

Jörd International A/S

Sønderhøj 14

8260 Viby J

CVR No. 40804781

Annual Report 2021

The Annual Report was presented and approved at the Annual General Meeting of the Company on 23 May 2022

Peter Stenholt Randrup
Chairman

Contents

Management's Statement	3
Independent Auditor's Report	4
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Statement of changes in Equity	14
Notes	15

Jörd International A/S

Management's Statement

Today, Management has considered and approved the Annual Report of Jörd International A/S for the financial year 1 January 2021 - 31 December 2021.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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

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

Aarhus, 23 May 2022

Executive Board

Christian Wilhelm Fischer

Board of Directors

Hanne Søndergaard
Chairman

Peter Giørtz-Carlsen

Simon Dominic Stevens

Independent auditor's report

To the shareholders of Jörd International A/S

Opinion

We have audited the financial statements of Jörd International A/S for the financial year 1 January 2021 - 31 December 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 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 skepticism 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

Independent auditor's report

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.

Aarhus, 23 May 2022

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Henrik Kronborg Iversen
State Authorised Public Accountant
mne24687

Jan Krarup Mortensen
State Authorised Public Accountant
mne40030

Jörd International A/S

Company information

Company	Jörd International A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	40804781
Board of Directors	Hanne Søndergaard, Chairman Peter Giørtz-Carlsen Simon Dominic Stevens
Executive Board	Christian Wilhelm Fischer
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228

Management's Review

The Company's principal activities

The Company's principal activities consist of production and sale of plant-based products.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK -38.199 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 86.851 and an equity of DKK 28.226. The result is in line with the expectations for the year, and the negative result can mainly be explained by significant marketing- and promotion costs. The impact from COVID-19 was not material in nature.

Capital injection

The Company's equity has been re-established through a capital injection during the year.

Post financial year events

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

Accounting Policies

Reporting Class

The Annual Report of Jörd International A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated Financial Statements

With reference to § 112(1) of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises are subsidiaries of a higher-ranking group.

Reporting currency

The Annual Report is presented in thousand Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and costs.

Income Statement

Gross profit/loss

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

Gross profit/loss is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw materials and consumables and other external costs.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive VAT and net of sales discounts.

Raw materials and consumables used

Costs for raw materials and consumables includes the purchase of goods and services for the purpose of resale hereof.

Other external costs

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

Depreciation and impairment of tangible assets

Depreciation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis based on cost, and on the assessment of useful life and residual values.

Financial income and costs

Financial income and costs are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and costs include interest revenue and costs, accounts payable and transactions in foreign currencies, and surcharges and allowances under the tax prepayment scheme.

Accounting Policies

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Plant and machinery

3-12 years

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables

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

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

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Accounting Policies

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax receivables/liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Liabilities are measured at amortised cost.

Jörd International A/S

Income Statement

	Note	2021 kDKK	2019/20 kDKK
Gross profit/loss		-47.557	-43.260
Depreciation and impairment losses		-1.050	-105
Operating profit/loss		-48.607	-43.365
Financial income		373	51
Financial costs	1	-239	-243
Profit/loss before tax		-48.473	-43.557
Tax	2	10.274	9.582
Profit/loss for the year		-38.199	-33.975
 Proposed distribution of results			
Retained earnings		-38.199	-33.975
Distribution of profit/loss		-38.199	-33.975

Balance Sheet as of 31 December

	Note	2021 kDKK	2020 kDKK
Assets			
Plant and machinery	3	22.266	4.087
Property, plant and equipment in progress	4	35.788	10.518
Property, plant and equipment		58.054	14.605
Non-current assets		58.054	14.605
Raw materials and consumables		5.560	1.331
Finished goods and goods for resale		225	2.180
Inventories		5.785	3.511
Trade receivables		76	0
Receivables from group companies		5.312	3.934
Current tax		11.273	10.368
Other receivables		6.351	5.801
Receivables		23.012	20.103
Current assets		28.797	23.614
Assets		86.851	38.219

Balance Sheet as of 31 December

	Note	2021 kDKK	2020 kDKK
Liabilities and equity			
Contributed capital		400	400
Retained earnings		27.826	-33.975
Equity		28.226	-33.575
Deferred tax		1.207	786
Provisions		1.207	786
Trade payables		23.594	14.489
Payables to group companies		33.824	55.458
Other payables		0	1.061
Short-term liabilities		57.418	71.008
Liabilities other than provisions		57.418	71.008
Liabilities and equity		86.851	38.219
Contingent assets and liabilities	5		
Related parties	6		

Jörd International A/S

Statement of changes in Equity

kDKK

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	400	-33.975	-33.575
Increase of capital	0	100.000	100.000
Profit (loss)		-38.199	-38.199
Equity 31 December 2021	400	27.826	28.226

The Company's share capital is DKK 400.001 divided into shares of DKK 1 or any multiple thereof.

The share capital has increased by DKK 1 in 2021.

Notes

	2021 kDKK	2019/20 kDKK
1. Financial costs		
Financial costs regarding group companies	205	242
Other financial costs	34	1
	239	243
2. Tax		
Current income tax	-11.273	-10.368
Adjustment for current income tax of previous years	578	0
Change in deferred tax	-1.314	786
Adjustment of deferred tax of previous years	1.735	0
	-10.274	-9.582
3. Plant and machinery		
Cost at the beginning of the year	4.192	0
Addition during the year	9.321	4.192
Transfers during the year	9.908	0
Cost at the end of the year	23.421	4.192
Depreciation at the beginning of the year	-105	0
Depreciation for the year	-1.050	-105
Depreciation at the end of the year	-1.155	-105
Carrying amount at the end of the year	22.266	4.087
4. Property, plant and equipment in progress		
Cost at the beginning of the year	10.518	0
Addition during the year	35.178	10.518
Transfers during the year	-9.908	0
Cost at the end of the year	35.788	10.518
Carrying amount at the end of the year	35.788	10.518

5. Contingent assets and liabilities

Contractual commitments consist of purchase commitments and operating rent and lease commitments. In total these commitments amounts to 30 mDKK.

The company has joint and several tax liability with other Danish group companies for company taxes. This also includes withholding taxes on dividends, interest and royalties within the group. The total known net tax liability of the jointly taxed companies is shown in the management company's annual accounts of Arla Foods Holding A/S CVR no 27466052. Any subsequent corrections to co-taxation income and withholding tax etc. could result in the company's liability being higher or lower.

Notes

6. Related parties

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