

BAADER Food Systems Denmark A/S

Vestermøllevej 9M, 8380 Trige
CVR-nr. 19 18 95 11

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 22 July 2025

Petra Baader

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Company Details

Company	BAADER Food Systems Denmark A/S Vestermøllevej 9M 8380 Trige
	Telephone: +45 86 23 14 55 Website: www.baader.com E-mail: bfs-dk@baader.com
	CVR No.: 19 18 95 11 Established: 8 August 1961 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Petra Baader, chairman Torsten Krausen Norbert Igor Engberg Robert Focke Lars Bo Larsen, elected by employees
Executive Board	Jan Houlind Zoffmann Andersen Claus Østergaard Askjær
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of BAADER Food Systems Denmark A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Aarhus, 15 July 2025

Executive Board

Jan Houllind Zoffmann Andersen

Claus Østergaard Askjær

Board of Directors

Petra Baader
Chairman

Torsten Krausen

Norbert Igor Engberg

Robert Focke

Lars Bo Larsen

Independent Auditor's Report

To the Shareholder of BAADER Food Systems Denmark A/S

Qualified Opinion

We have audited the Financial Statements of BAADER Food Systems Denmark A/S for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, it is our opinion that the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

Investments in the subsidiary Baader Food Systems Netherlands B.V. is included in the assets by DKK ('000) 31,766 for 2024 and DKK ('000) 44.061 for 2023. In the income statement at profit of DKK ('000) -5,337 has been included for 2024.

We have not been able to obtain sufficient and appropriate audit evidence for the included value of the subsidiary related to the existence and valuation of the subsidiary's inventory at 31 December 2024. Additionally, we have not been able to obtain sufficient and appropriate audit evidence for the beginning balance of inventories in this subsidiary. As a consequence, we have not been able to determine if changes to the above-mentioned figures are necessary.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. In our opinion, the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

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.
- Plan and perform the audit of the Financial Statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report

Statement on Management Commentary

Management is responsible for Management Commentary.

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

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Kolding, 15 July 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Steensbjerre
State Authorised Public Accountant
MNE no. mne31367

Financial Highlights

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000
Income statement					
Net revenue	699,809	691,226	610,269	708,619	609,884
Gross profit/loss	110,233	117,794	102,751	88,995	93,110
Operating profit/loss of main activities	20,821	12,890	8,659	11,781	17,588
Financial income and expenses, net	-3,521	-5,158	-2,985	-1,632	-2,714
Profit/loss for the year before tax	32,668	42,314	47,673	43,866	25,600
Profit/loss for the year	29,078	40,645	47,585	42,572	23,339
Balance sheet					
Total assets	688,120	622,679	642,163	518,504	508,476
Equity	334,490	324,381	333,210	312,383	255,839
Invested capital	31,273	116,453	94,092	79,768	128,630
Investment in property, plant and equipment	-3,623	-322	-5,581	-2,870	-3,760
Average number of full-time employees	260	255	256	265	275
Key ratios					
Gross margin	15.8	17.0	16.8	12.6	15.3
Operating margin	3.0	1.9	1.4	1.7	2.9
Return on invested capital	28.2	12.2	10.0	11.3	12.6
Equity ratio	48.6	52.1	51.9	60.2	50.3
Return on equity	8.8	12.4	14.7	15.0	9.3

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$

Management Commentary

Principal activities

BAADER Food Systems Denmark A/S develop, produce and sell Spareparts, Machines and Complete plants for slaughtering and processing of poultry as well as weighing and grading equipment. The weighing and grading equipment can also be used in the fish as well as other food industries.

Sales, Marketing and Service in several important markets takes place directly through subsidiaries.

Development in activities and financial position

The company experienced an increase of the revenue of 1.2% compared to 2023, which is generated from improved market conditions in developed markets and a higher attention to the after sales market. For 2024 we experienced an increase in demands of the spare parts and services to optimize existing machinery, and at the same time we have experienced an increase in the demands for new machines.

The company achieved a profit of DKK 29.1m in 2024 against DKK 40.6m in 2023. The result for 2024 is lower than expected and is not considered satisfactory. The improvement of the operating profit is a result of a focused and ongoing effort of optimizing the value stream in the company.

The operating profit has increased by 65%, DKK 21.2m in 2024 against DKK 12.9m in 2023. The operating result is considered very satisfactory.

The net result including the result of equity investments in group companies is lower than expected and is not considered satisfactory.

Profit/loss for the year compared to future expectations

The results and financial development of the company were lower than foreseen (profit of DKK 46.5 m). The main reason for the lower result is the net result from the subsidiaries, where the performance in some of the subsidiaries is below the expected level. The final audit opinion in BAADER Food Systems Netherlands B.V. has not been finalized, the figures incorporated in this report are considered valid.

The continued focus on growth in different markets and close customer relationships has given the company a strong position in the aftermarket.

The company is continuously working with optimizing the organization to ensure the earnings going forward. The organization for different support functions lead by Baader Global are in place and any double functions are identified and changed. Cost for support functions are allocated to all companies in the Baader group, in relation to size and revenue.

The company has besides new developments, invested in different updates of the existing product portfolio and production methods.

Significant events after the end of the financial year

No events of material importance for the company's financial position occurred after the end of the financial year.

Financial risks and currency risks

BAADER Food Systems Denmark A/S applies forward exchange transactions to secure receivables and payables in foreign currencies if it is different from EUR. In addition, continuous adjustments are made of net currency positions.

It is the aim of BAADER Food System Denmark A/S to minimize the financial risks from customers through prepayments and/or partly payments before shipping of any major deliveries.

The company is collecting cash for most of the subsidiaries to ensure an optimized cash workflow, at the same time BAADER Food Systems Denmark A/S is also supporting other subsidiaries' cash wise to ensure the local daily operation.

Management Commentary

Research and development activities

The company pays development expenses concurrently to secure future sales. Development projects are initiated both within the mechanical and electrical areas, this gives a portfolio with both updated standalone mechanical machines, but also a system approach, controlled by vision, data and build in intelligence. Major development projects, which meet several detailed conditions, are recognized as assets under construction, and amortized in the income statement, after the projects have been completed. Other development projects are expensed in the income statement.

Future expectations

Baader Food Systems Denmark A/S expects a continued positive development on important markets compared to the 2024. It is expected that last years focus on the aftermarket with both local presence and highly educated service technicians, will continue to drive the future service and spare part sales. It is also expected that the interest for investing in new equipment and to either extend production capacities in existing lines or to build new complete plants will continue in 2025.

The company's continued focus on growth, but also efficiency and adjustments of the organization is expected to help stabilize the earnings in the years to come. It has been decided to invest in new technology to increase the level of automation in the production. In 2024 a new production site has been opened in Malaysia to enhance global presence and capabilities.

For 2025 the revenue is expected to be 10 % higher compared to 2024 (DKK 770 m), and profit before tax is expected to be increase to DKK 50.9 m

The Company's foreign branches

The company's activities in the French market are handled through the company's branch in France under the name of Baader Food Systems Denmark.

Corporate social responsibility (CSR) report

It is the ambition of the company to show social responsibility in line with its basic values. This is demonstrated in internal as well as external initiatives.

The actual CSR-report is available at:

<https://www.baader.com/our-locations/baaderfoodsystemsdk>

BAADER Food Systems Denmark A/S is working determinedly to ensure a safe and healthy working environment, so the environmental and climatic conditions are incorporated in the company's processes.

Data ethics

BAADER Food Systems has implemented a Data ethic policy, it is available at our webpage at:

<https://www.baader.com/our-locations/baaderfoodsystemsdk>

Income Statement 1 January - 31 December

	Note	2024 DKK '000	2023 DKK '000
Net revenue	1	699,809	691,226
Production costs	2, 3	-589,576	-573,432
Gross profit/loss		110,233	117,794
Distribution costs	2	-41,740	-44,557
Administrative expenses	2, 4	-47,260	-60,347
Operating profit		21,233	12,890
Other operating expenses		-412	0
Income from investments in subsidiaries		15,368	34,582
Financial income		502	420
Financial expenses		-4,023	-5,578
Profit before tax		32,668	42,314
Tax on profit/loss for the year	5	-3,590	-1,669
Profit for the year	6	29,078	40,645

Balance Sheet at 31 December

Assets

	Note	2024 DKK '000	2023 DKK '000
Development projects completed		48,321	58,224
Intangible fixed assets acquired		8,107	7,695
IT		3,523	1,851
Development projects in progress		36,100	28,127
Intangible assets	7	96,051	95,897
Land and buildings		12,472	13,893
Production plants and machinery		1,042	1,647
Other plants, machinery, tools and equipment		391	533
Tangible fixed assets in progress		3,534	0
Property, plant and equipment	8	17,439	16,073
Fixed asset investments		263,110	251,668
Rent deposit and other receivables		38	38
Financial non-current assets	9	263,148	251,706
Non-current assets		376,638	363,676
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Raw materials and consumables		4,255	3,011
Work in progress		4,225	4,190
Finished goods and goods for resale		74,195	66,531
Prepayments for goods		3,156	798
Inventories		85,831	74,530
Trade receivables		31,225	24,869
Contract work in progress	10	38,545	36,066
Receivables from group enterprises		124,933	98,181
Other receivables		9,912	4,888
Prepayments and accrued income	11	6,270	2,927
Receivables		210,885	166,931
Cash and cash equivalents		14,766	17,542
Current assets		311,482	259,003
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Assets		688,120	622,679
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Balance Sheet at 31 December

Equity and liabilities

	Note	2024 DKK '000	2023 DKK '000
Share Capital	12	10,375	10,375
Reserve for net revaluation according to equity-method		115,675	104,232
Reserve for provision for development costs		64,878	65,674
Retained profit		98,862	114,100
Proposed dividend		44,700	30,000
Equity		334,490	324,381
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Provision for deferred tax	13	16,586	14,226
Other provisions for liabilities	14	2,827	2,274
Provisions		19,413	16,500
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Mortgage debt		1,319	1,337
Other liabilities		13,965	13,544
Non-current liabilities	15	15,284	14,881
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Mortgage debt		27	26
Bank debt		28,328	109,853
Prepayments received from customers	10	148,982	55,946
Trade payables		60,437	30,747
Payables to group enterprises		45,675	20,747
Corporation tax		0	1,125
Other liabilities		35,484	48,473
Current liabilities		318,933	266,917
Liabilities		334,217	281,798
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Equity and liabilities		688,120	622,679
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Equity

DKK '000	Share Capital	Reserve for net revaluation according to equity-method	Reserve for provision for development costs	Retained profit	Proposed dividend	Total
Equity at 1 January 2024	10,375	104,232	65,673	114,101	30,000	324,381
Proposed profit allocation according to note 6		15,368		-30,990	44,700	29,078
Transactions with owners						
Dividend paid					-30,000	-30,000
Other legal bindings						
Capitalized development costs			-1,019	1,019		0
Foreign exchange adjustments		11,053		-22		11,031
Transfers						
Receiv./decl. dividend		-14,978		14,978		0
Tax on changes in equity			224	-224		0
Equity at 31 December 2024	10,375	115,675	64,878	98,862	44,700	334,490

Notes

	2024 DKK '000	2023 DKK '000
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1 | Net revenue

Segment details (geography)

Denmark	5,468	5,666
Europe, other	199,308	179,363
Asia	138,777	101,851
North America	65,784	62,851
Latin America	103,498	103,335
Africa & Middel East	150,961	188,461
Other areas	36,013	49,699
	699,809	691,226

Further segment details are not relevant for the company, since its operations are all within one segment.

2 | Staff costs

Average number of full time employees	260	255
Wages and salaries	156,743	145,083
Pensions	13,097	11,670
Social security costs	1,711	1,819
	171,551	158,572

Remuneration of Board of Directors	4,344	3,391
Remuneration of Supervisory Board	10	10
	4,354	3,401

3 | Special items

The company has included impairment losses on the development assets with the amount of 7,704 TDKK. the amount is included in the production costs in the income statement.

Notes

	2024 DKK '000	2023 DKK '000
4 Fee to statutory auditor		
Total fee:		
BDO	675	645
	675	645
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Specification of fee:		
Statutory audit	524	545
Tax consultancy	33	32
Other services	118	68
	675	645
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5 Tax on profit/loss for the year		
Calculated tax on taxable income of the year	1,231	2,604
Adjustment of tax for previous years	0	-22
Adjustment of deferred tax	2,359	-913
	3,590	1,669
<hr/>		
6 Proposed distribution of profit		
Proposed dividend for the year	44,700	30,000
Allocation to reserve for net revaluation according to equity-method	15,368	34,582
Retained earnings	-30,990	-23,937
	29,078	40,645
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7 Intangible assets		
	Development projects completed	Intangible fixed assets acquired
DKK '000		
Cost at 1 January 2024	172,521	15,825
Transfer	3,614	0
Additions	0	1,727
Cost at 31 December 2024	176,135	17,552
Amortisation at 1 January 2024	114,297	8,129
Amortisation for the year	13,517	1,316
Amortisation at 31 December 2024	127,814	9,445
Carrying amount at 31 December 2024	48,321	8,107
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Notes

7 | Intangible fixed assets (continued)

DKK '000	IT	Development projects in progress
Cost at 1 January 2024	27,876	28,128
Transfers to/from other items	0	-3,614
Additions	2,013	19,290
Disposals	0	-7,704
Cost at 31 December 2024	29,889	36,100
Amortisation at 1 January 2024	26,023	0
Amortisation for the year	343	0
Amortisation at 31 December 2024	26,366	0
Carrying amount at 31 December 2024	3,523	36,100

The company's development projects relate to the development of new production machines and optimization of the interaction between the company's products in the production line. The development of the individual projects is progressing as planned and is expected to be completed over the next 1-2 years. Market research shows a demand for the new products and there are very few competitors in the market for this type of products.

8 | Property, plant and equipment

DKK '000	Land and buildings	Production plants and machinery
Cost at 1 January 2024	70,798	45,649
Additions	0	89
Disposals	-7,898	0
Cost at 31 December 2024	62,900	45,738
Depreciation and impairment losses at 1 January 2024	56,904	44,002
Reversal of depreciation of assets disposed of	-7,486	0
Depreciation for the year	1,010	694
Depreciation and impairment losses at 31 December 2024	50,428	44,696
Carrying amount at 31 December 2024	12,472	1,042

DKK '000	Other plants, machinery, tools and equipment	Tangible fixed assets in progress
Cost at 1 January 2024	10,751	0
Additions	0	3,534
Cost at 31 December 2024	10,751	3,534
Depreciation and impairment losses at 1 January 2024	10,217	0
Depreciation for the year	143	0
Depreciation and impairment losses at 31 December 2024	10,360	0
Carrying amount at 31 December 2024	391	3,534

Notes

8 | Tangible fixed assets (continued)

9 | Financial non-current assets

DKK '000	Fixed asset investments	Rent deposit and other receivables
Cost at 1 January 2024	147,320	38
Cost at 31 December 2024	147,320	38
Revaluation at 1 January 2024	104,347	0
Exchange adjustment	11,053	0
Dividend	-14,978	0
Revaluation and impairment losses for the year	15,368	0
Revaluation at 31 December 2024	115,790	0
Carrying amount at 31 December 2024	263,110	38

Investments in subsidiaries

Name and domicil	Ownership
LINCO Food Systems S.A., Spain	100 %
Baader Brazil Ltda., Brazil	100 %
Lindholst Asia SDN. BHD., Malaysia	100 %
LINCO Food Systems Ltda., Chile	100 %
Baader Food Systems Netherlands B.V., Netherlands	100 %
Baader Food Systems USA Inc., USA	100 %
Baader Poultry Canada Ltd., Canada	100 %
Baader Asia PTE Ltd., Singapore	100 %
Baader Food Processing Technology (Beijing) Co. Ltd., China	100 %
Baader Food Systems Asia SDN. BHD, Malaysia	100 %

	2024 DKK '000	2023 DKK '000
10 Contract work in progress		
Contract work in progress	195,221	321,200
Invoiced on account	-305,658	-341,080
Contract work in progress, net	-110,437	-19,880
Contract work in progress (assets)		
Contract work in progress (asset)	38,545	36,066
Contract work in progress (liability)	-148,982	-55,946
	-110,437	-19,880

Notes

11 | Prepayments and accrued income

Prepayments and accrued income relates to prepaid contingencies and license fees as well as prepaid expenses regarding future financial years.

	2024 DKK '000	2023 DKK '000
12 Share Capital		
Allocation of share capital:		
A-shares, 10,374,870 unit in the denomination of 1 DKK	10,375	10,375
	10,375	10,375

13 | Provision for deferred tax

The provision for deferred tax is related to differences between the carrying amount and tax value of intangible fixed assets and tangible fixed assets, including accrued expenses. The provision also includes tax losses carried forward

Deferred tax, beginning of year	14,226	15,139
Deferred tax of the year, income statement	2,360	-913
Provision for deferred tax 31 December	16,586	14,226

14 | Other provisions for liabilities

0-1 year	2,827	2,274
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Other provisions for liabilities comprise liabilities of ordinary warranty on the Company's products.

15 | Long-term liabilities

DKK '000	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Mortgage debt	1,346	27	1,129	1,363
Other liabilities	14,185	220	12,271	13,818
	15,531	247	13,400	15,181

Notes

16 | Contingencies etc.

Contingent liabilities

The Company has provided bank guarantees totalling DKK ('000) 8,224 relating to payment guarantees and general performance guarantees.

Operating lease contracts on machinery and cars have been entered with a total lease commitment during the residual term of 12 to 83 months of DKK ('000) 2,499 (hereof DKK ('000) 893 within 12 months).

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Baader Poultry A/S, which serves as management Company for the joint taxation.

17 | Charges and securities

Debt to mortgage provider, DKK ('000) 1,345 is secured by mortgages totalling DKK ('000) 1,406 comprising land, and buildings with the booked value of DKK ('000) 1,809 as of 31 December 2024. The mortgage also comprises the plant and machinery deemed part of the properties.

As security for debt to financial institutions, the company has issued mortgage deeds totalling DKK ('000) 17,632 as mortgage on land and buildings with a booked value of DKK ('000) 12,423 as of 31 December 2024.

Furthermore the company has issued an all-moneys mortgage (floating charge) of DKK ('000) 36,330 as security for debt to financial institutions. The security comprises inventories and trade receivables with at booked value totalling DKK ('000) 120,204.

18 | Related parties

The company's related parties comprises the following:

Controlling interest

Chairman of the board, through the parent company Baader Poultry A/S

Transactions with related parties

The company has had transactions with its subsidiaries in the year.

The company did not carry out any substantial transactions that were not concluded on market conditions.

19 | Consolidated Financial Statements

The company is included in the consolidated financial statements of Baader Poultry A/S, Aarhus, CVR number 30 71 48 30, which is the smallest group.

The company is included in the consolidated financial statements of Baader Global SE, Lübeck, which is the largest group. The consolidated financial statements can be acquired by contacting the company.

Accounting Policies

The Annual Report of BAADER Food Systems Denmark A/S for 2024 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Baader Poultry A/S, Aarhus, CVR number 30 71 48 30.

Income Statement

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs

Production costs comprise costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year.

Production costs also recognise amortisation of capitalised development as well as research costs and the development costs that do not fulfil the criteria for capitalisation.

Furthermore write-down is recognised in connection with expected losses on project contracts.

Distribution costs

The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc and related amortisation.

Accounting Policies

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible assets and property, plant and equipment are also included.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

Balance Sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement.

Development costs comprise costs, including wages and salaries, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years and does not exceed 20 years.

Capitalised IT-projects are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised IT-projects are depreciated on a straight-line basis over the estimated useful life. The useful life is normally 3-5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Accounting Policies

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings	10-25 years	0 %
Production plant and machinery	5 years	0-30 %
Other plants, fixtures and equipment	3-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of consolidation.

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 7-12 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Accounting Policies

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiary's deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the weighted average-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Accounting Policies

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Accounting Policies

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

Cash Flow Statement

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement.