
Fonden The Savory Foundation

CVR-no.: 43597205

Store Kongensgade 40H 2
1264 København K

Annual report
1 January 2023 - 31 December 2023

Approval of the annual report on the

10/07/2024

Daniela Ibarra-Howell
Chairman of general meeting

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Fonden The Savory Foundation

Store Kongensgade 40H 2
1264 København K

CVR-no.: 43597205

Reporting period: 01/01/2023 - 31/12/2023

Auditor

Beierholm, Statsautoriseret Revisionspartnerselskab

Knud Højgaards Vej 9

2860 Søborg

DK Denmark

CVR-no.: 32895468

P-number: 1016293861

Statement by Management

Management has today considered and approved the annual report for the financial year 01. January 2023 - 31. December 2023 for Fonden The Savory Foundation.

The annual report is presented in accordance with the Danish Financial Statements Act.

Management believes that the financial statements give a true and fair view of the company's assets, liabilities and financial position and of the result.

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

The annual report is submitted for approval by the General Assembly.

Copenhagen, the 10/07/2024

Board of directors

Daniela Ibarra-Howell
Chairperson

Erik Bruun Bindslev

James E. Snyder

Independent auditor's report

To the Board of Directors of Fonden The Savory Foundation

Opinion

We have audited the financial statements of Fonden The Savory Foundation for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the foundation's financial position at 31.12.23 and of the results of the foundation's operations for the financial year 01.01.23 - 31.12.23 in accordance with 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 financial statements" section of our report. We are independent of the foundation 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 foundation'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 foundation 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation'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 foundation'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 foundation 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 the management's review.

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

In connection with our audit of the financial statements, it is our responsibility 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 the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Søborg, the 10/07/2024

Beierholm, Statsautoriseret Revisionspartnerselskab
 CVR-no.: 32895468
 Anders Gosvig Ladegaard, mne18830
 State Authorised Public Accountant

Management's Review

Major Activities

The foundation's activities are to support initiatives that address the earth's climate crisis. The foundation promotes the purpose by attracting funding and uses it for projects with the above purpose.

Foundation's economy

The result for the year 2023 is DKK -2,567,171. The year's result is considered in line with expectations.

Events after the end of the financial year

No events have occurred that could materially affect the foundation's financial position.

Foundation governance report

As stated in its Articles of Association, The Foundation is a commercial foundation organized to support initiatives that address the Earth's climate crisis, regenerate and heal the land, promote biodiversity, and create living soil and healthy waters. The Foundation advances this purpose through the attraction of capital and deployment to mission-aligned projects throughout the world.

The Foundation has adopted formal Rules of Procedure, Anti-Money Laundering Policies, and Anti-Bribery policies which are attached.

1. Transparency and Communication.

Article 5.1 (7) of the Foundation's Rules of procedure requires that principles for external communication are adopted that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the Foundation.

In addition, Article 5 (11) of the Foundation's Rules of Procedure requires the preparation of an annual report on Foundation governance, in which the Board addresses each recommendation in the Recommendations for Foundation Governance and the publication on the foundation's website (cf. Sec. 60 of the Danish Commercial Foundations Act and Section 77a of the Financial Statements Act). The Foundation's website is currently under construction.

2. Tasks and Responsibilities of the Board of Directors.

2.1.

Article 5 of the Foundation's Rules of Procedure require that:

The Board must, in addition to taking all necessary measures to implement the objectives of the Foundation, conducting the daily management of the Foundation, being responsible for drawing up the budget of the Foundation and guaranteeing proper organization of the Foundation's business, ensure that:

1. The Foundation is managed in a satisfactory manner and in accordance with the Foundation's articles of association, these rules of procedure, the Danish Commercial Foundations Act and other relevant rules and legislation.
2. The bookkeeping and financial reporting procedures are satisfactory having regard to the circumstances of the Foundation.
3. The Board receives ongoing information as necessary about the Foundation's financial position.

4. In case of the appointment of an executive management board or director, the executive management board or director performs its duties properly and as directed by the Board of Directors.
5. The financial resources of the Foundation are adequate at all times and that the Foundation has sufficient liquidity to meet its current and future liabilities as they fall due, and the Board is therefore required to continuously assess the financial position and ensure that the existing capital resources are adequate.
6. Considering endowments to receive support from the Foundation for the annual reporting to the Danish Business Authority.
7. Principles for external communication are adopted, that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the Foundation.
8. At least once a year position is taken on the overall strategy and distribution policy of the Foundation on the basis of the articles of association in order to secure the activities of the Foundation are in accordance with the objectives of the Foundation. The Board regularly addresses whether the Foundation's asset management is in line with the objectives of the foundation and its long- and short-term needs.
9. The financial statements provide information about the full remuneration received by each member of the Board and any potential executive board from the Foundation and from the Foundation's subsidiaries and associated companies if any.
10. Regularly, and at least every second year, the competences that the Board needs to possess in order to best perform the tasks incumbent upon the Board are assessed and stipulated.
11. The preparation of an annual report on Foundation governance, in which the Board addresses each recommendation in the Recommendations for Foundation Governance and the publication on the foundation's website (cf. Sec. 60 of the Danish Commercial Foundations Act and Section 77a of the Financial Statements Act).

2.1.1. Article 5.1.8 of the Foundation's Rules of Procedure requires that at least once a year position is taken on the overall strategy and distribution policy of the Foundation on the basis of the articles of association in order to secure the activities of the Foundation are in accordance with the objectives of the Foundation. The Board regularly addresses whether the Foundation's asset management is in line with the objectives of the foundation and its long- and short-term needs.

2.1.2. Article 5.1.5 of the Rules of Procedure require that the Board ensures that financial resources of the Foundation are adequate at all times and that the Foundation has sufficient liquidity to meet its current and future liabilities as they fall due, and the Board is therefore required to continuously assess the financial position and ensure that the existing capital resources are adequate.

2.2. The Chairperson of the Board is Daniela Ibarra-Howell. The Board has no vice-chairman.

2.2.1. Articles 3 and 4 of the Rules of Procedure outline how the Chairperson will organize, convene and chair meetings of the Board of Directors to ensure effective Board work and establish the best conditions for the work of Board members Individually and Collectively.

2.2.2. Article 2.5 of the Rules of Procedure requires that the Board should prepare a job description of the duties, tasks and responsibilities of the Chairperson and, where appropriate, of the Vice-Chairperson. In the exceptional event that the Chairperson is required to perform special activities that extend beyond the duties of Chairperson, the board will pass an appropriate resolution to ensure that the Board maintains its independent function.

2.3. The Board is currently composed of three members, Daniela Ibarra-Howell, James E. Snyder, and Erik Bruun Bindslev.

2.3.1. Article 5.1.10 of the Rules of Procedure requires the Board to regularly, and at least every second year, assess the competences that the Board needs to possess in order to best perform the tasks incumbent upon the Board are assessed and stipulated.

2.3.2. Article 2.4 of the Rules of Procedure provide the following:

The Board approves a structured, thorough and transparent process for selection and nomination of candidates for the Board. Members of the Board are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the Board. Members of the Board must have full legal capacity and cannot be under guardianship under section 5 of the Danish Guardianship Act or be in the care of a surrogate decision-maker designated under section 7 of the Danish Guardianship Act.

2.2.3. Attributes of new Board Members, taking into consideration their personal attributes and competencies, as well as the needs for continuity and diversity will be considered at the time when the Foundation is ready to bring on additional Board Members.

2.3.4. Erik Bruun Bindslev is a Danish National. Mr. Bindslev has served as Director of Value Creation and Partnerships for Vækstfonden, the Danish Sovereign Investment Fund. He is considered a leader in the environmental movement in Europe, and since 2002 has been part of creating some of the most visionary businesses driving impact and change in the global food industry.

Daniela Ibarra-Howell is Chairperson of the Board of the Savory Foundation. Ms. Ibarra-Howell is a U.S. national who is co-founder and Chief Executive Officer of the Savory Institute in the United States. She is a global leader for designing and deploying systems solutions at the intersection of agriculture and climate change. Ms. Ibarra-Howell serves as an advisor to the 4 per 1000 Initiative, Ashoka Bioregional Weaving Labs, Global Evergreening Alliance, the UN Global Sustainable Livestock Coalition, Common Earth Initiative, Slow Money, Regenerate Costa Rica, Business of Fashion, and LVMH. In 2018, she received the “Top Conscious Business Leaders Award” from Conscious Company in the Global Impact Thinker category. Profile.

James Snyder is a U.S. national who serves as the Chief Financial Officer of the Savory Institute. Mr. Snyder’s focus is on entity operations, finance & accounting, with exceptional focus on team building, mentoring and development of people and organization culture. He has over 20 years of experience in management, serving at both CEO and CFO level.

2.3.5. No Board member currently owns shares, options, warrants or ownership interests of any kind in the Foundation’s subsidiaries or associated companies. At the current time, the Foundation has no subsidiary companies. No member has been appointed by authorities or providers of grant funding. All board members are considered independent.

2.4.1. No board members are members of the board or hold executive positions in any subsidiary companies.

The Foundation is being established as an independent entity not subject to supervision or financial control by its founder, the Savory Institute.Org, Inc. which is a U.S. 501(c)(3) non-profit entity organized under the laws of the state of Colorado U.S.A. It will be controlled and managed by its board of directors as a self-owned entity.

Clause 8.1 of the Foundations Rules of Procedure state:

The Board must remain independent of the founder of the Foundation as per the Danish Commercial Foundations Act and ensure that no agreements are entered into between the founder and the Foundation to the extent that such agreements could be violating the requirements set out in the Danish Commercial Foundations Act regarding the Foundation’s independence and irrevocably separation of the assets from the founder of the Foundation.

Both Daniela Ibarra-Howell and James Snyder hold board and management positions at the Savory Institute. Erik Brunn Bindslev is a fully independent board member, holding no positions at any affiliated or subsidiary entity at the present time.

No board member has received compensation other than that of a board member; have any business association with the auditor; has been a member of the board for more than 12 years; have no relatives

associated with the Foundation; has been a significant donor to the Foundation; or is a manager of any other entity receiving significant funding from the Foundation.

2.5.1./2.5.2. Currently the Foundation has no term limits or age limits for board members. The reason is that the Foundation is in start-up mode and has yet to fully constitute the Board.

2.6.1. Clause 5.1.4 of the Rules of Procedure provide that the Board must ensure that:

“ In case of the appointment of an executive management board or director, the executive management board or director performs its duties properly and as directed by the Board of Directors.”

2.6.2. The Foundation currently has no Administrator or Executive Board. Foundation’s Rules of Procedure provide in clause 6.2 that “The Managing Director and/or the Management Board must follow the guidelines and instructions laid down by the Board of Directors.”

3. Remuneration of Management.

3.1.1. Board members will receive remuneration for serving on the Board at the present time. This remuneration will be a fixed monthly amount. No bonuses have been provided to Board members.

3.1.2. Information on board remuneration will be reflected in the Foundation’s financial statements when the Foundation opens its bank account and commences operations.

Statement of the foundation's distribution policy

No distributions from the Foundation were made in FY 2023, and it is unlikely that distributions will be considered in FY 2024 due to the building up and consolidation of the newly-founded Foundation. The distribution policy for FY 2023 and FY 2024 will be a zero-distribution policy.

However, once the Foundation makes adequate profits and there are sufficient future free reserves which may allow for distributions after due consideration to the Foundation’s financial situation, the Board will reconsider and inform about the Distribution Policy. The Board will make the Distribution Policy available at the Foundation’s website (under construction) at a later stage.

Grant Policy of the Savory Foundation Denmark.
Adopted April 26, 2024

1. Preface

This grant policy is being adopted by the Board of Directors Savory Foundation Denmark (‘ **the Foundation**’) prior to the issuance of any grants and disbursements from the Foundation, to set forth basic principles that will guide the Foundation in the future issuance of grants. No specific grant or disbursement is under consideration by the Foundation at the time of adoption of this policy. This Policy may and will be further modified by the Foundation when and if it comes into possession of the resources necessary to make grants.

2. Grant Policies

a. All grants made by the Foundation will fully comply with the requirements of the Danish Commercial Foundations Act and the Guidance on Distribution Policies issued by erhvervsstyrelsen.dk.

b. Grants will not be issued by the Foundation until its Board of Directors determines that the Foundation has sufficient free reserves and/or profit from a financial year, taking into consideration the present and future financial and operational needs of the Foundation, due protection of its capital account, and any required disbursement to creditors. All grants will be recorded in the minutes of a meeting of the Foundation’s Board of

Directors, and include a description of the circumstances which support the determination that sufficient means are available to make such disbursements

c. Grants will only be made to such organizations or entities that serve the purpose of the Foundation as stated in its Articles of Association.

d. The Foundation has established general categories for grantmaking as follows:

- The support of independent Savory Hubs and professionals around the world that that are engaged in the regeneration of grasslands.
- The support of specific projects around the world that are engaged in the large-scale regeneration of grasslands.
- Scientific research consistent with the Foundations purpose.
- Social welfare projects in areas in which the Foundation conducts operations.
- Educational activities that educate farmers and ranchers in the process of Holistic Management, Holistic Planned Grazing, and regenerative agriculture.
- Grants to persons and entities that are creating positive impact on the environment consistent with the Foundation's purpose.

The Foundation will establish internal guidelines for grant making and specific targets for grants at such time when funds for grants become available.

e. A list of grant recipients describing the actual recipients and amounts shall be made each financial year when grants are distributed. The Board shall send the list of recipients of grants for a given financial year to the Danish Business Authority no later than at the same time as the annual report is filed with such Authority.

f. No grants will be made to the Foundations founder, or to control persons of the Foundation including its Board of Directors.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

The annual report has been prepared in DKK.

The comparative figures in the income statement comprise a period of 8 months from 2 May - 31 December 2022.

The accounting policies remain unchanged compared to last year.

GENERAL

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities.

Any costs, including depreciation, amortisation and impairment, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will accrue to the Company and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is likely that future economic benefits will not accrue to the Company and the value of the liability can be measured reliably. The initial recognition measures assets and liabilities at cost.

Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant yield to maturity. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the period-end reporting and which prove or disprove matters that existed at the balance sheet date.

INCOME STATEMENT

Gross profit

Gross profit, in accordance with Danish financial statement act section 32 comprises for the year external expenses.

External expenses

External expenses include expenses relating to project expenses, administration and similar expenses.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax for the period

The tax for the period consists of the current tax and the deferred tax for the period. The tax relating to the results is recognised in the income statement, whereas the tax directly relating to equity entries is taken directly to equity.

BALANCE SHEET**Other receivables**

Other receivables include trust account deposits.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Other liabilities

Other liabilities are measured at amortised cost corresponding substantially to nominal value.

Translations of foreign currencies

Transactions in foreign currencies are translated at exchange rates approximating those in effect at the date of each transaction. Exchange rate differences arising between the transaction date rates and the rates at the date of payment are recognised under financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign exchange not settled at the balance sheet date are translated at the average of the buy and sell exchange rates available at the close of business on the balance sheet date. Differences between the exchange rates at the balance sheet date and the transaction date rates are recognised under financial income and expenses in the income statement.

Income statement 1 Jan 2023 - 31 Dec 2023

	Disclosure	2023 DKK	2022 DKK
Gross profit (loss)		-2,563,644	-50,000
Profit (loss) from ordinary operating activities		-2,563,644	-50,000
Other finance expenses		-3,527	0
Profit (loss) from ordinary activities before tax		-2,567,171	-50,000
Tax expense		0	0
Profit (loss)		-2,567,171	-50,000
Proposed distribution of results			
Retained earnings		-2,567,171	-50,000
Proposed distribution of profit (loss)		-2,567,171	-50,000

Balance sheet 31 December 2023

Assets

	Disclosure	2023	2022
		DKK	DKK
Other receivables		0	300,000
Receivables		0	300,000
Cash and cash equivalents		378,698	0
Current assets		378,698	300,000
TOTAL ASSETS		378,698	300,000

Balance sheet 31 December 2023

Liabilities and equity

	Disclosure	2023 DKK	2022 DKK
Contributed capital		300,000	300,000
Retained earnings		-2,617,171	-50,000
Total equity		-2,317,171	250,000
Other payables, including tax payables, liabilities other than provisions		2,443,589	0
Long-term liabilities other than provisions, gross	1	2,443,589	0
Trade payables		152,280	0
Other payables, including tax payables, liabilities other than provisions		100,000	50,000
Short-term liabilities other than provisions, gross		252,280	50,000
Liabilities other than provisions, gross		2,695,869	50,000
LIABILITIES AND EQUITY, GROSS		378,698	300,000

Statement of changes in equity 1 Jan 2023 - 31 Dec 2023

	Contributed capital	Retained earnings	Total
	DKK	DKK	DKK
Equity, beginning balance	300,000	-50,000	250,000
Profit (Loss)	0	-2,567,171	-2,567,171
Equity, ending balance	300,000	-2,617,171	-2,317,171

Disclosures

1. Long-term liabilities other than provisions, gross

The Savory Institute Inc. has issued a letter of support where they resign for other creditors in the Foundation with any current and future receivables and claims Savory Institute Inc. may have or obtain with the Foundation. The claim at 31 December 2023 amounts to DKK 2,443,589 which will not be claimed from the Foundation until such time when the Foundation has adequate financial resources to do so.

2. Disclosure of uncertainties relating to going concern

The Foundation has lost more than 50% of the share capital. The management expects the share capital to be restored through the Foundation's future operations. The Foundation has received a letter of support from the Savory Institute Inc.

3. Disclosure of contingent liabilities

The foundation has no contingent liabilities and has not provided any securities.

4. Information on average number of employees

Average number of employees

2023

0