

Arla Foods Arinco A/S

Sønderhøj 14

8260 Viby J

CVR No. 43065726

Annual Report 17.02-31.12.2022

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

Jesper Blauenfeldt
Chairman

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Management's Statement

Today, Management has considered and approved the Annual Report of Arla Foods Arinco A/S for the financial year 17 February 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 17 February 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 approved at the Annual General Meeting.

Aarhus, 22 June 2023

Executive Board

Klaus Kristiansen

Board of Directors

Henrik Højen Andersen
Chairman

John Duus Andresen

Luis Cubel

Independent Auditor's Report

To the shareholders of Arla Foods Arinco A/S

Opinion

We have audited the financial statements of Arla Foods Arinco A/S for the financial year 17 February 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 its operations for the financial year 17 February 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of 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 responsibility 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 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

Arla Foods Arinco A/S

Company details

Company	Arla Foods Arinco A/S Sønderhøj 14 8260 Viby J
CVR No.	43065726
Financial year	17 February 2022 - 31 December 2022
Board of Directors	Henrik Højen Andersen, Chairman John Duus Andresen Luis Cubel
Executive Board	Klaus Kristiansen
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 leasing of production equipment.

Development in activities and the financial situation

The Company's Income Statement of the financial year 17 February 2022 - 31 December 2022 shows a result of kDKK 649 and the Balance Sheet at 31 December 2022 a balance sheet total of kDKK 16.170 and an equity of kDKK 13.049.

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 0 and 2 mDKK.

Accounting Policies

Reporting Class

The annual report of Arla Foods Arinco A/S for 17.02-31.12.2022 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.

As the financial year 17.02-31.12.2022 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is presented in 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 is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Financial income and costs

Financial income and costs are recognised in the income statement based at the amounts that concern the financial year. Financial income and costs include interest revenue and costs, financial costs 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 advance-payment of tax scheme.

Tax on net profit 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).

Accounting Policies

Balance sheet

Receivables

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

Liabilities

Liabilities are measured at amortised cost.

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

Current tax liabilities and receivables

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.

Income Statement

		17.02-31.12.2022
	Note	kDKK
Gross profit		0
Financial income	1	372
Financial costs	2	-21
Profit before tax		351
Tax	3	298
Profit for the year		649
 Proposed distribution of results		
Retained earnings		649
Distribution of profit		649

Balance Sheet as of 31 December

	Note	2022 kDKK
Assets		
Leasing receivables		10.417
Financial assets		10.417
Non-current assets		10.417
Receivables from group companies		2.944
Current tax		298
Other receivables		2.511
Receivables		5.753
Current assets		5.753
Assets		16.170

Balance Sheet as of 31 December

	Note	2022 kDKK
Liabilities and equity		
Contributed capital		12.400
Retained earnings		649
Equity		13.049
Payables to group companies		3.121
Short-term liabilities		3.121
Liabilities		3.121
Liabilities and equity		16.170
Contingent liabilities	4	
Related parties	5	

Statement of changes in Equity

kDKK

	Contributed capital	Retained earnings	Total
Equity 17 February 2022	12.400	0	12.400
Profit (loss)	0	649	649
Equity 31 December 2022	12.400	649	13.049

The contributed capital consist of 12.400 shares of nominel DKK 100.

Notes

17.02-31.12.202
2
kDKK

1. Financial income

Financial income from group companies

372
372

2. Finance expenses

Financial costs from group companies

21
21

3. Tax

Current income tax

298
298

4. Contingent 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.

5. 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.