

# Lantmännen Unibake Holding A/S

Oensvej 28-30 8700 Horsens

CVR no. 37 24 92 11

## Annual report 2023

1. January - 31. December

Approved at the Company's annual general meeting on June 12<sup>th</sup> 2024

Chairman of the annual general meeting:

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*Lars Holgersen*

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## Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lantmännen Unibake Holding A/S for the financial year 1 January – 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of its operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the year and the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, June 12<sup>th</sup> 2024

Executive Board:

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Carsten Lyngsø Thomsen  
CEO

Board of Directors:

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Simon Kissling Husted  
Chairman

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Carsten Lyngsø Thomsen

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Morten Leth

## Independent auditor's report.

### To the shareholder of Lantmännen Unibake Holding A/S

#### Opinion

We have audited the financial statements of Lantmännen Unibake Holding A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

#### Independence

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

#### Management's responsibility for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

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

### Independent auditor's report

- 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, June 12<sup>th</sup> 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Mogens Andreasen  
statsaut. revisor  
mne28603

Stig Magne Tran Nielsen  
statsaut. revisor  
mne50642

## Management's review

### Financial highlights

In DKK millions	2023	2022	2021	2020	2019
<b>Key figures</b>					
Other operating income	314	333	314	245	303
Gross profit	177	171	211	132	146
EBIT	27	41	87	27	32
Financial items	14	7	117	40	81
Profit/Loss for the year	31	40	185	56	94
<b>Balance sheet</b>					
Equity	2,992	2,271	2,431	2,386	2,319
Total assets	3,324	3,232	3,399	3,615	3,566
Investments in non-current assets	8	4	6	223	30
- of this in tangible assets	2	1	0	3	1
<b>Financial ratios</b>					
Operating margin	9.9 %	12.3 %	27.7 %	11.0 %	10.6 %
Gross margin	56.4 %	51.4 %	67.2 %	53.9 %	48.2 %
Current ratio	145.0 %	222 %	239 %	525 %	311 %
Equity ratio	90.0 %	70.3 %	71.5 %	65.7 %	65.0 %
Return on equity	1.0 %	1.7 %	7.70 %	2.39 %	4.14 %
<b>Employees</b>					
Average number of full-time employees	103	92	89	78	78

### Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\text{Operating profit (EBIT)} \times 100 / \text{Revenue}$
Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Current ratio	$\text{Current assets} \times 100 / \text{Current liabilities}$
Equity ratio	$\text{Equity, year-end} \times 100 / \text{Total equity and liabilities, year-end}$
Return on equity	$\text{Profit or loss for the year} \times 100 / \text{Average equity}$

## Management's review

### Management commentary

#### Business/Financial review

Lantmännen Unibake Holding A/S provides headquarter services to the business units in the Lantmännen Unibake Group as well as Lantmännen Unibake Holding A/S is parent to the majority of the subsidiaries in the Lantmännen Unibake Group.

The Lantmännen Unibake Group is a leading international bakery group with expertise in frozen and fresh bakery products. The group has subsidiaries in Europe, Australia, and US. The group's mission is to make bread a profitable business for its customers through high quality products and superior solutions – always based on a sustainable mindset and behaviour as well as excellent food safety standards.

The income statement for Lantmännen Unibake Holding A/S for the year 2023 shows a net profit of MDKK 31 and an equity end of the year of MDKK 2,992. Gross profit shows a gain of MDKK 177 and the profit before net financials and tax (EBIT) a gain of MDKK 27. Impairment of subsidiary MDKK 63 and dividends from subsidiaries totals MDKK 107 and net of financial income and expenses MDKK -30 resulting in a profit before tax of MDKK 40.

The result for 2023 of MDKK 31 is not at the level of the outlook for 2023, however management consider the result for satisfactory, as the lower result is primarily a consequence of an impairment loss of MDKK 63 in investments in subsidiaries.

#### Other events in 2023

In 2023 several factors have significantly influenced the development of the company and the group either directly or indirectly.

- Because of the Russian invasion of Ukraine Lantmännen Group Management decided to divest all its operations in Russia which was completed in 2023. The investment in the Russian subsidiary was impaired in 2022, and the subsequent sales proceeds in 2023 were MDKK 2 below the cost price.
- Global uncertainty and volatility remained in 2023, however, commodity and energy prices have normalized. Interest rates, changing consumption patterns and geopolitical factors remain an uncertainty.
- In 2023 the acquisition and integration of Myllyn Paras into Lantmännen Unibake Finland AB Oy was completed.
- Lantmännen Ek För increased the capital of Lantmännen Unibake Holding A/S by MDKK 513 to repay outstanding intercompany loan balances.

Mitigating cost reductions and profit protection plans did however moderate the negative impact of the above-mentioned factors influencing the company's and the group's financial results.

For significant accounting estimates and judgments, we refer to note 3, Significant accounting estimates and judgments.

#### Financial risks

Financing of the company is primarily done with medium-long credit agreements with the Lantmännen Group. The terms of interest rate are primarily variable, and the earning is therefore exposed to changes in the interest rates in the short run. Buildings are to a small extent financed via loans in the Danish mortgage provider institutions. Such loans have fixed interest rates.

#### Currency risks

The reporting and functional currency of Lantmännen Unibake Holding A/S is Danish Kroner, which is very closely correlated with Euro.

#### Knowledge resources

The employees are a crucial asset for Lantmännen Unibake Holding A/S. It is the policy of the company to educate its employees to maintain a high competence level in order to support the group's subsidiaries providing high quality products and services to the customers of the group.

### Research and development activities

To secure future earnings and growth, the necessary funds needed to develop products and trademarks are used. Product development and innovation takes place in the local production units in cooperation with the innovation team in Lantmännen Unibake Holding A/S.

### Data ethics cf. §99d

The company complies with already implemented data protection policies rooted in the entire Lantmännen Group, which is based on the protection of personal integrity so that personal data is handled in a responsible, transparent, and secure manner. In addition to this, the company has drawn up a separate policy for data ethics. The company's policy for data ethics is based on the six recommended principles that form part of the data ethics value compass.

External data is mainly collected through the company's websites and through customer and supplier contact, and the company does not resell data to third parties. Violations of policies and internal procedures are reported to the company's CEO and possibly through the Lantmännen Group's whistle-blower scheme.

The company's policy is published at: <https://www.lantmannenunibake.dk/politik-for-dataetik/>

### Corporate Social Responsibility cf. §99a

Lantmännen Unibake Holding A/S refers to the consolidated annual report of the ultimate parent company, Lantmännen ek för, for its statutory reporting on Corporate Social Responsibility according to §99a in the Danish financial statements act. The Corporate Social Responsibility reporting of the ultimate parent is named "Sustainability Report" and can be found in the 2023 consolidated annual report, page 142-184:

<https://www.lantmannen.com/about-lantmannen/financial-information/annual-report-with-sustainability-report/>

Lantmännen Unibake Holding A/S has implemented Lantmännen's 'Code of Conduct' which contains guidelines for implementation of internal routines and execution of social responsibility. The Code of Conduct is published on the Lantmännen website:

<https://www.lantmannen.com/sustainable-development/sustainability-strategy/governance-and-responsibility/>

Lantmännen's Code of Conduct is integrated in the company's quality control system and all employees are educated in the Code of Conduct.

Follow-up is carried out through quality systems, employee surveys, yearly appraisal dialogues and customer surveys.

### Environmental aspects and Climate impact

Lantmännen Unibake Holding A/S is continuously working on sustainability improvements, including initiatives that reduce the company's effect on the environment. The company carries out work environment audits on an ongoing basis in order to improve the work environment for the employees.

In 2023, Lantmännen Unibake Holding A/S had their targets approved in relation to Science Based Targets initiative as part of our "Baking for a Better World" sustainability strategy. Meeting the defined targets is an important step in reducing the climate footprint of Unibake's operations and value chains together with customers and suppliers. The sustainability strategy was rolled out in close dialogue with all the Unibake companies in order to embed and develop local plans to support the global targets and accelerate the effect.

Furthermore, the company is part of the Lantmännen Sustainable Development referred to via above links.

### Goals and policies for the underrepresented gender cf. §99b

The Board has set a target figure for the underrepresented gender in the Board of Directors of 33%, corresponding to 1 out of 3 members. The board aims to meet this target no later than 2025. At present all 3 board members are male, why the company has not yet fulfilled the target figure. In the current financial year, there were no relevant candidates of the underrepresented gender for the Board.

The company has set a target figure for the underrepresented gender in the other management levels of 40%. The company aims to meet this target no later than 2025. At the company's other management

levels there are 33% female managers (29% in 2022). The other managerial positions are people with direct report to respectively the Board of Directors or top management.

The company's policy is to maintain and develop a high level of competence of the employees, including a focus on female employees in managerial positions. The ambition of Lantmännen Unibake Holding A/S is to have a balanced representation of men and women in senior positions within the Group. In order to increase the level of women in senior positions, the company has among others implemented recruitments procedures assuring candidate short lists representing both genders, which has had effect all year.

Management level		2023	2024	2025	2026	2027
Board of Directors	Members	3				
	Female representation	0%				
	Female representation target	33%				
	Year for fulfillment of target figure	2025				
Top management and managers reporting directly to top management	Members	27				
	Female representation	33%				
	Female representation target	40%				
	Year for fulfillment of target figure	2025				

#### Post balance sheet events

The continued global uncertainty and volatility in relation to interest rates, retention and attraction of labour, and other geopolitical factors are expected to remain a challenge in 2024 and will influence most of the company's subsidiaries but also Lantmännen Unibake Holding A/S.

#### Outlook

Lantmännen Unibake expects continued volatility in 2024 but have full confidence in its strategy as a leading industrial bakery company to pursue profitable growth, while adapting to the effects of inflation and climate change, including preparing for the energy transition.

The company is in 2024 expecting other income to total approximately 330 – 350 MDKK and a positive result of approximately 110 – 140 MDKK.

## Financial statements

### Income statement 1 January – 31 December

Note	DKK '000	2023	2022
4	Other operating income	313,633	333,239
	Other external expenses	-136,156	-161,794
	<b>Gross profit</b>	<b>177,477</b>	<b>171,445</b>
5	Staff costs	-128,646	-109,543
6	Amortisation, depreciation and impairment losses	-22,002	-21,019
	<b>EBIT</b>	<b>26,829</b>	<b>40,883</b>
12,19	Result from investments in group enterprises	43,869	23,381
7	Financial income	2,874	1,625
8	Financial expenses	-33,210	-18,313
	<b>Profit/loss before tax</b>	<b>40,362</b>	<b>47,576</b>
9	Tax for the year	-8,949	-7,153
	<b>Profit/loss for the year</b>	<b>31,413</b>	<b>40,423</b>

## Financial statements

### Balance sheet 31 December

Note	DKK'000	2023	2022
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	Software	14,045	22,081
10	<b>Intangible assets</b>	14,045	22,081
	Land and buildings	67,116	73,587
	Other fixtures and fittings, tools & equipment	3,456	2,628
11	<b>Property, plant and equipment</b>	70,572	76,215
12	Investments in subsidiaries	3,092,567	2,968,945
	Other receivables	2,286	2,155
	<b>Financial assets</b>	3,094,853	2,971,100
	<b>Total non-current assets</b>	3,179,470	3,069,396
	<b>Current assets</b>		
	Inventory	211	356
13	Receivables from related parties	131,729	150,644
	Other receivables	13,045	11,289
	<b>Receivables</b>	144,774	161,933
	<b>Total current assets</b>	144,985	162,289
	<b>TOTAL ASSETS</b>	3,324,455	3,231,685

## Financial statements

### Balance sheet 31 December

Note	DKK'000	2023	2022
	<b>EQUITY AND LIABILITIES</b>		
14	Share capital	300,000	300,000
	Retained earnings	2,692,413	1,971,203
	<b>Total equity</b>	<u>2,992,413</u>	<u>2,271,203</u>
	<b>Long-term liabilities</b>		
15	Provision for deferred tax	13,917	15,867
16	Payables to related parties	218,608	871,194
	<b>Total long-term liabilities</b>	<u>232,525</u>	<u>887,061</u>
	<b>Short-term liabilities</b>		
16	Debt to mortgage credit institutions	0	971
	Trade payables	17,392	19,763
	Payables to related parties	36,205	9,867
	Income taxes	16,848	21,824
	Other payables	29,072	20,996
	<b>Total short-term liabilities</b>	<u>99,517</u>	<u>73,421</u>
	<b>Total liabilities</b>	<u>332,042</u>	<u>960,482</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,324,455</u></u>	<u><u>3,231,685</u></u>
1	Accounting policies		
2	Special Items		
3	Significant accounting estimates and judgments		
17	Contractual obligations and contingencies, etc.		
18	Collaterals		
19	Related parties disclosures		
20	Appropriation of profit/loss		
21	Interest rate risks and use of derivative financial instruments		

## Financial statements

### Statement of changes in equity

Note	DKK'000	Share capital	Hedging Reserve	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2022	300,000	-49	1,930,771	200,000	2,430,722
	Distributed dividend	0	0	0	-200,000	-200,000
	Adjustment of hedging instruments at fair value	0	58	0	0	58
20	Transferred; see distribution of profit/loss	0	0	40,423	0	40,423
	<b>Equity at 1 January 2023</b>	<b>300,000</b>	<b>9</b>	<b>1,971,194</b>	<b>0</b>	<b>2,271,203</b>
	Capital contribution	0	0	689,806	0	689,806
	Settlement of hedging instruments	0	-9	0	0	-9
20	Transferred, see distribution of profit/loss	0	0	31,413	0	31,413
	<b>Equity at 31 December 2023</b>	<b>300,000</b>	<b>0</b>	<b>2,692,413</b>	<b>0</b>	<b>2,992,413</b>

## Financial statements

### Notes

#### 1 Accounting policies

The annual report of Lantmännen Unibake Holding A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Consolidated financial statements

According to §112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statement of Lantmännen Unibake Holding A/S and subsidiaries are included in the consolidated financial statements for Lantmännen ek för.

#### Cash flow statement

According to §86(4) of the Danish Financial Statements Act, no cash flow statement is included in the annual report for Lantmännen Unibake Holding A/S. The cash flow statement for Lantmännen Unibake Holding A/S is included in the cash flow statement in the consolidated financial statements for Lantmännen ek för.

#### Fee to auditor

According to §96(3) of the Danish Financial Statements Act, the fee to the appointed auditor is not disclosed. The auditor's fee is included in the consolidated financial statements for Lantmännen ek för.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. The fair value of derivative financial instruments is based on listed prices in an active market for similar assets or liabilities or other valuation methods, with all significant inputs being based on observable market data (level 2). Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

## Financial statements

### 1 Accounting policies (continued)

#### Income statement

##### Other operating income

Income from supply of services is recognised as other operating income with reference to the stage of completion. Licence, royalty income and rent are recognised when the underlying transaction is carried through.

##### Other external costs

Other external costs comprise costs for sale, advertising, administration, premises, bad debt losses, operating leases, etc.

##### Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. To the Company's employees. Staff costs are reduced with payments received from public authorities.

##### Amortisation/depreciation and write-downs

The item includes amortisation/depreciation and write-downs of intangible assets and property, plant and equipment.

Amortisation/depreciation is provided using the straight-line method on the basis of the cost and the assessments of the useful life.

##### Result from investments in group enterprises

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Group contributions are accounted for as dividends and is recognised in the income statement as a result from investments in group enterprises. This also for group contributions between subsidiaries.

##### Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Tax expenses from partnerships applying to tax transparency rules are recognised in "Current tax for the year for foreign partnerships" as a part of the "Tax for the year" in the income statement.

## Financial statements

### 1 Accounting policies (continued)

#### Balance sheet

##### Intangible assets

On initial recognition, intangible assets are measured at cost.

Development costs comprise expenses, salaries and amortisation charges directly attributable to the Company's development activities.

Software is measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the term of the licence, however not exceeding 7 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

##### Property, plant, and equipment

Land and buildings, plant and equipment and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Interest expenses on loans to finance the construction of items of property, plant, and equipment, and which relate to the construction period, are recognised in cost of the asset. All other borrowing costs are recognised in the income statement.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	20-33 years
Fixtures and fittings, tools, and equipment	3-15 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

##### Investments in subsidiaries and associates

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs. Where the recoverable amount is lower than cost, the investments are written down to this lower value. In connection with reversal of impairment losses, the carrying amount is revalued at the recoverable amount, which cannot exceed cost.

## Financial statements

### 1 Accounting policies (continued)

#### Impairment of non-current assets

The carrying amount of intangible assets, Investments in subsidiaries and property, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

#### Inventories

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realizable value, write-down is made to this lower value.

#### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

The company has chosen IAS 39 as interpretation for impairment write down of financial receivables.

#### Receivables from related parties

Due to the nature of the group's cash pool scheme, balances in the group's cash pool scheme are not regarded as liquid assets but are included in the accounting item receivables from affiliated companies or debts to affiliated companies.

#### Equity

##### *Dividend*

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

##### *Reserve for hedging transactions (Swap)*

Reserve for hedging transactions contains the accumulated net change in the fair value of hedging transactions, that meet the criteria for securing future payment flows and where the secured transaction is not yet realized. The reserve is dissolved when the hedged transaction is realized, if the hedged cash flows no longer is expected to be realized, or the hedging relationship is no longer effective.

## Financial statements

### 1 Accounting policies (continued)

#### Fair value

The fair value assessment is based on the primary market. If a primary market does not exist, then the starting point will be from the most advantageous market, which is the market that maximizes the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or where the fair value is disclosed are categorized according to the fair value hierarchy, which is described below:

Level 1: Value calculated based on the fair value of corresponding assets/liabilities in a well-functioning market.

Level 2: Value calculated based on recognized valuation methods based on observable market information.

Level 3: Value calculated based on recognized valuation methods and reasonable estimates that are made on the basis of unobservable market information.

#### Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income.

The parent and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

Lantmännen Unibake Holding A/S acts as a management company for all the companies encompassed by the joint taxation arrangement meaning that the company is responsible for ensuring that taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Tax in foreign partnerships applying to tax transparency rules, are recognized in the balance sheet as current tax payables.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other payables are measured at net realizable value which typically equals nominal value.

## Financial statements

### 2 Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities, e.g. expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Group's operating activities or where these are seen as significant and extraordinary.

As disclosed in the Management's review, the profit/loss for the year is affected by matters that Management does not consider part of the operating activities or where the amount is significant.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

DKK'000	2023	2022
<b>Other operating expenses</b>		
Expenses related to machines for Russia	0	-8,705
Write down of receivables from Russia	0	-2,824
<b>Other operating expenses total</b>	0	-11,529
<b>Result from investments in group enterprises</b>		
Impairment of investments in group entity	-63,008	-128,276
<b>Net profit/loss from special items</b>	-63,008	-139,805

### 3 Significant accounting estimates and judgments

In applying the company's accounting policies, management is required to make judgments, estimates and assumptions concerning the carrying amount of assets and liabilities that cannot be immediately inferred from other sources. The judgments, estimates and assumptions made are based on historical experience and other relevant factors which management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Estimates and underlying assumptions are assessed on an ongoing basis.

Changes to accounting estimates are recognised in the reference period in which the change occurs and in future reference periods if the change affects both the period in which the change occurs and subsequent reference periods.

Management has assessed the value of the investment in the company's Belgian entity and as a result have recognized an impairment of 63 MDKK. The impairment is due to lower performance than expected in the unit due to macroeconomic changes, large commodity price movements, changing consumption patterns, rising interest rates and high energy and fuel prices.

## Financial statements

DKK'000	2023	2022
<b>4 Other operating income</b>		
Income from royalty, license- and management fee from related parties	295,643	311,012
Rental income from related parties	9,951	9,951
Other operating income	8,039	12,276
	<u>313,633</u>	<u>333,239</u>
<b>5 Staff costs</b>		
Wages and salaries	118,289	100,206
Pensions	9,843	8,862
Other social security costs	514	475
	<u>128,646</u>	<u>109,543</u>
Average number of full-time employees	<u>103</u>	<u>92</u>
According to section 98 (3 no. 2) of the Danish Financial Statements Act, no information is disclosed on wages and salaries to the Executive Board and Board of Directors.		
<b>6 Amortisation/depreciation and impairment losses</b>		
Software	14,223	13,003
Land and buildings	7,158	7,515
Other fixtures and fittings, tools & equipment	621	501
	<u>22,002</u>	<u>21,019</u>
<b>7 Financial income</b>		
Interest income from related parties	1,878	1,169
Other financial income	997	456
	<u>2,874</u>	<u>1,625</u>
<b>8 Financial expenses</b>		
Interest expense to related parties	32,546	17,299
Other financial expenses	664	1,014
	<u>33,210</u>	<u>18,313</u>
<b>9 Tax for the year</b>		
Current tax for the year	1,073	7,836
Current tax for the year for foreign partnerships	4,938	4,300
Change in deferred tax	-1,947	-3,247
Prior year adjustments	6,351	-1,780
Prior year adjustments for foreign partnerships	-1,466	43
	<u>8,949</u>	<u>7,152</u>
Analysed as follows:		
Tax for the year	4,084	8,582
Prior year adjustments	4,865	-1,430
	<u>8,949</u>	<u>7,152</u>

## Financial statements

### 10 Intangible assets

DKK'000	Software
Cost at 1 January 2023	271,967
Additions	6,187
Disposals	0
Cost at 31 December 2023	278,154
Amortisation and impairment losses at 1 January 2023	249,886
Amortisation	12,204
Disposals	2,019
Amortisation and impairment losses at 31 December 2023	264,109
<b>Carrying amount at 31 December 2023</b>	<b>14,045</b>
Amortised over	7 years

### 11 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	353,739	6,512	360,251
Additions	686	1,449	2,135
Disposals	0	0	0
Transferred	0	0	0
Cost at 31 December 2023	354,425	7,961	362,386
Depreciation and impairment losses at 1 January 2023	280,152	3,884	284,036
Depreciation	7,158	621	7,779
Write down	0	0	0
Disposals	0	0	0
Depreciation and impairment losses at 31 December 2023	287,310	4,505	291,815
<b>Carrying amount at 31 December 2023</b>	<b>67,115</b>	<b>3,456</b>	<b>70,571</b>
Depreciated over	20-33 years	3-15 years	

## Financial statements

DKK'000	2023	2022
<b>12 Investments in subsidiaries</b>		
Cost at 1 January	2,968,945	3,097,221
Additions	186,630	0
Impairment losses	-63,008	-128,276
Cost at 31 December	3,092,567	2,968,945

Name and registered office	Year	Currency	Voting rights and ownership	Profit/loss '000	Equity '000
Lantmännen Unibake Denmark A/S, Denmark	2022	DKK	100%	896	99,361
Lantmännen Unibake Germany GmbH, Germany	2022	EUR	100%	30	2,083
Lantmännen Unibake GmbH & Co, Germany	2022	EUR	100%	10,843	11,700
Lantmännen Unibake Geshäftschft. GmbH, Germany	2022	EUR	100%	-3	49
Oy Lantmännen Unibake AB Finland, Finland	2022	EUR	100%	126	11,418
Lantmännen Unibake Benelux NV, Belgium	2022	EUR	100%	151	14,998
Lantmännen Unibake UK Holding Ltd., England	2022	GBP	100%	11,222	141,164
Lantmännen Unibake USA Ltd., USA	2022	USD	100%	2,484	55,206
Lantmännen Unibake Hungary Zrt, Hungary	2022	HUF	100%	-287,752	467,482
Lantmännen Unibake S.L., Spain	2022	EUR	100%	-353	-48
Lantmännen Unibake R ApS, Denmark	2022	DKK	99,995%	-40	50,662
Lantmännen Unibake Poland S.P.z.o.o., Poland	2022	PLN	51,61%	7,905	447,071

All subsidiaries are considered separate entities.

The impairment loss during the year of DKK 63,008 thousand is related to the investment in Lantmännen Unibake Benelux NV, Belgium and is due to significant adverse changes in the underlying macroeconomic factors and the derived combined with the business not performing as expected.

### 13 Receivables from related parties

The company has entered into an agreement on a cash pool arrangement with Danske Bank, where Lantmännen ek för is the account holder and Lantmännen Unibake Holding A/S is the sub-account holder together with the company's other affiliated companies. The agreed conditions in the cash pool scheme give Lantmännen ek för the right to be able to settle withdrawals and deposits with each other, whereby only the net balance of the total cash pool accounts constitutes Lantmännen ek för's balance with Danske Bank.

Lantmännen Unibake Holding A/S's accounts in the cash pool scheme, which are recognized under receivables from affiliated companies, amount to 31 December 2023 DKK 30,974 thousand (per 31 December 2022: DKK 67,745 thousand).

### 14 Share capital

The share capital comprises 3 million shares of DKK 100 nominal value each. All shares rank equally. The share capital has remained unchanged for the last 5 years.

## Financial statements

DKK'000	2023	2022
<b>15 Deferred tax</b>		
Deferred tax at 1 January	15,867	19,098
Prior-year adjustments	21	306
Adjustment of the deferred tax charge for the year	-1,969	-3,553
Adjustment of the deferred tax related to hedging of future cash flows	-2	16
<b>Deferred tax at 31 December</b>	<b>13,917</b>	<b>15,867</b>

The deferred tax charge relates to:

Intangible assets	3,090	4,858
Property, plant and equipment	10,299	11,002
Current assets	528	5
Provisions	0	2
	<b>13,917</b>	<b>15,867</b>

## 16 Non-current liabilities and other provisions

DKK'000	Total debt at 31 Dec. 2023	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Deferred Tax	13,917	0	13,917	0
Mortgage debt	76	76	0	0
Debt to related parties	218,608	0	218,608	0
Hedging instrument	0	0	0	0
	<b>232,601</b>	<b>76</b>	<b>232,525</b>	<b>0</b>

## 17 Contractual obligations and contingencies, etc.

### Operating lease liabilities

Lease liabilities (operating leases), which fall due within 4 years, total MDKK 2.6 (2022: MDKK 2.2).

### Other financial obligations

Rent payments concerning rent contract, which fall due within 9 years, total MDKK 35 (2022: MDKK 36).

### Joint taxation

Lantmännen Unibake Holding A/S is the administration company of the joint taxation arrangement with the Danish subsidiaries in the Lantmännen ek för Group and is under an unlimited and joint liability regime for all Danish tax payments and withholding taxes on dividends, interests and royalties from the jointly taxed entities.

## 18 Collaterals

Lantmännen Unibake Holding A/S has provided a collateral totalling 500 KEUR at 31 December 2023 for a credit line in regards to Lantmännen Unibake GmbH & Co.

## Financial statements

### 19 Related party disclosures

Lantmännen Unibake Holding A/S' related parties comprise the following:

#### Parties exercising control

Lantmännen Unibake Holding AB, S:t Göransgatan 160 A, Stockholm, Sweden, has direct ownership of the Company through share holdings.

Lantmännen ek för, S:t Göransgatan 160 A, Stockholm, Sweden, which has indirect control of the Company. The Company is included in the consolidated financial statements for Lantmännen ek för. The Consolidated financial statements can be found at;

<https://www.lantmannen.com/about-lantmannen/financial-information/annual-report-with-sustainability-report>

During 2023 the Company has had the following transactions with related parties

Income from royalty, license- and management fee from related parties	295,643
Rental income from related parties	9,951
Invoicing of personnel costs and travel costs to related parties	1,880
IT costs and other costs to related parties	5,173
Financial income from related parties	1,878
Financial costs to related parties	32,545
Dividends from subsidiaries	106,877
Joint taxation, net	-9,579
Receivables from related parties	131,729
Payables to related parties	254,813

DKK'000	2023	2022
<b>20 Distribution of profit/loss</b>		
<b>Proposed distribution of profit/loss</b>		
Proposed dividend	0	0
Transferred to reserves under equity	31,413	40,423
	<u>31,413</u>	<u>40,423</u>

### 21 Interest rate risks and use of derivative financial instruments

#### Forecast transactions

The Company used interest swap contracts to hedge interest rate risks relating payables to credit institutions in previous years. The interest swap contract was settled in 2023.

DKK'000	Period	Contractual value		Gains and losses recognised in equity and expected to be realised after the balance sheet date	
		2023	2022	2023	2022
Interest swap contracts	0-36 months	<u>0</u>	<u>12</u>	<u>0</u>	<u>9</u>

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## Simon Kissling Husted

### Chairman

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## Carsten Lyngsø Thomsen

### Executive Board

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## Carsten Lyngsø Thomsen

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## Lars Holgersen

### Diregent

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## Mogens Keldbo Andreasen

### EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsaut. revisor  
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## Stig Magne Tran Nielsen

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