GOODVALLEY

Since 1994

Home of Quality

Annual Report 2023

Content

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We share our latest sustainability stories on social media throughout the year

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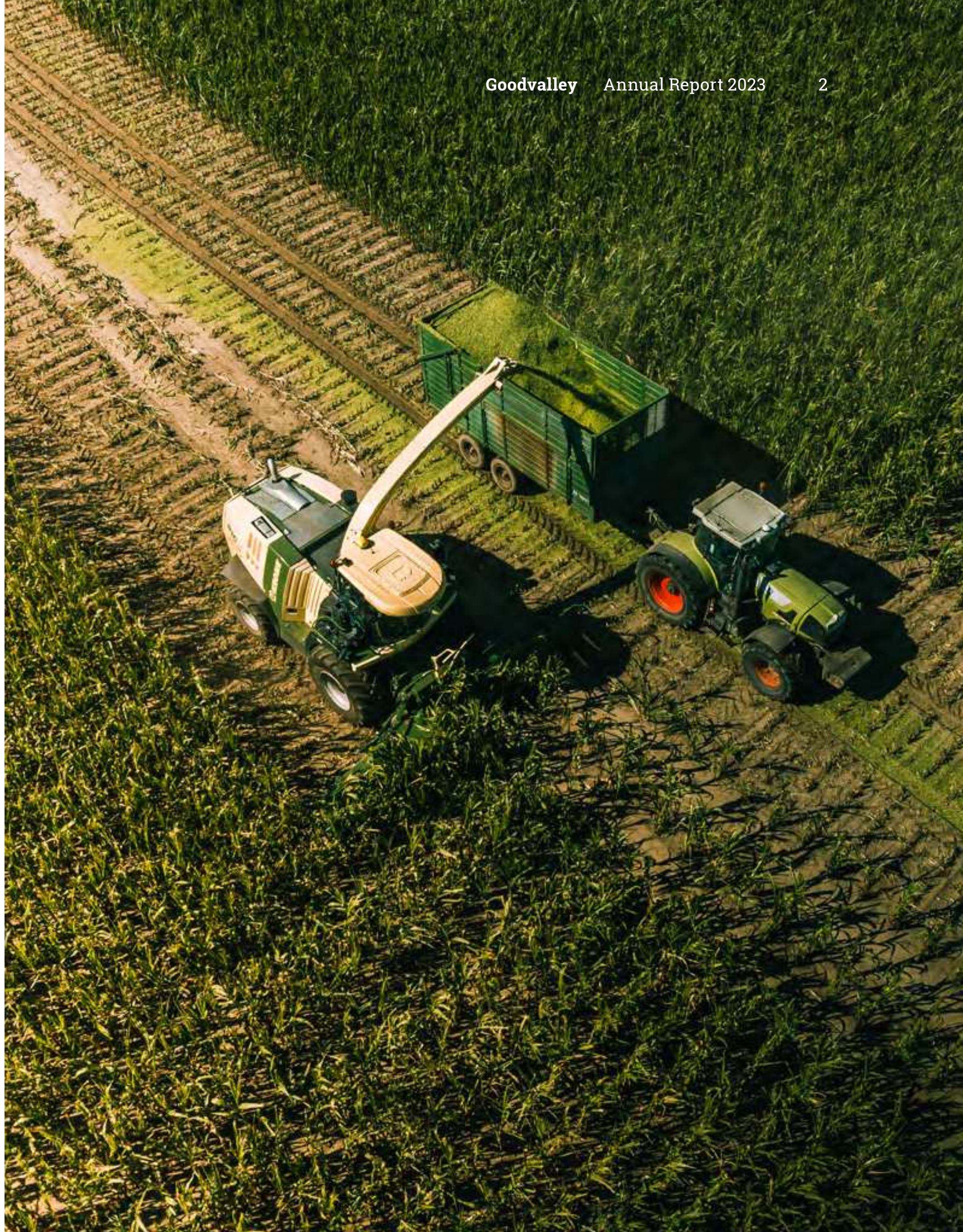


Overview

Goodvalley at a glance

Since 1994 Goodvalley has been a vertically integrated producer of pork meat operating its business in Eastern Europe.

The company was founded by Danish farmers on a vision of producing food as close to the market as possible, creating workplaces in the rural areas of the countries and securing both quality and safety of the end product, by operating and owning each step in the production cycle.

Danish farming principles and knowhow has laid the foundation for sustainable and efficient farming in countries with strong market drivers and prospects for growth and development.

Today the operations are located in Poland and Ukraine and comprised of arable production, feedmills, pig farming, production of fresh and processed meat, ingredients for animal feed and biogas production.

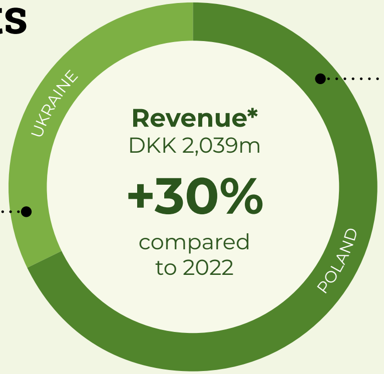
Goodvalley is among the largest pig producers in both Poland and Ukraine. In Ukraine our slaughter pigs are sold to local meat producers whereas in Poland the produced slaughter pigs are supplying our own abattoir for processing. Our range of high quality products are mainly offered to customers in Poland.

2023

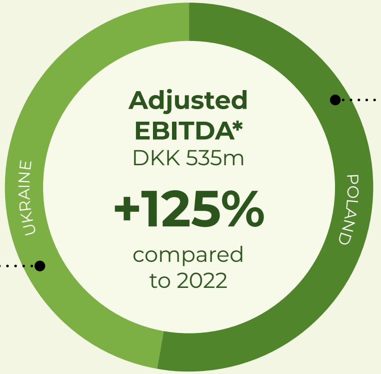
Facts and figures

Total results

Revenue was impacted by positive market dynamics and higher activity



Adjusted EBITDA was positively impacted by increased production efficiency and favorable market dynamics.



37 farms

We continuously invest in our well-diversified production network comprised of 37 farms, 1 slaughterhouse in Poland and 9 biogas plants in Poland and Ukraine.

1,769 employees

The continued education of our skilled and experienced employees forms the foundation for Goodvalley's development and success.

1.2 mio. pigs

Goodvalley continued to increase efficiency in our pig production divisions.

33,500 hectares

Goodvalley's land bank maintained stable with a total of **33,500** hectares of land similar to 2022. Cultivated land comprises 25,500 hectares.

SDGs

Sustainability is an integral part of Goodvalley's business model, and we continue to improve our sustainable and responsible production principles with reference to the SDGs.

* In this report, Adjusted EBITDA refers to EBITDA adjusted for herd price changes and non-recurring items, cf. page 76.

BUSINESS MODEL

Sustainability from field to fork

Resources

People
We base our business on the efforts and skill of our almost 1,800 employees who are continuously educated.

Knowledge
We leverage Danish pig production knowhow in the ongoing efforts to optimise operational efficiency.

Reputation
We benefit from Goodvalley's solid reputation as a good employer, partner and neighbour.

Facilities
We invest in our facilities throughout the value chain to ensure good production practices, animal welfare, sustainability and efficiency.

Natural resources
We rely on high-quality arable land and depend on local weather conditions and careful use of manure from the pig production when growing our own crops for feed.

Core activities

Value creation

Society
We contribute greatly to local communities as we stimulate growth, generate new jobs and share knowledge of modern and sustainable farming.

Climate
We constantly pursue initiatives to lower our emissions and impact on the climate.

Customers
We provide safe and sustainable high-quality products to customers and consumers in our markets and beyond.

Employees
We offer interesting work, continuous education and great career and development opportunities in a modern and well-renowned organisation.

Financial markets
We create long-term value for our shareholders by continuously building a stronger and more resilient business.

Value chain control

High quality and traceability

Reduced exposure to volatile input costs

Differentiates us from the bulk market

Sustainable production with focus on lowering emissions and carbon footprint

LETTER FROM THE EXECUTIVE BOARD

Dear reader!

For the last couple of years, the introduction to the annual report has been about respectable results despite the negative impact of extreme price fluctuations on pig meat or feed, bad weather, epidemics etc. and the year 2023 has also had its challenges for Goodvalley, the main one being Russia's tragic war against Ukraine which continues to spread death and misery in the country.

However, this year several other factors worked in our favor, which combined with a Goodvalley that is more focused than ever made 2023 a year which will truly stand out as very positive in terms of both financial and production results, which is better than the outlook reported in the annual report for 2022 as further described in this annual report for 2023.

Driven by a significant decline in European pig production, which followed the over-supply of pigs in 2022 prices went through the roof in 2023 which had a visible positive effect on the financial results in our Agro division in Poland and in the second half of the year pig prices in Ukraine picked up as well. This combined with our internal excellence projects gaining traction and showing results on important production KPIs such as pigs sold per sow, feed conversion ratio and increased capacity utilization in the slaughterhouse created the great results that we are presenting in this report.

Naturally, our Food division in Poland was negatively affected by the high prices on raw material but nevertheless we managed to land a result in Food which was significantly better than 2022, showing that our Dolina Dobra brand was well received by the Polish consumers and performs even in the toughest of times. We are confident that our strategic direction to move up in the value chain and become a fully integrated food producer with own branded products is right for Goodvalley and look forward to continuing the brand-building journey. We would like to thank all our Polish colleagues for being such a dedicated part of this important transformation of our business and for the great results made by all divisions in Goodvalley Poland in 2024.

In Ukraine, the year 2023 was another year of war and destruction in the surreal context of the Russian war against Ukraine but our Goodvalley employees managed to maintain a form of normality in everyday life and for another year in a long row didn't fail to deliver the outstanding production results that they are so well known for in the Goodvalley Group. We are impressed and grateful and apart from thanking each and every of our colleagues in Ukraine for all their hard and dedicated work we will show our trust and respect by investing in the expansion of the pig production in Goodvalley Ukraine starting with building the extra space to grow the surplus piglets that we are currently selling as piglets due to the lack of slaughter pig places.

Operating successfully in times and places of transition is deeply rooted in Goodvalley's DNA and we believe in a bright future for Ukraine and our business in Ukraine, which marks its 20th anniversary in 2024 along with another very significant milestone – the 30th anniversary of Goodvalley in Polen. Very much has happened in the world around us during these years but we firmly believe that Goodvalley stands strong and well-prepared for the next few decades.

Happy reading!

Kristian Brokop Jakobsen
CEO

Jesper Vikelsø Jensen
CFO

Financial highlights and key ratios

DKK million	2023	2022	2021	2020	2019
Income statement					
Revenue	2,039	1,573	1,292	1,463	1,526
Total income	2,123	1,780	1,336	1,429	1,644
Gross profit	670	499	316	345	474
EBITDA	555	386	199	233	354
Adjusted EBITDA	*535*	*238*	*193*	*316*	*274*
EBIT	417	246	64	71	207
Financial items, net	-59	-113	-37	-159	-18
Profit/(loss) for the year	357	26	49	-86	188
Adjusted profit/loss	*330*	*37*	*-1*	*93*	*59*
Cash flow					
Operating activity	459	100	75	178	205
Investing activity	-142	194	-96	-142	-83
Free cash flow	317	294	-21	36	121
Financing activity	-93	-262	46	12	-97
Balance sheet					
Non-current assets	1,495	1,424	1,886	1,858	2,105
Net working capital	684	673	615	460	585
Invested capital	2,179	2,097	2,501	2,318	2,691
Total assets	2,771	2,459	2,805	2,564	2,929
Equity	1,578	1,189	1,297	1,166	1,569
Net interest-bearing debt	494	806	1,081	1,042	1,057

DKK ‘000	2023	2022	2021	2020	2019
Share ratios					
Earnings per share, DKK	6.64	0.48	0.92	(1.6)	3.5
Key financials Group					
Gross margin	32.8%	31.7%	24.5%	23.6%	31.0%
EBITDA margin	27.2%	24.5%	15.4%	15.9%	23.2%
Adjusted EBITDA margin	26.2%	15.1%	14.9%	21.6%	17.9%
EBIT margin	20.4%	15.6%	5.0%	4.8%	13.5%
Free cash flow / Revenue	15.5%	18.7%	-1.6%	2.4%	7.9%
Cash conversion	76.0%	119.7%	-32.4%	50.2%	58.6%
Investments in property, plant and equipment	148	67	128	144	155
NIBD/EBITDA LTM	0.9	3.4	5.6	3.3	3.9
Equity ratio	56.9%	48.1%	46.2%	45.5%	53.6%
ROIC	18.5%	4.3%	2.4%	6.4%	4.9%
FTE year end	1,769	1,852	1,951	2,324	2,284

[1] In this report, Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation (EBITDA) excluding price regulation of herd value and non-recurring items., cf. page 82.
[2] In this report, Adjusted profit refers to profit for the period adjusted for non-recurring items, herd price changes and exchange rate adjustments in financial items.
[3] Key ratios and financial terms are defined and described in the accounting policies on page 42 and in note 5.8 on page 76.

See further ESG numbers in our Sustainability Report

2023 performance

Business overview

We have established strong market positions in Poland and Ukraine and this section will provide insights into the activities and performance of our individual business areas.

Food Division - Goodvalley Food, Poland

Suppliers
Slaughter pigs supplied from own farms and external suppliers.

Production facilities
- 1 slaughterhouse.

Categories
Fresh meat, cold cuts, sausages, convenience.

Brands
Goodvalley, Dolina Dobra.

Agro Division - Goodvalley Agro, Poland

Suppliers
Supplies of grain for feed production from own farms and external suppliers. Supplies of energy from own production and external suppliers. Supplies of other raw materials and utilities from external suppliers.

Production facilities
- 28 farms
- 8 biogas plants
- 21,000 sows
- 12,500 hectares of cultivated land.

Categories
Weaner pigs for fattening and finisher pigs for slaughter.

Agro Division - Goodvalley, Ukraine

Suppliers
Supplies of grain for feed production from own farms and external suppliers. Supplies of energy from own production and external suppliers. Supplies of other raw materials and utilities from external suppliers.

Production facilities
- 9 farms
- 1 biogas plant
- 14,000 sows
- 13,000 hectares of cultivated land.

Categories
Weaner pigs for fattening and finisher pigs for slaughter.

FOOD DIVISION POLAND

Strong result in Goodvalley Food under challenging market conditions

The year brought significant reduction in the local supply of pigs, leading to record high prices for slaughter pigs and additionally consumer behaviour was affected by continued high inflation.

The immediate consumer reaction to increasing food prices was a shift towards cheaper products and added focus on making their purchases with discounters. As a result the big discount chains increased market share of their own private labels and found themselves in a strong position when negotiating with producers.

Goodvalley Food saw increases in the price of raw materials of up to 35%, energy prices increasing significantly, demand for higher payroll and general inflation.

Revenue

1,164

DKKm (2022 – 804 DKKm)

Adjusted EBITDA

13.1

DKKm
(2022 – negative 18 DKKm)

Branded volumes

5,257

tonnes (2022 – 4,804 tonnes)

Despite these trends in the Polish market Goodvalley's strategy for the food division remained clear and focused. Continue to build brand awareness, increase production of value added products, utilize the production capacity and increase efficiency.

By working actively with this outlook not only did we increase the number of slaughterings with 13% compared to 2022, but we also improved the general efficiency and utilization of our slaughterhouse and processing lines.

As a result Goodvalley increased the sale of meat products from 43 thousand tonnes in 2022 to 53 thousand tonnes in 2023. Branded and processed products accounted for 5.3 and 10.8 thousand tonnes respectively which is an increase of 10 and 95 percent compared to 2022.

We continued to invest in brand building and awareness of our high quality products with an innovative approach. Sometimes you need to flip things upside down and in a campaign for our 100% meat hot dog, we did just that.

When advertised the back of the packaging, we stated that our hot dogs have nothing to hide and asked the question "What are your hot dogs hiding?"

Supported by increased awareness about Goodvalley products we succeeded with several commercial initiatives towards main customers and allocated both internal and external resources to projects improving the production efficiency at our slaughterhouse.

All in all, ingredients for a strong result and an improved financial performance that we are proud of.

"The 'Good Label' campaign was based on the unconventional idea of showing the back of the package instead of the front – like usually all others do, because we have nothing to hide (as opposed to most of our competitors) and we are proud to present especially our ingredients."

Zbigniew Wysocki
Marketing Director

AGRO DIVISION POLAND

Increased performance and market dynamics boosted profitability in Goodvalley Agro

Where market dynamics presented both challenges and opportunities, Goodvalley Agro focused on core activities and improved production performance.

Looking at the Polish market for raw materials in general, the Polish farmers were affected by inflation, export bans on Polish meat due to the continuing presence of African Swine Fever and production stockpiling in the EU due to low exports to the markets in Asia. Even if pig prices increased to record hights this brought uncertainty for the local pig producers.

Revenue

992

DKKm (2022 – 764 DKKm)

Adjusted EBITDA

271

DKKm (2022 – 106 DKKm)

Adjusted EBITDA margin

27.3%

(2022 – 13.9%)

For Goodvalley Agro this uncertainty was eliminated due to the vertical integration with Goodvalley Food. Even if the price of raw materials increased with 30-35% compared to 2022, Goodvalley Food still demanded deliveries of high quality finisher pigs. Supporting this, Goodvalley Agro kept the ongoing focus on efficiency and optimization in pig, arable and feed production.

As a result we increased pigs sold per sow per year for the fourth consecutive year to 33.5 and lowered the feed conversion ratio below the average for the last preceding 4 years. The total amount of pigs sold at the level of 2022, but with at smaller sow base.

The increase in feed costs and other utilities in 2022 was stabilized and on average we saw lower feed costs in 2023 compared to 2022. Market dynamics had a positive impact on the profitability of Goodvalley Agro, but our strong result in 2023 is broadly founded on our employees' drive and ambition to improve and achieve still higher goals.

Because of the sustainable business model and the vertical integration all departments are equally important links in the chain that drives Goodvalley. Gaining and an even higher understanding of this through internal projects and education led to improved communication across departments together with an increased respect and understanding of your "customer", even if he or she is "just" a colleague in a different department. All in all leading to more efficient processes, output aligned with customer needs and improved production performance.

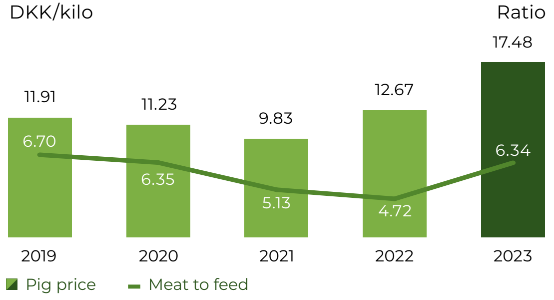
A good and tangible example of the importance of knowing and understanding your customer is Goodvalley Agro meeting the demand from Goodvalley Food to receive heavier pigs. To support Goodvalley Food, the production cycles were adjusted and the average weight of pigs for slaughter were increased with 6 kg per head compared to 2022.

Summarizing Goodvalley Agro is delivering a very strong result for 2023. This is partly driven by favourable market dynamics, but what brings the most pride is the noticeable development in production KPI's as this development is created in the fields and stables by our dedicated colleagues.

Please refer to the consolidated production overview for more details.

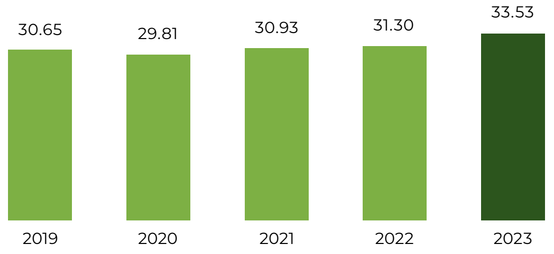
Pig price and meat to feed

DKK/kilo



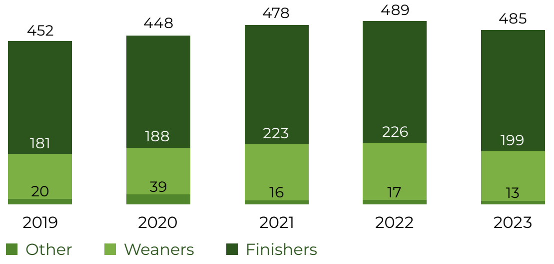
Pigs sold per sow, heads

Heads



Sale of pigs, heads

Thousand heads



AGRO DIVISION UKRAINE

Strong results under extreme conditions in Goodvalley Ukraine

2023 brought no change to the insecurity and hardship imposed as a consequence of the Russian invasion of Ukraine in 2022.

Goodvalley's farms and fields are situated in the western part of Ukraine where the war actions have been limited and our colleagues have managed to obtain a kind of "normality" in the everyday life, even with insecurity and unstable conditions present at all times.

Being one of the largest pig producers in Ukraine our results are highly sensitive to fluctuations in pig prices and feed costs. In 2022 pig prices peaked in September after an increase of 65% compared to January 2022. In Q4 2022 pig prices dropped and found a

Revenue

646

DKKm (2022 – 526 DKKm)

Adjusted EBITDA

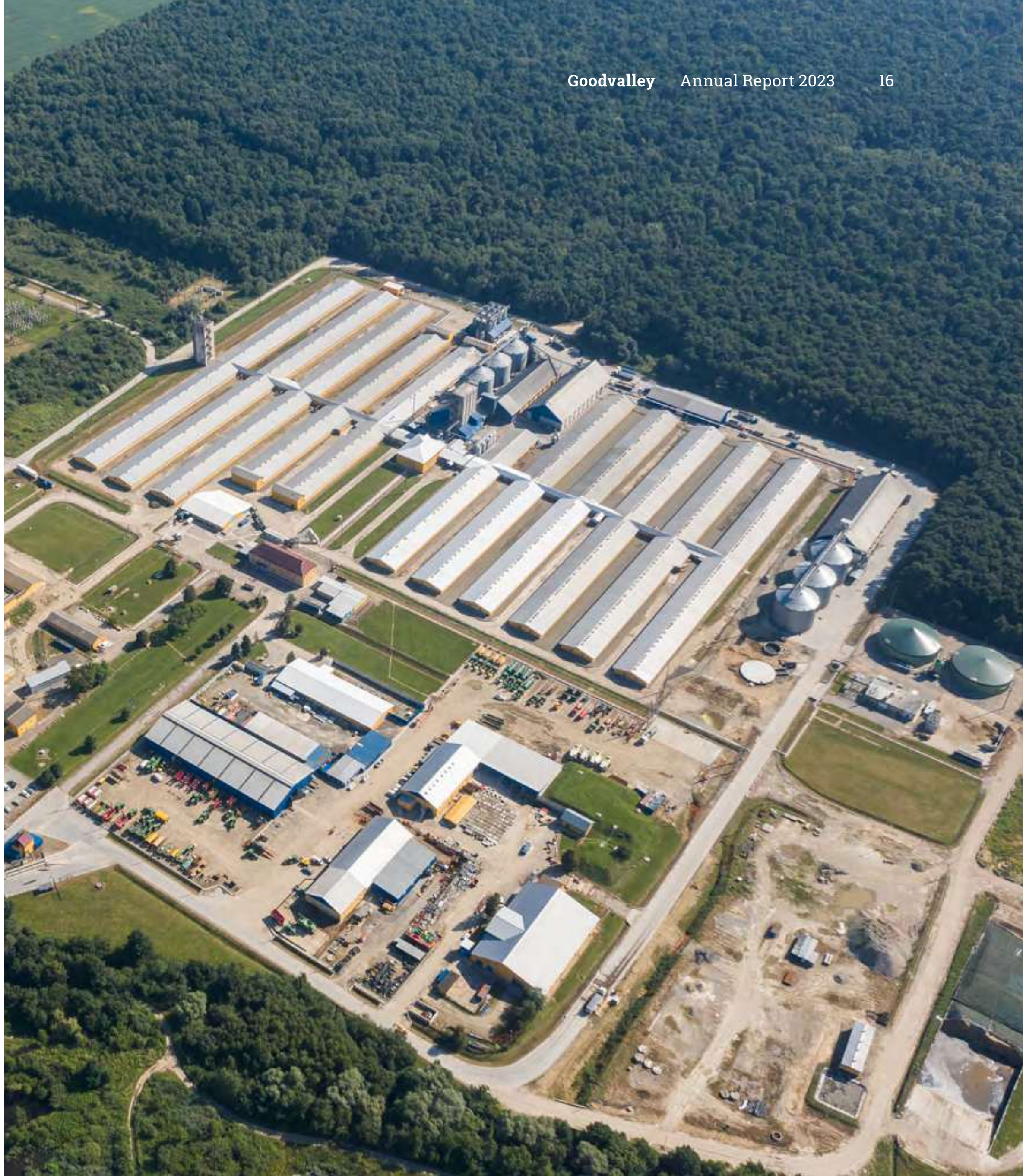
254

DKKm (2022 – 153 DKKm)

Adjusted EBITDA margin

39.3%

(2022 – 29.0%)



new level 45% higher compared to January 2022. In average this price level has continued throughout 2023, however especially in Q2 and Q3 we saw price increases of up to 30% compared to Q1 and Q4 2023.

As was the case in 2022 the harvest in 2023 also brought good yields for most crops, even if the total production is affected by the war. In addition the export of grain is still highly disrupted even if new export channels are developing. All together this leads to over-supply in Ukraine driving the local prices down.

From a Ukrainian pig producers perspective these opposite market dynamics are positive and offsets the adverse effect of fluctuating prices for energy and other utilities. Good-valley's focus is however to continue daily improvements of the parameters that we can influence by increasing efficiency, taking good care of our pigs and pursuing the strategy of producing full line.

Stable sales of almost 36 pigs per sow per year and lowered feed conversion ratio below the average for the last preceding 4 years speaks for itself. With number of heads sold increasing with 4% the full line production shows its relevance increasing the output in sold tonnes with 8%.

During 2023 we have initiated several projects educating our employees in lean principles to support the mindset of "more with less". Simul-taneously, we are also preparing our colleagues and workplaces to welcome veterans. That being both colleagues, who have been in the frontline, but also new colleagues. We also provide free consultations with a psychologist for all our employees.

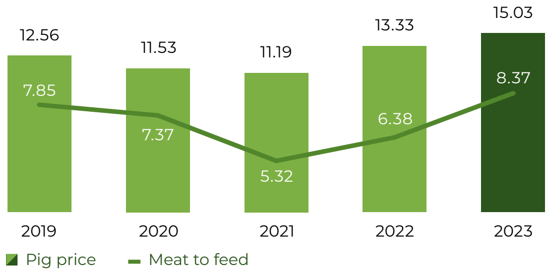
While the overall situation has been chal-lenging in Ukraine, there has still been focus on developing Goodvalley Ukraine's infrastruc-ture. Pig places have been added at the newest farm in Rohatyn. In addition, 2023 was the year, where the first soya oil and cake were produced at Kopanky feed mill. Since May 2023 Kopanky feed mill have been in full production to cover our own consumption.

The efforts of our colleagues is highly admi-rable and unprecedented and once again strong production results are delivered.

Please refer to the consolidated production overview for more details.

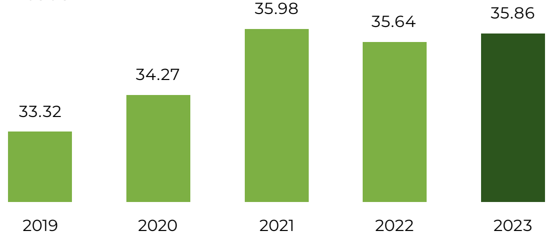
Pig price and meat to feed ratio

DKK/kilo



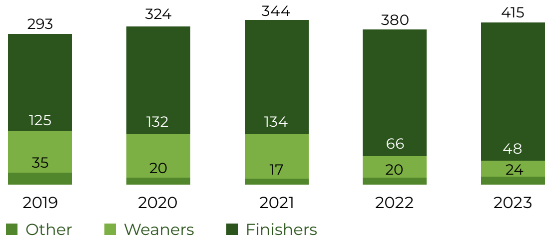
Pigs sold per sow, heads

Heads



Sale of pigs, heads

Thousand heads



Consolidated production overview

DKK	2023	2022	2021	2020	2019
Volume					
Total pigs sold, tonnes (live weight)					
Poland	65,457	65,018	63,551	59,746	58,007
Ukraine	51,465	47,496	44,212	43,041	39,768
Group	**116,923**	**112,514**	**107,763**	**102,787**	**97,775**
Total pigs sold, heads					
Weaners	246,347	292,245	357,006	319,943	306,615
Finishers	899,737	869,236	821,624	772,030	745,031
Other pigs	36,683	37,685	32,451	58,858	55,638
Group	**1,182,767**	**1,199,166**	**1,211,081**	**1,150,831**	**1,107,284**
Prices					
Pig price 1. class finishers sl. weight					
Poland STD price	17.48	12.67	9.83	11.23	11.91
Poland GP	16.34	14.00	11.06	12.58	12.71
Ukraine	15.03	13.33	11.19	11.53	12.56
Group	**16.22**	**13.07**	**10.50**	**11.55**	**12.29**
Feed price per kg, all feed					
Poland	2.76	2.69	1.91	1.77	1.78
Ukraine	1.79	2.09	2.10	1.56	1.60
Group	**2.34**	**2.43**	**2.00**	**1.68**	**1.70**
Meat to feed ratio					
Poland	6.34	4.72	5.13	6.35	6.70
Ukraine	8.37	6.38	5.32	7.37	7.85
Group	**6.94**	**5.38**	**5.26**	**6.86**	**7.21**

DKK	2023	2022	2021	2020	2019
Efficiency					
Feed conversion ratio, whole herd					
Poland	2.67	2.75	2.72	2.67	2.76
Ukraine	2.63	2.68	2.62	2.68	2.71
Group	**2.65**	**2.72**	**2.68**	**2.68**	**2.74**
Pigs sold per sow per year					
Poland	33.53	31.30	30.93	29.81	30.65
Ukraine	35.86	35.64	35.98	34.27	33.32
Group	**34.47**	**32.78**	**32.60**	**31.44**	**31.70**

The consolidated production overview has been restated and production data from Russia has been excluded for the period 2018 – 2022.

Business

Strategy update

In 2023 Goodvalley continued the journey we began in 2022 focusing on Optimization, Capacity Expansion and Consumer focus. At a first glance it might sound obvious, even simple, but keeping and increasing focus on important elements of the business that we can impact by our actions makes Goodvalley less sensitive to market fluctuations and at the same time supporting global trends.

Market drivers

Stable consumption and decreased production
Even if meat consumption on a global scale is challenged by vegetarian and vegan alternatives, meat consumption in our existing core markets in Eastern Europe are stable and pork meat is still the main source for animal protein. At the same time we saw a significant decrease in pig production capacity across Europe, which poses future possibilities for a business like Goodvalley.

Focus on sustainability
Increasing focus on the impact of human activity on the global climate has put the spotlight on the agricultural industry and meat producers. Reaching climate goals will not be possible without the industry taking responsibility and proactively working towards continuous improvements. New reporting requirements are adding to customer demands in terms of documentation, traceability, animal welfare, food safety etc. and consumers are increasingly focused on replacing conventional meat with sustainable quality meat products. Goodvalley supports these trends and our business model and premium products provides both a competitive advantage and a sustainable contribution to world food and agricultural production.

Strategy update

Optimisation

We continue to optimize Goodvalley's operations and improve our competitive edge to ensure efficiency and a strong platform for growing sales of live pigs and food products, aiming to deliver strong operational and financial performance under attractive and challenging market conditions. The optimisation work is rooted in our strategic focus on continuous education of employees and managers and knowledge sharing across our markets as well as constant performance measurement and benchmarking internally and against best practice production units in Denmark.

Consumer focus

We are accelerating the efforts to build a strong food brand providing value added premium products tailored to local market trends and consumer demands. Our branded products are sold in the majority of retail chains in Poland and address an attractive and steadily increasing consumer segment focused on quality, food safety, animal welfare enabling us to fully exploit our sustainable business model. Growing our branded product category reduces our exposure to fluctuations in live pig and bulk pork prices as retail prices on our premium branded products are relatively stable.

Capacity expansion

Based on our perpetual optimization work, we continuously expand our production capacity throughout the value chain to leverage our scalable production setup. We focus on expanding production capacity in close proximity to the existing facilities in our core markets. The current capacity of our arable and live pig production as well as our slaughterhouse in Poland positions Goodvalley well to further expand the food business focused on our branded premium products.

Outlook for 2024

The earnings outlook for 2024 is presented at fixed herd price in terms of Adjusted EBITDA in order to provide the most accurate perspective on Goodvalley's expected financial performance in an industry characterized by fluctuating prices on live pigs and crops.

The ongoing Russian invasion of Ukraine is still a source to significant uncertainties. Since 2022 we have experienced that Goodvalley's geographical position in the western part of Ukraine makes it possible to uphold and deliver strong production and financial results. We expect this also for the future. The martial law restrictions still prohibits the free flow of cash from Ukraine which means that funds needed to service external obligations must be generated from Goodvalley's activities in Poland. This is a challenge to the Group's cashflow and to offset this there will be an ongoing focus on initiating investments and incurring operating costs and still be honouring all external obligations. The cash-flow generated from our Polish operations together with available cash funds and unused credit facilities at group level will be sufficient to meet our financial obligations in 2024.

Assumptions
In 2023 we initiated several projects to improve efficiency and enhance focus on performance in both arable, pig and food-production. The results of these initiatives are beginning to show results and we are committed to continuing on this path in 2024. We find our product range of high quality food products in line with the evolving consumer preferences and at the same time we are able to service our most important costumers with high quality private label products. In Poland we expect a slight decrease in the pig prices together with stable feed cost also at a slightly lower level compared to the end of 2023. Even if the Polish pig production seems to begin recovering from the significant drop in sow population in 2022 and 2023 our business model makes us less sensitive to pig price fluctuations as we supply the majority of pigs for slaughter from our own farms.

In Ukraine we will continue our development towards full line production to deliver high quality pigs for the processing industry. We expect continuous lower feed cost as the grain export is still expected to be somewhat disrupted. Pig prices are expected to decrease as supplies are expected to increase due to a recovering pig production in Ukraine.

Goodvalley expects to generate revenue of DKK 1,900 – 2,000 million and an Adjusted EBITDA of 450 – 480 million.

In January 2021, Goodvalley signed a facility agreement of EUR 140 million, securing the Group's financing for a four year period. A new facility agreement of EUR 125 million is expected to be concluded in April 2024.

The outlook represents our current expectations for the development in the Group's revenue and Adjusted EBITDA, and Goodvalley's actual EBITDA for 2024 may thus deviate significantly from this outlook.

DKK million	2023 actuals	2024 outlook
Revenue	2,039	1,900 - 2,000
Adjusted EBITDA	535	450-480

Forward looking statements
The forward-looking statements reflecting Goodvalley's current forecasts of future events, operational performance and financial results are subject to uncertainty and risk that may cause actual results to differ materially from the forecasts in this report. Accordingly, forward-looking statements should not be relied on as a prediction of actual results. See also the section on risk management and note 4.2 to the financial statements.

Risk management

Goodvalley's risk management efforts aim to reduce the exposure to various risks by identifying and assessing significant risk areas and establishing mitigation and reporting procedures.

The oversight responsibility for risk management lies with the Board of Directors, who is monitoring the Group risk management process together with the Executive Board.

Risk appetite is defined by the Board of Directors in the Group's Risk Appetite Framework, and risks are managed according to the Group Risk Management Framework. The Framework is based on a tool for identification, assessment and mitigation of risks by local management teams as well as on a consolidated Group level by the Executive Board. The Chief Risk Officer and the Group's internal audit function follow up on the status of risks and mitigation efforts on a quarterly basis. Results are presented to the Board of Directors at the quarterly board meetings.

Key Risks

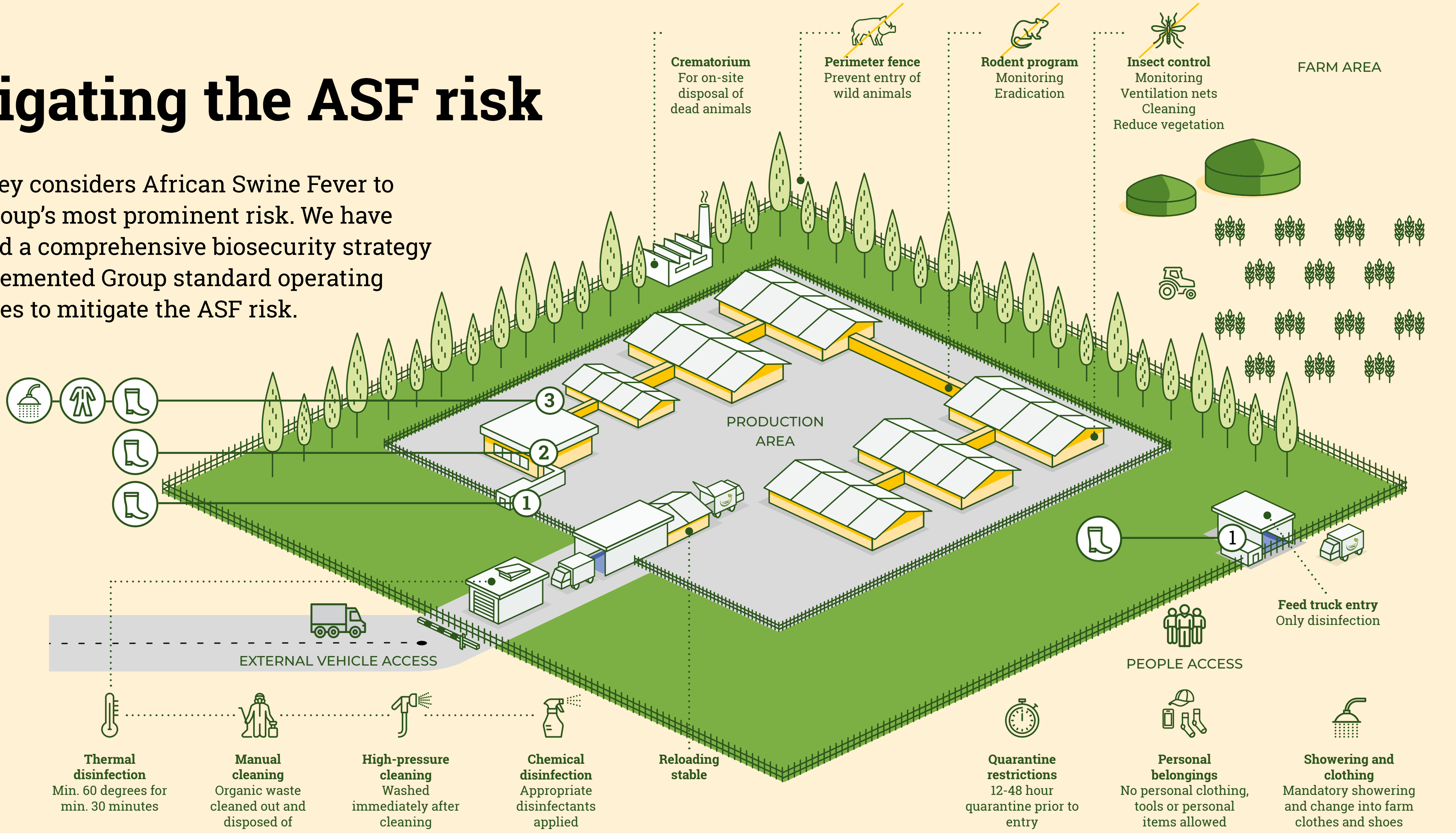
	African swine fever (ASF)	Renewal of leasing contracts	Pig and crop prices
Risk	African swine fever (ASF) outbreaks have been recorded in Goodvalley's production countries and in key markets in Europe. An instance of ASF at one or more of the Group's farms may entail serious operational and financial consequences, and outbreaks in key markets may cause market disturbance and significant price fluctuations due to export restrictions and imbalance between supply and demand.	The Group's production at selected farms in Poland is to some extent dependent on renewal of leasing contracts that will start expiring from 2024. Furthermore, the production in Ukraine is located on leased land.	Pig and crop prices are impacted by market conditions, which may significantly affect Goodvalley's revenue and earnings.
Monitoring and mitigation	All production sites operate according to Goodvalley's biosecurity policy and standard procedures to minimise infection risk and maintain a high level of biosecurity at all times. Goodvalley's internal audit team performs audits of the biosecurity status across the Group regularly. Production sites are located apart and in remote areas to contain potential instances of ASF. Each production unit has a contingency plan in place describing steps to be taken and defining responsibilities in case of an ASF outbreak. Local veterinary authorities conduct epidemiological tests to identify the source of outbreaks and national emergency plans are in place and being updated regularly. Developments are monitored closely by the European Commission. The Group's business platform is geographically diversified with production in two countries, on multiple farms, which reduces the impact of single instances of ASF on the Group and the exposure to local fluctuations in supply and demand.	Goodvalley maintains an ongoing dialogue with landlords, primarily Polish state organs concerning re-negotiation of terms for leased farms in Poland Furthermore, Goodvalley is actively seeking new land to replace existing land leases that may not be prolonged as well as investigating alternatives to owning or leasing agricultural land in Poland. Also, Goodvalley is actively furthering the interests of foreign investors in agriculture with the Polish authorities and relevant decision makers. In Ukraine a moratorium on the sale of agricultural land was lifted in a tightly controlled process in 2021 with a possibility for physical persons to sell and purchase up to 100 hectares of agricultural land. From 2024, legal entities have the possibility to purchase up to 10,000 hectares of agricultural land. Goodvalley monitors the development in the land market closely and is ready to act if land of strategic importance to the company comes up for sale. Goodvalley maintains a close dialogue with landowners as well as local communities and the company sponsors investments in developing local farming and education to uphold good relationships with landowners and authorities.	Goodvalley's business platform is geographically diversified with production both inside and outside the European Union, thereby reducing the Group's exposure to fluctuations in national pig prices. Goodvalley's vertically integrated business model mitigates the impact of price fluctuations through production chain-control as the Group's own feed and pig production and processing reduce this exposure to external pricing and volatile input costs to some extent. The vertically integrated business model is fully implemented in Poland and partly implemented in Ukraine. Furthermore, branded and processed products are marketed to ensure differentiation from bulk products.

Key Risks

	Political instability and corruption	Reputational damage	Employees	IT risk
Risk	The Ukrainian market is characterised by a political risk having materialized with the Russian invasion of the country in February 2022. Furthermore, the risk of corruption and fraud is still present.	Reputational damage may entail serious operational and financial consequences or scrutiny by authorities and animal welfare organisations etc.	Goodvalley may not be able to attract and retain key personnel and qualified employees in markets where demand for labour is high.	As any other modern business Goodvalley depends on IT systems to run and control its operations. A major IT-system breakdown may cause business interruption and financial loss.
Monitoring and mitigation	The Ukraine country risk is to some extent mitigated by Goodvalley's significant presence on the Polish market. In a time of war the fact that Goodvalley continues to be a good corporate citizen and maintains professional relationships with relevant authorities and local stakeholders is even more important. Goodvalley actively supports the local communities and Ukraine's armed forces with logistics, donations and food. To mitigate potential corruption risks Goodvalley has implemented and enforces a strict code of conduct and an anti-fraud policy combined with an IT-based whistle blower platform reporting directly to the Chairman of the Board and the Chief Risk Officer who handle all incoming cases together. In 2023 there were no corruption-related cases filed through the whistleblower platform.	Goodvalley's vertically integrated business model ensures traceability and allows the Group to differentiate its products as field-to-fork. The Group's production facilities are regularly monitored by the internal audit department and external parties and experts to ensure compliance with general standards for the industry and internal guidelines. Findings are reported to the Board of Directors and changes are implemented when needed.	The continued services and employment of management and key personnel are important to Goodvalley. The Group has strengthened and continues to professionalise its organisational setup and management structure to mitigate this risk and reduce dependency of individuals. Goodvalley conducts employee satisfaction survey annually and invests in HR, employee development and education. All employees are trained and educated in their line of work within the framework of the Goodvalley Agriculture and Management Academy. Top 75 managers and other key employees across departments and production countries are included in Goodvalley's incentive programs.	All data is stored on cloud services thereby mitigating the risk of business interruption and loss of critical data. Furthermore, investments continue in cyber security awareness programs and training, safer backup systems, next-generation firewalls, and anti-malware software. Goodvalley keeps its systems updated to the latest versions wherever applicable and the Group's efforts to assess and mitigate IT risks are vested in the Goodvalley IT user policy and the Internal communications policy.

Mitigating the ASF risk

Goodvalley considers African Swine Fever to be the Group's most prominent risk. We have developed a comprehensive biosecurity strategy and implemented Group standard operating procedures to mitigate the ASF risk.



Sustainability

At Goodvalley, we consider sustainability a cornerstone in our ambition of working for a better tomorrow. As an agricultural company and food producer we feel a big responsibility to proactively address key impacts, risks and opportunities and welcome the steps taken by the EU in respect of the EU Corporate Sustainability Reporting Directive

Read about it in more detail in the Goodvalley Sustainability Report 2023. Including report of policy for data ethics

Since reporting according to the EU Corporate Sustainability Reporting Directive (CSRD) will only be mandatory for Goodvalley as from the financial year 2025, the sustainability report will for the most part be in the usual format, while we will spend the coming year preparing our organization and setting up the systems for CSRD reporting. Our sustainability strategy focuses on four specific areas in our business where Goodvalley can make a significant difference to our stakeholders and surroundings. The strategy has been developed based on a double materiality assessment conducted in collaboration with local management and the Executive Board. The four pillars of Goodvalley's sustainability strategy are built on the foundation of selected Sustainable Development Goals emphasising our commitment to contribute to the UN's goals for a better future.

The UN Sustainable Development Goals serve as a tool for us to navigate our actions in the right direction with special emphasis on goals relevant for a food producing company like Goodvalley. The goals have played an integral part in developing Goodvalley's sustainability strategy.

Gender diversity

For many years Goodvalley have focused on gender diversity, and according to the Goodvalley Gender Diversity Policy we are committed to increasing the proportion of women in the Goodvalley Group and in management positions in particular.

Taking into account the agricultural sector and the nature of the work performed we believe that a target of having 30% women in management positions is reasonable and realistic.

Gender distribution and Target figure within Management

DKK million	2023
Number of people at other management levels, Parent	5
Under-represented gender, share in % at other management levels, Parent	20%
Number of people at other management levels, Group	264
Under-represented gender, share in % at other management levels, Group	28%
Target figures in % for the other management levels, Group	30%
Year, in which the target figures are expected to be met, Group	2026

Table reflects gender distribution for 2023. Over the next years the table will be expanded until it reflects 5 years.

In 2023, the Board of Directors consisted only of men, which reflects the ownership structure of Goodvalley, where major shareholders historically have seats on the Board. The Board in the current configuration has the necessary competences to safeguard the interests of the shareholders, which is why no actions were taken during the financial year to replace any of the board members or recruit new board members. However, our target of having two women (33.33%) on the Board by the end of 2026 remains in place.

Gender distribution and Target figure for Board of Directors

DKK million	2023
Members of the Board of Directors	5
Under-represented gender, share in % of the Board of Directors	0%
Target figures in % for the Board of Directors	33.33%
Year, in which the target figures are expected to be met	2026

Table reflects gender distribution for 2023. Over the next years the table will be expanded until it reflects 5 years.

Goodvalley A/S has had less than 50 employees in the financial year 2023, and as of 31 December 2023 and is therefore formally exempted from the requirement to prepare a policy to increase the underrepresented gender and from setting a target for the underrepresented gender at the managerial level.

Despite being exempt from the above-mentioned legislation, we have in fact defined a Goodvalley Gender Diverstity Policy, which we monitor and report upon at a group level. According to the Goodvalley Gender Diversity Policy we are committed to increasing the proportion of women in the Goodvalley Group and in management positions in particular.

The Policy contains the following focus areas and activities:

1. Demand that recruitment firms and headhunters include all genders in the field of candidates for senior positions.
2. Annually monitor the development in diversity, including gender distribution, in the Goodvalley Group's most senior levels of management.
3. Increase the focus placed on career plans at the annual performance appraisals held with employees who are potential managers.

Furthermore, we promote our female leaders as role models and mentors, we encourage our female colleagues to enter the Goodvalley leadership talent program and we offer flexible work hours.

Corporate matters

Board of Directors

		
	Anders Christen Obel	**Niels Rauff Hansen**
Position	**Chairman**	**Vice Chairman**
Work experience	CEO at C.W. Obel A/S (incl. Directorships in 4 subsidiaries), Det Obelske Familiefond and Anders Christen Obel ApS as well as professional board member. Former Vice CEO at C. W. Obel A/S, Vice President at Gemini Consulting/Cap Gemini and employment at Hambros Bank Plc.	Farmer, pig producer and CEO at Rauff Group A/S, Sjørup Svinefarm (incl. 2 subsidiaries) and Søvang Svineproduktion A/S and Søvang Gods A/S. CEO at Global Farming ApS.
Special expertise	Special expertise in property and land investments, general management of industrial companies and corporate finance. Experience from listed companies. BSc in Economics and Business Administration from Copenhagen Business School.	Special expertise in international agricultural management and pig farming as well as investments in agriculture in Eastern Europe. Agricultural education from Asmildkloster Agricultural College.
Shares in Goodvalley A/S	0	0
Shares in Polen Invest A/S [2]	65,786 [3]	287,573
Independence	Yes	No [1]
First election	2013	2002
Nationality	Danish	Danish
Gender	Male	Male
Birth year	1960	1964
Other directorships	**Chairman:** C.W. Obel Ejendomme A/S, Semco Maritime A/S, Semco Maritime Holding A/S, Obel-LFI Ejendomme A/S, Woodmancott Fonden and C.W. Obel Bolig A/S. **Vice chairman:** Skandinavisk Holding A/S, Fritz Hansen A/S. Member: Aktieselskabet Dampskibsselskabet Orient's Fond, A/S Motortramp, Scandinavian Tobacco Group A/S, Minkpapir A/S, Palcut A/S, Kilsmark A/S, Rexholm A/S, Fonden Det Obelske Jubilæumskollegium, C.W. Obels Fond, Danmark-Amerika Fondet, Høvdingsgaard Fonden, Skjørringefonden, Mullerupgaard- og Gl. Estrup Fonden and Scandinavian Tobacco Group's Gavefond, Ejendomsselskabet Amaliegade 49 A/S, Skovselskabet af 13. december 2017 A/S. **Alternate:** Polen Invest A/S. **Fully responsible stakeholder:** Haxholm v/Anders Christen Obel.	**Chairman:** Polen Invest A/S, Agri Consult ApS, Dan-Slovakia Agrar A/S, Leki A/S, Vestfyn Foder A/S, Trummersgård A/S, Ny Eskelund A/S **Member:** Viborg F.F. PROF. FODBOLD A/S, Rauff Group A/S, SEVEL SLAGTERI A/S, Søvang Gods A/S, Søvang Svineproduktion A/S. **Fully responsible stakeholder:** General Partnership Randrup Gods I/S.

Board of Directors

	Anders Bundgaard	Leif Stig Bergvall Hansen	Tom Axelgaard
Position	**Board member**	**Board member**	**Board member**
Work experience	Farmer, pig producer and CEO at AB Vadsholt Holding ApS (incl. 2 subsidiaries), Sdr. Badsbjerg A/S, Bella Vista Nibe ApS, Rosenhaven Dronninglund ApS, Sæby Havnefront A/S and AHL Glarmester og Maskinsnedkeri ApS.	CEO at Bergvall Hansen Holding ApS and LBH Investering i Tietgen Invest ApS, Bergvall Hansen Familie Holding ApS. Former CEO of Scandi Standard AB, Bisca A/S, Findus A/S, Nestlé and ESS-FOOD.	Former pig and livestock producer, and founder of Goodvalley in 1994. CEO of Goodvalley from 1994 - 2019. CEO at Axelgaard.org ApS, Outrup Golfbane ApS Tomax ApS, Auh.dk ApS and Turist Invest ApS.
Special expertise	Special expertise in agricultural management and pig production as well as investments in agriculture in Eastern Europe, Russia and Denmark. Agricultural education from Næsgaard School of Agriculture.	Special expertise within sales, marketing and brand-building of food sector businesses, strategic transformation of businesses, including IPO, acquisitions and managing international businesses.	Special expertise in international agricultural management and pig production as well as general management.
Shares in Goodvalley A/S	0	0	2,075,531
Shares in Polen Invest A/S [2)]	561,837	0	60,907
Independence	No[1)]	Yes	No[1)]
First election	2002	2019	2020
Nationality	Danish	Danish	Danish
Gender	Male	Male	Male
Birth year	1944	1966	1957
Other directorships	**Vice chairman:** Polen Invest A/S. **Member:** Agri Consult ApS, Agro Advice s.r.o. (Slovakia), Agro Center s.r.o. (Slovakia), Agro Projects s.r.o. (Slovakia), Dan-Slovakia Agrar A/S (incl. 1 subsidiary), Sdr. Badsbjerg A/S,Klitgaard Agro A/S, Sæby Havnefront A/S and Striben Agro ApS, AB Vadsholt Holding ApS. **Fully responsible stakeholder:** General Partnership ABJ I/S.	**Chairman:** Storyline Norway AS, Kassoe Housing Denmark ApS, Kassoe Housing Invest ApS. **Member:** Frijsenborg Poultry A/S, W-W ApS, WJW 2021 ApS, Storyline Studios CPH A/S, Wefri Holding ApS, Wefri A/S, Iconovo AB.	**Member:** Outrup Golfbane ApS, Turist Invest ApS, Linkogas a.m.b.a. **Other:** Honorary Consul of Ukraine, General Secretary, Danish Farmers Abroad..

All members are elected for 1 year at a time by shareholders at Goodvalley's general meeting.

[1] Not considered independent as per the recommendations from the Danish Committee on Corporate Governance as the members have served longer than 12 years and represent Goodvalley's majority shareholder, Polen Invest A/S.

[2] Polen Invest A/S is Goodvalley's majority shareholder, and the company has issued 3,700,000 shares in total.

[3] Including 61,969 shares held by C.W. Obel A/S

Executive Board

	Kristian Brokop Jakobsen	Jesper Vikelsø Jensen
Position	**CEO**	**CFO**
Work experience	Was appointed CEO in 2021, after acting as Vice CEO, Goodvalley's COO and CEO of Ukrainian subsidiary Goodvalley Ukraine Ltd. Also CEO of Brokop Holding ApS. Formerly employed in positions at Danosha Ltd., the Royal Danish Army and at Danish farm Gyldensteen Gods. Diploma in agricultural management from Dalum Agricultural College.	Joined Goodvalley in October 2021 with 10 years of experience in the industry, holding CFO positions at DanBred A/S, SPF-Denmark A/S (Danish Crown) and SB Pork A/S (Tönnies Fleisch). Appointed State Authorised Public Accountant in 2005 and have 20+ years of experience working in auditing and accounting with Big 4 auditing companies.
Shares in Goodvalley A/S	685,976 shares	0
Shares in Polen Invest A/S [3)]	2,000	0
Employeed since	2006	2021
Nationality	Danish	Danish
Gender	Male	Male
Birth year	1980	1970

Financial Statements

Group

Parent Company

INCOME STATEMENT

Sales and earnings

Revenue

Group revenue increased by 30% and came to DKK 2,039 million (2022: DKK 1,573 million) in 2023. The increase was mainly driven by an increase in the average live pig price to DKK 16,22 per kilo (2022: DKK 13.07 per kilo) in 2023 what even exceeded the world market trend of recovered pig price. Total income came to DKK 2,123 million (2022: DKK 1,780 million) including fair value adjustments of DKK 40 million (2022: DKK 175 million).

Cost of goods sold

Cost of goods sold increased by 13% to DKK 1,453 million (2022: DKK 1,281 million) in 2023 following a decrease in feed prices and overall stabilisation of cost across market of operations, including a slight decline in energy cost. COGS in percentage to revenue reached 71% (2022: 81%).

SG&A

The Group's sales, general and administrative expenses equaled DKK 115 million (2022: DKK 113 million) in 2023. Sales and branding expenses relating to the Group's branded premium products in Poland amounted to approximately DKK 17 million in 2023 (2022: DKK 16 million).

Adjusted EBITDA and EBITDA

Adjusted EBITDA increased to DKK 535 million (2022: DKK 238 million) in 2023, corresponding to an Adjusted EBITDA margin of 26.2% (2022: 15.1%). EBITDA increased to DKK 555 million (2022: DKK 386 million), corresponding to an EBITDA margin of 27.2% (2022: 24.5%), due to herd prices changes achieving in total DKK 20 million in 2023 (2022: DKK 148 million).

EBIT

EBIT increased to DKK 417 million (2022: DKK 246 million) in 2023, corresponding to an EBIT margin of 20.4% (2022: 15.6%).

Net financials

Net financials were an expense of DKK 59 million (2022: an expense of DKK 113 million). The net financials for the year were positively affected by foreign exchange gain of DKK 7 million (2022: foreign exchange loss of DKK 53 million). Financial expenses have grown year to year level as a result of the increase in EURIBOR interest rate, achieving DKK 87 million in 2023 (2022: DKK 64 million).

Adjusted profit/loss and net profit/loss

Adjusted profit/loss came to a gain of DKK 330 million (2022: DKK 37 million) in 2023, corresponding to an Adjusted profit margin of 16.2% (2022: 2.4%). Net result was a net profit of DKK 357 million (2022: net profit of DKK 26 million) in 2023.

Comprehensive income

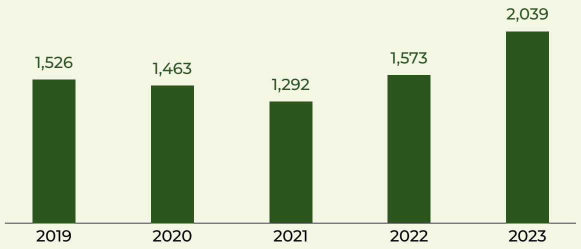
Comprehensive income was DKK 387 million in 2023 (2022: DKK -108 million) including foreign exchange adjustments of subsidiaries of DKK 29 million (2022: DKK -134 million) from increase in PLN more than covered the decrease in UAH towards DKK.

Earnings per share

Earnings per share were DKK 6.64 in 2023 compared to DKK 0.48 in 2022.

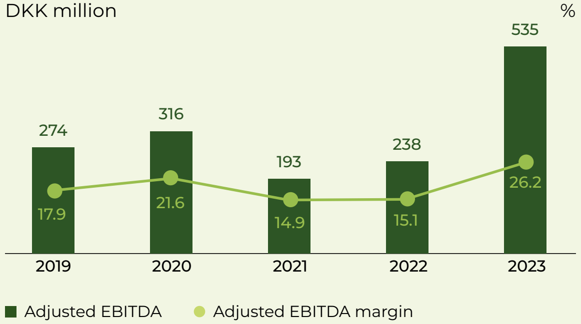
Revenue

DKK million



Adjusted EBITDA and margin

DKK million



Consolidated Income Statement

Income Statement, 1 January - 31 December

DKK million	Note	2023	2022
Revenue	2.1	2,039	1,573
Change in fair value of biological Assets	2.2	40	175
Grants and other income	2.3	44	32
Total Income		**2,123**	**1,780**
Cost of goods sold (COGS)	2.1	-1,453	-1,281
Gross profit/loss		**670**	**499**
SG&A		-115	-113
EBITDA		**555**	**386**
Depreciation, amortization and impairment losses	3.1 , 3.2	-138	-140
Profit/loss before financial expenses and tax		**417**	**246**
Financial income	4.5	20	3
Financial expenses	4.5	-87	-64
Exchange rate adjustments	4.5	8	-53
Profit/loss before tax		**358**	**132**
Corporation tax		-1	0
Profit/loss of continuing operations		**357**	**132**
Profit / loss for the year of discontinued operations	2.6	0	-106
Profit/loss		**357**	**26**
Profit/Loss is attributable to:			
Owners		357	26
		357	**26**
Earnings per share:			
Profit/loss			
Basic	4.6	6.6	0.5
Diluted	4.6	6.6	0.5
Profit/loss from continuing operations			
Basic	4.6	6.6	2.5
Diluted	4.6	6.6	2.5

Statement of comprehensive income, 1 January - 31 December

DKK million	Note	2023	2023
Profit for the year		357	26
Items that may be reclassified subsequently to profit or loss			
Exchange adjustments of foreign enterprises		30	-134
Total comprehensive income		**387**	**-108**
Comprehensive income is attributable to:			
Owners		387	-108
		387	**-108**

BALANCE SHEET

Financial position

Total assets
Total assets at 31 December 2023 amounted to DKK 2,771 million (2021: DKK 2,459 million). The increase was driven by the growth of trade receivables, as an effect of increased revenue as well as improved cash position.Non-current assets were impacted by the increase in exchange rates for PLN and increase in CAPEX.

Net working capital
Net working capital was DKK 684 million (2022: DKK 673 million) at year-end including DKK 54 million increase of pig herd (2022: DKK 82 million).

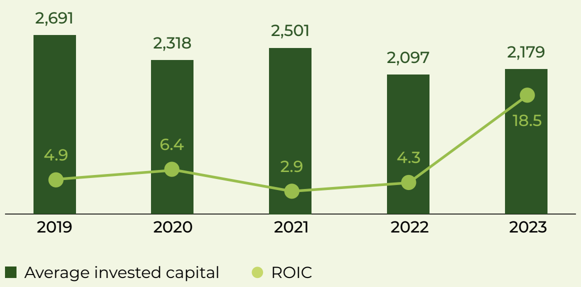
Invested capital and ROIC
Invested capital was DKK 2,179 million (2022: DKK 2,097) following the above described development in Total assets and Net working capital. ROIC increased to 18.5% (2022: 4.3%) driven by the significant increase in earnings offsetting the increase in Invested capital.

Net interest-bearing debt
At 31 December 2023, Goodvalley's net interest-bearing debt was DKK 494 million (2022: DKK 806 million) following the plannned repayments during the year and being reduced by a strong cash position.

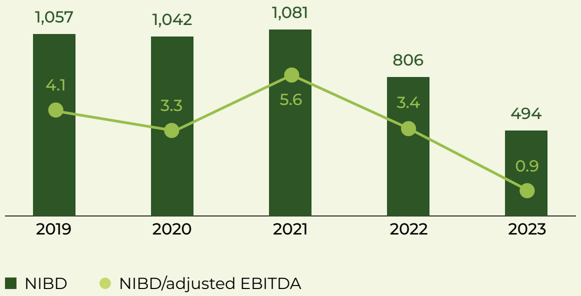
The Group does not include IFRS 16 related figures into the calculation of Net interest-bearing debt.

Net interest-bearing debt to adjusted EBITDA
Net interest-bearing debt to adjusted EBITDA came to 0.9 for 2023 compared to 3.4 in 2022.

Average invested capital and ROIC
DKK million %



NIBD and adjusted EBITDA
DKK million Ratio



Consolidated Balance Sheet

Balance Sheet. 31 December

DKK million	Note	2023	2022
Assets			
Goodwill	3.1	17	16
Leasehold rights		7	11
Intangible assets		**24**	**26**
Land and buildings		834	781
Leasehold improvements		29	44
Plant and machinery		146	139
Other fixtures and fittings, tools and equipment		79	74
Property, plant and equipment in progress		161	146
Right-of-use assets	3.3	96	87
Property, plant and equipment	3.2	**1,345**	**1,271**
Investment associate	4.4	1	1
Other investments		10	11
Receivables from associates		7	7
Financial asset investments		**18**	**19**
Biological assets - basic herd	3.4	114	115
Biological assets		**114**	**115**
Non-current assets		**1,502**	**1,431**
Biological assets - sales herd	3.4	316	262
Biological assets - Arable, crop production	3.4	61	69
Inventories	3.5	280	374
Biological assets and inventories		**657**	**705**
Trade receivables	3.6	164	94
Other receivables	3.6	51	52
Prepayments		22	24
Receivables		**236**	**169**
Cash at bank and in hand		**377**	**155**
Current assets		**1,270**	**1,028**
Assets		**2,771**	**2,459**

Balance Sheet, 31 December

DKK million	Note	2023	2022
Liabilities and equity			
Share capital		538	538
Reserve for exchange adjustments		-736	-767
Retained earnings		1,746	1,418
Proposed dividend		30	0
Capital and reserves attributable to owners		**1,578**	**1,189**
Total Equity		**1,578**	**1,189**
Other provisions	3.7	3	3
Credit institutions	4.1	790	844
Subordinated loan from Polen Invest A/S		0	10
Deferred income	3.8	2	3
Lease liabilities	3.3	82	89
Long-term liabilities		**877**	**949**
Credit institutions	4.1	81	98
Subordinated loan from Polen Invest A/S	4.1	0	9
Trade payables		137	139
Other provisions	3.7	2	1
Other payables		70	59
Deferred income	3.8	2	3
Lease liabilities	3.3	24	13
Short-term liabilities		**316**	**321**
Liabilities		**1,193**	**1,270**
Liabilities and equity		**2,771**	**2,459**

STATEMENT OF CHANGE IN EQUITY AND CASH FLOWS

Cash position and shareholder return

Cash flows from operating activities
Cash flows from operating activities increased to an inflow of DKK 459 million (2022: an inflow of DKK 100 million) in 2023 and was positively impacted by higher earnings due to higher sales prices and lower cost-to-income ratio.

Cash flows from investing activities
Cash flows from investing activities were a net outflow of DKK -142 million (2022 an inflow of DKK 194 million) and was influenced by increase in CAPEX. In 2022 cash flow from investing activities were influenced by proceeds received from the sale of Russian activities of DKK 256 million.

Free cash flows
The Group's free cash flows amounted to an inflow of DKK 317 million (2022: an inflow of DKK 294 million) in 2023. The increase was driven by higher earnings.

Financing activities
Cash flows from financing activities expressed an outflow of DKK 93 million (2022: an outflow of DKK 262 million) in 2023, driven by ordinary agreed repayments of external loans. In 2022, cash flow from financing activity was influenced by extraordinary instalments using part of the proceeds received from the sale of Russian activities.

Cash position
Cash and cash equivalents amounted to DKK 377 million at 31 December 2023 against DKK 155 million at 31 December 2022.

At the end of the year an amount equivalent to EUR 5 million is restricted cash as security for the Group's external borrowings as long as Goodvalley Ukraine is not allowed to transfer cash out of Ukraine.

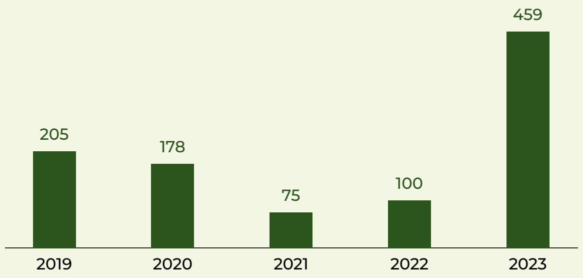
The Ukrainian subsidiary holds cash of DKK 199 million, which the subsidiary currently may not transfer out of Ukraine.

Shareholders equity
Equity stood at DKK 1,578 million at 31 December 2023 up from DKK 1,189 million as of 31 December 2022. The increase is attributable to the profit/loss gain in 2023 and supported by growth in net asset value in Poland as a result of increase in PLN exchange rate.

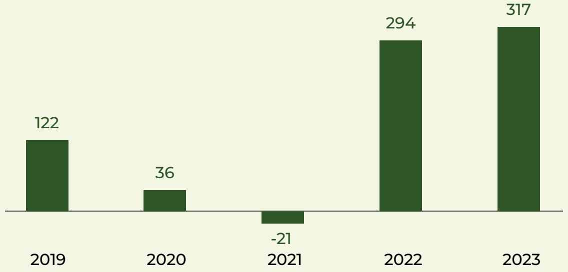
The Board of Directors proposes a dividend of DKK 30 million for 2023 to be approved at the forthcoming annual general meeting.

Equity ratio
Equity ratio increased to a level of 57% of the total balance sheet as of 31 December 2023 (2022: 48%).

Operating cash flows
DKK million



Free cash flows
DKK million



Consolidated statement of changes in equity

DKK million	Share capital	Other reserves	Reserve for exchange adjustments	Retained earnings	Proposed dividend	Equity owners	Non-controlling interests	Total Equity
Equity at 1 January 2022	**538**	**0**	**-633**	**1,392**	**0**	**1,297**	**0**	**1,297**
Net profit for the year	0	0	0	26	0	26	0	26
Other comprehensive income	0	0	-134	0	0	-134	0	-134
Comprehensive income for the year 2022	**0**	**0**	**-134**	**26**	0	**-108**		**-108**
Equity at 31 December 2022	**538**	**0**	**-767**	**1,418**	**0**	**1,189**	**0**	**1,189**
Equity at 1 January 2023	**538**	**0**	**-767**	**1,418**	**0**	**1,189**	**0**	**1,189**
Net profit for the year	0	0	0	357	0	357	0	357
Other equity movements	0	0	0	1	0	1	0	1
Other comprehensive income	0	0	30	0	0	30	0	30
Comprehensive income for the year 2023	**0**	**0**	**30**	**358**	**0**	**389**	**0**	**389**
Proposed dividend	0	0	0	-30	30	0	0	0
Transactions with owners	**0**	**0**	**0**	**-30**	**30**	**0**	**0**	**0**
Equity at 31 December 2023	**538**	**0**	**-736**	**1,746**	**30**	**1,578**	**0**	**1,578**

Statement of cash flows

DKK million	Note	2023	2022
Profit/loss		**357**	**26**
Adjustments:			
Financial income and expenses		67	64
Currency gains/losses		-8	53
Depreciation of property, plant and equipment		138	140
Discontinued operations		0	80
Other non-cash adjustments		-30	-198
Change in working capital		-11	-55
Cash flows from operating activities before financial income and expenses		**514**	**110**
Financial income received		-13	3
Financial expenses paid		-42	-12
Cash flows from ordinary activities		**459**	**101**
Corporation Income tax received/paid		0	0
Cash flows from operating activities		**459**	**100**
Purchase property, plant and equipment		-145	-67
Sale of property, plant and equipment		2	4
Proceeds from sale of Goodvalley Russia		0	256
Cash flows from investing activities		**-142**	**194**
Proceeds from borrowings		56	60
Repayments of borrowings		-134	-304
Repayments of lease liabilities		-14	-19
Cash flows from financing activities		**-93**	**-262**
Change in cash and cash equivalents		**224**	**32**
Cash and cash equivalents at 1 January		155	129
Exchange adjustment, beginning, cash and cash equivalents (Group purpose)		-2	-7
Cash and cash equivalents at 31 december		**377**	**155**

Restricted cash amounts DKK 37 million and is equivalent of EUR 5 million as security for borrowings as long as Goodvalley Ukraine is not allowed to transfer repayments and interest payment out of Ukraine

The cash balance held by Goodvalley Ukraine at 31 December 2023 equals DKK 199 million (2022: DKK 32 million). The balance is not as such restricted, but currently it can only be used by Goodvalley Ukraine's own business.

Notes overview

Section 1

Basis of preparation

Introduces the Group's financial accounting policies in general and an overview of Management's key accounting estimate.

Section 2

Results for the year

Comprises the notes related to the result for the year including segment information, taxes and staff costs.

Section 3

Operating assets and liabilities

Relates to the assets that form the basis for the activities of the Group and the related liabilities.

Section 4

Capital structure and financing items

Encompasses notes related to capital structure and financing items.

Section 5

Other disclosures

Includes statutory notes and other notes, and notes of secondary importance from the perspective of the Group.

Notes

Section 1
Basis of preparation

Introduces the Group's financial accounting policies in general and an overview of Management's key accounting estimate.

1.1 Business overview

Goodvalley A/S is a limited liability company (in Danish "Aktieselskab") with its registered address being Vesterbrogade 4A, 5, DK-1620 Copenhagen, Denmark. Polen Invest A/S, a Danish limited liability company with its registered office being Solvænget 21, 7400 Herning, holds a majority shareholding owning 90.5% of the share capital as at 31 December 2023. Polen Invest A/S has 84 shareholders with no single shareholder having a majority shareholding.

Goodvalley A/S and subsidiaries ("the Group" or "the Goodvalley Group") is a vertically integrated pork and food brand producer with its headquarter located in Copenhagen, Denmark and with operations in Poland and Ukraine. Activities comprise production and sales of pork products, including own branded products in Poland, arable production, feed mills, pig farming, slaughtering, meat processing and marketing as well as biogas production.

Notes

1.2 Summary of significant accounting policies and estimates

The Consolidated Financial Statements of the Goodvalley Group have been prepared in accordance with the IFRS Accounting Standards (IFRS), as adopted by the European Union (EU) and additional requirements of the Danish Financial Statements Act.

Impact of new accounting standards

Management has assessed the impact of new or amended and revised accounting standards and interpretations (IFRSs) issued by the (IASB) and IFRSs endorsed by the European Union.

The adoption of new or amended standards and interpretations has not had an impact on recognition, measurement or disclosures in the Consolidated Financial Statements for 2023 and is not anticipated to have a significant impact on future periods.

New IFRS standards issued, but not yet effective

In addition to the above, the IASB has issued new or amended and revised accounting standards and interpretations that have not yet come into effect. These are not expected to have significant impact on current accounting regulation.

Recognition and measurement

The Consolidated Financial Statements have been prepared under the historical cost basis except when IFRS explicitly requires the use of fair value.

DKK is the Group's presentation currency. Items included in the Consolidated Financial Statements of each of the Group's enterprises are measured and reported using the functional currency of the primary economic environment in which the individual enterprise operates. Being a Danish company owned ultimately primarily by Danish shareholders, the Consolidated Financial Statements are presented in Danish Kroner (DKK).

The principal accounting policies set out below have been applied consistently in the preparation of the Consolidated Financial Statements for all the years presented.

Significant accounting policies

The Group's accounting policies are described in relation to the individual notes to the Consolidated Financial Statements.

Considering all the accounting policies applied in the preparation of the Consolidated Financial Statements, Management regards the following as the most significant accounting policies for the recognition and measurement of reported amounts as well as relevant to an understanding of the Consolidated Financial Statements:

- Segment information (note 2.1)
- Gains/losses from changes in the fair value of biological assets (note 2.2)
- Intangible assets and property, plant and equipment including impairment (notes 3.1 and 3.2)
- Biological assets (note 3.4)
- Inventories (note 3.5)

Critical accounting estimates and judgments

In preparing the Group's Consolidated Financial Statements, Management makes various accounting estimates, judgments and assumptions, which form the basis of presentation, recognition and measurement of the Group's assets and liabilities.

Material accounting estimates and judgments relate primarily to the Group's biological assets in the fields. When assessing the fair value of crops, the Group estimates that there was no material biological transformation from the time of sowing until the harvest starts 1 July, and therefore these biological assets are measured at cost as an approximation of fair value.

Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events.

The judgments, estimates and assumptions made are based on historical experience and other factors, which Management assesses to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise.

The Group is also subject to risks and uncertainties, which may lead to actual results differing from these estimates, both positively and negatively. Assumptions about the future and estimation uncertainty on the balance sheet date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

Notes

1.2 Summary of significant accounting policies and estimates – continued

Management regards the following areas to include the key accounting estimates and assumptions used in the preparation of the Consolidated Financial Statements:

- Impairment assesment of non-current assets (notes 3.1 and 3.2)
- Biological assets (note 3.4)
- Inventories (note 3.5)
- Discontinued operations (note 2.6, only relevant in 2022)

Ukraine/Russian conflict

Management draws attention to the fact that since 24 February 2022 the impact of the ongoing military actions in Ukraine, the magnitude of further developments, the timing of cessation of those actions and final resolution are unpredictable and may adversely affect the Ukrainian economy and the operations of Ukrainian subsidiary. Until now the ongoing military actions in Ukraine has not impacted Goodvalley's operations and financial performance in Ukraine, but there is a risk that the operations may be negative impacted going forward and which can have a significant negative adverse impact on the financial performance, cash-flow generation and risk of adverse impact on operations and financial performance combined with risk of high interest rates and inflation can lead to risk that the value of assets in Ukraine can be deteriorated and thereby resulting in future impairment losses.

Please refer to the specific notes for further information on the key accounting estimates and assumptions applied.

§ ACCOUNTING POLICIES

Basis of consolidation

The Consolidated Financial Statements consist of the financial statements of Goodvalley A/S (the Parent Company) and its subsidiaries in which the Company's voting rights directly or indirectly exceed 50%, or in which the Company is able to exercise a controlling interest in any other way.

The Consolidated Financial Statements are prepared on the basis of the Parent Company financial statements and the individual subsidiaries by consolidating items of a uniform nature. Equity interests, intercompany transactions, intercompany balances, unrealized intercompany gains on inventories and dividends are eliminated.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the first time of consolidation.

Business combinations

On the acquisition of business, the difference between consideration and net asset value of the enterprise acquired is determined at the date of acquisition after the identified assets and liabilities have been adjusted to fair value (the acquisition method). Transaction costs relating to the acquisition of subsidiaries are not included in the value of the acquired assets. All acquisition-related costs are expensed in the period they incur. Any remaining positive differences are recognised as goodwill in intangible assets in the balance sheet. Goodwill is not amortised, but instead tested for impairment on an annual basis and when there is an indication of impairment. Any remaining negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until one year from the acquisition date. These adjustments are also reflected in the value of goodwill or negative goodwill. No business combinations have taken part in recent years.

Defining materiality

The Consolidated Financial Statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The trans- actions are presented in classes of similar items in the Consolidated Financial Statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the Consolidated Financial Statements or in the notes.

There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is not applicable or considered immaterial to the economic decision-making of the users of these financial statements.

Non-IFRS financial measures

Goodvalley uses certain financial measures that are not defined in IFRS to describe the Group's financial performance, financial position and cash flows. These financial measures may therefore be defined and calculated differently from similar measures in other companies, and may thus not be comparable.

The key non-IFRS financial measures presented in the annual report are:

- EBITDA (Earnings before interest, tax, depreciation and amortisation)
- Adjusted EBITDA (EBITDA adjusted for herd price changes and non-recurring items)
- EBIT (Earnings before interest and tax)
- ROIC (Return on invested capital)

Definitions of non-IFRS financial measures are provided in the Glossary.

Notes

1.2 Summary of significant accounting policies and estimates – continued

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised in other comprehensive income and accumulated in a separate component of equity.

The Group used the following exchange rates for the translation into DKK at 31 December 2023 and 2022:

Income statement:
- PLN: 2023: 1,64151 (2022: 1,58836)
- UAH: 2023: 0,18840 (2022: 0,22016)
- EUR 2023: 7,45119 (2022: 7,43958)

Balance sheet:
- PLN: 2023: 1,71410 (2022: 1,58564)
- UAH: 2023: 0,17658 (2022: 0,19092)
- EUR: 2023: 7,45290 (2022: 7.43650)

Equity

Proposed dividend is recognised as a liability at the time of approval by the general meeting. Dividend, which is expected to be distributed for the year, is disclosed in the notes.

The reserve for exchange adjustments in the Consolidated Financial Statements comprises foreign exchange differences arising from translation of financial statements of foreign enterprises from their functional currencies to the presentation currency of the Group (DKK). On full or partial realisation of the net investment, the foreign exchange adjustments are recycled to the income statement.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year. Cash flow from operating activities is calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as fair value adjustments, depreciation, amortisation and impairment losses and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents, prepaid tax and corporate tax liabilities.

Cash flow from investing activities comprises cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flow from financing activities comprises cash flows from the raising and repayment of financial debt as well as payments to and from shareholders.

Cash and cash equivalents comprises 'Cash at bank and in hand'.

The cash flow statement cannot be derived directly from the Consolidated Financial Statements.

Cost of goods sold

Cost of sales includes direct costs incurred when generating the revenue for the year. The Group recognises cost of sales as revenue is earned.

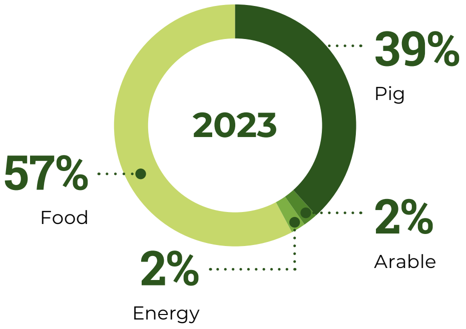
Notes

Section 2

Results for the year

Comprises the notes related to the result for the year including segment information, taxes and staff costs.

External revenue by division



125%

Adjusted EBITDA increased

DKK million	Note	2023	2022
Revenue	2.1	2,039	1,573
Change in fair value of biological assets	2.2	40	175
Grants and other income	2.3	44	32
Total income		**2,123**	**1,780**
Cost of goods sold (COGS)	2.1	-1,453	-1,281
Gross profit		**670**	**499**
SG&A	2.4	-115	-113
EBITDA		**555**	**386**
Adjustments			
Herd price adjustment		-20	-148
Non recurring items*		0	0
Adjusted EBITDA		**535**	**238**
Depreciation and amortization (ex impairment losses)	3.1 , 3.2	-138	-140
Adjusted EBIT		**397**	**98**
Net financials ex exchange rate adjustment		-59	-61
Adjusted profit		**330**	**37**
Invested capital		2,179	2,097
ROIC		18.5%	4.3%

Notes

2.1 Segment information

DKK million	Poland	Ukraine	Other / not allocated	Inter-company elimina-tions*	Total
2023					
Revenue external customers	1,393	646	0	0	2,039
Internal revenue	0	0	27	-27	0
Change in fair value of biological assets	21	19	0	0	40
Grants and other income	43	0	2	-1	44
Total Income	**1,457**	**665**	**29**	**-28**	**2,123**
Cost of goods sold (COGS)	-1,082	-372	0	1	-1,453
Gross profit/loss	**375**	**293**	**29**	**-27**	**670**
SG&A	-82	-28	-32	27	-115
EBITDA	**293**	**265**	**-3**	**0**	**555**
Adjusted EBITDA	*284*	*254*	*-3*	*0*	*535*
Depreciation of non-curent assets and impairment losses	-101	-37	0		-138
EBIT	**192**	**228**	**-3**	**0**	**417**
Net financials			-67		-67
Exchange rate adjustments			8		8
Profit before tax	**192**	**228**	**-62**	**0**	**358**

DKK million	Poland	Ukraine	Other / not allocated	Inter-company elimina-tions*	Total
2022					
Revenue external customers	1,046	526	0	0	1,573
Internal revenue	0	0	27	-27	0
Change in fair value of biological Assets	86	89	0	0	175
Grants and other income	37	-3	0	-2	32
Total Income	**1,170**	**612**	**28**	**-29**	**1,780**
Cost of goods sold (COGS)	-913	-370	0	2	-1,281
Gross profit/loss	**256**	**242**	**28**	**-27**	**499**
SG&A	-73	-29	-35	23	-113
EBITDA	**184**	**214**	**-7**	**-4**	**386**
Adjusted EBITDA	*97*	*153*	*-7*	*-4*	*238*
Depreciation of non-curent assets and impairment losses	-95	-45	0	0	-140
EBIT	**89**	**168**	**-8**	**-4**	**246**
Net financials			-61		-61
Exchange rate adjustments			-53		-53
Profit before tax	**89**	**168**	**-121**	**-4**	**132**

* Amount remaining uneliminated in Intercompany eliminations in Profit before tax of continued operations is eliminated in discontinued operations.

Notes

2.1 Segment information – continued

Geography

	Revenue		Assets	
DKK million	**2023**	**2022**	**2023**	**2022**
Poland	1,223	867	899	879
Ukraine	646	526	463	423
Rest of world	170	179	7	7
Total	**2,039**	**1,573**	**1,369**	**1,309**

Other / not allocated items and eliminations

In all material respects, not allocated items and eliminations include:

- income and costs in group functions which are not allocated to the Group's business segments;
- intercompany eliminations of management fee and interest.

Geographic information

Revenue is allocated to the geographic areas based on the customer's geographic location. Allocation of assets is made based on the geographic location of the assets.

§ ACCOUNTING POLICIES

Segment information has been prepared in accordance with the Group's applied accounting policies and is consistent with the Group's internal reporting to the Executive Board.

The Executive Board evaluates operating profits of business segments separately in order to make decisions in relation to resource allocation and performance measurement. The segment results are evaluated on the basis of operating results, which are calculated by the same methods as in the consolidated financial statements. Financial income, costs and corporate taxes are calculated at Group level and are not allocated to the business segments.

Segment income and costs comprise income and costs that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis. Business segments earnings are illustrated as reported and before elimination of internal trade to show the separate segments contribution to the Group's integrated setup. No individual customer accounts for more than 10% of revenue.

No information has been provided as to the segments' share of items concerning financial position or cash flows as the Executive Board does not use this segmentation in the internal reporting.

Revenue
The Group derives its revenues from contracts with customers for the transfer of goods at a point in time. Net sales comprise the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Group's activities.

Net sales is recorded net of returns, discounts and value added taxes.

The most material sources of income are recognised in the income statement as follows:

Sales of biological assets: The Group primarily sells pigs for slaughterhouses. Revenue from the sales of pigs is recognised when delivery has taken place.

Sales of finished goods and consumables from slaughterhouses: Revenue from finished goods and consumables from slaughterhouses is recognised when delivery has taken place.

Sales of green energy and CO2 emission reduction units: The Group produces electricity on biogas plants. The electricity is sold as green energy and is recognised concurrently with the production. Revenue is recognised before the final settlement of the biogas activity based on historical data and market prices.

Cost of sales
Cost of sales includes direct costs incurred when generating the revenue for the year. The Group recognizes cost of sales as revenue is earned.

SG&A
SG&A costs comprise selling, general and administrative costs, including share of staff costs, commissions to external sales agents, bad debts, etc. For direct staff cost see note 2.4.

Notes

2.2 Gains/losses in changes in the fair value of biological assets

DKK million	2023	2022
Sales herd of pigs:		
- Due to volume	31	18
- Due to Prices	19	113
Basic herd of pigs:		
- Due to volume	-1	-6
- Due to Prices	1	34
Arable - Crop production	**-8**	**16**
Basic herd of Dairy&Cattle:	**-2**	**0**
Sales herd of Dairy&Cattle:	**0**	**0**
Total	**40**	**175**

SIGNIFICANT ACCOUNTING ESTIMATES

Please see the main accounting estimates and judgments in Note 3.4 Biological assets. At initial recognition, purchase of boars and gilts resulted in an expense of DKK 3 million in 2023 (2022: DKK 3 million).

§ ACCOUNTING POLICIES

Gains and losses resulting from changes in the fair value of biological assets relate to changes for the year in prices and quantities of the herd and changes for the year of the fair value of unharvested crops.

2.3 Grants and other income

DKK million	2023	2022
EU hectare support	11	9
Biogas	3	1
Ukrainian VAT grant	1	0
Other income	29	22
Total	**44**	**32**

Grants consist of agricultural grant schemes in EU and in Ukraine, where the Group receives grants for possessing and producing arable activities. Other income includes sale of machinery and other sales not directly attributable to the Group's core business.

§ ACCOUNTING POLICIES

Unconditional grants relating to biological assets measured at fair value less estimated costs to sell are recognised in the income statement when the government grant is received (general area grants). See also the accounting policy for deferred income relating to conditional grants.

Notes

2.4 Staff costs

DKK million	2023	2022
Staff costs		
Wages and salaries	-252	-231
Pensions	-2	-1
Other social security expenses, social funds etc.	-41	-37
Staff costs capitalized	6	4
Total	**-289**	**-265**
Included in the income statement:		
Staff costs related to COGS	-230	-207
Staff costs related to SG&A	-59	-58
Staff costs	**-289**	**-265**
Average number of employees	1,767	1,904
Employees at end of period	1,769	1,852
Remuneration of the Executive Board		
Salary, pension and bonus	7.0	6.3
Members of the Executive Board	**2**	**2**

Remuneration of the Executive Board includes expected proceeds from long and short term incentive programmes. In the event of change of control, members of the Executive Board do not receive any additional compensation.

Remuneration of the Board of Directors

Remuneration of the Board of Directors amounted to DKK 2.1 million in 2023 (2022: DKK 2.1 million).

§ ACCOUNTING POLICIES

Salaries, remuneration, contributions to the state pension and social insurance funds, paid annual leave and sick leave, retirement benefit schemes and other staff costs, including to the members of the Executive Board and Board of Directors, are accrued in the year in which the associated services are rendered by the employees of the Group.

The average number of employees is calculated as the average of the number of permanent employees at the end of each month.

Notes

2.5 Income and deferred income taxes

DKK million	2023	2022
Current tax for the year	0	0
Deferred tax for the year	0	0
Total	**0**	**0**
Recognized as follows:		
Tax on profit for the year of continuing operations	0	0
Tax on other comprehensive income	0	0
Tax for the year	**0**	**0**
Net tax payables at 1 January	**0**	**0**
Tax payable on profit for the year	0	0
Tax paid during the year	0	0
Total	**0**	**0**
Recognized as follows:		
Tax payable	0	0
Total	**0**	**0**

DKK million	2023	2022
Tax on profit for the year is specified as follows:		
Calculated 22% tax on profit for the year before tax	37	18
Tax-exempted profit on agricultural activities abroad	-37	-18
	0	**0**
Effective tax rate for the year	**0.1%**	**0.3%**
Provision for deferred tax		
Provision at 1 January	0	0
Provision for deferred tax 31 December	**0**	**0**

Income taxes

A large part of the Group's activities in Ukraine and Poland is tax exempted which is the main reason for the Group reporting nil taxes in 2023 and 2022.

The tax value of the unrecognized share of tax loss carry-forwards, tax credits, etc. with indefinite lives amounts to DKK 41 million (2022: DKK 39 million).

§ ACCOUNTING POLICIES

Tax on profit/loss for the year

Corporation tax comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity. Any changes in deferred tax due to changes to tax rates are recognised in the income statement, unless they relate to items recognized either in other comprehensive income or directly in equity.

Deferred tax asset and liabilities

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively. Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the value at which the asset is expected to be realised.

! ACCOUNTING ESTIMATES AND JUDGMENTS

As the Group operates across several different countries, the calculation of the Group's total tax charge in the income statement necessarily involves some estimations and judgments. A material part of the profit on agricultural activities abroad is tax-exempted. Tax and transfer prices disputes with authorities in some countries may occur and Management judgment is applied to assess the possible outcome of such disputes. End 2023, the Group is not involved in any ongoing tax cases/disputes.

Notes

2.6 Discontinued operations

Goodvalley Russia was sold on 4 September 2022 and is reported in the current period as discontinued operation. Financial information relating to the discontinued operations for the period to the date of disposal (with effect from 1 September 2022) is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for eight months ended 31 August 2022

DKK million	2022
Revenue	122
Other income	25
COGS	-105
Other expenses	-12
EBITDA	**31**
Depreciation	-11
Financial income/expenses net	-1
Exchange rate adjustments	56
Income tax expense	0
The financial performance for eight months ended 31 August 2022	**75**
Cash flow from:	
Operating activities	-1
Investing activities	-4
Financing activities	24
	19
Proceeds from sale of Goodvalley Russia:	
Net cash inflow	272
Cash beginning balance	-16
Net increase in cash generated	**256**

The carrying amount of assets and liabilities as at date of disposal of the business:

DKK million	2022
Goodwill	62
Property, plant and equipment	264
Biological assets and inventories	126
Receivables	8
Cash at bank and in hand	40
Total assets	**500**
Credit institutions	10
Other liabilities	10
Total liabilities	**20**
Net assets	**480**

Details of the sale of subsidiary

DKK million	2022
Proceeds from sale net of transaction costs	272
Carring amount of net assets sold	-480
Loss on disposal of discontinued operations	**-208**
Financial performance as for eight months ended 31 August, 2022	75
Interest, future reduction	-7
Reclassification of foreign currency translation reserve	-15
Exchange gain net assets beginning of year to date of disposal	49
Loss from discontinued operations before income tax	**-106**
Income tax	0
Loss from discontinued operations	**-106**

	2022
Earnings per share from discontinued operations	**-2.0**

Notes

Section 3

Operating assets and liabilities

Relates to the assets that form the basis for the activities of the Group and the related liabilities.

DKK million	Note	2023	2022
Intangible assets	3.1	24	26
Property, plant and equipment	3.2	1,345	1,271
Financial asset investments		11	12
Biological assets - basic herd	3.4	114	115
Biological assets and inventories	3.4 3.5	657	705
Receivables	3.6	243	176
Trade payables		137	139
Other payables		70	59
Other provisions	3.7	2	4
Deferred income	3.8	4	6
Net working capital		**684**	**673**
Invested capital		**2,179**	**2,097**

Notes

3.1 Intangible assets

DKK million	Goodwill	Leasehold rights	Total
2023			
Cost at 1 January	16	21	37
Additions for the year	0	0	0
Exchange adjustment at balance sheet date rates	1	-2	-1
Cost at 31 december	**17**	**20**	**36**
Amortization and impairment losses at 1 January	0	11	11
Exchange adjustment at balance sheet date rates	0	-1	-1
Amortization and impairment losses for the year	0	3	3
Amortization and impairment losses at 31 December	**0**	**13**	**13**
Carrying amount at 31 december	**17**	**7**	**24**
2022			
Cost at 1 January	79	27	105
Additions for the year	0	0	0
Discontinued operations	-62	0	-62
Exchange adjustment at balance sheet date rates	-1	-6	-7
Cost at 31 december	**16**	**21**	**37**
Amortization and impairment losses at 1 January	0	10	10
Exchange adjustment at balance sheet date rates	0	-2	-2
Amortization for the year	0	3	3
Amortization and impairment losses at 31 December	**0**	**11**	**11**
Carrying amount at 31 december	**16**	**11**	**26**

The carrying amount of goodwill is specified as follows:

DKK million	2023	2022
Goodvalley Agro S.A.	14	13
Goodvalley Ltd. Ukraine	2	3
Total carrying amount	**17**	**16**

Goodwill relates to Goodvalley Agro S.A., Goodvalley Ltd. Ukraine and Goodvalley Sp. z o.o. For all companies, an impairment test in respect of goodwill has been carried out at 31 December 2023 based on the calculation of value in use. The impairment test was performed through calculation of value based on a DCF model. The DCF model used as basis for impairment has 5 years (2024-2028) as budget periods. There is no general growth in the budget and prognosis period, which instead is based on the approved and actual forecast for 2024 and approved prog-nosis by Management for 2025-2028. For the terminal period covering the years after 2028, value has been deter-mined based on historical normalised earnings. For Goodvalley Agro S.A. discount rate before tax was 9.4% (2022: 14.7%); For Goodvalley Ltd. Ukraine discount rate before tax was 42.9% (2022: 66.1%). No growth has been recog-nised after the budget period. The applied discount rate and budgets are exclussive from inflation. The applied discount rate is based on the inherent risk in the market related to the Group's business and industry peers.

ACCOUNTING ESTIMATES AND JUDGMENTS

Risk of impairment of the Group's intangible and tangible assets are assessed regularly by Management. The significant judgments are identification of CGUs and assumptions used in the Group's impairment model. In case of any indication of impairment, value in use is estimated and com- pared with the carrying amount. The impairment test is performed through calculation of value in use based on a DCF model. The key parameters are the expected revenue, EBITDA margin and the rates used to discount the cash flows. CGUs identified and used for allocation of goodwill and other intangible and tangible assets and impairment testing is based on countries as the countries are viewed as the smallest unit that generates identifiable cash flows. This approch has only two exceptions which are Goodvalley Sp. z o.o. and Goodvalley Agro S.A. Both entities are located in Poland. The activities are, however, very different in nature and thus Management considers them two separate CGUs.

Notes

3.1 Intangible assets – continued

The activity of Goovalley Sp. z o.o. is slaughtering and processing of meat products while Goovalley's Agro's primary activity is the production of pigs. The CGUs are Goodvalley Ukraine LLC, Goodvalley Sp. z o.o. and Goodvalley Agro S.A. The impairment tests for Goodvalley Ukraine and Goodvalley S.A. is based on constant business where growth is primarily based on the expected inflation, whereas the impairment test of Goodvalley Sp. z o.o. is based on a growth scenario for the forthcoming years following the Group's strategy to enhance its own brand. In all CGUs, impairment losses will only incur if there are significant long-lasting negative development in earnings and/or significant increase in discount rates For Goodvalley Ukraine based on analysis of micro-economic statistics Management has considered that fair value less cost of disposal of non- current assets will likely be higher than their carrying value at the reporting date, supporting that non-current assets in Ukraine are not impaired.

§ ACCOUNTING POLICIES

Goodwill
Goodwill is recognised at cost less any impairment losses. Goodwill is not amortised but is subject to an annual impairment test. Impairment losses are recognised as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use. At the assessment of the need for impairment, the recoverable amount of the smallest group of CGU is calculated.

Leasehold rights
Leasehold rights are measured at cost comprising payments to take over leases. Leasehold rights are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The basis for amortization is reduced by any write-downs.

Notes

3.2 Property, plant and equipment

DKK million	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures and fittings tools and equipment	Property, plant and equipment under construction	Right-of-use assets	Total
2023							
Cost at 1 January	1,098	174	558	297	146	141	2,414
Exchange adjustment at balance sheet date rates	43	14	30	7	-0	-0	93
Additions for the year	0	0	21	1	127	27	175
Disposals for the year	-3	-0	-1	-16	-2	0	-22
Reclassification	57	4	18	29	-109	0	0
Cost at 31 December	**1,195**	**192**	**626**	**318**	**162**	**167**	**2,660**
Depreciation and impairment losses at 1 January	318	129	419	223	0	54	1,143
Exchange adjustment at balance sheet date rates	14	11	24	6	0	0	55
Depreciation for the year	32	22	38	24	0	17	135
Depreciation disposals for the year	-3	-0	-1	-14	0	0	-19
Impairment write-down	0	0	0	0	1	0	1
Depreciation and impairment losses at 31 December	**360**	**163**	**480**	**239**	**1**	**71**	**1,314**
Carrying amount at 31 December	**834**	**29**	**146**	**79**	**161**	**96**	**1,345**
Right-of-use assets by category	87		9				96
Carrying amount of assets provided as security for debt*	**834**	**29**	**146**	**2**			**1,011**

Property, plant and equipment include assets in the Polish Food division of approx. DKK 160 million (31.12.2022: DKK 144 million). The carrying value of these assets have been tested for potential impairment. The recoverable amount exceeds the carrying value and no impairment is considered imminent. Recoverable amount is determined on the basis that the Group expects to continue the positive sales development of the branded premium products in the coming years combined with a significant positive effect on the margins in the Food division.

* On 27 January 2021, the Group signed a facility agreement with two banks consisting of two term loans in the aggregate amount of EUR 140 million (DKK 1,043 million) and two revolving credit facilities of up to EUR 10 million (DKK 75 million) . The said facilities were secured with Group fixed assets. The security deed amounts to EUR 225 million (DKK 1,677 million) in respect to Goodvalley Agro S.A. and its subsidiaries and EUR 225 million (DKK 1,677 million) to Goodvalley Sp. z o.o.

Notes

3.2 Property, plant and equipment – continued

DKK million	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures and fittings tools and equipment	Property, plant and equipment under construction	Right-of-use assets	Total
2022							
Cost at 1 January	1,336	177	647	352	172	151	2,836
Exchange adjustment at balance sheet date rates	-89	-3	-26	-31	-23	-2	-174
Additions for the year	0	0	0	0	67	-8	59
Disposals for the year	-4	0	0	-12	-3	0	-20
Reclassification	24	0	16	9	-48	0	0
Transfer to Investment property	0	0	0	0	-11	0	-11
Transfer to Discontinued operations	-168	0	-78	-21	-8	0	-276
Cost at 31 december	**1,098**	**174**	**558**	**297**	**146**	**141**	**2,414**
Depreciation and impairment losses at 1 January	332	112	434	249	0	38	1,165
Exchange adjustment at balance sheet date rates	-16	-2	-18	-21	0	0	-58
Depreciation for the year	35	20	37	25	3	16	137
Depreciation disposals for the year	-1	0	0	-11	-3	0	-15
Transfer to Discontinued operations	-33	0	-33	-19	0	0	-85
Depreciation and impairment losses at 31 December	**318**	**129**	**419**	**223**	**0**	**54**	**1,143**
Carrying amount at 31 december	**781**	**44**	**139**	**74**	**146**	**87**	**1,271**
Right-of-use assets by category	78		9				87
Carrying amount of assets provided as security for debt	**781**	**44**	**139**	**2**			**966**

Notes

3.2 Property, plant and equipment – continued

ACCOUNTING POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and subsuppliers.

Depreciation of a non-current asset is commenced when it is put into use. Depreciation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production building	25-40 years
Leasehold improvements	25-40 years
Plant and machinery	7-15 years
Other fixtures and fittings, tools and equipment	3-10 years

Residual values are generally expected to be nil.

Impairment of property, plant and equipment: At the end of each reporting period, Management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, Management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs of disposals and its value in use. The carrying amount is reduced to the recoverable amount and impairment loss is recognised in profit or loss for the year.

Contractual commitments

There are no contractual commitments for acquisition of property, plant and equipment.

3.3 Leases

DKK million	2023	2022
Land and buildings	87	78
Plant and machinery	9	9
Other equipment	0	0
Carrying amount of lease assets	**96**	**87**
Lease liablites		
Less than 1 year	26	32
Between 1 and 5 years	68	87
More than 5 years	175	200
Undiscounted lease liabilities at December 31	**269**	**318**
Lease liabilities		
Short-term	24	13
Long-term	84	89
Total lease obligation recognized in the balance sheet	**107**	**102**
Amount recognised in the income statement		
Interest on lease liablities	14	19
Depreciation of lease assets per asset class		
Land and buildings	12	12
Plant and machinery	5	4
Depreciation of lease assets	**17**	**16**

Leasing expenses relating to short-term and low value leases are insignificant.

Notes

3.3 Leases – continued

§ ACCOUNTING POLICIES

Lease assets

Goodvalley's portfolio of leases covers leases of land, buildings and other equipment such as production lines, cars and transportation containers.

Lease assets are 'right-of-use assets' from lease agreements. If, at inception, it is assessed that a contract contains a lease, a lease asset is recognised. Lease assets are initially measured at the present value of future lease payments, plus the cost of obligations to refurbish the asset. Payments include fixed payments, variable lease payments depending on an index or a rate and the exercise price of purchase options that are reasonably certain to be excercised. The lease assets are depreciated using the straight-line method over the shorter of the expected lease term and the useful life of the underlying asset. The lease assets are tested for impairment whenever there is an indication that the assets may be impaired. Lease assets are depreciated as follows:

- Buildings: 1-12 years
- Land: 10-90 years
- Plant and machinery: 1-10 years

Payments associated with all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT equipment, phones and small items of office furniture with value of DKK 10K or less.

Lease liabilities

Lease liabilities are initially recognised at the present value of future lease payments including payments from extension or purchase options that are considered reasonably certain to be exercised. The lease liability is measured using the implicit borrowing rate in the contracts or, where this is not available, the marginal borrowing rate in the countries in which Goodvalley operates. Goodvalley applies a single discount rate to portfolios of leases in the countries in which Goodvalley operates based on contract currency and loan periods. If a lease contract is modified, the lease liability is remeasured.

The Group recognises lease liabilities regarding right-of-use-assets, which are generally divided into land, farms and machinery. Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed contract payments (including in-substance fixed payments) and variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

! ACCOUNTING ESTIMATES AND JUDGMENTS

For the Group's finance lease liabilities calculation the following assumptions of lease payments were made for the lease of land contracts:

1. The contracts are often attached to the price for grain (often specifically wheat). In Ukraine. the land owners can decide whether they would get the payment in either crop or cash. Crops are paid in the 2nd half of the year (after harvest) and if cash is chosen payment is made in 1st half of the year. For simplifying the approach the calculation is based on actual payments – whereby it takes into consideration the payment for land and any variable payments related to the contract.
2. For calculation purpose prices for the actual harvest (2nd half of year) are used for calculating the effect.

Discount rates are calcuated for each country based on risk free rates adjusted for credit risk and local National Bank's deposit and credit rates.

The low value contracts were excluded for calculation purposes (covering phones and laptops).

Notes

3.4 Biological assets

DKK million	Basic Herd	Sales Herd	Total herd
2023			
Opening balance as of 1. January	**115**	**262**	**377**
Movements:			
Cost	3	0	3
Produced piglets, cattles	6	690	694
Gain/loss from change in fair value	11	883	894
Sales	-45	-1,498	-1,543
Transfer between groups	24	-24	0
Exchange adjustments	1	4	5
Closing balance - Values as of 31 december	**114**	**316**	**430**
2022			
Opening balance as of 1. January	**117**	**178**	**294**
Movements:			
Cost	2	0	2
Produced piglets, cattles	3	552	555
Gain/loss from change in fair value	37	680	717
Sales	-36	-1,090	-1,126
Transfer between groups	19	-19	0
Exchange adjustments	-28	-39	-67
Closing balance - Values as of 31 december	**115**	**262**	**377**

Additions for piglets are calculated as the value of weaners at standard rates.

Gain on changes in fair value comprises changes as a consequence of biological growth and price changes.

Disposals from sales and transfer amounts are calculated using the fair value per unit from previous period. Transfer between groups covers pigs transferred to own breeding as young females.

Herd provided as security for loan from credit institution amounts to DKK 0 at 31 December 2023 (2022: DKK 0 million).

Quantitative information	Number of pigs	Average price per kilogram, DKK	Total DKK million
Basic herd			
Sows	35,508	10.95	93
Maiden Gilts ending up as Gilts	9,767	19.74	19
Boars	198	30.15	2
Basic herd	**45,473**		**114**
Sales herd			
Piglets (up to 7 kg)	90,277	67.44	22
Weaners (7 to 30 kg)	188,869	32.92	98
Finishers (above 30 kg)	222,506	11.37	193
Maiden gilts ending up for slaughter	2,887	11.41	3
Sales herd	**504,539**		**316**

Sensitivity information	Change average price, DKK	Change effect, DKK million
Basic herd		
Sows	+/- 10%	9
Maiden Gilts ending up as Gilts	+/- 10%	2
Boars	+/- 10%	0
Basic herd		**11**
Sales herd		
Piglets (up to 7 kg)	+/- 10%	2
Weaners (7 to 30 kg)	+/- 10%	10
Finishers (above 30 kg)	+/- 10%	19
Maiden gilts ending up for slaughter	+/- 10%	0
Sales herd		**32**

Notes

3.4 Biological assets – continued

DKK million	2023	2022
Crop production		
Opening balance as of 1. January	**69**	**68**
Field expenses	231	213
Gain/loss from change in fair value	-30	51
Harvest	-209	-250
Exchange adjustments	0	-13
Closing balance	**61**	**69**
Numbers of hectars harvested	25,303	25,673
Numbers of hectars seeded as of closing balance	13,009	13,282

Current biological assets under crop production include winter crops sown in the autumn. Field expenses for the year include expenses relating to biological transformation.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Group's biological assets are measured at fair value less estimated costs to sell at each balance sheet date.

The fair value of sales herd (slaughter pigs) is based on the existence of an active market for these, including quotations and prices and with reference to the Group's realised sales prices per kilo live weight at 31 December on the local existing markets, and all finishers are valued at this price per kilo based on their average weight.

The fair value of the basic herd is measured on the basis of current market prices for animals of the same age, breed and genetic heritage on the nearest market place. Measurement is based on an average of the market price of young females purchased and the slaughter value of a sow at 31 December.

For crops sown in autumn, the Group generally estimate that there was no material biological transformation at 1 January till 30 June compared with the time of sowing, and therefore, these biological assets are measured at cost, which approximates to the fair value. If assumptions for biological transformation have changed, additional adjustments to the fair value are made at the end of each reporting period till the end of harvesting.

Biological assets were measured at a total of DKK 491 million at 31 December 2023 (DKK 446 million at 31 December 2022).

§ ACCOUNTING POLICIES

Biological assets of the Group consist of unharvested crops and pig herd. Basic herd and green grass with harvest period more than one year are classified as non-current assets; sales herd and unharvested crops (winter crops sown in the autumn) are classified as current assets in the consolidated statement of financial position.

All biological assets are measured at fair value. All of these fair values are placed at level 3 in the fair value hierarchy as significant estimates are applied. The Group's financial departments are responsible for performing the valuation of fair value measurements including level 3 fair values of biological assets. Same valuation model and techniques are used every month in all companies. Valuation model includes market inputs from official prices and actual own sales prices on local markets. The valuation process and results for recurring measurement are reviewed and approved by Group Management at least once every quarter.

3.5 Inventories

DKK million	2023	2022
Inventories		
Agriculture produce (stocks of own produced grain ect)	108	160
Raw materials, medicine etc, bought feed	131	179
Work in progress	6	4
Finished goods and goods for resale	35	31
Total inventory	**280**	**374**
Provision at 1 January	6	3
Additions for the year	4	3
Disposals for the year:		
- Applied	-3	0
- Reversed	0	0
Provision at 31 December	**7**	**6**

Notes

3.5 Inventories – continued

ACCOUNTING POLICIES

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operation with deduction of costs to sell and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour as well as directly attributable labour and production costs. These costs also comprise maintenance and depreciation of machinery, factory buildings and equipment used in the manufacturing process as well as costs of production management.

Agricultural produce is initially recognised in inventory at fair value at the point of harvest less estimated costs to sell. The fair value of agricultural produce at the point of harvest is measured based on the market prices on the local markets on which the agricultural produce could be sold.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Group's inventories consist of agriculture produce (grain, silage, straw), feed, energy certificates and processed meat products from the Food division.

Agricultural produce are measured at fair value (based on the existence of an active market for these) at time of harvest and storage weight (established at time of harvest). Assessment of total inventories is subject to management estimates when determing the fair value.

3.6 Receivables

DKK million	2023	2022
Receivables		
Trade receivables	167	96
Bad debt provision	-3	-3
Trade receivables, net	**164**	**94**
Other receivables	51	53
Write down	0	-1
Other receivables, net	**51**	**52**
Aging of trade receivables, gross		
Up to 30 days	159	92
Between 30 and 90 days	5	1
More than 90 days	3	3
Trade receivables, gross, at December 31	**167**	**96**

DKK thousand	2023	2022
Allowance for expected credit losses at 1 January	**4**	**5**
Exchange adjustment	0	-1
Additions for the year	0	0
Disposals for the year:		
- Applied	0	0
- Reversed	-1	0
	3	**4**

Notes

3.6 Receivables – continued

§ ACCOUNTING POLICIES

Trade and other receivables are recognised in the balance sheet at amortised cost less allowance for expected credit losses. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

Furthermore, an allowance for lifetime expected credit losses for trade receivables is recognized on initial recognition. Trade and other receivables are written off after all efforts to collect have been exhausted and there is no reasonable expectation of recovery.

The cost of allowance for expected credit losses and write-offs for trade receivables are included in SG&A costs.

! ACCOUNTING ESTIMATES AND JUDGMENTS

The allowance for expected credit losses for trade and other receivables is based on historical credit losses combined with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected loss rates are updated at every reporting date.

The allowance for the lifetime expected credit loss model has only an immaterial effect on allowances recognised. The Group´s trade terms are generally covered by payment upon delivery or insurance of the receivable, whereby the risk is transferred.

3.7 Other provisions

DKK million	2023	2022
Staff obligations:		
Balance at 1 January	4	5
Exchange adjustment at balance sheet date rates	0	0
Provision for the year	3	1
Utilised provisions	-2	-2
Reversal of unutilised provision	0	0
Total provisions	**5**	**4**
Provisions are recognised in the balance sheet as follows:		
Long-term	3	3
Short-term	2	1
Total provisions	**5**	**4**

Other provisions relating to staff obligations comprise provision for voluntary social funds in foreign subsidiaries as well as provisions for redundancy schemes for which the Group has no further obligations once the contribution has been paid. Uncertainty in respect of the recognition primarily relates to the unknown time horizon and the scope involved.

§ ACCOUNTING POLICIES

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a legal or constructive obligation resulting from previous events; when it is probable that the Group will have to give up future economic benefits to settle the obligation, and the obligation can be measured reliably.

Other provisions relating to staff obligations comprise provision for voluntary social funds in foreign subsidiaries as well as provision for contribution-based redundancy schemes for which the Group has no further obligations once the contribution has been paid.

Notes

3.8 Deferred income

DKK million	2023	2022
Deferred income		
Short term	2	3
Long term	2	3
	4	**6**

Deferred income primarily relates to grants for the construction of biogas production in Poland. Grants are recognised as income concurrently with the underlying fixed assets being depreciated.

§ ACCOUNTING POLICIES

Deferred income is recognised in liabilities when the government grants have been received but the conditions relating to the grants have not yet been met, or — where the government grant relates to non-current assets — the grants are recognised as income concurrently with the underlying non-current asset being depreciated.

Notes

Section 4

Capital structure and financing items

Encompasses notes related to capital structure and financing items.

DKK million	Note	2023	2022
Cash and bank and in hand		-377	-155
Credit institutions	4.1	871	942
Subordinated loan from Polen Invest A/S	4.1	0	19
Net interest-bearing debt		**494**	**806**
Leverage (NIBD/Adjusted EBITDA LTM)		**0.9**	**3.4**

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Notes

4.1 Financial institutions (Debt/Bonds)

DKK million	2023	2022
Debt to credit institutions		
Payable after 5 years	0	0
Payable between 1 and 5 years	790	844
Long-term debt	**790**	**844**
Short term	81	98
	871	**942**
Subordinated loan capital		
Payable after 5 years	0	0
Payable between 1 and 5 years	0	10
Long-term debt	**0**	**10**
Short-term debt	0	9
Total	**0**	**19**

Movements of financial liabilities

DKK million	Beginning balance	Repay-ments	Proceeds	Currency transla-tion	Other	Ending balance
Credit institutions	942	-115	56	-12	0	871
Subordinated loan from Polen Invest	19	-19	0	0	0	0
Lease liabilities	102	-14	0	5	14	107
	1,063	**-167**	**56**	**12**	**14**	**977**

Subordinate loan from Polen Invest A/S was repaid in 2023.

	Carrying amount	Interest period binding months	Average effective interest in %
Loans with variable interest:			
PLN	9	30	6.5
EUR term loan	846	30	4.0
EUR other	16	30	4.0
DKK	0	30	7.4

§ ACCOUNTING POLICIES

Debt is recognised at cost at the time of contracting the debt at an amount equal to the proceeds received, net of loan costs. Subsequently, it is stated at amortised cost, which in respect of short-term and non-interest-bearing debt and of floating rate loans usually corresponds to nominal value.

Notes

4.2 Financial risks

Credit risks

The Group is exposed to credit risks on receivables. Based on a history of only marginal credit losses and the aging of current receivables, the Group considers the credit risk to be low. The Group's maximum credit risk is the sum of receivables recognised less insured amounts.

Outstanding receivables are followed-up upon on a current basis in accordance with Group procedures. If it is uncertain whether a customer is able or willing to pay, and the receivable is deemed doubtful, as allowance for credit loss is recorded.

Liquidity risk

The Group ensures adequate cash resources by entering into framework agreements in respect of current overdraft facilities. Existing agreements subject to time limitation are irrevocable on the part of the banks prior to maturity unless there is a breach of the terms of the loans according to the loan agreements.

In case of a breach of the terms of the loans, the Group has a right to remediate causes of breach without undue delay, and failing that, the bank is entitled to cancel the entire or part of the facility.

The maturity analysis is disclosed according to category and class broken down into maturity periods.

Interest risk

The majority of the Group's credit facilities are floating-rate credits, which exposes the Group to interest rate fluctuations. According to Group policy, all financing of working capital and investments in fixed assets are made on floating-rate terms. No financial instruments are used to hedge the interest level.

Based on interest-bearing debt at the balance sheet date, an increase in the market rate of 1% would affect profit/loss for the year before tax by approximately DKK 9 million (2022: DKK 10 million). The Group's settlement currencies are primarily PLN and UAH. No financial instruments are used to hedge positions in foreign currencies.

Foreign exchange risks

Due to the Danish Central Bank's fixed-rate policy towards EUR, it is assessed that the foreign currency positions in EUR do not involve any significant risk due to changes in the EUR rate.

As a consequence of the individual Group enterprises primarily operating in their individual functional currencies, the Group results will mainly be affected by changes in exchange rates due to intercompany accounts and receivables/payables and loans denominated in other currencies than the functional currency for the individual Group enterprise.

A 5% increase/decrease in the PLN and UAH rate versus DKK would impact profit/loss before tax positively/negatively by DKK 8 million and impact other comprehensive income positively/negatively by DKK 5 million arising from financial assets and liabilities. The sensitivity analysis does not include financial assets and liabilities in the functional currency of the Group's subsidiaries and translation risk from consolidation of income statement.

Market risks

The most significant effect on the Group's earnings is attributable to changes in the price of pig meat and price changes relating to pig feed, which makes up 2/3 of the pig production costs.
Goodvalley is engaged in large-scale agricultural activities, which makes it possible to use the pig slurry. Moreover, this provides considerable hedging of the risk of changes in feed prices. A change of the pig meat price of 10% will, on an isolated basis, affect profit/loss for the year before tax relating to the pig production by approximately DKK 154 million (2022: approx. DKK 119 million). A change in the feed price of 10% will, on an isolated basis, affect profit for the year before tax relating to the pig production by approximately DKK 73 million (2022: approx. DKK 54 million).

Capital management

Total capital comprises equity, term loans and subordinated loan capital from the Parent company; Polen Invest A/S, as shown in the consolidated balance sheet. The objective of the Group's capital management is to ensure the Group's ability to continue as a going concern in order to provide return on the shareholders' investments and establish and maintain an optimal capital structure for the purpose of reducing the costs of borrowed capital and maintain a basis for continued growth in the Group. In the short-term, Group management also has strong focus to ensure that loan terms are complied with as long as the Group is not able to use cash funds in Ukraine to service the Group's obligations under its term loans. The Group's capital management is moreover partly controlled by loan agreements which include specific requirements to the financial performance of the Group and certain restrictions on the level of dividend distributions.

In the mid-term, Group management is engaged in ensuring that the Group's term loan maturing in 2025 will be refinanced on a timely basis at commercial attractive terms.

Notes

4.2 Financial risks – continued

Maturity analysis at 31 December 2023 excluding future interest payments:

Measured at amortised cost	<1 year	1-5 year	>5 year	Without agreed settlement	Total	Carrying amount	Fair Value
2023							
Credit institutions	81	790	0	0	871	871	871
Trade payables	137	0	0	0	137	137	137
Other short-term payables	69	0	0	0	69	69	69
Financial liabilities	**287**	**790**	**0**	**0**	**1,077**	**1,077**	**1,077**
Receivables:							
Receivables from associated company	7	0	0	0	7	7	7
Trade receivables	164	0	0	0	164	164	164
Other receivables	51	0	0	0	51	51	51
Cash at bank and in hand	377	0	0	0	377	377	377
Financial assets	**598**	**0**	**0**	**0**	**598**	**598**	**598**
Net Cash In-/out	**311**	**-790**	**0**	**0**	**-479**	**-479**	**-479**

Notes

4.2 Financial risks – continued

Measured at amortised cost	<1 year	1-5 year	>5 year	Total	Carrying amount	Fair Value
2022						
Credit institutions	98	844	0	942	942	942
Payables to group companies	9	10	0	19	19	19
Trade payables	139	0	0	139	139	139
Other short-term payables	59	0	0	59	59	59
Financial liabilities	**304**	**854**	**0**	**1,159**	**1,159**	**1,159**
Receivables:						
Receivables from related companies	7	0	0	7	7	7
Trade receivables	94	0	0	94	94	94
Other receivables	52	0	0	52	52	52
Cash at bank and in hand	155	0	0	155	155	155
Financial assets	**307**	**0**	**0**	**307**	**307**	**307**
Net Cash In-/out	**3**	**-854**	**0**	**-852**	**-852**	**-852**

Notes

4.2 Financial risks – continued

Currency exposure at 31 December:

Currency	Payment maturity	Cash and cash equivalents	Receivables	Payables	Bank and credit institutions	Net position 2023	Net position 2022
USD	< 1 year	1	12	0	0	13	10
	> 1 year	0	0	0	0	0	0
EUR	< 1 year	44	5	-32	-780	-764	-769
	> 1 year	0	0	0	-83	-83	-76
PLN	< 1 year	94	134	-98	-8	122	-12
	> 1 year	0	0	0	0	0	-1
UAH	< 1 year	199	13	-5	0	207	44
	> 1 year	0	0	0	0	0	0
DKK	< 1 year	39	0	-2	0	37	-11
	> 1 year	0	0	0	0	0	-10
		377	**164**	**-137**	**-871**	**-468**	**-825**

Notes

4.3 Change in working capital

DKK million	2023	2022
Change in receivables and inventories	26	-5
Change in biological assets	-45	-84
Change in other short-term debt	8	34
Total	**-11**	**-55**

4.4 Non-current investments

DKK million	Other financial assets	Other non-current receivables	Associates	Total
2023				
Cost at 1 January	0.1	0.0	1.0	1.1
Cost at 31 December	**0.1**	**0.0**	**1.0**	**1.1**
2022				
Cost at 1 January	0.1	3.2	1.0	4.3
Disposals	0	-3.2	0	-3.2
Cost at 31 December	**0.1**	**0.0**	**1.0**	**1.1**

The carrying amounts of investments in associates are specified as follows:

DKK million	2023	2022
Sevel Slagteri A/S, Denmark, 40%	1	1

§ ACCOUNTING POLICIES

Non-current asset investments include other investments and long-term loans provided.

Other investments for which no fair value can be reliably estimated are recognised at cost. When it becomes possible to estimate a reliable fair value, such investments will be measured accordingly. Unrealised fair value changes are recognised in other comprehensive income over equity, except for impairment losses and exchange adjustments on investments in foreign currencies which are recognised in the income statement. Long-term loans provided are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Allowance for credit losses are recognized based on an individual basis.

Notes

4.5 Financial income and costs

DKK million	2023	2022
Financial income		
Interest income	20	3
	20	**3**
Financial expenses		
Interest expenses:	-77	-60
Amortisation borrowing costs	-10	-4
	-87	**-64**
Exchange rate adjustments		
Loans	-8	-50
Other	16	-3
	8	**-53**

In January 2021, the Goodvalley's board of directors approved a facilities agreement consisting of two term loans in the aggregate amount of EUR 140 million and two revolving credit facilities of up to EUR 10 million. The facilities agreement triggered borrowing costs of DKK 17 million, which are amortised over the term of the facilities agreement wíth the charge of DKK 10 million in 2023.

§ ACCOUNTING POLICIES

Financial income and costs comprise interest income and interest costs, realised and unrealised exchange adjustments. Financial expenses directly attributable to purchases, construction or production of a qualifying asset are included as part of the cost of the asset. All other financial expenses are recognised as expenses in the financial year in which they relate.

4.6 Share capital, dividend and earnings per share

The share capital consists of 53,797,824 shares of a nominal value of DKK 10, all fully paid. No shares carry any special rights. The Group does not hold any treasury shares. The Group has not issued any rights to subscribe new shares in Goodvalley A/S:

	2023	2022
Proposed dividend per share (DKK)	**0.56**	**0**

Notes

4.6 Share capital, dividend and earnings per share – continued

ACCOUNTING POLICIES

Dividend will be recognised as a liability at the time of resolution at the general meeting.

The reserve relating to exchange adjustments comprises translation differences arising in connection with translation of the financial statements of foreign subsidiaries from their functional currency into DKK. On realisation of the net investment, exchange adjustments are recognised in the income statement.

EARNINGS PER SHARE

	2023			2022		
DKK million	**Continuing operations**	**Discontinuing operations**	**Total**	**Continuing operations**	**Discontinuing operations**	**Total**
Profit/loss for the year	357	0	357	132	-106	26
Weighed number of shares (million)	53.8	0	53.8	53.8	53.8	53.8
Earnings per share	6.6	0.0	6.6	2.5	-2.0	0.5

The Company has not issued any convertible instruments or options/warrants and hence diluted earnings per share is identical with basic earnings per share.

4.7 Net interest-bearing debt

The Company excludes IFRS 16 debt from Net interest-bearing debt.

DKK million	**2023**	**2022**
Liabilities to credit institutions	871	960
Cash	377	155
Net interest bearing debt	**494**	**806**

Notes

Section 5

Other disclosures

Includes statutory notes and other notes, and notes of secondary importance from the perspective of the Group.

5.1 Cash flow adjustments

DKK million	2023	2022
Other adjustments:		
Exchange rate adjustments	-32	-198
Other adjustments	2	80
Total other adjustments	**-30**	**-118**

5.2 Contingent liabilities

The Group has provided cross surety for debt within the Group.

Goodvalley A/S is jointly taxed with its parent, Polen Invest A/S, which acts as an administration company, and has joint and several liability together with other jointly taxed Group entities for the payment of income tax as well as for withholding taxes on interest, royalties and dividends. Tax payable for the joint taxation amounts to DKK 0 at 31 December 2023 (DKK 0 at 31 December 2022).

The Group is on a recurring basis involved in ongoing lawsuits as both applicant and defendant with partners and tax authorities. At the closing of the annual report for 2023, the Group is part in an ongoing tax audit in Poland. None of the ongoing cases are expected to have significant influence on the Group's financial position.

Apart from this, the Group has no contingent liabilities except for what is usual for the line of business.

Notes

5.3 Related-party transactions

Controlling interest	Basis for influence
Polen Invest A/S, Solvænget 21, DK-7400 Herning	Parent Company

Polen Invest A/S's shareholders are legal and natural persons,
and no individual shareholder exercises control of the Group's activities.

Other related parties	
Kristian Brokop, Skovgårdsparken 12, DK-5462 Morud	CEO from 8 March 2021
Jesper Vikelsø Jensen, Hollændervej 105, DK-5500 Middelfart	Member of the Executive Board from 15 October 2021
Anders Christen Obel, Haxholmvej 80, DK-8870 Langå	Chairman of the Board of Directors
Niels Rauff Hansen, Vinkelvej 141, DK-8800 Viborg	Deputy Chairman of the Board of Directors
Tom Axelgaard, Gyldenrisvej 11, DK-6854 Henne	Member of the Board of Directors
Anders Bundgaard, Rørholtvej 32, DK-9370 Hals	Member of the Board of Directors
Leif Bergvall Hansen	Member of the Board of Directors
Goodvalley Agro S.A., Poland	Group company
Goodvalley Sp. z o.o., Poland	Group company
Goodvalley Ltd., Ukraine	Group company
Finansax ApS, Denmark	Group company
Goodvalley ApS, Denmark	Group company
Sevel Slagteri A/S. Søgårdsvej 28, DK-7830 Vinderup	Associated company

Transactions
The Group has repaid a subordinate loan to the Parent company (balance at 31 December 2022: DKK 19 millions). The loan carried interest, and the interest for 2023 amounted to DKK 1 million (2022: DKK 1 million).

Remuneration of the Executive Board and the Board of Directors is specified in note 2.4

Intercompany transactions have been eliminated in accordance with the accounting policies. All transactions have taken place on an arm's length basis.

The ultimate parent company is:

Polent Invest A/S, Denmark (90.5%). Goodvalley A/S and subsidiaries are included in the consolidated financial statements for Polen Invest A/S.

The following control more than 5% of the shares:

Polen Invest A/S, Denmark (90.5%)

5.4 Events after the reporting period

The Group has not experienced any significant events after 31 December 2023 which have an impact on the annual report.

Notes

5.5 Fee to statutory auditor

Audit fee

DKK million	BDO	Others
2023		
Audit fees	1	0
Other assurance services	0	0
Tax advisory services	0	0
Accounting assistance	0	0
	1	**0**
2022		
Audit fees	0.4	1
Other assurance services	0	0
Tax advisory services	0	0
Accounting assistance	0	0
	0.4	**1**

5.6 Income Statement classified by function

DKK million	2023	2022
Total income	2,123	1,780
Cost of goods sold including depreciation and amortisation	-1,589	-1,414
Gross profit	**534**	**366**
Other operating expenses		
SG&A, including depreciation and amortisation	-118	-120
EBIT	**417**	**246**
Depreciation and amortisation consist of:		
Amortisation of intangible assets	-3	-3
Depreciation of tangible assets	-135	-137
	-138	**-140**
Depreciation and amortisation are divided into:		
Cost of goods sold	-135	-133
Sales and administrative costs	-3	-7
	-138	**-140**

Notes

5.7 Entities in Goodvalley

			Principal activities				
Name	**Country of incorporation**	**%**	**Farming**	**Energy**	**Slaughterhouse**	**Food**	**Administration**
Goodvalley A/S	**Denmark**						●
Finansax ApS		100%					
Goodvalley Denmark ApS		100%					
Goodvalley Agro S.A.	**Poland**	**100%**	●	●			●
Subsidiaries							
Zegrol Sp. z o.o.	Poland	100%	●				●
Kniat Agro Sp. z o.o.	Poland	100%	●				●
Przedsiębiorstwo Uboju Zwierząt Rzeźnych Rolnik Sp. z o.o.	Poland	100%	●				●
Agro Wlodarski Sp. z o.o.	Poland	100%	●				●
Bioenergia Sp. z o.o.	Poland	100%		●			●
Invest Farm Sp. z o.o.	Poland	100%	●				●
L.M.-POL Sp. z o.o.	Poland	100%	●				●
Ośrodek Hodowli Zarodowej Sp. z o.o.	Poland	100%	●				●
Agro Wiesiółka Sp. z o.o.	Poland	100%	●				●
Agro Pokrzywy Sp. z o.o.	Poland	100%	●				●
Agro Gębarzewo Sp. z o.o.	Poland	100%	●				●
Goodvalley Sp. z o.o	**Poland**	**100%**			●	●	●
Goodvalley Ukraine LLC	**Ukraine**	**100%**	●	●			●
Subsidiaries:							
Daryna Food LLC	Ukraine	100%	●				
Galytski Agrarni Investytsii PE	Ukraine	100%	●				
Associates							
Sevel Slagteri A/S	**Denmark**	**40%**			●		

Notes

5.8 Explanation of financial ratios

Adjusted EBITDA
Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding price regulation of herd value and non-recurring items.

NIBD/Adjusted EBITDA LTM
Net Interest-Bearing Debt divided by adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) rolling for the last twelve months excluding price regulation of herd value and non-recurring items.

EBITDA	=	EBIT + depreciation, amortisation and impairments
Adjusted EBITDA	=	EBIT before depreciation, amortisation and impairments adjusted for price effect on herd valuation and any non-recurring items
Free cash flow	=	Cash flow before financing activities
Net working capital	=	Biological assets classified to Current assets + inventories + receivables – operating long- and short-term payables
Invested capital	=	Non-current assets + Net working capital
Net interest-bearing debt	=	Current and non-current liabilities and debt, excluding Lease liabilities under IFRS 16, debt to credit institutions and subordinated loan – cash and cash equivalents (NIBD).
Gross margin (%)	=	$\frac{\text{Gross profit}}{\text{Revenue}}$
EBITDA margin (%)	=	$\frac{\text{Operating profit before depreciation, amortisation and impairments}}{\text{Revenue}}$
EBIT margin (%)	=	$\frac{\text{Operating profit}}{\text{Revenue}}$
Adjusted profit	=	Profit/loss less impairments adjusted for price effect on herd valuation, Corpo ration tax and Exchange rate adjustments
Free cash flow / Revenue	=	$\frac{\text{Free cash flow}}{\text{Revenue}}$
Cash conversion	=	$\frac{\text{Free cash flow}}{\text{Operating profit (EBIT)}}$
EBITDA LTM	=	Operating profit/loss before depreciation, amortisation and impairment last 12 months
Equity ratio	=	$\frac{\text{Equity year-end}}{\text{Total assets year-end}}$
ROIC	=	$\frac{\text{Adjusted EBIT-taxes}}{\text{Average invested capital}}$
FTE year end	=	$\frac{\text{Total hours worked year-end}}{\text{Standard work hours per week}}$
Earnings per share	=	$\frac{\text{Profit/loss attributable to shareholders of the Parent Company}}{\text{Average number of shares excluding treasury shares}}$

Financial statements for the Parent Company

Income Statement

Income Statement, 1 January - 31 December

DKK million	Note	2023	2022
Revenue	2	**29**	**28**
Other external expenses		0	0
Gross profit/loss		**29**	**28**
SG&A	3	-32	-35
EBITDA		**-3**	**-7**
Depreciation		0	-1
EBIT		**-3**	**-8**
Dividend from subsidiaries		0	0
Financial income	4	63	37
Financial expenses	5	-71	-52
Profit/loss before tax		**-11**	**-22**
Income tax	6	0	0
Profit/loss from continued operations		**-11**	**-22**
Loss for the year of discontinued operations	7	0	-192
Profit/loss		**-11**	**-214**

Statement of comprehensive income, 1 January - 31 December

DKK million	Note	2023	2023
Profit/loss for the year		-11	-214
Total comprehensive income		**-11**	**-214**

Balance Sheet

Balance Sheet. 31 December

DKK million	Note	2023	2022
Assets			
Other fixtures		7	7
Tangible assets	9	**7**	**7**
Investment in associates	10	1	1
Investment in subsidiaries	11	1,152	1,152
Receivables from associates		7	7
Receivables from group companies	13	279	391
Financial investments		**1,439**	**1,551**
Non-current assets		**1,446**	**1,558**
Receivables from group companies	13	238	171
Other receivables		2	4
Prepayments		4	14
Receivables		**244**	**188**
Cash at bank and in hand		58	112
Current assets		**303**	**300**
Assets		**1,749**	**1,858**

Balance Sheet, 31 December

DKK million	Note	2023	2022
Liabilities and equity			
Share capital		538	538
Retained earnings		316	357
Proposed dividend	8	30	0
Total equity	**14**	**884**	**895**
Credit institutions		819	844
Subordinated loan capital from Polen Invest A/S		0	10
Long-term liabilities		**819**	**854**
Credit institutions		26	76
Subordinated loan capital from Polen Invest A/S		0	9
Other payables		19	26
Long-term liabilities		**45**	**110**
Liabilities		**865**	**963**
Liabilities and equity		**1,749**	**1,858**

Statement of changes in equity

DKK million	Share capital	Retained earnings	Proposed dividend	Total Equity
Equity at 1 January 2022	**538**	**570**	**0**	**1,108**
Net profit/loss for the year		-214		
Comprehensive income/loss for the year 2022	**538**	**357**	**0**	**895**
Equity at 31 December 2022	**538**	**357**	**0**	**895**
Equity at 1 January 2023	**538**	**357**	**0**	**895**
Net profit/loss for the year		-11		-11
Comprehensive income/loss for the year 2023	**0**	**-11**	**0**	**-11**
Proposed dividend	**0**	-30	30	**0**
Equity at 31 December 2023	**538**	**316**	**30**	**884**

Statement of cash flows

DKK million	2023	2022
Profit/loss	**-11**	**-214**
Adjustments for non-cash items and interest, etc.	9	52
Change in working capital	51	9
Cash flow from operating activities before financial income and expense	**50**	**-153**
Interest received	0	0
Interest paid	-57	-48
Cash flow from ordinary activities	**-7**	**-201**
Corporation Income tax paid	0	0
Cash flow from operating activities	**-7**	**-201**
Purchase of intangible assets	0	-1
Change of financial investments	48	189
Proceeds from sale of Goodvalley Russia	0	272
Cash flow from investing activities	**48**	**461**
Repayment of borrowings	-88	-209
Proceeds from borrowings (incl. revolving facility)	13	16
Repayment of subordinated loan from parent	-20	1
Cash flow from Financing activities	**-94**	**-192**
Change in cash and cash equivalents	**-53**	**67**
Cash and cash equivalents at 1 January	112	44
Cash and cash equivalents at 31 December	**58**	**112**

Restricted cash amounts DKK 37 million and is equivalent of EUR 5 million as security for borrowings as long as Goodvalley Ukraine is not allowed to transfer repayments and interest payment out of Ukraine.

Notes

2. Revenue

DKK million	2023	2022
Service fees	29	28
Total revenue	**29**	**28**

3. Staff costs

DKK million	2023	2022
Wages and salaries	**23**	**23**

Reference is made to note 2.4 for information to the Executive Boards and Board of Directors.

4. Financial income

DKK million	2023	2022
Intercompany loans	46	37
Other financial income	2	0
Exchange rate adjustments	14	0
	63	**37**

5. Financial expenses

DKK million	2023	2022
Borrowings	61	44
Amortisation borrowing costs	10	4
Exchange rate adjustments	0	4
	71	**52**

In January 2021 Goodvalley's board of directors approved a facilities agreement consisting of two term loans in the aggregate amount of EUR 140 million (DKK 1.041 billion) and two revolving credit facilities of up to EUR 10 million (DKK 74 million) in order to refinance Goodvalley's existing EUR 135 million (DKK 1.004 billion) senior secured bond. Additionally in December 2021 the Company obtained an investment loan amounting to EUR 6 million (DKK 45 million), for financing the acquisition of two Ukrainian farms. The refinancing costs of DKK 17 million was capitalized and being subject to amortization over the facilities expected duration, of which DKK 10 million was amortized in 2023.

6. Tax on profit for the year

DKK million	2023	2022
Corporation tax		
Current tax for the year	0	0
Deferred tax for the year	0	0
	0	**0**
Tax on profit/loss for the year is specified as follows:		
Calculated 22% tax on profit/loss for the year before tax	2	47
Tax effect of:		
Non tax deductible costs and non-taxable income	0	-42
Unrecognized tax asset	-2	-5
	0	**0**
Effective tax rate for the year	0%	0%

Notes

7. Loss for the year of discontinued operations

DKK million	2022
Financial investment (including loans to Goodvalley Russia)	-470
Sales price	283
Transaction cost	-10
Management fee and interest income	6
	-192

8. Proposed profit distribution

DKK million	2023	2022
Proposed dividends	30	0
Retained earnings	-41	214
	-11	**214**

9. Tangible assets

DKK million	2023	2022
Cost at 1 January	**6**	**3**
Additions for the year	1	3
Cost at 31 December	**7**	**6**
Amortisation 1 January	**0**	**0**
Amortisation for the year	0	0
Amortisation 31 December	**1**	**0**
Carrying amount 31 December	**7**	**7**

10. Investments in associates

DKK million	2023	2022
Cost at 1 January	**1**	**1**
Additions for the year	0	0
Disposals for the year	0	0
Cost at 31 December	**1**	**1**

The carring amount of investments in associates is specified as follows:

DKK million	2023	2022
Sevel Slagteri A/S, 40%	**1**	**1**

Notes

11. Investments in subsidiaries

DKK million	2023	2022
Cost at 1 January	**1,152**	**1,456**
Additions for the year		
Disposals for the year	0	-303
Cost at 31 December	**1,152**	**1,152**

Investments in subsidiaries are specified as follows:

DKK '000	Office	Currency	Share capital	Ownership
Goodvalley Agro S.A.	Poland	PLN	11,601	100%
Goodvalley Sp. z o.o.	Poland	PLN	20,853	100%
Goodvalley Ukraine LL	Ukraine	UAH	362,328	100%
Finansax ApS	Denmark	DKK	50,000	100%
Goodvalley Denmark ApS	Denmark	DKK	40,000	100%

Shares in subsidiaries are subject to security of bank facilities.

The underlying equities of subsidiaries are specified as follows:

DKK million	2023	2022
Goodvalley Agro S.A.	1,220	956
Goodvalley Sp. z o.o.	-94	-77
Goodvalley Ukraine LL	716	568
Finansax ApS	-1	-1
Goodvalley Denmark ApS	0	0

12. Deferred tax

DKK million	2023	2022
Deferred tax at 1 January	0	0
Deferred tax at 31 December	**0**	**0**
Tax loss carry forward	41	39
Write down to estimated value	-41	-39
Deferred tax at 31 December	**0**	**0**

The deferred tax asset has been calculated at 22% corresponding to the current tax rate.

13. Receivables from group companies

DKK million	Poland	Ukraine
Receivables from loan (including interest)	279	224
Trade receivables	12	1
	291	**225**

14. Share capital

The share capital consists of 53.797.824 shares of a nominal amount of DKK 10. The share capital is fully paid up. No shares carry any special rights.

Notes

15. Audit fees

DKK million	2023	2022
Audit fees	0.3	0.3
Other assurance services		
Tax advisory services		
Other non-audit services		
	0.3	**0.3**

16. Related parties and ownership

Related parties and ownership are stated in the notes to the Consolidated Financial Statements, to which reference is made.

The company has transactions with subsidiaries in the form of interest-bearing loans and intercompany accounts. Total loans to the subsidiaries amount to DKK 516 million at 31 December 2023 (2022: DKK 550 million). Interest income on loans and intercompany accounts for 2023 amounts to DKK 46 million (2022: DKK 37 million). Currency loss on intercompany loans amounted to DKK 2 million (2022: Loss of DKK 3.7 million). Service fee from subsidiaries amounts to DKK 27 million (2022: DKK 28 million).

Subordinated loan from the Parent company; Polen Invest A/S, was fully repaid in 2023 (balance at 31 December 2022: DKK 19 million), refer to Note 5.3 of the Group.

All transactions have been taken place on an arm's lenght basis.

17. Accounting policies

The Parent Company Financial Statements of Goodvalley A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports.

The reporting period of these Financial Statements follows the calendar year. The Parent Company Financial Statements for 2023 is presented in DKK million. The accounting policies applied by the Parent Company are the same as those applied by the Group except for the below-mentioned additions. Reference is made to the Consolidated Financial Statements for a description of the accounting policies applied by the Group.

Supplementary accounting policies applied for the Parent Company: Dividend from investments in subsidiaries is recognised as income in the income statement under financial income in the financial year in which the dividend is distributed. Investments in subsidiaries are measured at cost. Where the cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount.

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Goodvalley A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2023 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2023.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 22 March 2024

Executive Board

Kristian Brokop Jakobsen
Chief Executive Officer

Jesper Vikelsø Jensen
Chief Financial Officer

Board of Directors

Anders Christen Obel
Chairman

Niels Rauff Hansen
Vice Chairman

Tom Axelgaard

Anders Bundgaard

Leif Stig Hansen

Independent auditor's report

To the Shareholders of Goodvalley A/S

Opinion
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Goodvalley A/S for the financial year 1 January - 31 December 2023, which comprise income statement, total income statement, balance sheet, statement of changes in equity, cash flow statement and notes including material accounting policy information for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group and Parent Company operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management Commentary.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 the 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 these Consolidated Financial Statements and Parent Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 22 March 2024

BDO
Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
MNE no. mne10944

Glossary

General

Group

Consists of Goodvalley A/S, Goodvalley Agro S.A., Goodvalley Sp. z o.o., Goodvalley Ukraine LLC, OOO Goodvalley, Finansax ApS and Goodvalley Denmark ApS.

PRODUCTION

ASF

African swine fever.

Arable stock, WIP

The arable stock in the fields which is not yet harvested.

Basic herd

The part of the pig herd, which consists of sows, maiden gilts and boars.

Bio assets

Biological assets (mainly pigs and crops).

Bioenergy

Energy produced based on biological resources.

Biosecurity

Level of measures taken to prevent infection by contagious diseases.

Certificates on biogas

Energy units used for calculating extra price for sold kWh on top of market price (based on political decisions).

CO_2-e:

Carbon dioxide equivalent describing different greenhouse gasses in a common unit signifying the amount of CO_2 which would have the equivalent global warming impact

Crop split

The split between the different types of crops grown in the fields.

Cultivated land

Land used for crop production.

Efficiency

Measurable technical results from the production.

Feed conversion ratio

Kilo of feed used for one kilo meat produced (live weight).

Immunization strategy

Strategy for improving the immunity of the pigs mainly by vaccination.

Land bank

Own and leased land

Live weight

Weight of the pig before slaughtering and deboning.

Modified Atmosphere Packaging (MAP)

A packing method where the products are packed in a sealed and protected atmosphere to increase the period from manufacturing to last sales date.

Meat-to-feed ratio

Price of one kilo meat (carcass weight) divided by the price of one kilo feed.

Oil seeds

Crops that contain oil. Typically rape seed, soya and sunflower.

Piglets

Pigs in farrowing before they are weaned from the sow.

Pig price

Price per kilo pig meat in carcass weight.

Processed products

Meat products which have been cooked, smoked or salted.

Sales herd

The part of the pig herd that consists of piglets, weaners and slaughter pigs.

Carcass weight

Weight of the pig in kilos of meat after slaughtering.

Slaughter pigs

Pigs from 30 kilo live weight to slaughter (app. 110 kilo).

Weaners

A pig in the period between weaning from the sow and slaughter pig (approximately 6.5-30 kilo).

Goodvalley

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Design and production: **Noted**