

# **Jörd International A/S**

Sønderhøj 14

8260 Viby J

CVR No. 40804781

## **Annual Report 2019/20**

The Annual Report was presented and approved at the Annual General Meeting of the Company on 19 May 2021

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Peter Stenholt Randrup  
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 9 September 2019 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 9 September 2019 - 31 December 2020.

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 approved at the Annual General Meeting.

Aarhus, 19 May 2021

### **Executive Board**

Rasmus Malmbak Kjeldsen

### **Board of Directors**

Hanne Søndergaard  
Chairman

Peter Giørtz-Carlson

## Independent Auditors' 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 9 September 2019 - 31 December 2020, which comprise an 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 2020 and of the results of the Company's operations for the financial year 9 September 2019 - 31 December 2020 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 "Auditors' 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 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objective is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. 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 taken on the basis of these 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 misstatements in 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.

## Independent Auditors' Report

- \* 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 auditors' 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 auditors' 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 which we identify during our audit.

### Statement on 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 can 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 misstatements of the Management's review.

Aarhus, 19 May 2021

**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

<b>Company</b>	Jörd International A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	40804781
<b>Board of Directors</b>	Hanne Søndergaard, Chairman Peter Giørtz-Carlson
<b>Executive Board</b>	Rasmus Malmbak Kjeldsen
<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 in production and sale of plant-based products.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 9 September 2019 - 31 December 2020 shows a result of kDKK -33.975 and the Balance Sheet at 31 December 2020 a balance sheet total of kDKK 38.219 and an equity of kDKK -33.575. 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 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 will be re-established through a capital injection from the 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.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Jörd International A/S for 2019/20 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.

As the financial year 2019/20 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements. 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 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.



## Accounting Policies

### 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, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, 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

### 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 data 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

5-10 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.

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

## Accounting Policies

### 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.

### 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.

### Financial liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost.

### Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Jörd International A/S

### Income Statement

	Note	2019/20 kDKK
<b>Gross profit/loss</b>		<b>-43.260</b>
Depreciation and impairment losses		-105
<b>Operating profit/loss</b>		<b>-43.365</b>
Financial income	1	51
Financial costs	2	-243
<b>Profit/loss before tax</b>		<b>-43.557</b>
Tax	3	9.582
<b>Profit/loss for the year</b>		<b>-33.975</b>
<b>Proposed distribution of results</b>		
Retained earnings		-33.975
<b>Distribution of profit/loss</b>		<b>-33.975</b>

**Balance Sheet as of 31 December**

	Note	2020 kDKK
<b>Assets</b>		
Plant and machinery	4	4.087
Property, plant and equipment in progress	5	10.518
<b>Property, plant and equipment</b>		<b>14.605</b>
<b>Non-current assets</b>		
		<b>14.605</b>
Raw materials and consumables		1.331
Finished goods and goods for resale		2.180
<b>Inventories</b>		<b>3.511</b>
Receivables from group companies		3.934
Current tax		10.368
Other receivables		5.801
<b>Receivables</b>		<b>20.103</b>
<b>Current assets</b>		
		<b>23.614</b>
<b>Assets</b>		<b>38.219</b>

**Balance Sheet as of 31 December**

	Note	2020 kDKK
<b>Liabilities and equity</b>		
Contributed capital		400
Retained earnings		-33.975
<b>Equity</b>		<u><b>-33.575</b></u>
Deferred tax		786
<b>Provisions</b>		<u><b>786</b></u>
Trade payables		14.489
Payables to group companies		55.458
Other payables		1.061
<b>Short-term liabilities</b>		<u><b>71.008</b></u>
<b>Liabilities other than provisions</b>		<u><b>71.008</b></u>
<b>Liabilities and equity</b>		<u><b>38.219</b></u>
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## Jörd International A/S

### Statement of changes in Equity

kDKK

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 9 September 2019	400	0	400
Profit (loss)	0	-33.975	-33.975
<b>Equity 31 December 2020</b>	<b>400</b>	<b>-33.975</b>	<b>-33.575</b>

The Company's share capital is kDKK 400 divided into shares of kDKK 1 or any multiple thereof.

The share capital has remained during 2019 and 2020.

## Notes

### 1. Other finance income

	2019/20 kDKK
Other financial income	51
	<u>51</u>

### 2. Financial costs

Financial costs regarding group companies	242
Other financial costs	1
	<u>243</u>

### 3. Tax

Current income tax	-10.368
Change in deferred tax	786
	<u>-9.582</u>

### 4. Plant and machinery

Cost at the beginning of the year	0
Addition during the year	4.192
<b>Cost at the end of the year</b>	<u><b>4.192</b></u>

Depreciation at the beginning of the year	0
Depreciation for the year	-105
<b>Depreciation at the end of the year</b>	<u><b>-105</b></u>

<b>Carrying amount at the end of the year</b>	<u><b>4.087</b></u>
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### 5. Property, plant and equipment in progress

Cost at the beginning of the year	0
Addition during the year	10.518
<b>Cost at the end of the year</b>	<u><b>10.518</b></u>

<b>Carrying amount at the end of the year</b>	<u><b>10.518</b></u>
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### 6. Uncertainties relating to going concern

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. The equity will be re-established in 2021 through a capital injection from the owner company, and it is the management's opinion that the annual report can be completed with continued operation in mind.

## Notes

### **7. Contingent assets and liabilities**

No contingent liabilities exist at the balance sheet date.

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.

### **8. 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.