

Arla Foods Distribution A/S

Sønderhøj 14

8260 Viby J

CVR No. 62384514

Annual Report 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 Distribution A/S for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Aarhus, 22 June 2023

Executive Board

Bo Svane
Man. Director

Board of Directors

Henrik Lilballe Hansen
Chairman

Uffe Pedersen

Morten Holm

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 2022 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 22 June 2022

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Jan Krarup Mortensen

State Authorised Public Accountant

mne40030

Arla Foods Distribution A/S

Company details

Company	Arla Foods Distribution A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	62384514
Registered office	Aarhus
Board of Directors	Henrik Lilballe Hansen, Chairman Uffe Pedersen Morten Holm
Executive Board	Bo Svane
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 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 2022 - 31 December 2022 shows a result of DKK 43.979 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 261.750 and an equity of DKK 125.647. The profit before tax and revenue for the year is in line with the expectations for the year.

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 more to be delivered in 2023. 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

The Danish Financial Statements Act §99 a.

In accordance with §99 a of the Danish Financial Statements Act, we have not included a statement of our corporate social responsibility in this Annual report, as this is covered by Arla Foods amba's (CVR-nr. 25313763) CSR report, which is a part of the consolidated annual report.

- <https://www.arla.com/company/investor/annual-reports/>

The Danish Financial Statements Act §99 b.

The goal of the company is that the lesser represented gender represent 33% of the Board of Directors by the end of 2023. The target has been achieved until changes in the board in 2022. The lesser represented gender now represents 0% in the current board. The target is unchanged.

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

Data ethics

The Danish Financial Statements Act §99 d.

No policy on the company's data ethics has been prepared, as this is covered by the Arla Foods amba's (CVR-nr. 25313763) overall CSR reporting, which can be read on the company's website as a part of the Consolidated annual report.

- <https://www.arla.com/company/investor/annual-reports/>

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 800 and 900 mDKK for the coming year as the activity is expected to be on the same level.

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

	2022	2021	2020	2019	2018
Revenue	862.483	779.118	749.028	703.392	692.026
Operating profit	38.780	33.934	31.957	11.205	10.377
Net financials	15.092	14.486	12.524	10.376	9.721
Profit for the year	43.979	40.293	36.599	18.369	17.830
Investment in tangible assets	16.066	2.704	7.117	6.101	6.761
Total assets	261.750	300.035	316.026	279.615	302.710
Total equity	125.647	121.668	161.455	124.856	156.487
Profit margin (%)	4,5	4,36	4,26	1,59	1,51
Return on equity (ROE) (%)	35,57	28,46	24,43	13,01	12,08
Return on capital employed (%)	13,81	11,02	11,03	3,84	3,37
Solvency ratio (%)	48	40,55	53,26	44,65	51,71
Avg. number of full-time employees	978	955	925	906	924

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 2022 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

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.

General Information

Income Statement

Revenue

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

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT duties and net of sales discounts.

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.

Accounting Policies

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.

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 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.

Accounting Policies

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

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

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

Accounting Policies

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.

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.

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

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

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Income Statement

	Note	2022 kDKK	2021 kDKK
Revenue	1	862.483	779.118
Other operating income		46	0
Cost of goods & services		-201.386	-178.055
Other external costs		-105.961	-76.228
Gross profit		555.182	524.835
Staff costs	2	-509.137	-483.559
Depreciation, amortisation and impairment losses		-7.265	-7.342
Operating profit		38.780	33.934
Income from investments in associates		13.622	13.248
Financial income	3	1.470	1.284
Financial costs		0	-46
Profit before tax		53.872	48.420
Tax expense on ordinary activities	4	-9.893	-8.127
Profit for the year	5	43.979	40.293
Proposed distribution of results	5		
Proposed dividend recognised in equity		40.000	40.000
Reserve for net revaluation according to equity method		13.622	13.248
Retained earnings		-9.643	-12.955
Distribution of profit		43.979	40.293

Balance Sheet as of 31 December

	Note	2022 kDKK	2021 kDKK
Assets			
IT and other development projects	6	0	0
Intangible assets		0	0
Land and buildings	7	39.947	40.731
Fixtures, fittings, tools and equipment	8	15.916	16.660
Property, plant and equipment in progress	9	13.565	3.237
Property, plant and equipment		69.428	60.628
Investments in associates	10, 11	42.860	41.738
Investments		42.860	41.738
Fixed assets		112.288	102.366
Finished goods and goods for resale		3.721	3.192
Inventories		3.721	3.192
Trade receivables		7.758	7.132
Receivables from group companies		137.823	185.013
Other receivables		155	1.592
Prepayments		0	735
Receivables		145.736	194.472
Cash and cash equivalents		5	5
Current assets		149.462	197.669
Assets		261.750	300.035

Balance Sheet as of 31 December

	Note	2022 kDKK	2021 kDKK
Liabilities and equity			
Contributed capital		10.001	10.001
Reserve for net revaluation according to equity method		8.360	7.238
Retained earnings		67.286	64.429
Proposed dividend recognised in equity		40.000	40.000
Equity		125.647	121.668
Deferred tax	12	2.922	3.224
Provisions		2.922	3.224
Trade payables		102.421	95.548
Payables to group companies		11	50.097
Current tax		10.506	7.863
Other payables		20.243	21.635
Short-term liabilities		133.181	175.143
Liabilities other than provisions		133.181	175.143
Liabilities, provisions and equity		261.750	300.035
Contingent liabilities	13		
Collaterals and assets pledges as security	14		
Related parties	15		
Events after the balance sheet date	16		

Statement of changes in Equity

	Contributed capital	Retained earnings	Reserve for net reval- uation ac- cording to equity method	Proposed dividend recognised in equity	Total
Equity 1 January 2022	10.001	64.429	7.238	40.000	121.668
Dividend paid				-40.000	-40.000
Dividend received		12.500	-12.500		0
Profit (loss)		-9.643	13.622	40.000	43.979
Equity 31 December 2022	10.001	67.286	8.360	40.000	125.647

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

	2022 kDKK	2021 kDKK
1. Revenue		
Distribution and transportation of dairy goods	851.541	766.643
Sales of transportation services and non-dairy goods	10.942	12.475
	862.483	779.118
2. Staff costs		
Wages and salaries	465.134	442.162
Pension	41.940	39.365
Social security contributions	2.063	2.032
	509.137	483.559
Average number of employees	978	955
The disclosure of remuneration to Management is omitted due to the Danish Financial Statements Act § 98b.		
3. Financial income		
Other financial income	0	4
Financial income from group companies	1.470	1.280
	1.470	1.284
4. Tax		
Current income tax	10.506	7.863
Change in deferred tax	12	396
Adjustment for current income tax of previous years	-311	-1.831
Adjustment for deferred tax of previous years	-314	1.699
	9.893	8.127
5. Distribution of profit		
Proposed dividend	40.000	40.000
Reserve for net revaluation according to equity method	13.622	13.248
Retained earnings	-9.643	-12.955
	43.979	40.293
6. IT and other development projects		
Cost at 1 January	11.170	11.170
Cost at 31 December	11.170	11.170
Amortisation and impairments at 1 January	-11.170	-11.170
Amortisation and impairments at 31 December	-11.170	-11.170
Carrying amount at 31 December	0	0

Notes

	2022 kDKK	2021 kDKK
7. Land and buildings		
Cost at 1 January	153.632	152.673
Addition during the year	0	786
Disposal during the year	0	-283
Transfers during the year to other items	2.087	456
Cost at 31 January	155.719	153.632
Depreciation and impairments at 1 January	-112.902	-110.344
Depreciation for the year	-2.870	-2.722
Reversal of impairment losses and depreciation of disposed assets	0	165
Depreciation and impairments at 31 December	-115.772	-112.901
Carrying amount at 31 December	39.947	40.731
8. Fixtures, fittings, tools and equipment		
Cost at 1 January	309.840	308.007
Addition during the year	2.515	502
Transfers during the year from other items	1.136	1.331
Cost at 31 December	313.491	309.840
Depreciation and impairments at 1 January	-293.180	-288.558
Depreciation for the year	-4.395	-4.622
Depreciation and impairments at 31 December	-297.575	-293.180
Carrying amount at 31 December	15.916	16.660
9. Property, plant and equipment in progress		
Cost at 1 January	3.237	3.608
Addition during the year	13.551	1.416
Transfers during the year to other items	-3.223	-1.787
Cost at 31 December	13.565	3.237
Carrying amount at 31 December	13.565	3.237
10. Disclosure of investments in associates		
<i>Associates</i>		
	Share held in	
Name	Registered office	%
Cocio Chokolademælk A/S	Esbjerg	50,00
	</	

Notes

	2022 kDKK	2021 kDKK
11. Investments in associates		
Cost at 1 January	34.500	34.500
Cost at 31 December	34.500	34.500
Fair value adjustments at 1 January	7.238	6.570
Adjustment to prior years	0	-80
Result of the year	13.622	13.248
Dividends	-12.500	-12.500
Fair value adjustments at 31 December	8.360	7.238
Carrying amount at 31 December	42.860	41.738
12. Deferred tax		
Deferred tax at the beginning of the year	3.224	1.129
Deferred tax adjustment for the year	12	396
Deferred tax adjustment previous years	-314	1.699
Balance at the end of the year	2.922	3.224

13. Contingent liabilities

Operational rent and lease contracts amounts to 101 mDKK, compared to 117 mDKK in 2021.

The company has joint and several tax liability, with other Danish group companies for company taxes. This also includes withholding taxes on dividends, interest and royalties within the group. The total known net tax liability of the jointly taxed companies is shown in the management company's annual accounts of, Arla Foods Holding A/S CVR no. 27466052. Any subsequent corrections to co-taxation income and withholding tax etc. could result in the company's liability being higher or lower.

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 210 mDKK in 2022 compared to 208 mDKK in 2021. Included in this amount, is Arla Foods Distribution A/S' buildings book value of 40 mDKK in 2022 compared to 41 mDKK in 2021.

Notes

15. Related parties

The company is a wholly owned subsidiary of the Arla Foods 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:

Other group companies	2022	2021
	kDKK	kDKK
Sale of good & services	0	75
Other internal cost recharged	2.281	4.817
Interest on intercompany loans	1.472	1.282
Receivable from group companies	137.823	183.238
Payables to group companies	11	298
Dividend received from associates	0	12.500
Parent company		
Sale of goods & services	754.355	665.883
Other internal cost recharged	34.205	12.070
Interest on intercompany loans	-5	5
Receivable from group companies	0	0
Payables to group companies	0	51.543
Dividend paid	40.000	80.000

16. Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.