

# **Jörd International A/S**

Sønderhøj 14

8260 Viby J

CVR No. 40804781

## **Annual Report 2022**

The Annual Report was presented and approved at the Annual General Meeting of the Company on 22 June 2023

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Jesper Blauenfeldt  
Chairman

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**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 2022 - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

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, 22 June 2023

### **Executive Board**

Christian Wilhelm Fischer

### **Board of Directors**

Patrik Hansson  
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 2022 - 31 December 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 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 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 risk 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

## Independent auditor's report

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.

Aarhus, 22 June 2023

### EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Jan Krarup Mortensen  
State Authorised Public Accountant  
mne40030

## Jörd International A/S

### Company information

<b>Company</b>	Jörd International A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	40804781
<b>Board of Directors</b>	Patrik Hansson Peter Giørtz-Carlsen Simon Dominic Stevens
<b>Executive Board</b>	Christian Wilhelm Fischer
<b>Auditors</b>	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 2022 - 31 December 2022 shows a result of DKK -35.614 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 123.564 and an equity of DKK -7.388. 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.

### Capital losses

Management is aware that the Company has lost more than 50% of the Company's capital and is therefore covered by the Danish Companies Act §119. Equity has been re-established in March 2023 through a debt conversion from owner company, and it is the management's opinion that the annual report can be completed with continued operation in mind.

### 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.

### Expectations for the future

The Company expects a loss before tax in the range of -30 and -40 mDKK.

## Accounting Policies

### Reporting Class

The Annual Report of Jörd International A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B and elective choice of certain provisions applying to reporting class C.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Annual Report is presented in thousand Danish kroner.

### Translation policies

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 the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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 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.

## 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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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 of VAT duties 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



## **Accounting Policies**

foreign currencies, and surcharges and allowances under the tax prepayment scheme.

### **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**

### **Intangible assets**

IT and other development projects comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

IT and other development projects are amortised over a period of 5 years.

### **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.

Buildings	20-30 years
Plant and machinery	3-12 years

Land is not amortised.

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

### **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.

## **Accounting Policies**

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**

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

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

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

### **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.

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**

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Liabilities are measured at amortised cost.

Jörd International A/S

**Income Statement**

	Note	2022 kDKK	2021 kDKK
<b>Gross profit/loss</b>		<b>-44.776</b>	<b>-47.557</b>
Depreciation and impairment losses		-3.433	-1.050
<b>Operating profit/loss</b>		<b>-48.209</b>	<b>-48.607</b>
Financial income	1	89	373
Financial costs	2	-1.078	-239
<b>Profit/loss before tax</b>		<b>-49.198</b>	<b>-48.473</b>
Tax	3	13.584	10.274
<b>Profit/loss for the year</b>		<b>-35.614</b>	<b>-38.199</b>
<b>Proposed distribution of results</b>			
Retained earnings		-35.614	-38.199
<b>Distribution of profit/loss</b>		<b>-35.614</b>	<b>-38.199</b>

**Balance Sheet as of 31 December**

	Note	2022 kDKK	2021 kDKK
<b>Assets</b>			
Intangible assets in progress	4	414	0
<b>Intangible assets</b>		<b>414</b>	<b>0</b>
Land and buildings	5	11.124	0
Plant and machinery	6	66.995	22.266
Property, plant and equipment in progress	7	15.927	35.788
<b>Property, plant and equipment</b>		<b>94.046</b>	<b>58.054</b>
<b>Non-current assets</b>		<b>94.460</b>	<b>58.054</b>
Raw materials and consumables		7.415	5.560
Finished goods and goods for resale		857	225
<b>Inventories</b>		<b>8.272</b>	<b>5.785</b>
Trade receivables		0	76
Receivables from group companies		901	5.312
Current tax		14.285	11.273
Other receivables		5.646	6.351
<b>Receivables</b>		<b>20.832</b>	<b>23.012</b>
<b>Current assets</b>		<b>29.104</b>	<b>28.797</b>
<b>Assets</b>		<b>123.564</b>	<b>86.851</b>

**Balance Sheet as of 31 December**

	Note	2022 kDKK	2021 kDKK
<b>Liabilities and equity</b>			
Contributed capital		400	400
Retained earnings		-7.788	27.826
<b>Equity</b>		<b>-7.388</b>	<b>28.226</b>
Deferred tax		2.468	1.207
<b>Provisions</b>		<b>2.468</b>	<b>1.207</b>
Trade payables		15.190	23.594
Payables to group companies		113.294	33.824
<b>Short-term liabilities</b>		<b>128.484</b>	<b>57.418</b>
<b>Liabilities other than provisions</b>		<b>128.484</b>	<b>57.418</b>
<b>Liabilities, provisions and equity</b>		<b>123.564</b>	<b>86.851</b>
Contingent liabilities	8		
Related parties	9		

## Jörd International A/S

### Statement of changes in Equity

kDKK

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2022	400	27.826	28.226
Profit (loss)		-35.614	-35.614
<b>Equity 31 December 2022</b>	<b>400</b>	<b>-7.788</b>	<b>-7.388</b>

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

**1. Finance income**

	<b>2022</b>	<b>2021</b>
	kDKK	kDKK
Other financial income	89	373
	<b>89</b>	<b>373</b>

**2. Financial costs**

Financial costs regarding group companies	1.010	205
Other financial costs	68	34
	<b>1.078</b>	<b>239</b>

**3. Tax**

Current income tax	-14.285	-11.273
Adjustment for current income tax of previous years	-560	578
Change in deferred tax	1.769	-1.314
Adjustment of deferred tax of previous years	-508	1.735
	<b>-13.584</b>	<b>-10.274</b>

**4. Intangible assets in progress**

Addition during the year, incl. improvements	414	0
<b>Cost at 31 December</b>	<b>414</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>414</b>	<b>0</b>

**5. Land and buildings**

Addition during the year, incl. improvements	3.136	0
Transfers during the year to other items	8.050	0
<b>Cost at 31 December</b>	<b>11.186</b>	<b>0</b>
Depreciation for the year	-62	0
<b>Depreciation and impairments at 31 December</b>	<b>-62</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>11.124</b>	<b>0</b>

**6. Plant and machinery**

Cost at the beginning of the year	23.421	4.192
Addition during the year	23.626	9.321
Transfers during the year	24.473	9.908
<b>Cost at the end of the year</b>	<b>71.520</b>	<b>23.421</b>
Depreciation at the beginning of the year	-1.154	-105
Depreciation for the year	-3.371	-1.050
<b>Depreciation at the end of the year</b>	<b>-4.525</b>	<b>-1.155</b>
<b>Carrying amount at the end of the year</b>	<b>66.995</b>	<b>22.266</b>

**Notes**

	<b>2022</b>	<b>2021</b>
	<b>kDKK</b>	<b>kDKK</b>
<b>7. Property, plant and equipment in progress</b>		
Cost at the beginning of the year	32.523	10.518
Addition during the year	19.063	35.178
Transfers during the year	-35.659	-9.908
<b>Cost at the end of the year</b>	<b>15.927</b>	<b>35.788</b>
<b>Carrying amount at the end of the year</b>	<b>15.927</b>	<b>35.788</b>

**8. Contingent liabilities**

Contractual commitments consist of purchase commitments and operating rent and lease commitments. In total these commitments amounts to 40 mDKK and 30 mDKK in 2021.

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.

**9. 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.