,630,680	156,646,634
Short-term portion of long-term	11,490,855	18,336,073	37,299	34,333
Total	**234,437,786**	**254,387,233**	**152,667,979**	**156,680,967**

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 3,050 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 dividends, 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 34,979 thousand should be recognised.

The group has signed lease contracts with non-termination periods until 30 August 2030. The total obligation is USD 5,362 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 other claims. The Subsidiary has denied the claims. In their amended counterclaims, the third party asserted an additional claim of quantum meruit.

The dispute was settled and a Settlement and Mutual Release of Claims Agreement has been entered into. As a result of this agreement Ingleby will pay to the third party 80 million US$ in equal installments over 10 years plus 8.3 million US$ related costs.

The settlement amount, including related costs, was considered a one-off item not related to the groups operating activity and was 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 2021, 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	
	2021/22	2020/21	2021/22	2020/21
The following assets have been placed as security for the Group's bank debt:				
Shares in subsidiaries	0	0	116,253[1]	121,239
Land and buildings with a carrying amount of	353[2]	864	0	0
Plant and machinery with a carrying amount of	0	484	0	0
Cash at bank and in hand	0	582	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 5,774 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 56 thousand in Latvia.

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 3,333 thousand.

NOTE 20 : RELATED PARTIES

Ingleby Farms & Forests ApS' related parties comprise the following:

Parties exercising control

Dr. Johannes Burger, Rötibergstrasse 2, CH- 9442 Berneck Switzerland
Dr. Markus Summer, Stelzagass 17, LI - 9487 Gamprin Principality of Liechtenstein
Claudia Suter, Zollikerstrasse 112, 8702 Zollikon Switzerland

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

NOTE 21 : PROPOSED DISTRIBUTION OF PROFIT/LOSS

USD	Parent company	
	2021/22	2020/21
Retained earnings	24,099,341	-61,245,681
Total	**24,099,341**	**-61,245,681**

NOTE 22 : ADJUSTMENT FOR NON-CASH OPERATING ITEMS

USD	Consolidated	
	2021/22	2020/21
Depreciation, amortisation and impairment	24,169,285	23,628,860
Discounting adj. of leasing debt	-179,404	439,911
Profit/loss on disposal of fixed assets	301,250	-654,363
Changes in basic herds and animals at fair value	-4,368,040	-1,965,090
Tax on profit/loss for the year	1,583,104	-18,256,592
Financial income	-35,988,361	-19,706,468
Financial expenses	31,185,889	27,738,545
Adj. of other long-term payables	2,141,794	88,300,000
Total	**18,845,517**	**99,524,803**

NOTE 23 : CHANGES IN WORKING CAPITAL

USD	Consolidated	
	2021/22	2020/21
Change in inventories	-7,172,131	-10,761,724
Change in receivables	8,783,964	-10,543,639
Change in prepayments and trade and other payables	-1,895,515	1,026,832
Total	**-283,682**	**-20,278,531**

NOTE 24 : ACCOUNTING POLICIES

The annual report of Ingleby Farms & Forests ApS for 2021/22 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 7.0735 (2020/21: 6.2553).

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 farm land 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 24 : 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 24 : 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 in-vestments 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 as-set 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 (nul), 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 24 : 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.

Translation reserve
The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than USD, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates and participating interests in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

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 enter-prises 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

Cover crops

When farming with nature, cover crops are essential. They are grown primarily to benefit the soil, so we can grow a richer and healthier crop.

Cover crops add organic matter and nitrogen to the soil, while protecting its surface from wind and water erosion. They sequester carbon into the soil and decrease soil moisture evaporation. Below ground, they produce food for our soil microbiology and above ground, they can be grazed by livestock, who fertilizes the soil with their droppings. Cover crops can also prevent weeds from emerging.

In our Californian pistachio orchard, we shade the ground with cover crops to cool the ground, reduce evaporation and improve the soil's water holding capacity. We have also decreased pesticides use in the orchard by using one mix of cover crops to attract beneficial insects, and another mix to redirect pests from trees to so-called "trap crops".