Jörd International A/S

Sønderhøj 14

8260 Viby J

CVR No. 40804781

Annual Report 2023

The Annual Report was presented and
approved at the Annual General Meeting of
the Company on 6 June 2024

DocuSigned by:
Jesper Blauenfeldt
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Jesper Blauenfeldt
Chairman

Contents

Management's Statement

Today, Management has considered and approved the Annual Report of Jörd International A/S for the financial year 1 January 2023 - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

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, 6 June 2024

Executive Board

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Jakob Bernhard Knudsen
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Jakob Bernhard Knudsen

Board of Directors

DocuSigned by: Patrik Anders Elon Hansson 54AC26F3EF114CB...	DocuSigned by: Peter Giørtz-Carlsen E49156D9C12B41E...	DocuSigned by: Simon Dominic Stevens 914658683566E421...
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 2023 - 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023 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 scepticism 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, 6 June 2024

EY Godkendt Revisionspartnerselskab
CVR-no. 30700228

DocuSigned by:
Jan Krarup Mortensen
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Jan Krarup Mortensen
State Authorised Public Accountant
mne40030

Company information

Company	Jörd International A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	40804781
Board of Directors	Patrik Hansson Peter Giørtz-Carlsen Simon Dominic Stevens
Executive Board	Jakob Bernhard Knudsen
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 2023 - 31 December 2023 shows a result of kDKK -50.660 and the Balance Sheet at 31 December 2023 a balance sheet total of kDKK 158.971 and an equity of kDKK 21.952. The result is lower than expected for the year. The lower than expected result is mainly driven by increased production and marketing costs which were not fully offset in the positive revenue development. Plant-based products are still in a growth development phase, therefore costs for marketing, promotion and production are significant.

Capital losses
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 result before tax between -20 and 0 mDKK in 2024. The positive development is driven by expectations relating to new product releases.

Accounting Policies

Reporting Class
The Annual Report of Jörd International A/S for 2023 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 costs.

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

Income from the sale of goods is recognized in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardized terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

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 debitors, 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.

Accounting Policies

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.

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 costs 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 seperately depreciated if the usefull 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.

Accounting Policies

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.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs and other costs directly related to the purchase.

Finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries.

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.

Accounting Policies

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

Financial liabilities are recognized at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate.

Liablilities are measured at amortised cost.

Income Statement

	Note	2023 kDKK	2022 kDKK
Gross profit/loss		**-50.024**	**-44.776**
Depreciation and impairment losses		-8.191	-3.433
Operating profit/loss		**-58.215**	**-48.209**
Financial income	1	44	89
Financial costs	2	-3.018	-1.078
Profit/loss before tax		**-61.189**	**-49.198**
Tax	3	10.529	13.584
Profit/loss for the year		**-50.660**	**-35.614**
Proposed distribution of results			
Retained earnings		-50.660	-35.614
Distribution of profit/loss		**-50.660**	**-35.614**

Balance Sheet as of 31 December

	Note	2023 kDKK	2022 kDKK
Assets			
Development projects in progress	4	4.098	414
Intangible assets		**4.098**	**414**
Land and buildings	5	10.751	11.124
Plant and machinery	6	60.773	66.995
Property, plant and equipment in progress	7	47.815	15.927
Property, plant and equipment		**119.339**	**94.046**
Non-current assets		**123.437**	**94.460**
Raw materials and consumables		6.136	7.415
Finished goods and goods for resale		1.009	857
Inventories		**7.145**	**8.272**
Receivables from group companies	8	6.940	901
Current tax		14.935	14.285
Other receivables		6.514	5.646
Receivables		**28.389**	**20.832**
Current assets		**35.534**	**29.104**
Assets		**158.971**	**123.564**

Balance Sheet as of 31 December

	Note	2023 kDKK	2022 kDKK
Liabilities and equity			
Contributed capital		400	400
Retained earnings		21.552	-7.788
Equity		**21.952**	**-7.388**
Deferred tax		5.179	2.468
Provisions		**5.179**	**2.468**
Trade payables		24.469	15.190
Payables to group companies		107.371	113.294
Short-term liabilities		**131.840**	**128.484**
Liabilities other than provisions		**131.840**	**128.484**
Liabilities, provisions and equity		**158.971**	**123.564**
Contingent liabilities	9		
Related parties	10		

Jörd International A/S

Statement of changes in Equity

kDKK

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	400	-7.788	-7.388
Increase of capital	0	80.000	80.000
Profit (loss)	0	-50.660	-50.660
Equity 31 December 2023	**400**	**21.552**	**21.952**

The Company's share capital is DKK 400.002 divided into shares of DKK 1 or any multiple thereof.

The share capital has increased by DKK 1 in 2023.

Notes

	2023	2022
	kDKK	kDKK

1. Finance income

	2023 kDKK	2022 kDKK
Financial income from group companies	7	0
Other financial income	37	89
	44	**89**

2. Financial costs

	2023 kDKK	2022 kDKK
Financial costs regarding group companies	3.018	1.010
Other financial costs	0	68
	3.018	**1.078**

3. Tax

	2023 kDKK	2022 kDKK
Current income tax	-14.935	-14.285
Adjustment for current income tax of previous years	1.695	-560
Change in deferred tax	2.711	1.769
Adjustment of deferred tax of previous years	0	-508
	-10.529	**-13.584**

4. Development projects in progress

	2023 kDKK	2022 kDKK
Cost at 1 January	414	0
Additions	3.684	414
Cost at 31 December	**4.098**	**414**
Carrying amount at the end of the year	**4.098**	**414**

5. Land and buildings

	2023 kDKK	2022 kDKK
Cost at 1 January	11.186	0
Additions	0	3.136
Transfers	0	8.050
Cost at 31 December	**11.186**	**11.186**
Depreciation and impairments at 1 January	-62	0
Depreciation for the year	-373	-62
Depreciation and impairments at 31 December	**-435**	**-62**
Carrying amount at the end of the year	**10.751**	**11.124**

Notes

	2023 kDKK	2022 kDKK
6. Plant and machinery		
Cost at the beginning of the year	71.520	23.421
Additions	2	23.626
Transfers	1.594	24.473
Cost at the end of the year	**73.116**	**71.520**
Depreciation at the beginning of the year	-4.525	-1.154
Depreciation for the year	-7.818	-3.371
Depreciation at the end of the year	**-12.343**	**-4.525**
Carrying amount at the end of the year	**60.773**	**66.995**

7. Property, plant and equipment in progress

	2023	2022
Cost at the beginning of the year	15.926	32.523
Additions	33.483	19.063
Transfers	-1.594	-35.659
Cost at the end of the year	**47.815**	**15.927**
Carrying amount at the end of the year	**47.815**	**15.927**

8. Payables to group companies

The Company participates in the cash pool arrangement for Arla Foods Group, managed by Arla Foods Finance A/S. As part of the cash pool, the Company participates in the In-House Bank and holds SAP bank accounts that is deemed as an external bank account from the Company's point of view with balances being booked as intercompany asset/liability.

The conditions outlined within the cash pooling agreement grant the right to mutually offset withdrawals and deposits, resulting in only the net balance of all pooled accounts being reflected as Arla Foods Finance A/S' balance within the In-House bank.

The amount recognized as payables to group companies relating to the cash pool agreement for Jörd International A/S amounts to 71.117 kDKK as of 31. December 2023. (2022: 80.004 kDKK).

9. Contingent liabilities

Contractual commitments consist of purchase commitments and operating rent and lease commitments. In total these commitments amounts to 19 mDKK in 2023 and 40 mDKK in 2022.

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

10. 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.