

Fausol A/S
Industrivej 3A, 4632 Bjæverskov
Company reg. no. 30 90 87 83
Annual report
1 July 2023 - 30 June 2024

The annual report was submitted and approved by the general meeting on the 18 December 2024.

Mads Váczy Kragh
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Fausol A/S for the financial year 1 July 2023 - 30 June 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Bjæverskov, 18 December 2024

Managing Director

Kim Faurbjerg

Board of directors

Mads Váczy Kragh

Kim Faurbjerg

Jørgen Nielsen

Henrik Mortensen

Independent auditor's report

To the Shareholder of Fausol A/S

Opinion

We have audited the financial statements of Fausol A/S for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024, and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 financial statements.

Independent auditor's report

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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 18 December 2024

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Arne Sørensen

State Authorised Public Accountant
mne27757

Company information

The company

Fausol A/S
Industrivej 3A
4632 Bjæverskov

Company reg. no. 30 90 87 83
Established: 10 October 2007
Domicile:
Financial year: 1 July - 30 June

Board of directors

Mads Váczy Kragh
Kim Faurbjerg
Jørgen Nielsen
Henrik Mortensen

Managing Director

Kim Faurbjerg

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management's review

Description of key activities of the company

The key activities of the company consists of wholesales business in fertilizers, chemicals, and related products.

Significant changes in the company's activities and financial matters

Income or loss from ordinary activities after tax totals DKK 2.658.350 against DKK 3.303.296 last year. Management considers the net profit or loss for the year satisfactory.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2023/24</u>	<u>2022/23</u>
Gross profit	17.388.113	17.487.278
1 Staff costs	-11.744.584	-11.950.840
Depreciation and impairment of property, plant, and equipment	<u>-972.132</u>	<u>-456.784</u>
Operating profit	4.671.397	5.079.654
2 Other financial income from group enterprises	658.933	397.459
Other financial income	507.279	464.367
3 Other financial costs	<u>-2.386.299</u>	<u>-1.694.967</u>
Pre-tax net profit or loss	3.451.310	4.246.513
4 Tax on net profit or loss for the year	<u>-792.960</u>	<u>-943.217</u>
Net profit or loss for the year	<u>2.658.350</u>	<u>3.303.296</u>
Proposed distribution of net profit:		
Transferred to retained earnings	<u>2.658.350</u>	<u>3.303.296</u>
Total allocations and transfers	<u>2.658.350</u>	<u>3.303.296</u>

Balance sheet at 30 June

All amounts in DKK.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
5	Other fixtures and fittings, tools and equipment	3.124.328	1.894.511
6	Leasehold improvements	10.246	13.746
	Total property, plant, and equipment	<u>3.134.574</u>	<u>1.908.257</u>
	Total non-current assets	<u>3.134.574</u>	<u>1.908.257</u>
Current assets			
	Manufactured goods and goods for resale	<u>35.604.861</u>	<u>33.946.174</u>
	Total inventories	<u>35.604.861</u>	<u>33.946.174</u>
	Trade receivables	13.984.317	11.587.869
	Receivables from group enterprises	21.699.432	13.491.129
	Other receivables	2.302.440	2.158.015
	Prepayments and accrued income	<u>75.676</u>	<u>69.114</u>
	Total receivables	<u>38.061.865</u>	<u>27.306.127</u>
	Cash on hand and demand deposits	<u>44.403</u>	<u>6.391.603</u>
	Total current assets	<u>73.711.129</u>	<u>67.643.904</u>
	Total assets	<u>76.845.703</u>	<u>69.552.161</u>

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity		
Contributed capital	500.000	500.000
Retained earnings	26.404.269	23.745.919
Total equity	26.904.269	24.245.919
Provisions		
Provisions for deferred tax	281.640	24.006
Total provisions	281.640	24.006
Liabilities other than provisions		
Income tax payable to group enterprises	795.366	912.560
Other payables	614.692	635.551
Total long term liabilities other than provisions	1.410.058	1.548.111
Bank debts	28.981.181	30.273.598
Prepayments received from customers	282.462	476.887
Trade payables	6.253.402	4.812.761
Payables to group enterprises	11.228.098	6.372.220
Income tax payable to group enterprises	652.520	0
Other payables	701.547	1.119.880
Deferred income	150.526	678.779
Total short term liabilities other than provisions	48.249.736	43.734.125
Total liabilities other than provisions	49.659.794	45.282.236
Total equity and liabilities	76.845.703	69.552.161

7 Charges and security

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 July 2022	500.000	20.442.623	20.942.623
Retained earnings for the year	0	3.303.296	3.303.296
Equity 1 July 2023	500.000	23.745.919	24.245.919
Retained earnings for the year	0	2.658.350	2.658.350
	500.000	26.404.269	26.904.269

Notes

All amounts in DKK.

	<u>2023/24</u>	<u>2022/23</u>
1. Staff costs		
Salaries and wages	11.088.769	11.328.350
Pension costs	578.212	553.025
Other costs for social security	<u>77.603</u>	<u>69.465</u>
	<u>11.744.584</u>	<u>11.950.840</u>
 Average number of employees	 <u>26</u>	 <u>26</u>
 2. Other financial income from group enterprises		
Other financial income Fausol Holding ApS	658.933	300.966
Other financial income Fausol Produktionsejendomme ApS	<u>0</u>	<u>96.493</u>
	<u>658.933</u>	<u>397.459</u>
 3. Other financial costs		
Financial costs, group enterprises	246.231	245.652
Other financial costs	<u>2.140.068</u>	<u>1.449.315</u>
	<u>2.386.299</u>	<u>1.694.967</u>
 4. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	535.326	912.560
Adjustment of deferred tax for the year	<u>257.634</u>	<u>30.657</u>
	<u>792.960</u>	<u>943.217</u>

Notes

All amounts in DKK.

	30/6 2024	30/6 2023
5. Other fixtures and fittings, tools and equipment		
Cost 1 July 2023	3.987.794	3.116.496
Additions during the year	2.374.871	871.298
Disposals during the year	-748.932	0
Cost 30 June 2024	5.613.733	3.987.794
Amortisation and writedown 1 July 2023	-2.093.283	-1.640.742
Amortisation and depreciation for the year	-968.632	-452.541
Reversal of depreciation, amortisation and impairment loss, assets disposed of	572.510	0
Amortisation and writedown 30 June 2024	-2.489.405	-2.093.283
Carrying amount, 30 June 2024	3.124.328	1.894.511
6. Leasehold improvements		
Cost 1 July 2023	17.501	17.501
Cost 30 June 2024	17.501	17.501
Depreciation and writedown 1 July 2023	-3.755	0
Amortisation and depreciation for the year	-3.500	-3.755
Depreciation and writedown 30 June 2024	-7.255	-3.755
Carrying amount, 30 June 2024	10.246	13.746
7. Charges and security		
For bank loans, DKK 28.981 t.kr., the company has provided security in company assets representing a nominal value of DKK 17.000 t.kr. This security comprises the assets below, stating the carrying amounts:		
		DKK in thousands
Inventories		35.605
Trade receivables		13.984
Other fixtures and fittings, tools and equipment		3.135

Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases. On 30 June 2024 the total outstanding lease payments is DKK 103 t.kr.

Recourse guarantee commitments:

The company has guaranteed the total bank commitments of the group enterprises.

Joint taxation

With Fausol Holding ApS, company reg. no 30 49 32 30 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Fausol A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Accounting policies

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Fausol A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Accounting policies

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.