

AKL Holding 2018 ApS

Slotsgade 1A, 4600 Køge

CVR no. 40089888

Annual report 2020/21

Approved at the Company's annual general meeting on 30 November 2021

Chairman:



.....
Mats Svensson

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of AKL Holding 2018 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 financial statements give a true and fair view of the financial position of the Company at 30 June 2021 and of the results of its operations for the financial year 1 July 2020 - 30 June 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

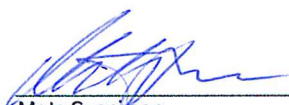
We recommend that the annual report be approved at the annual general meeting.

Køge, 10 November 2021

Executive Board:



Andrei Pavel



Mats Svensson

Independent auditor's report

To the shareholder of AKL Holding 2018 ApS

Opinion

We have audited the financial statements of AKL Holding 2018 ApS for the financial 1 July 2020 – 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2021 and of the results of the Company's operations 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 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 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 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.

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.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with 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.

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

Management's review

Company details

AKL Holding 2018 ApS
Slotsgade 1A
Vallø
4600 Køge

| | |
|--------------------|------------------|
| Telephone: | +45 55 31 35 60 |
| CVR No.: | 40 08 98 88 |
| Established: | 12 December 2018 |
| Registered office: | Stevns |
| Financial year: | 1 July - 30 June |

| | |
|-----------------|-------------------------------|
| Executive Board | Andrei Pavel Mats Svensson |
|-----------------|-------------------------------|

| | |
|----------|--|
| Auditors | EY Godkendt Revisionspartnerselskab Englandsgade 25, DK-5000 Odense C |
|----------|--|

Management's review

Operating review

Principal activities of the Company

The Company's principal activities consist of being a holding company for investments in agricultural companies including foreign agricultural companies.

Development in activities and financial position

Despite operating under pandemic restrictions throughout 2020/21, we achieved an operational loss of 26 TUSD against a budget of TUSD 20 in the subsidiary.

The health and safety of our colleagues have our highest priority. During 2020/21, we had no fatal accidents on our farms.

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. 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, farms based on solid yields and increasing prices. 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 stronger, resilient and sustainable Ingleby Farms.

Post balance sheet events

There have been no post balance sheet events considerably affecting the evaluation of the annual report.

Financial statements 1 July 2020 – 30 June 2021

Income statement

| Note | USD | 2020/21 | 2019/20 |
|------|--|----------|---------|
| | Other external costs | -8,955 | -40,664 |
| | Gross profit/loss | -8,955 | -40,664 |
| | Share of profit/loss in subsidiaries after tax | -18,392 | -24,069 |
| 3 | Financial income | 2,834 | 1,957 |
| 4 | Financial expenses | -2,013 | -1,968 |
| | Profit/loss before tax | -26,526 | -64,744 |
| 5 | Tax for the year | 228 | 0 |
| | Profit/loss for the year | -26,298 | -64,744 |
| | Recommended appropriation of profit/loss | | |
| | Transferred to equity reserves | 80,148 | -18,050 |
| | Retained earnings | -106,446 | -46,694 |
| | | -26,298 | -64,744 |

Financial statements 1 July 2020 – 30 June 2021

Balance sheet

| Note | USD | <u>2020/21</u> | <u>2019/20</u> |
|------|--------------------------------------|-------------------------|-------------------------|
| | ASSETS | | |
| | Non-current assets | | |
| | Financial assets | | |
| 6 | Investments in subsidiaries | <u>2,437,012</u> | <u>2,327,040</u> |
| | Total non-current assets | <u>2,437,012</u> | <u>2,327,040</u> |
| | Current assets | | |
| | Amounts owed by affiliated companies | 201 | 0 |
| | Joint taxation receivables | <u>27</u> | <u>0</u> |
| | | 228 | 0 |
| | Cash | <u>27,602</u> | <u>29,709</u> |
| | Total current assets | <u>27,830</u> | <u>29,709</u> |
| | TOTAL ASSETS | <u><u>2,464,842</u></u> | <u><u>2,356,749</u></u> |

Financial statements 1 July 2020 – 30 June 2021

Balance sheet

| Note | USD | 2020/21 | 2019/20 |
|------|--|------------------|------------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 7 | Share capital | 80,252 | 76,003 |
| | Net revaluation reserve according to the equity method | 80,148 | 0 |
| | Free reserves incl. Retained earnings | 2,290,823 | 2,273,154 |
| | Total equity | <u>2,451,223</u> | <u>2,349,157</u> |
| | Current liabilities | | |
| | Trade payables | 30 | 0 |
| | Amounts owed to group enterprises | 9,592 | 4,542 |
| | Other payables | 3,997 | 3,050 |
| | Total current liabilities | <u>13,619</u> | <u>7,592</u> |
| | TOTAL EQUITY AND LIABILITIES | <u>2,464,842</u> | <u>2,356,749</u> |

- 1 Accounting policies
- 2 Staff costs
- 8 Contractual liabilities and contingencies, etc.
- 9 Related parties

Financial statements 1 July 2020 – 30 June 2021

Statement of changes in equity

| USD | Share capital | Net revaluation reserve according to the equity method | Free reserves incl. Retained earnings | Total |
|---|------------------|---|---|-----------|
| Equity at 1 July 2019 | 76,237 | 18,050 | 2,272,145 | 2,366,432 |
| Capital increase | 298 | 0 | 70,976 | 71,274 |
| Foreign currency translation adjustments | -532 | 0 | -23,273 | -23,805 |
| Retained earnings, cf. profit appropriation | 0 | -18,050 | -46,694 | -64,744 |
| Equity at 1 July 2020 | 76,003 | 0 | 2,273,154 | 2,349,157 |
| Foreign currency translation adjustments | 4,249 | 0 | 124,115 | 128,364 |
| Retained earnings, cf. profit appropriation | 0 | 80,148 | -106,446 | -26,298 |
| Equity at 30 June 2021 | 80,252 | 80,148 | 2,290,823 | 2,451,223 |

Financial statements 1 July 2020 – 30 June 2021

Notes

1 Accounting policies

The annual report of AKL Holding 2018 ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Consolidated financial statement

In accordance with section 110(1) of the Danish Financial Statement Act, the Company has not prepared consolidated financial statements.

Reporting currency

The financial statements are presented in USD, as the entity' and the Group'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).

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 rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

Financial statements 1 July 2020 – 30 June 2021

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

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

Ingleby Farms & Forests ApS 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

Financial assets

Income statement

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement and after elimination of the proportionate share of intra-group profits/losses and less amortisation of goodwill.

Balance sheet

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 minus or plus 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 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 AKL Holding 2018 ApS are not recognised in the reserve for net revaluation.

Financial statements 1 July 2020 – 30 June 2021

1 Accounting policies (continued)

Equity

Reserve for net revaluation to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation 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.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Income 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

Other liabilities are measured at net realisable value.

Financial statements 1 July 2020 – 30 June 2021

Notes

| USD | <u>2020/21</u> | <u>2019/20</u> |
|-------------------------------|------------------|------------------|
| 2 Staff costs | | |
| The Company has no employees. | | |
| 3 Financial income | | |
| Foreign exchange adjustments | 2,834 | 1,957 |
| | <u>2,834</u> | <u>1,957</u> |
| 4 Financial expenses | | |
| Foreign exchange losses | 1,559 | 1,767 |
| Other interest expense | 454 | 201 |
| | <u>2,013</u> | <u>1,968</u> |
| 5 Tax for the year | | |
| Current tax for the year | -27 | 0 |
| Change of tax prior year | -201 | 0 |
| | <u>-228</u> | <u>0</u> |
| 6 Investments in subsidiaries | | |
| Cost at 1 July | <u>2,356,864</u> | <u>2,356,864</u> |
| Cost at 30 June | <u>2,356,864</u> | <u>2,356,864</u> |
| Revaluations at 1 July | -29,824 | 18,050 |
| Foreign exchange adjustments | 128,364 | -23,805 |
| Profit/Loss for the year | -18,392 | -24,069 |
| Value adjustments at 30 June | <u>80,148</u> | <u>-29,824</u> |
| Carrying amount at 30 June | <u>2,437,012</u> | <u>2,327,040</u> |

| Name | <u>Registered office</u> | <u>Direct ownership</u> | <u>Direct & indirect ownership</u> |
|---------|--------------------------|-------------------------|--|
| AKL SIA | Latvia | 100 % | 100 % |

Financial statements 1 July 2020 – 30 June 2021

Notes

7 Share capital

The share capital consists of 502 shares of nominal DKK 100 each. No shares have been ascribed special rights.

The company's share capital has increased in the following way during the last 3 years:

| USD | 30 June 2021 | 30 June 2020 | 30 June 2019 |
|---|-----------------|-----------------|-----------------|
| Balance at the beginning of the year / In kind-capital distribution | 76,003 | 76,237 | 76,298 |
| Capital increase | 0 | 298 | 0 |
| Foreign currency translation adjustment | 4,249 | -532 | -61 |
| Balance at the end of the year | <u>80,252</u> | <u>76,003</u> | <u>76,237</u> |

The share capital is presented in USD at the exchange rate of the balance sheet date for each year.

8 Contractual obligations and contingencies, etc.

Contingent liabilities

The company is jointly taxed with Ingleby Farms & Forests ApS, Ingleby Denmark 1 A/S and Ingleby Denmark 2 A/S. 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.

9 Related parties

Ownership

The Company is 100 % owned by Ingleby Denmark 1 A/S, Køge, CVR no. 28 15 63 67

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 is recognized in the consolidated financial statement of Ingleby Farms & Forest ApS, which is the largest group in which the Company is included. The consolidated financial statements of Ingleby Farms & Forests ApS (CVR no. 35 86 80 62) may be obtained by contacting the company.

Financial statements 1 July 2020 – 30 June 2021

Notes

| USD | <u>2020/21</u> | <u>2019/20</u> |
|-------------------------------|------------------|------------------|
| 2 Staff costs | | |
| The Company has no employees. | | |
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| Foreign exchange adjustments | 2,834 | 1,957 |
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| | <u>2,013</u> | <u>1,968</u> |
| 5 Tax for the year | | |
| Current tax for the year | -27 | 0 |
| Change of tax prior year | -201 | 0 |
| | <u>-228</u> | <u>0</u> |
| 6 Investments in subsidiaries | | |
| Cost at 1 July | <u>2,356,864</u> | <u>2,356,864</u> |
| Cost at 30 June | <u>2,356,864</u> | <u>2,356,864</u> |
| Revaluations at 1 July | -29,824 | 18,050 |
| Foreign exchange adjustments | 128,364 | -23,805 |
| Profit/Loss for the year | <u>-18,392</u> | <u>-24,069</u> |
| Value adjustments at 30 June | <u>80,148</u> | <u>-29,824</u> |
| Carrying amount at 30 June | <u>2,437,012</u> | <u>2,327,040</u> |

| Name | <u>Registered office</u> | <u>Direct ownership</u> | <u>Direct & indirect ownership</u> |
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Financial statements 1 July 2020 – 30 June 2021

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|---|-----------------|-----------------|-----------------|
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| Capital increase | 0 | 298 | 0 |
| Foreign currency translation adjustment | 4,249 | -532 | -61 |
| Balance at the end of the year | <u>80,252</u> | <u>76,003</u> | <u>76,237</u> |

The share capital is presented in USD at the exchange rate of the balance sheet date for each year.

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The ultimate shareholders are:

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Geoffrey Richards, Auring 52, LI - 9490 Vaduz Principality of Liechtenstein

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