

# **Arla Foods Distribution A/S**

Sønderhøj 14

8260 Viby J

CVR No. 62384514

## **Annual Report 2021**

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

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Peter Stenholt Randrup  
Chairman

**Contents**

Management's Statement	3
Independent Auditors' Report	4
Company Information	6
Management's Review	7
Key Figures and Financial Ratios	8
Accounting Policies	9
Income Statement	13
Balance Sheet	14
Statement of changes in Equity	16
Notes	17

## **Management's Statement**

Today, Management has considered and approved the Annual Report of Arla Foods Distribution 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 approved at the Annual General Meeting.

Aarhus, 23 May 2022

### **Executive Board**

Peter Møller

### **Board of Directors**

Helle Müller Petersen  
Chairman

Uffe Pedersen

Mogens Kaspersen

## **Independent auditor's report**

**To the shareholders of Arla Foods Distribution A/S**

### **Opinion**

We have audited the financial statements of Arla Foods Distribution 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 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.
- \* 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 Statement 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

## Arla Foods Distribution A/S

### Company details

<b>Company</b>	Arla Foods Distribution A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	62384514
Registered office	Aarhus
<b>Board of Directors</b>	Helle Müller Petersen, Chairman Uffe Pedersen Mogens Kaspersen
<b>Executive Board</b>	Peter Møller
<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 handling and distribution of dairy products in Denmark.

### **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 40.293 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 300.035 and an equity of DKK 121.668. The profit before tax and revenue for the year is in line with the expectations for 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.

### **Expectations for the future**

The Company expects a profit before tax in the range of 40 and 50 mDKK and a revenue in the range of 750 and 850 mDKK for the coming year as the activity is expected to be on the same level. The impact of COVID-19 is not expected to become material.

### **Environmental issues**

Building on the successful piloting of using biogas from cow manure to fuel distribution vehicles Arla has expanded the fleet to 7 biogas trucks and 10 more to be delivered in 2022. The evaluation shows that the electrical vehicle pilot has been successful and Arla is investigating opportunities to expand the fleet both internally and through partnerships. Improved transportation efficiencies through optimized logistics and close monitoring of fuel consumptions are other key elements to deliver on the sustainability agenda.

### **CSR reporting**

According to Section 99a of the Danish Financial Statements Act, no policy on the company's social responsibility has been prepared, as this is covered by the Group's overall CSR reporting, which can be downloaded at:

[www.arla.com/company/responsibility/csr-reports/](http://www.arla.com/company/responsibility/csr-reports/)

### **Target figures and policies for the underrepresented gender cf. section 99b of the Danish Financial Statements Act**

The goal of the company is that the lesser represented gender represent 33% of the Board of Directors by the end of 2023. This target was achieved in 2020 and continues to be.

Other managerial positions are defined as the Executive Board. The Executive Board consist of only one person.

### **Data ethics**

According to Section 99d of the Danish Financial Statements Act, no policy on the company's data ethics has been prepared, as this is covered by the Group's overall CSR reporting, which can be downloaded at:

[www.arla.com/company/responsibility/csr-reports/](http://www.arla.com/company/responsibility/csr-reports/)

## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

*Numbers appear in kDKK*

	2021	2020	2019	2018	2017
Revenue	779.118	749.028	703.392	692.026	685.610
Operating profit	33.934	31.957	11.205	10.377	10.594
Net financials	14.486	12.524	10.376	9.721	19.684
Profit for the year	40.293	36.599	18.369	17.830	31.677
Investment in tangible assets	2.704	7.117	6.101	6.761	8.111
Total assets	300.035	316.026	279.615	302.710	313.178
Total equity	121.668	161.455	124.856	156.487	138.657
Profit margin (%)	4,36	4,26	1,59	1,51	1,55
Return on equity (ROE) (%)	28,46	24,43	13,01	12,08	25,79
Return on capital employed (%)	11,02	11,03	3,84	3,37	3,36
Solvency ratio (%)	40,55	53,26	44,65	51,71	44,27
Avg. number of full-time employees	955	925	906	924	918

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

Profit margin (%):

Operating profit (EBIT) X 100 / Revenue

Return on equity (%):

Profit/loss for the year X 100 / Avg. equity

Return on capital employed (%):

Operating profit X 100 / Avg. assets

Solvency ratio (%):

Total equity X 100 / Total liabilities



## **Accounting Policies**

### **Reporting Class**

The Annual Report of Arla Foods Distribution A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Company has decided not to include a cash flow statement due to Danish Financial Statements Act §86, 4.

The accounting policies applied remain unchanged from last year.

### **Consolidated Financial Statements**

With reference to § 112 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 Financial Costs.

## **General Information**

### **Income Statement**

#### **Revenue**

Revenue is recognised in the income statement when the goods or services 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, duties and net of sales discounts.

#### **Other operating income**

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

#### **Cost of goods & services**

Costs of goods and services comprise the cost of goods purchased less discounts, costs to subcontractors and change in inventories for the year.

#### **Other external costs**

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

#### **Staff costs**

Staff costs comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

#### **Depreciation, amortisation and impairment of tangible and intangible assets**

Depreciation, amortisation and impairment of tangible and intangible assets has been performed based on a continuing assessment of the useful life of the assets in the company.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

## Accounting Policies

### Income from investments in associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

### Financial income and costs

Financial income and costs are recognised in the Income Statement based on the amounts that concern the financial year.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

### 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).

## 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 separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets:

Buildings	20-30 years
Other assets:	3-5 years

## **Accounting Policies**

Land is not depreciated.

All leasing contracts are classified as operational leasing. All payments are recognized in the income statement through out the contract period. The liability in regards to leasing and rent are published in the notes.

The carrying amounts of intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

### **Investments in associates**

Investments in associates are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Entities having a negative equity value are recognised at kDKK 0, and any amounts receivable from those entities are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant entity.

### **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 turnover rate of the 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.

### **Prepayments**

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### **Equity**

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

## **Accounting Policies**

Proposed dividend for the year is recognised as a separate item in equity.

Reserve for net revaluation according to the equity method comprises the revaluation of the investments in associations from the cost price. The reserve can be eliminated through losses, realization of investments or changes in accounting estimates. The reserve cannot be recognized with a negative number.

### **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 be recognized as current tax.

### **Current tax 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.

## Income Statement

	Note	2021 kDKK	2020 kDKK
Revenue	1	779.118	749.028
Cost of goods & services		-178.055	-160.730
Other external costs		-76.228	-80.848
<b>Gross profit</b>		<b>524.835</b>	<b>507.450</b>
Staff costs	2	-483.559	-466.770
Depreciation, amortisation and impairment losses		-7.342	-8.723
<b>Operating profit</b>		<b>33.934</b>	<b>31.957</b>
Income from investments in associates		13.248	11.891
Financial income	3	1.284	645
Financial costs		-46	-12
<b>Profit before tax</b>		<b>48.420</b>	<b>44.481</b>
Tax expense on ordinary activities	4	-8.127	-7.882
<b>Profit for the year</b>		<b>40.293</b>	<b>36.599</b>
<b>Proposed distribution of results</b>	5		
Proposed dividend recognised in equity		40.000	80.000
Reserve for net revaluation according to equity method		13.248	11.891
Retained earnings		-12.955	-55.292
<b>Distribution of profit</b>		<b>40.293</b>	<b>36.599</b>

## Balance Sheet as of 31 December

	Note	2021 kDKK	2020 kDKK
<b>Assets</b>			
IT and other development projects	6	0	0
<b>Intangible assets</b>		<b>0</b>	<b>0</b>
Land and buildings	7	40.731	42.330
Fixtures, fittings, tools and equipment	8	16.660	19.449
Property, plant and equipment in progress	9	3.237	3.608
<b>Property, plant and equipment</b>		<b>60.628</b>	<b>65.387</b>
Investments in associates	10, 11	41.738	41.070
<b>Investments</b>		<b>41.738</b>	<b>41.070</b>
<b>Fixed assets</b>		<b>102.366</b>	<b>106.457</b>
Finished goods and goods for resale		3.192	3.004
<b>Inventories</b>		<b>3.192</b>	<b>3.004</b>
Trade receivables		7.132	7.745
Receivables from group companies		185.013	179.847
Other receivables		1.592	18.233
Prepayments		735	735
<b>Receivables</b>		<b>194.472</b>	<b>206.560</b>
<b>Cash and cash equivalents</b>		<b>5</b>	<b>5</b>
<b>Current assets</b>		<b>197.669</b>	<b>209.569</b>
<b>Assets</b>		<b>300.035</b>	<b>316.026</b>

## Balance Sheet as of 31 December

	Note	2021 kDKK	2020 kDKK
<b>Liabilities and equity</b>			
Contributed capital		10.001	10.001
Reserve for net revaluation according to equity method		7.238	6.570
Retained earnings		64.429	64.884
Proposed dividend recognised in equity		40.000	80.000
<b>Equity</b>		<b>121.668</b>	<b>161.455</b>
Deferred tax	12	3.224	1.129
<b>Provisions</b>		<b>3.224</b>	<b>1.129</b>
Trade payables		95.548	61.224
Payables to group companies		50.097	54.904
Current tax		7.863	9.328
Other payables		21.635	27.986
<b>Short-term liabilities</b>		<b>175.143</b>	<b>153.442</b>
<b>Liabilities other than provisions</b>		<b>175.143</b>	<b>153.442</b>
<b>Liabilities and equity</b>		<b>300.035</b>	<b>316.026</b>
Contingent liabilities	13		
Collaterals and assets pledged as security	14		
Related parties	15		

## Statement of changes in Equity

	Contributed capital	Retained earnings	Reserve for net revaluation ac- cording to equity method	Proposed dividend recognised in equity	Total
Equity 1 January 2021	10.001	64.884	6.570	80.000	161.455
Changes of equity through corrections of errors	0	0	-80	0	-80
Dividend paid	0	0	0	-80.000	-80.000
Dividend received	0	12.500	-12.500	0	0
Proposed dividend	0	0	0	40.000	40.000
Profit (loss)	0	-12.955	13.248	0	293
<b>Equity 31 December 2021</b>	<b>10.001</b>	<b>64.429</b>	<b>7.238</b>	<b>40.000</b>	<b>121.668</b>

The Company's share capital is kDKK 10,001 divided into shares of kDKK 1 or any multiple thereof.

The share capital has remained unchanged for the last 5 years.



## Notes

	2021 kDKK	2020 kDKK
<b>1. Revenue</b>		
Distribution and transportation of dairy goods	766.643	742.672
Sales of transportation services and non-dairy goods	12.475	6.356
	<b>779.118</b>	<b>749.028</b>
<b>2. Staff costs</b>		
Wages and salaries	442.162	426.949
Pension	39.365	37.786
Social security contributions	2.032	2.035
	<b>483.559</b>	<b>466.770</b>
Average number of employees	955	925
The disclosure of remuneration to Management is omitted due to the Danish Financial Statements Act § 98b.		
	2021 kDKK	2020 kDKK
<b>3. Financial income</b>		
Other financial income	4	12
Financial income from group companies	1.280	633
	<b>1.284</b>	<b>645</b>
<b>4. Tax</b>		
Current income tax	7.863	9.328
Change in deferred tax	396	-1.444
Adjustment for current income tax of previous years	-1.831	1.760
Adjustment for deferred tax of previous years	1.699	-1.762
	<b>8.127</b>	<b>7.882</b>
<b>5. Distribution of profit</b>		
Proposed dividend	40.000	80.000
Reserve for net revaluation according to equity method	13.248	11.891
Retained earnings	-12.955	-55.292
	<b>40.293</b>	<b>36.599</b>
<b>6. IT and other development projects</b>		
Cost at 1 January	11.170	11.170
<b>Cost at 31 December</b>	<b>11.170</b>	<b>11.170</b>
Amotisation and impairments at 1 January	-11.170	-10.970
Amortisation for the year	0	-200
<b>Amortisation and impairments at 31 December</b>	<b>-11.170</b>	<b>-11.170</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>

## Notes

	2021 kDKK	2020 kDKK
<b>7. Land and buildings</b>		
Cost at 1 January	152.673	150.468
Addition during the year	786	1.344
Disposal during the year	-283	0
Transfers during the year to other items	456	861
<b>Cost at 31 January</b>	<b>153.632</b>	<b>152.673</b>
Depreciation and impairments at 1 January	-110.344	-107.811
Depreciation for the year	-2.722	-2.532
Reversal of impairment losses and depreciation of disposed assets	165	0
<b>Depreciation and impairments at 31 December</b>	<b>-112.901</b>	<b>-110.343</b>
<b>Carrying amount at 31 December</b>	<b>40.731</b>	<b>42.330</b>
<b>8. Fixtures, fittings, tools and equipment</b>		
Cost at 1 January	308.007	302.243
Addition during the year	502	3.239
Transfers during the year from other items	1.331	2.525
<b>Cost at 31 December</b>	<b>309.840</b>	<b>308.007</b>
Depreciation and impairments at 1 January	-288.558	-283.721
Depreciation for the year	-4.622	-4.837
<b>Depreciation and impairments at 31 December</b>	<b>-293.180</b>	<b>-288.558</b>
<b>Carrying amount at 31 December</b>	<b>16.660</b>	<b>19.449</b>
<b>9. Property, plant and equipment in progress</b>		
Cost at 1 January	3.608	4.460
Addition during the year	1.416	2.534
Transfers during the year to other items	-1.787	-3.386
<b>Cost at 31 December</b>	<b>3.237</b>	<b>3.608</b>
<b>Carrying amount at 31 December</b>	<b>3.237</b>	<b>3.608</b>
<b>10. Disclosure of investments in associates</b>		
<i>Associates</i>		
	Share held in	
<b>Name</b>	<b>Registered office</b>	<b>%</b>
Cocio Chokolademælk A/S	Esbjerg	50,00
	</	

## Notes

	2021 kDKK	2020 kDKK
<b>11. Investments in associates</b>		
Cost at 1 January	34.500	34.500
<b>Cost at 31 December</b>	<b>34.500</b>	<b>34.500</b>
Fair value adjustments at 1 January	6.570	17.179
Adjustment to prior years	-80	0
Result of the year	13.248	11.891
Dividends	-12.500	-22.500
<b>Fair value adjustments at 31 December</b>	<b>7.238</b>	<b>6.570</b>
<b>Carrying amount at 31 December</b>	<b>41.738</b>	<b>41.070</b>
<b>12. Deferred tax</b>		
Deferred tax at the beginning of the year	1.129	4.335
Deferred tax adjustment for the year	396	-1.444
Deferred tax adjustment previous years	1.699	-1.762
<b>Balance at the end of the year</b>	<b>3.224</b>	<b>1.129</b>

**13. Contingent liabilities**

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.

Operational rent- and lease contracts amounts to DKK 117 million, compared to DKK 135 million in 2020.

**14. Collaterals and securities**

Arla Foods Distribution A/S owns buildings on leased land. The land is owned by Arla Foods Amba. Arla Foods Amba has provided security in land and buildings, to a value of 208m DKK. Included in this amount, is Arla Foods Distribution A/S' buildings book value of 41m DKK.

## Notes

### 15. Related parties

The company is a wholly owned subsidiary of the Arla Group. Arla Foods Holding A/S owns 100% of the shares in the company. The company is a part of the consolidated financial statements of Arla Foods a.m.b.a. The consolidated financial statements can be obtained at the following address: Arla Foods a.m.b.a, Sønderhøj 14, 8260 Viby J, Denmark.

Arla Foods Distribution A/S' related parties are the company's management, other companies in Arla Foods Group as well as the owners of the ultimate parent company and its management and directors.

Related party transactions:

<b>Other group companies</b>	<b>2021</b>	<b>2020</b>
	<b>kDKK</b>	<b>kDKK</b>
Sale of good & services	75	0
Other internal cost recharged	4.817	-147
Interest on intercompany loans	1.282	638
Receivable from group companies	183.238	93.244
Payables to group companies	298	531
Dividend received from associates	12.500	22.500
<b>Parent company</b>		
Sale of goods & services	665.883	640.883
Other internal cost recharged	12.070	39.086
Interest on intercompany loans	5	-5
Receivable from group companies	0	86.603
Payables to group companies	51.543	54.904
Dividend paid	80.000	0