# Uhrenholt Holding A/S

**Teglgårdsparken 106, DK-5500 Middelfart**

## Annual Report for 2025

CVR No. 45 17 41 31

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
27/03/2026

**Jørgen Buhl Rasmussen**
Chairman of the general meeting

# Contents

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Uhrenholt Holding A/S for the financial year 1 January - 31 December 2025.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2025.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Middelfart, 27 March 2026

**Executive Board**

**Sune Uhrenholt**
CEO

**Klaus Michael Vestergaard**
CFO

**Board of Directors**

**Jørgen Buhl Rasmussen**
Chair

**Karen-Marie Katholm**
Deputy chair

**Tim Ørting Jørgensen**

**Lars Raunholt Eismark**

**Maria Addis**

**Christian Vinther Christensen**

# Independent Auditor's report

To the shareholders of Uhrenholt Holding A/S

**Opinion**

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2025 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Uhrenholt Holding A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”the Financial Statements”).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor's responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Statement on Management's Review**

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

**Management's responsibilities for the Financial Statements**

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

**Auditor's responsibilities for the audit of the Financial Statements**

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent 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 group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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# Independent Auditor’s report

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.

Odense M, 27 March 2026
**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

**Line Hedam**
State Authorised Public Accountant
mne27768

**Kristian Rath**
State Authorised Public Accountant
mne42817

# Company information

| | |
|---|---|
| **The Company** | Uhrenholt Holding A/S<br>Teglgårdsparken 106<br>DK-5500 Middelfart<br>Telephone: + 45 64414041<br>Website: www.uhrenholt.com<br>CVR No: 45 17 41 31<br>Financial period: 1 January - 31 December<br>Municipality of reg. office: Middelfart |
| **Board of Directors** | Jørgen Buhl Rasmussen, chair<br>Karen-Marie Katholm, deputy chair<br>Tim Ørting Jørgensen<br>Lars Raunholt Eismark<br>Maria Addis<br>Christian Vinther Christensen |
| **Executive Board** | Sune Uhrenholt<br>Klaus Michael Vestergaard |
| **Auditors** | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Munkebjergvænget 1, 3. og 4. sal<br>DK-5230 Odense M |

# Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

| | Group | |
|---|---|---|
| (TDKK) | 2025 | 2024 |
| **Key figures** | | |
| **Profit/loss** | | |
| Revenue | 3,383,355 | 3,061,939 |
| Gross profit | 300,034 | 312,540 |
| Profit/loss of primary operations | 104,562 | 112,006 |
| Profit/loss of financial income and expenses | -2,465 | -16,205 |
| Profit/loss before tax | 102,097 | 95,801 |
| Net profit/loss for the year | 77,492 | 73,721 |
| **Balance sheet** | | |
| Balance sheet total | 810,837 | 718,596 |
| Investment in property, plant and equipment | 14,714 | 8,452 |
| Equity | 271,465 | 233,904 |
| **Cash flows** | | |
| Cash flows from: | | |
| - operating activities | 5,934 | 15,174 |
| - investing activities | -20,965 | -16,577 |
| - financing activities | 15,094 | 14,555 |
| Change in cash and cash equivalents for the year | 63 | 13,152 |
| Number of employees | 285 | 261 |
| **Ratios** | | |
| Gross margin | 8.9% | 10.2% |
| Profit margin | 3.1% | 3.7% |
| Return on assets | 12.9% | 15.6% |
| Solvency ratio | 33.5% | 32.6% |
| Return on equity | 30.7% | 63.0% |

# Management's review

**Key activities**

Uhrenholt is a privately-owned dairy group based in Denmark, operating in more than 125 markets worldwide, either directly or through subsidiaries. We provide a wide range of own brands and private label solutions to retail, wholesale, food service, and industrial customers.

Our competitive advantage lies in agility, speed, and unparalleled service. We collaborate closely with our customers to create market-driven food solutions tailored to their needs. Partnering with a select group of trusted and highly skilled suppliers ensures that these often-complex solutions are delivered to global markets swiftly and efficiently, meeting agreed standards, commercial targets, and sustainability goals.

At Uhrenholt, our approach to business is straightforward and built on trust, dialogue, and efficiency. Our company structure and culture empower our employees to make decisions and improvements quickly and efficiently. We prioritize long-term relationships with our customers and suppliers to ensure mutual benefit in everything we do.

**Development in the year**

The income statement of the Group for 2025 shows a profit before tax of TDKK 102,097, and at 31 December 2025 the balance sheet of the Group shows an equity of TDKK 271,465.

2025 has been a demanding year, as the company faced a series of challenging business conditions that significantly impacted our operations. The year was marked by exceptionally high raw material prices, driven by global supply chain disruptions and high demand. Additionally, geopolitical instability in several regions created an unpredictable environment, complicating trade and regulatory compliance.

Moreover, the outbreak of foot-and-mouth disease in Europe during the first half of the year posed severe risks to our dairy supply chain, necessitating stringent biosecurity measures and leading to temporary shortages. Despite these adversities, Uhrenholt remained committed to delivering quality products and maintaining our standards of sustainability and innovation.

Our resilience and adaptive organization enabled us to navigate these turbulent times and continue to serve our customers across the globe. As a result, earnings before tax in 2025 amounted to TDKK 102,097, which was in line with the high end of our expectations for the year.

**Foreign exchange risks**

Foreign trade entails transactions and positions in foreign currency. Transactions are mainly in USD, EURO and AUD. It is the company policy to hedge against currency risks. Exchange rate risks related to investments in affiliated enterprises abroad are not hedged.

**Targets and expectations for the year ahead**

We continue to expect high global uncertainty and fluctuating market conditions, geopolitical tensions, and supply chain disruptions, making the financial outlook highly uncertain. However, the company has proven its ability to navigate these complexities effectively over the past years.

Therefore, we remain positive about 2026 and expect Earnings Before Tax for 2026 to be in the range of TDKK 90,000-110,000.

# Management's review

### Statement of corporate social responsibility

The Uhrenholt Group has signed the UN's Global Compact and is actively working with social Responsibility and does see ESG as a key driver of the business. The Group has published the CSR report for 2025 on our website according to §99a of the Danish Financial Statement Act. The CSR report can be found at https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2025/uhrenholt-sustainability-report-2025/?page=1

### Statement on data ethics

The Group has published the CSR report for 2025 on our website, wherein our statement on data ethics according to §99d of the Danish Financial Statement Act is disclosed. The CSR report can be found at https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2025/uhrenholt-sustainability-report-2025/?page=1

### Subsequent events

There have been no significant events occurring after the balance sheet date that would materially impact the evaluation of the Annual Report.

# Income statement 1 January - 31 December

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| **(TDKK)** | **Note** | **2025** | **2024** | **2025** | **2024** |
| Revenue | 1 | 3,383,355 | 3,061,939 | 0 | 0 |
| Other operating income | | 1 | 59 | 0 | 0 |
| Expenses for raw materials and consumables | | -2,975,332 | -2,629,060 | 0 | 0 |
| Other external expenses | | -107,990 | -120,398 | -901 | -194 |
| **Gross profit** | | **300,034** | **312,540** | **-901** | **-194** |
| Staff expenses | 2 | -184,245 | -180,503 | -2,295 | -535 |
| Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment | | -11,777 | -11,658 | 0 | 0 |
| Other operating expenses | | 550 | -8,373 | 0 | 0 |
| **Profit/loss before financial income and expenses** | | **104,562** | **112,006** | **-3,196** | **-729** |
| Income from investments in subsidiaries | | 0 | 0 | 92,527 | 78,223 |
| Financial income | 3 | 4,872 | 1,552 | 0 | 0 |
| Financial expenses | 4 | -7,337 | -17,757 | -16,079 | -5,043 |
| **Profit/loss before tax** | | **102,097** | **95,801** | **73,252** | **72,451** |
| Tax on profit/loss for the year | 5 | -24,605 | -22,080 | 4,240 | 1,270 |
| **Net profit/loss for the year** | 6 | **77,492** | **73,721** | **77,492** | **73,721** |

# Balance sheet 31 December

## Assets

| (TDKK) | Note | Group 2025 | Group 2024 | Parent company 2025 | Parent company 2024 |
|---|---|---|---|---|---|
| Completed development projects | | 5,862 | 4,544 | 0 | 0 |
| Acquired patents | | 1,995 | 2,110 | 0 | 0 |
| Acquired other similar rights | | 3,383 | 3,780 | 0 | 0 |
| Goodwill | | 1,679 | 3,070 | 0 | 0 |
| **Intangible assets** | 7 | **12,919** | **13,504** | **0** | **0** |
| Land and buildings | | 31,759 | 30,616 | 0 | 0 |
| Plant and machinery | | 4,448 | 5,373 | 0 | 0 |
| Other fixtures and fittings, tools and equipment | | 13,779 | 5,090 | 0 | 0 |
| **Property, plant and equipment** | 8 | **49,986** | **41,079** | **0** | **0** |
| Investments in subsidiaries | 9 | 0 | 0 | 430,853 | 1,078,256 |
| **Fixed asset investments** | | **0** | **0** | **430,853** | **1,078,256** |
| **Fixed assets** | | **62,905** | **54,583** | **430,853** | **1,078,256** |
| Finished goods and goods for resale | | 139,035 | 126,401 | 0 | 0 |
| **Inventories** | | **139,035** | **126,401** | **0** | **0** |
| Trade receivables | | 533,960 | 478,985 | 0 | 0 |
| Receivables from group enterprises | | 1,877 | 0 | 0 | 0 |
| Other receivables | 10 | 49,360 | 26,262 | 0 | 0 |
| Deferred tax asset | 13 | 2,253 | 1,049 | 0 | 0 |
| Corporation tax | | 84 | 2,032 | 4,240 | 1,270 |
| Prepayments | 11 | 8,048 | 16,032 | 0 | 0 |
| **Receivables** | | **595,582** | **524,360** | **4,240** | **1,270** |
| **Current asset investments** | | **100** | **100** | **0** | **0** |
| **Cash at bank and in hand** | | **13,215** | **13,152** | **0** | **0** |
| **Current assets** | | **747,932** | **664,013** | **4,240** | **1,270** |
| **Assets** | | **810,837** | **718,596** | **435,093** | **1,079,526** |

# Balance sheet 31 December

## Liabilities and equity

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| **(TDKK)** | **Note** | **2025** | **2024** | **2025** | **2024** |
| Share capital | 12 | 30,600 | 30,600 | 30,600 | 30,600 |
| Reserve for net revaluation under the equity method | | 0 | 0 | 0 | 77,953 |
| Reserve for hedging transactions | | -3,443 | -1,829 | 0 | 0 |
| Reserve for exchange rate conversion | | -1,237 | 1,559 | 0 | 0 |
| Retained earnings | | 245,545 | 203,574 | 240,865 | 125,351 |
| **Equity** | | **271,465** | **233,904** | **271,465** | **233,904** |
| Provision for deferred tax | 13 | 2,432 | 1,727 | 0 | 0 |
| Other provisions | 14 | 3,407 | 3,407 | 0 | 0 |
| **Provisions** | | **5,839** | **5,134** | **0** | **0** |
| Mortgage loans | | 15,588 | 17,100 | 0 | 0 |
| Lease obligations | | 2,214 | 0 | 0 | 0 |
| Payables to group enterprises | | 0 | 0 | 163,235 | 845,249 |
| Other payables | | 13,819 | 14,334 | 0 | 0 |
| **Long-term debt** | 15 | **31,621** | **31,434** | **163,235** | **845,249** |
| Mortgage loans | 15 | 1,512 | 1,504 | 0 | 0 |
| Credit institutions | | 119,777 | 79,761 | 0 | 0 |
| Lease obligations | 15 | 612 | 0 | 0 | 0 |
| Trade payables | | 276,518 | 289,783 | 0 | 0 |
| Payables to group enterprises | 15 | 0 | 4,200 | 0 | 0 |
| Payables to owners and Management | | 14,280 | 0 | 0 | 0 |
| Corporation tax | | 3,012 | 606 | 0 | 0 |
| Other payables | 15,10 | 86,201 | 72,270 | 393 | 373 |
| **Short-term debt** | | **501,912** | **448,124** | **393** | **373** |
| **Debt** | | **533,533** | **479,558** | **163,628** | **845,622** |
| **Liabilities and equity** | | **810,837** | **718,596** | **435,093** | **1,079,526** |

| | |
|---|---|
| Contingent assets, liabilities and other financial obligations | 18 |
| Related parties | 19 |
| Fee to auditors appointed at the general meeting | 20 |
| Accounting Policies | 21 |

# Statement of changes in equity

**Group**

| (TDKK) | Share capital | Reserve for hedging trans-actions | Reserve for exchange rate conversion | Retained earnings | Total |
|---|---|---|---|---|---|
| Equity at 1 January | 30,600 | -1,829 | 1,559 | 203,574 | 233,904 |
| Extraordinary dividend paid | 0 | 0 | 0 | -35,000 | -35,000 |
| Exchange adjustments relating to foreign entities | 0 | 0 | -2,796 | 0 | -2,796 |
| Fair value adjustment of hedging instruments | 0 | -2,737 | 0 | 0 | -2,737 |
| Transfers, reserves | 0 | 521 | 0 | -521 | 0 |
| Tax on equity movements | 0 | 602 | 0 | 0 | 602 |
| Net profit/loss for the year | 0 | 0 | 0 | 77,492 | 77,492 |
| **Equity at 31 December** | **30,600** | **-3,443** | **-1,237** | **245,545** | **271,465** |

**Parent company**

| (TDKK) | Share capital | Reserve for net revaluation under the equity method | Retained earnings | Total |
|---|---|---|---|---|
| Equity at 1 January | 30,600 | 77,953 | 125,351 | 233,904 |
| Extraordinary dividend paid | 0 | 0 | -35,000 | -35,000 |
| Exchange adjustments relating to foreign entities | 0 | 0 | -2,796 | -2,796 |
| Fair value adjustment of hedging instruments | 0 | 0 | -2,135 | -2,135 |
| Net profit/loss for the year | 0 | -77,953 | 155,445 | 77,492 |
| **Equity at 31 December** | **30,600** | **0** | **240,865** | **271,465** |

# Cash flow statement 1 January - 31 December

| (TDKK) | Note | Group 2025 | Group 2024 |
|---|---|---|---|
| Result of the year | | 77,492 | 73,721 |
| Adjustments | 16 | 38,850 | 52,058 |
| Change in working capital | 17 | -87,795 | -71,440 |
| **Cash flow from operations before financial items** | | **28,547** | **54,339** |
| Financial income | | 4,872 | 1,552 |
| Financial expenses | | -7,337 | -17,757 |
| **Cash flows from ordinary activities** | | **26,082** | **38,134** |
| Corporation tax paid | | -20,148 | -22,960 |
| **Cash flows from operating activities** | | **5,934** | **15,174** |
| Purchase of intangible assets | | -6,251 | -8,222 |
| Purchase of property, plant and equipment | | -14,714 | -8,452 |
| Sale of current asset investments | | 0 | 97 |
| **Cash flows from investing activities** | | **-20,965** | **-16,577** |
| Repayment of mortgage loans | | -1,504 | -1,495 |
| Repayment of payables to group enterprises | | -4,200 | 0 |
| Raising of loans from credit institutions | | 38,692 | 44,112 |
| Lease obligations incurred | | 2,826 | 0 |
| Raising of payables to group enterprises | | 0 | 4,200 |
| Dividend paid | | -35,000 | -43,741 |
| Liquidity effect of capital increase (cash overtaken from the F. Uhrenholt Holding A/S-group at January 1, 2024) | | 0 | 11,479 |
| Raising of loans from owners and Management | | 14,280 | 0 |
| **Cash flows from financing activities** | | **15,094** | **14,555** |
| **Change in cash and cash equivalents** | | **63** | **13,152** |
| Cash and cash equivalents at 1 January | | 13,152 | 0 |
| **Cash and cash equivalents at 31 December** | | **13,215** | **13,152** |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 13,215 | 13,152 |
| **Cash and cash equivalents at 31 December** | | **13,215** | **13,152** |

Cash and bank balances at 31 December 2025 include 2,5 MDKK that relates to bank balances subject to restrictions. These funds are not readily available for general use by the Uhrenholt Holding A/S Group.

# Notes to the Financial Statements

## 1. Revenue

| | Group | | Parent company | |
|---|---|---|---|---|
| (TDKK) | 2025 | 2024 | 2025 | 2024 |
| **Geographical segments** | | | | |
| Europe | 822,108 | 732,367 | 0 | 0 |
| Asia and Pacific | 1,497,198 | 1,259,091 | 0 | 0 |
| Middle East and Africa | 598,667 | 523,474 | 0 | 0 |
| Other | 465,382 | 547,007 | 0 | 0 |
| | **3,383,355** | **3,061,939** | **0** | **0** |
| **Business segments** | | | | |
| Consumer division | 1,885,243 | 1,685,180 | 0 | 0 |
| Trading division | 1,498,112 | 1,376,759 | 0 | 0 |
| | **3,383,355** | **3,061,939** | **0** | **0** |

## 2. Staff expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| (TDKK) | 2025 | 2024 | 2025 | 2024 |
| Wages and salaries | 170,487 | 167,449 | 2,289 | 535 |
| Pensions | 10,014 | 9,635 | 0 | 0 |
| Other social security expenses | 1,603 | 1,406 | 0 | 0 |
| Other staff expenses | 2,141 | 2,013 | 6 | 0 |
| | **184,245** | **180,503** | **2,295** | **535** |
| Including remuneration to the Executive Board and Board of Directors: | | | | |
| Executive board | 8,761 | 8,571 | 528 | 98 |
| Board of directors | 1,767 | 1,717 | 1,767 | 437 |
| | **10,528** | **10,288** | **2,295** | **535** |
| **Average number of employees** | **285** | **261** | **0** | **0** |

Remuneration in 2024 to the Executive Board and Board of Directors of the Parent company relates to the period from the legal formation of the Company (October 2024) to year-end.

# Notes to the Financial Statements

## 3. Financial income

| (TDKK) | Group 2025 | Group 2024 | Parent company 2025 | Parent company 2024 |
|---|---|---|---|---|
| Other financial income | 1,685 | 1,552 | 0 | 0 |
| Exchange adjustments | 3,187 | 0 | 0 | 0 |
| | **4,872** | **1,552** | **0** | **0** |

## 4. Financial expenses

| (TDKK) | Group 2025 | Group 2024 | Parent company 2025 | Parent company 2024 |
|---|---|---|---|---|
| Interest to group enterprises | 0 | 0 | 16,079 | 5,043 |
| Other financial expenses | 7,337 | 7,831 | 0 | 0 |
| Exchange adjustments, expenses | 0 | 9,926 | 0 | 0 |
| | **7,337** | **17,757** | **16,079** | **5,043** |

## 5. Income tax expense

| (TDKK) | Group 2025 | Group 2024 | Parent company 2025 | Parent company 2024 |
|---|---|---|---|---|
| Current tax for the year | 24,275 | 20,474 | -4,240 | -1,270 |
| Deferred tax for the year | -499 | 1,511 | 0 | 0 |
| Adjustment of tax concerning previous years | 227 | -421 | 0 | 0 |
| | **24,003** | **21,564** | **-4,240** | **-1,270** |
| thus distributed: | | | | |
| Income tax expense | 24,605 | 22,080 | -4,240 | -1,270 |
| Tax on equity movements | -602 | -516 | 0 | 0 |
| | **24,003** | **21,564** | **-4,240** | **-1,270** |

# Notes to the Financial Statements

## 6. Profit allocation

| | Parent company | |
|---|---|---|
| (TDKK) | 2025 | 2024 |
| Extraordinary dividend paid | 35,000 | 0 |
| Reserve for net revaluation under the equity method | -77,953 | 78,223 |
| Retained earnings | 120,445 | -4,502 |
| | **77,492** | **73,721** |

## 7. Intangible fixed assets

**Group**

| (TDKK) | Completed development projects | Acquired patents | Acquired other similar rights | Goodwill |
|---|---|---|---|---|
| Cost at 1 January | 7,835 | 5,526 | 31,314 | 79,025 |
| Exchange adjustment | 0 | 2 | 0 | -2,565 |
| Additions for the year | 3,891 | 416 | 1,944 | 0 |
| Disposals for the year | 0 | 0 | -634 | 0 |
| Cost at 31 December | 11,726 | 5,944 | 32,624 | 76,460 |
| Impairment losses and amortisation at 1 January | 3,291 | 3,416 | 27,534 | 75,955 |
| Exchange adjustment | 0 | 0 | 0 | -2,244 |
| Amortisation for the year | 2,573 | 533 | 2,341 | 1,070 |
| Reversal of impairment and amortisation of sold assets | 0 | 0 | -634 | 0 |
| Impairment losses and amortisation at 31 December | 5,864 | 3,949 | 29,241 | 74,781 |
| **Carrying amount at 31 December** | **5,862** | **1,995** | **3,383** | **1,679** |

Development costs relate to the external development and implementation cost of software systems for internal use.

# Notes to the Financial Statements

## 8. Property, plant and equipment

**Group**

| (TDKK) | Land and buildings | Plant and machinery | Other fixtures and fittings, tools and equipment |
|---|---|---|---|
| Cost at 1 January | 70,220 | 31,367 | 21,105 |
| Exchange adjustment | -679 | 0 | -286 |
| Additions for the year | 2,729 | 218 | 11,767 |
| Disposals for the year | 0 | 0 | -4,594 |
| Cost at 31 December | 72,270 | 31,585 | 27,992 |
| Impairment losses and depreciation at 1 January | 39,604 | 25,995 | 16,015 |
| Exchange adjustment | -319 | 0 | -103 |
| Depreciation for the year | 1,226 | 1,142 | 2,892 |
| Impairment and depreciation of sold assets for the year | 0 | 0 | -4,591 |
| Impairment losses and depreciation at 31 December | 40,511 | 27,137 | 14,213 |
| **Carrying amount at 31 December** | **31,759** | **4,448** | **13,779** |
| Including assets under finance leases amounting to | 0 | 0 | 2,579 |

## 9. Investments in subsidiaries

| (TDKK) | Parent company 2025 | 2024 |
|---|---|---|
| Cost at 1 January | 1,000,302 | 0 |
| Additions for the year | 65,001 | 1,044,043 |
| Disposals for the year | 0 | -43,741 |
| Cost at 31 December | 1,065,303 | 1,000,302 |
| Value adjustments at 1 January | 77,954 | 0 |
| Exchange adjustment | -2,796 | 1,558 |
| Net profit/loss for the year | 92,527 | 587,114 |
| Dividend to the Parent Company | -800,000 | 0 |
| Fair value adjustment of hedging instruments for the year | -2,135 | -1,828 |
| Other adjustments | 0 | -508,890 |
| Value adjustments at 31 December | -634,450 | 77,954 |
| **Carrying amount at 31 December** | **430,853** | **1,078,256** |

# Notes to the Financial Statements

## 9. Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Ownership and Votes |
|---|---|---|
| Uhrenholt A/S | Middelfart, Denmark | 100% |
| F. Uhrenholt Handel ApS | Middelfart, Denmark | 100% |
| F. Uhrenholt Holding A/S | Middelfart, Denmark | 100% |
| Uhrenholt Middle East FZCO | Dubai | 100% |
| Uhrenholt Philippines Inc. | Philippines | 100% |
| Uhrenholt Polska SP z.o.o. | Poland | 100% |
| Uhrenholt Sdn Bhd | Malaysia | 100% |
| Uhrenholt Oceania Pty. Ltd. | Australia | 100% |
| Uhrenholt Food Solutions (Shanghai) Co. Ltd. | China | 100% |
| Uhrenholt South Africa Pty Ltd. | South Africa | 100% |
| Uhrenholt Food Service Hong Kong Ltd. | China | 100% |
| Uhrenholt LLC | Russia | 100% |
| F. Uhrenholt Holding International ApS | Middelfart, Denmark | 100% |
| F. Uhrenholt Dairy Products ApS | Middelfart, Denmark | 100% |
| Selskabet af 17.08.2007 ApS | Middelfart, Denmark | 100% |
| UES ApS | Middelfart, Denmark | 100% |
| Emborg Foods USA Inc. | USA | 100% |

## 10. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts and futures have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

| | Group | | Parent company | |
|---|---|---|---|---|
| (TDKK) | 2025 | 2024 | 2025 | 2024 |
| Assets | 18,238 | 0 | 0 | 0 |
| Liabilities | 16,339 | 10,791 | 0 | 0 |

# Notes to the Financial Statements

## 10. Derivative financial instruments (continued)

Forward exchange contracts have been concluded to hedge future sale and purchase of goods in USD, EUR, AUD, SGD, SEK, NZD, HKD and GBP. At the balance sheet date, the fair value of the forward exchange contracts amounts to DKK 60k. The group has contracted the selling of USD of 45,424k, the buying of EUR 3,000k, the selling of AUD of 8,093k, the selling of SGD of 4,268k, the selling of SEK of 7,500k, the selling of NZD of 1,995k, the buying of GBP 2,314k, the selling of HKD of 7,675k All currencies with a term of maximum 7.5 months. The Group has entered the forward exchange contracts with large Danish banking institutions as counterparts and assesses the counterparty risk as very limited.

The Group has engaged in commodity futures contracts to either hedge or capitalize on price fluctuations in dairy-related commodities. These contracts are cash-settled and denominated in EUR and USD. As of the balance sheet date, the fair value of the futures contracts is DKK 1,839k. The majority of the volume is in fat-based products, such as cheeses and butter (net sale of 845 MT), while the remainder consists of protein-based products, including milk or protein powders (net sale of 115 MT). All contracts have maturities ranging from 0 to 12 months. The futures are traded through commodity brokers specializing in dairy. These counterparties are publicly listed companies with S&P credit ratings of BB- or higher, and all trades are collateralized, significantly reducing counterparty risk.

| | **Value adjustment, income statement** | **Value adjustment, equity** | **Fair value at 31 December** |
|---|---|---|---|
| Forward exchange contracts | 8,140 | 1,442 | 60 |
| Futures | 6,163 | -4,178 | 1,839 |

## 11. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions etc.

## 12. Share capital

| | **Number** | **Nominal value** |
|---|---|---|
| | | TDKK |
| A-shares | 88 | 44 |
| B-shares | 49,912 | 24,956 |
| C-shares | 11,200 | 5,600 |
| | | **30,600** |

# Notes to the Financial Statements

## 13. Provision for deferred tax

| | Group | | Parent company | |
|---|---|---|---|---|
| (TDKK) | 2025 | 2024 | 2025 | 2024 |
| Deferred tax liabilities at 1 January | 678 | -833 | 0 | 0 |
| Amounts recognised in the income statement for the year | -499 | 1,511 | 0 | 0 |
| **Deferred tax liabilities at 31 December** | **179** | **678** | **0** | **0** |
| Recognised in the balance sheet as follows: | | | | |
| Assets | 2,253 | 1,049 | 0 | 0 |
| Provisions | -2,432 | -1,727 | 0 | 0 |
| | **179** | **678** | **0** | **0** |

The deferred tax asset in the Group primarily relates to group internal profits on inventories.

## 14. Other provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| (TDKK) | 2025 | 2024 | 2025 | 2024 |
| Other provisions | 3,407 | 3,407 | 0 | 0 |
| | **3,407** | **3,407** | **0** | **0** |
| The provisions are expected to mature as follows: | | | | |
| Within 1 year | 3,407 | 3,407 | 0 | 0 |
| After 5 years | 0 | 0 | 0 | 0 |
| | **3,407** | **3,407** | **0** | **0** |

Other provisions relate to the accrual for a loss making contract.

# Notes to the Financial Statements

## 15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

| | Group | | Parent company | |
|---|---|---|---|---|
| **(TDKK)** | **2025** | **2024** | **2025** | **2024** |
| **Mortgage loans** | | | | |
| After 5 years | 9,455 | 11,001 | 0 | 0 |
| Between 1 and 5 years | 6,133 | 6,099 | 0 | 0 |
| Long-term part | 15,588 | 17,100 | 0 | 0 |
| Within 1 year | 1,512 | 1,504 | 0 | 0 |
| | **17,100** | **18,604** | **0** | **0** |
| **Lease obligations** | | | | |
| After 5 years | 0 | 0 | 0 | 0 |
| Between 1 and 5 years | 2,214 | 0 | 0 | 0 |
| Long-term part | 2,214 | 0 | 0 | 0 |
| Within 1 year | 612 | 0 | 0 | 0 |
| | **2,826** | **0** | **0** | **0** |
| **Payables to group enterprises** | | | | |
| After 5 years | 0 | 0 | 163,235 | 845,249 |
| Long-term part | 0 | 0 | 163,235 | 845,249 |
| Other short-term debt to group enterprises | 0 | 4,200 | 0 | 0 |
| | **0** | **4,200** | **163,235** | **845,249** |
| **Other payables** | | | | |
| After 5 years | 794 | 1,323 | 0 | 0 |
| Between 1 and 5 years | 13,025 | 13,011 | 0 | 0 |
| Long-term part | 13,819 | 14,334 | 0 | 0 |
| Within 1 year | 529 | 529 | 0 | 0 |
| Other short-term payables | 85,672 | 71,741 | 393 | 373 |
| | **100,020** | **86,604** | **393** | **373** |

Other payables of 12,722 TDKK as of 31 December 2025 carry interest.

# Notes to the Financial Statements

## 16. Cash flow statement - Adjustments

| | Group | |
|---|---|---|
| (TDKK) | 2025 | 2024 |
| Financial income | -4,872 | -1,552 |
| Financial expenses | 7,337 | 17,757 |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 11,780 | 13,773 |
| Tax on profit/loss for the year | 24,605 | 22,080 |
| | **38,850** | **52,058** |

## 17. Cash flow statement - Change in working capital

| | Group | |
|---|---|---|
| (TDKK) | 2025 | 2024 |
| Change in inventories | -12,633 | -13,930 |
| Change in receivables | -71,968 | -100,355 |
| Change in other provisions | 0 | 1,580 |
| Change in trade payables, etc | -457 | 43,610 |
| Fair value adjustments of hedging instruments | -2,737 | -2,345 |
| | **-87,795** | **-71,440** |

## 18. Contingent assets, liabilities and other financial obligations

| | Group | | Parent company | |
|---|---|---|---|---|
| (TDKK) | 2025 | 2024 | 2025 | 2024 |
| **Charges and security** | | | | |
| The following assets have been placed as security with mortgage credit institutes: | | | | |
| Land and buildings with a carrying amount of | 31,759 | 30,616 | 0 | 0 |
| Booked value of debt to mortgage credit institutes of | 17,100 | 18,604 | 0 | 0 |
| At 31 December bank guarantees have been provided to the tax authorities through banks/finance companies of | 6,500 | 1,450 | 0 | 0 |

# Notes to the Financial Statements

## 18. Contingent assets, liabilities and other financial obligations (continued)

| | Group | | Parent company | |
|---|---|---|---|---|
| **(TDKK)** | **2025** | **2024** | **2025** | **2024** |
| The following assets have been placed as security with a loan provider | | | | |
| Land and buildings with a carrying amount of | 5,280 | 5,248 | 0 | 0 |
| Booked value of debt to loan provider of | 3,440 | 3,969 | 0 | 0 |
| **Rental and lease obligations** | | | | |
| Lease obligations under operating leases. Total future lease payments: | | | | |
| Within 1 year | 3,708 | 3,230 | 0 | 0 |
| Between 1 and 5 years | 4,476 | 4,262 | 0 | 0 |
| | **8,184** | **7,492** | **0** | **0** |
| Rental obligations, non-cancellation period 3-36 months. | 10,600 | 17,452 | 0 | 0 |

**Other contingent liabilities**

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SU II ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The subsidiary Uhrenholt A/S is a partner in Interessentskabet 12. april 2024 and is jointly and severally liable for the partnership's obligations. As of 31 December 2025, the total assets and liabilities of the partnership amounted to TDKK 15,165 and TDKK 116, respectively.

**Other financial obligations**

No other financial obligations as of 31 December 2025 exist.

# Notes to the Financial Statements

## 19. Related parties and disclosure of consolidated financial statements

| | Basis |
|---|---|
| **Controlling interest** | |
| SU II ApS | Controlling interest |
| **Other related parties** | |
| Interessentskabet af 12. april 2024<br>Teglgårdsparken 106<br>5500 Middelfart | Associated company (Joint operation)<br>Ownership and votes: 49% |

**Transactions**

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

No transactions with related parties have been made, which are not on arm's length basis.

**Consolidated Financial Statements**

Uhrenholt Holding A/S and subsidiaries are included in the consolidated financial statements for its parent company:

| Name | Place of registered office |
|---|---|
| SU II ApS | Langelinie 27<br>5230 Odense M<br>Denmark |

The Group Annual Report of SU II ApS may be obtained at the above address.

## 20. Fee to auditors appointed at the general meeting

| | Group | |
|---|---|---|
| **(TDKK)** | **2025** | **2024** |
| **PwC** | | |
| Audit fee | 610 | 667 |
| Other assurance engagements | 26 | 30 |
| Tax advisory services | 585 | 371 |
| Non-audit services | 1,003 | 828 |
| | **2,224** | **1,896** |
| **Others** | | |
| Audit fee | 97 | 108 |
| Tax advisory services | 43 | 16 |
| Non-audit services | 266 | 270 |
| | **406** | **394** |

# Notes to the Financial Statements

## 21. Accounting policies

The Annual Report of Uhrenholt Holding A/S for 2025 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2025 are presented in TDKK.

**Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

**Basis of consolidation**

The Consolidated Financial Statements comprise the Parent Company, Uhrenholt Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

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

**Leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

# Notes to the Financial Statements

## 21. Accounting policies (continued)

**Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

**Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

**Hedge accounting**

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

**Segment information on revenue**

Information on business segments and geographical segments is based on the Group´s risks and returns and its internal financial reporting system.

### Income statement

**Revenue**

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

# Notes to the Financial Statements

## 21. Accounting policies (continued)

**Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

**Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

**Staff expenses**

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

**Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

**Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

**Income from investments in subsidiaries and associates**

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Investments in associates consists of joint arrangements classified as joint operations. The group recognises its share of any jointly held or incurred assets, liabilities, revenues and expenses (Pro rata). These have been incorporated in the financial statements under the appropriate headings.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

**Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## 21. Accounting policies (continued)

### Balance sheet

**Intangible fixed assets**

*Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 10-20 years, determined on the basis of Management's experience with the individual business areas.

Goodwill is written down to recoverable amount if this is lower than the carrying amount.

*Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-10 year.

*Other intangible fixed assets*

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is maximum 20 years.

Other intangible fixed assets are written down to the recoverable amount if this is lower than the carrying amount.

**Property, plant and equipment**

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

# Notes to the Financial Statements

## 21. Accounting policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | |
|---|---|
| Plant and machinery | 3-15 years |
| Other fixtures and fittings, tools and equipment | 3-8 years |
| Other buildings | 20-65 years |

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

**Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

**Investments in subsidiaries and associates**

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Investments in associates consists of joint arrangements classified as joint operations. The group recognises its share of any jointly held or incurred assets, liabilities, revenues and expenses (Pro rata). These have been incorporated in the financial statements under the appropriate headings.

**Other fixed asset investments**

Other fixed asset investments consist of deposits.

**Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

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# Notes to the Financial Statements

## 21. Accounting policies (continued)

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

**Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

**Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

**Current Asset Investments**

Current Asset Investments, which consist of unlisted shares.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

**Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

**Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include accrual for loss making contracts.

**Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

**Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

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# Notes to the Financial Statements

## 21. Accounting policies (continued)

**Financial liabilities**

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

**Cash Flow Statement**

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

*Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

*Cash flows from investing activities*

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

*Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

*Cash and cash equivalents*

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

The cash flow statement cannot be immediately derived from the published financial records.

# Notes to the Financial Statements

## 21. Accounting policies (continued)

### Financial Highlights

**Explanation of financial ratios**

| | |
|---|---|
| Gross margin | Gross profit x 100 / Revenue |
| Profit margin | Profit/loss of primary operations x 100 / Revenue |
| Return on assets | Profit/loss of primary operations x 100 / Total assets at year end |
| Solvency ratio | Equity at year end x 100 / Total assets at year end |
| Return on equity | Net profit for the year x 100 / Average equity |