
Chr. Olesen Latin America A/S

Jægersborg Alle 164, DK-2820 Gentofte

Annual Report for
1 October 2023 - 30 September 2024

CVR No. 34 20 46 91

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/2 2025

Gustavo Penz
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Chr. Olesen Latin America A/S for the financial year 1 October 2023 - 30 September 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2024 of the Company and of the results of the Company operations for 2023/24.

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.

Gentofte, 4 February 2025

Executive Board

Mads Christian Olesen
CEO

Christian Dam Olesen
Director

Phillip Christian Dam Quitau
Olesen
Director

Board of Directors

Gustavo Penz
Chairman

Mads Christian Olesen

Rafael Lima Ferreira Silva

Independent Auditor's report

To the shareholder of Chr. Olesen Latin America A/S

Opinion

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

We have audited the Financial Statements of Chr. Olesen Latin America A/S for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 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.

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

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

Hellerup, 4 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Kristian Højgaard Carlsen

State Authorised Public Accountant

mne44112

Company information

The Company	Chr. Olesen Latin America A/S Jægersborg Alle 164 DK-2820 Gentofte CVR No: 34 20 46 91 Financial period: 1 October 2023 - 30 September 2024 Municipality of reg. office: Gentofte
Board of Directors	Gustavo Penz, chairman Mads Christian Olesen Rafael Lima Ferreira Silva
Executive Board	Mads Christian Olesen Christian Dam Olesen Phillip Christian Dam Quitzau Olesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Lawyers	Nielsen Nørager Advokatpartnerselskab Frederiksberggade 16 1459 København K
Bankers	Sydbank Vingårdsgade 21 9000 Aalborg

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Revenue	27,880	21,718	52,722	48,177	40,256
Gross profit	1,579	1,563	2,683	2,567	1,706
Profit/loss of primary operations	779	948	617	1,247	1,142
Profit/loss of financial income and expenses	3,906	1,117	6,374	3,802	581
Net profit/loss for the year	4,649	1,987	6,973	4,829	1,705
Balance sheet					
Balance sheet total	37,413	29,487	27,540	37,711	20,562
Equity	17,272	15,290	13,325	4,328	-672
Number of employees	7	8	8	8	8
Ratios					
Return on assets	2.1%	3.2%	2.2%	3.3%	5.6%
Solvency ratio	46.2%	51.9%	48.4%	11.5%	-3.3%
Return on equity	28.6%	13.9%	79.0%	264.2%	-166.1%

Management's review

Key activities

Chr. Olesen Latin America A/S is part of Chr. Olesen Group.

Chr. The Olesen Group was originally established in 1885 and is today represented by both the 4th and 5th generations. In the 4th generation, the company has grown into a multinational group.

The company operates within international distribution of ingredients and additives for animal feed (FEED), ingredients and additives for human use (FOOD), with distribution of pharmaceutical ingredients (PHARMA) for both humans and animals (ACTIVET) and, from 2023, also with ingredients for the technical industry – including minerals (INDUSTRIAL).

Along with the actual trading of the products (buying and selling), Chr. Olesen Group highly specialized in the service required to be able to deliver the products – i.e. shipping, warehouse management, financing, insurance, bookkeeping and quality management.

Chr. Olesen Latin America A/S, is a subsidiary of Chr. Olesen Group. The company covers distribution of Feed ingredients to South America. The company has no employees, but is part of the costs in Chr. Olesen A/S.

Development in the year

The income statement of the Company for 2023/24 shows a profit of EUR 4,649,006, and at 30 September 2024 the balance sheet of the Company shows a positive equity of EUR 17,271,957.

The past year and follow-up on development expectations from last year

The revenue has increased compared to previous year.

The market prices and market structures are as always volatile, but we have compensated this with our well implemented and professional commercial processes.

The management is satisfied with the result.

Capital resources

The company's credit facilities are renegotiated every year in January/February. The credit framework is expected to negotiate at the same level as last year.

Foreign exchange risks

A significant part of the company's transactions take place in foreign currency. As part of the company's business strategy, the management has determined that daily exposure in foreign currency is hedged by entering into forward exchange transactions, summary borrowing or placement of funds in foreign currency. In addition, also use currency options for hedging.

Targets and expectations for the year ahead

Chr. Olesen Group will continue its growth and consolidation strategy for all companies – including developing Chr. Olesen Latin America A/S in the long-term perspective.

Management expects a financial year with revenue equivalent compared to last year despite intensifying competition.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Management's review

Unusual events

The financial position at 30 September 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 October 2023 - 30 September 2024

	Note	2023/24	2022/23
		EUR	EUR
Revenue		27,880,036	21,717,806
Expenses for raw materials and consumables		-26,086,325	-19,875,905
Other external expenses		-214,694	-279,125
Gross profit		1,579,017	1,562,776
Staff expenses	1	-800,437	-614,796
Profit/loss before financial income and expenses		778,580	947,980
Income from investments in subsidiaries		2,595,414	1,036,455
Income from investments in associates		1,928,390	676,383
Financial income	2	152,758	221,096
Financial expenses	3	-770,823	-817,139
Profit/loss before tax		4,684,319	2,064,775
Tax on profit/loss for the year	4	-35,313	-77,792
Net profit/loss for the year	5	4,649,006	1,986,983

Balance sheet 30 September 2024

Assets

	Note	2023/24	2022/23
		EUR	EUR
Investments in subsidiaries	6	15,942,685	15,493,437
Investments in associates	7	3,289,819	1,882,402
Fixed asset investments		19,232,504	17,375,839
Fixed assets		19,232,504	17,375,839
Finished goods and goods for resale		405,188	1,506,205
Inventories		405,188	1,506,205
Trade receivables		14,703,350	10,090,059
Receivables from group enterprises		2,694,761	435,701
Receivables from associates		1,315	0
Other receivables		79,628	64,313
Deferred tax asset		44,000	0
Prepayments	8	252,095	14,908
Receivables		17,775,149	10,604,981
Current assets		18,180,337	12,111,186
Assets		37,412,841	29,487,025

Balance sheet 30 September 2024

Liabilities and equity

	Note	2023/24	2022/23
		EUR	EUR
Share capital		67,295	67,295
Reserve for net revaluation under the equity method		14,157,789	12,301,124
Retained earnings		3,046,873	2,921,671
Equity		17,271,957	15,290,090
Credit institutions		5,796,694	8,698,557
Trade payables		3,782,102	1,842,458
Payables to group enterprises		10,183,680	3,556,826
Payables to group enterprises relating to corporation tax		178,408	99,094
Other payables		200,000	0
Short-term debt		20,140,884	14,196,935
Debt		20,140,884	14,196,935
Liabilities and equity		37,412,841	29,487,025
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 October	67,295	12,301,124	2,921,671	15,290,090
Exchange adjustments	0	-2,667,139	0	-2,667,139
Net profit/loss for the year	0	4,523,804	125,202	4,649,006
Equity at 30 September	67,295	14,157,789	3,046,873	17,271,957

Notes to the Financial Statements

	2023/24	2022/23
	EUR	EUR
1. Staff expenses		
Wages and salaries	800,437	1,614,796
Other staff expenses	0	-1,000,000
	<u>800,437</u>	<u>614,796</u>
Including remuneration to the Executive Board	<u>81,626</u>	<u>100,392</u>
Average number of employees	<u>7</u>	<u>8</u>
	2023/24	2022/23
	EUR	EUR
2. Financial income		
Interest received from group enterprises	55,074	133,855
Interest received from associates	10,807	0
Other financial income	86,877	87,241
	<u>152,758</u>	<u>221,096</u>
	2023/24	2022/23
	EUR	EUR
3. Financial expenses		
Interest paid to group enterprises	385,230	260,323
Other financial expenses	385,593	556,816
	<u>770,823</u>	<u>817,139</u>
	2023/24	2022/23
	EUR	EUR
4. Income tax expense		
Current tax for the year	79,313	77,528
Deferred tax for the year	-44,000	0
Adjustment of tax concerning previous years	0	264
	<u>35,313</u>	<u>77,792</u>

Notes to the Financial Statements

	2023/24	2022/23
	EUR	EUR
5. Profit allocation		
Reserve for net revaluation under the equity method	4,548,426	1,712,838
Retained earnings	100,580	274,145
	<u>4,649,006</u>	<u>1,986,983</u>

	2023/24	2022/23
	EUR	EUR
6. Investments in subsidiaries		
Cost at 1 October	5,067,677	5,067,677
Cost at 30 September	<u>5,067,677</u>	<u>5,067,677</u>
Value adjustments at 1 October	10,425,760	9,457,988
Exchange adjustment	-2,146,166	-68,683
Net profit/loss for the year	2,595,414	1,036,455
Value adjustments at 30 September	<u>10,875,008</u>	<u>10,425,760</u>
Carrying amount at 30 September	<u>15,942,685</u>	<u>15,493,437</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Chr. Olesen Latin America Importacao E Exportacao De Insumos Alimentares E Farmaceuticos LTDA	Brazil	BRL 150.000	100%	15,942,685	2,595,000
				<u>15,942,685</u>	<u>2,595,000</u>

Notes to the Financial Statements

	2023/24	2022/23
	EUR	EUR
7. Investments in associates		
Cost at 1 October	7,038	7,038
Cost at 30 September	7,038	7,038
Value adjustments at 1 October	1,875,364	1,152,660
Exchange adjustment	-520,973	50,085
Net profit/loss for the year	1,928,390	676,383
Other equity movements, net	0	-3,764
Value adjustments at 30 September	3,282,781	1,875,364
Carrying amount at 30 September	3,289,819	1,882,402

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
NHU/Chr. Olesen Latin America A/S	Denmark	DKK 500.000	39%	8,372,300	4,944,590
				8,372,300	4,944,590

8. Prepayments

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

Notes to the Financial Statements

9. Contingent assets, liabilities and other financial obligations

Some of the Company's subsidiaries are located in South America and within their nature of doing business, part of various customary disputes in South America in occurs. It is assessed in all cases to what extent the cases may entail obligations for these subsidiaries and the probability thereof. Available information and legal assessments from advisers form the basis for management's estimate. The outcome may be difficult to assess, and the result may naturally differ from management's assessment.

The Company has entered into a cross security for the parent company and its subsidiaries' loans from credit institutions in Chr. Olesen A/S group. At the balance date, 30 September 2024, TEUR 75,672 of the credit limit has been utilized in the Chr. Olesen A/S group.

The Group's Danish companies are jointly and severally liable for the taxes on the Group's joint taxable income, etc.. Chr. Olesen Family Holding A/S is the administration company regarding the joint taxation. The Group's Danish companies are also jointly and severally liable for the Danish withholding taxes in the form of taxes on dividends, royalties and taxes on interests. Possible later corrections to the company taxes can lead to an increase in the Company's liability. However, the Company has subsidiary liability in relation to its minority shareholders.

10. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Chr. Olesen Family Holding A/S, Gentofte	Ultimate Parent Company

Transactions

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Chr. Olesen Family Holding A/S	Gentofte
Chr. Olesen A/S	Gentofte

The Group Annual Report of Chr. Olesen A/S may be obtained at the following address:

The Group Annual Report of Chr. Olesen A/S og Chr. Olesen Family Holding A/S may be obtained at the following address:

Chr. Olesen A/S
Jægersborg Allé 164
DK-2820 Gentofte

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Chr. Olesen Latin America A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023/24 of Chr. Olesen Family Holding A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Chr. Olesen Family Holding A/S, the Company has not prepared a cash flow statement.

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.

Translation policies

EUR is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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 transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Notes to the Financial Statements

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 Company.

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

Expenses for raw materials and consumables

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

Other external expenses

Other external expenses comprise 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. The item is net of refunds made by public authorities. Staff expenses include invoiced personnel costs from the group's joint administration function. The number of employees are, among other things, calculated according to the proportional share of their forwarded costs.

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Chr. Olesen Family Holding A/S. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Investments in subsidiaries and associates

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

Notes to the Financial Statements

The items “Investments in subsidiaries” and “Investments in associates” 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 and associates 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 and the associates.

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

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.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company’s experience from previous years.

Prepayments

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

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$