



# Chr. Olesen A/S

**Jægersborg Alle 164, DK-2820 Gentofte**

**Annual Report for  
1 October 2024 - 30 September 2025**

CVR No. 15 20 87 91

The Annual Report was presented and adopted at the  
Annual General Meeting of the company on  
26/01/2026

**Christian Dam Olesen**  
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 A/S for the financial year 1 October 2024 - 30 September 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 30 September 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024/25.

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.

Copenhagen, 26 January 2026

### Executive Board

Mads Chr. Olesen  
CEO

Christian Dam Olesen  
Director

### Board of Directors

Dan Moalem  
Chairman

Nikolaj Vejlsgaard

Mads Chr. Olesen

Philip Christian Dam Quitzau

Thomas Kovsted

## Independent Auditor's report

To the shareholder of Chr. Olesen 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 30 September 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 October 2024 - 30 September 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Chr. Olesen A/S for the financial year 1 October 2024 - 30 September 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.

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, 26 January 2026

**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

<b>The Company</b>	Chr. Olesen A/S Jægersborg Alle 164 DK-2820 Gentofte Telephone: 45 70 23 07 00 CVR No: 15 20 87 91 Financial period: 1 October 2024 - 30 September 2025 Financial year: 21st financial year Municipality of reg. office: Gentofte
<b>Board of Directors</b>	Dan Moalem, chairman Nikolaj Vejlsgaard Mads Chr. Olesen Philip Christian Dam Quitzau Thomas Kovsted
<b>Executive Board</b>	Mads Chr. Olesen Christian Dam Olesen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
<b>Lawyers</b>	Nielsen Nørager Advokatpartnerselskab Frederiksberggade 16 DK-1107 København K
<b>Bankers</b>	Sydbank Vingårdsgade 21 DK-9000 Aalborg  Danske Bank Bernstorffsgade 40 DK-1577 København V  SJF Bank A/S Isefjords Alle 5 DK-4300 Holbæk

## Group Chart

<b>Company</b>	<b>Residence</b>	<b>Ownership</b>
<b>Chr. Olesen A/S</b>	Denmark	
Chr. Olesen S.A	Belgium	75%
Chr. Olesen Nutrition A/S	Denmark	87,85%
Chr. Olesen Nutrition Iberica S.L	Spain	100%
Chr. Olesen Nutrition Latin America Ltda	Brazil	90%
Chr. Olesen Nutrition Benelux	Belgium	60%
Chr. Olesen Nutrition GmbH	Germany	100%
Chr. Olesen Nutrition France SAS	France	100%
Chr. Olesen Nutrition Mexico S.A.P.I	Mexico	95%
Chr. Olesen Lalilab Holding Inc	USA	75%
Chr. Olesen Inc. New York	USA	100%
Lalilab Inc.	USA	100%
Chr. Olesen GmbH	Germany	100%
Chr. Olesen Iberica S.A.	Spain	99%
Chr. Olesen ChemPharm GmbH	Germany	85%
Activet GmbH	Germany	50%
Activet BvbA	Belgium	50%
Chr. Olesen Pharmaceuticals A/S	Denmark	50%
Chr. Olesen Pharma Latin A/S	Denmark	51%
Chr. Olesen Latin America A/S	Denmark	100%
Chr. Olesen Latin America Ltda	Brazil	100%
Chr. Olesen Colombia SAS	Colombia	95%
Alimentacao Animal Ltda	Brazil	70%
NHU Europe GmbH	Germany	25%
Bardoterminal GmbH	Germany	100%
Chr. Olesen Synthesis A/S	Denmark	50%
Biotrino ApS	Denmark	20%
Chr. Olesen Minerals GmbH	Germany	80%
NHU/Chr. Olesen Latin America A/S	Denmark	39%
NHU/Chr. Olesen Latin America Ltda	Brazil	100%
NHU/Chr. Olesen Mexico SAPI de CV	Mexico	87%
Chr. Olesen Polymers GmbH	Germany	75%

## Financial Highlights

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

(TEUR)	Group				
	2024/25	2023/24	2022/23	2021/22	2020/21
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	409,586	403,834	402,286	497,677	394,580
Gross profit	26,351	26,878	27,815	34,980	25,403
Profit/loss of primary operations	14,540	15,406	17,727	25,508	16,576
Profit/loss of financial income and expenses	599	-828	-3,608	-216	-201
Net profit/loss for the year	10,599	11,313	10,729	18,680	13,257
<b>Balance sheet</b>					
Balance sheet total	217,631	217,702	195,414	221,053	193,268
Equity	67,003	56,732	54,269	48,794	30,331
<b>Cash flows</b>					
Cash flows from:					
- operating activities	596	25,995	4,624	8,987	-16,479
Number of employees	95	88	80	69	67
<b>Ratios</b>					
Gross margin	6.4%	6.7%	6.9%	7.0%	6.4%
Profit margin	3.5%	3.8%	4.4%	5.1%	4.2%
Return on assets	6.7%	7.1%	9.1%	11.5%	8.6%
Solvency ratio	30.8%	26.1%	27.8%	22.1%	15.7%
Return on equity	17.1%	20.4%	20.8%	47.2%	47.2%

## Management's review

### Key activities

The Chr. Olesen Group is a Danish family company and was originally established in 1885. Today the company is represented by both the 4th and 5th generation.

Since 1992, Chr. Olesen A/S has grown into an international group of companies with entities on three continents being Europe, Latin America and USA.

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 (TECHNICAL INDUSTRIES)

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

The Chr. Olesen Group world wide has 95 colleagues work in Europe at the end of the financial year. Of these, 60 FTE's are employed at the headquarters in Denmark.

### Development in the year

The income statement of the Group for 2024/25 shows a profit of EUR 10,598,793, and at 30 September 2025 the balance sheet of the Group shows a positive equity of EUR 67,003,196.

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

Revenue for the year is at the expected level. Looking across the three main business areas feed, food and Pharma, the market prices and market structures remain volatile. However, the group is consistently showing positive development in terms of quantities. Furthermore, there is a strong focus on implementing robust commercial processes to mitigate these challenges.

Further:

- 2025 was the second business year in the Technical Ingredients market and this business is developing according to the plans.
- In this financial year, the group has, acquired the USA-based distributing company, Lalilab Inc., USA who a.o. are specialists in distributing the product Saw Palmetto. This acquisition is an investment for Chr. Olesen to get a better foot hold for the ingredients business in USA. With this investment Chr. Olesen added another 11 colleagues to the number of people in the organization.
- Further the group has expanded the business into a new region being Turkey and into a new product area being Polymers.

The management is satisfied with the result.

It is continuously a great benefit for the business and it's history to have the 5th generation as a more and more integrated part of the company's management.

### Capital resources

The credit facilities of the Chr. Olesen Group are renegotiated every year in January/February. Credit facilities will be negotiated at the same level as the previous years, which will support the company's growth and the planned further consolidation of the business operations.

### Special risks - operating risks and financial risks

A significant portion of the Group's transactions occurs in foreign currencies. As part of the Group's business strategy, management has decided to hedge daily foreign currency exposures by using forward exchange contracts, periodic borrowing, or placing funds in foreign currencies. Additionally, currency options are utilized for hedging purposes.

## Management's review

### **Targets and expectations for the year ahead**

The Chr. Olesen Group will continue the strategy of growing and consolidating to develop the business in the long-term perspective.

Therefore Chr. Olesen Group will remain positive towards investments in new relevant and complementary investments to further broaden its activities.

For the coming year (2025-26) the Profit before tax is expected to be the level of EUR 9.5 million to EUR 12 million.

### **Intellectual capital resources**

As a distribution company with distribution of mainly commodities, the Group does not have intangible resources to be reported.

That said the Chr. Olesen brand, history and the long-time relationship that the company have built to both its customers and suppliers are highly valued and protected in the risk management processes of the company.

### **Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act**

Chr. Olesen's sustainability report can be found at Chr. Olesen Group's website: <https://www.chr-olesen.dk/sustainability/>

### **Statement on data ethics, cf. section 99d of the Financial Statements Act**

Chr. Olesen's statement on data ethics can be found at Chr. Olesen Group's website: <https://www.chr-olesen.dk/sustainability/>

### **Uncertainty relating to recognition and measurement**

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

### **Unusual events**

The financial position at 30 September 2025 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024/25 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 2024 - 30 September 2025

(EUR)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Revenue	1	409,586,080	403,833,750	68,334,889	76,098,517
Expenses for raw materials and consumables		-378,084,636	-372,115,651	-66,526,070	-75,125,371
Other external expenses		-5,150,234	-4,839,746	-467,831	12,783
<b>Gross profit</b>		<b>26,351,210</b>	<b>26,878,353</b>	<b>1,340,988</b>	<b>985,929</b>
Staff expenses	2	-11,110,993	-10,549,919	-1,397,133	-1,371,107
<b>Earnings before interest, taxes, depreciation and amortisation</b>		<b>15,240,217</b>	<b>16,328,434</b>	<b>-56,145</b>	<b>-385,178</b>
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-700,396	-922,231	-453,925	-714,926
<b>Profit/loss before financial income and expenses</b>		<b>14,539,821</b>	<b>15,406,203</b>	<b>-510,070</b>	<b>-1,100,104</b>
Income from investments in subsidiaries	4	0	-77,678	4,784,204	10,276,348
Income from investments in associates	5	3,519,533	2,932,669	3,519,533	1,004,279
Financial income	6	2,447,110	2,795,841	4,122,698	2,825,554
Financial expenses	7	-5,367,629	-6,478,762	-2,709,103	-3,415,082
<b>Profit/loss before tax</b>		<b>15,138,835</b>	<b>14,578,273</b>	<b>9,207,262</b>	<b>9,590,995</b>
Tax on profit/loss for the year	8	-4,540,042	-3,264,814	-216,403	355,650
<b>Net profit/loss for the year</b>	9	<b>10,598,793</b>	<b>11,313,459</b>	<b>8,990,859</b>	<b>9,946,645</b>

## Balance sheet 30 September 2025

### Assets

(EUR)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Goodwill		1,529,509	1,214,183	0	0
<b>Intangible assets</b>	10	<b>1,529,509</b>	<b>1,214,183</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		2,393,924	1,216,963	2,156,363	1,060,375
Leasehold improvements		433,155	647,681	433,155	647,681
Property, plant and equipment in progress		897,087	8,687	897,087	8,687
<b>Property, plant and equipment</b>	11	<b>3,724,166</b>	<b>1,873,331</b>	<b>3,486,605</b>	<b>1,716,743</b>
Investments in subsidiaries	12	0	0	47,166,170	46,460,349
Investments in associates	13	12,892,465	11,307,882	12,892,465	8,018,063
Receivables from associates	14	11,539,477	10,037,957	11,539,477	10,037,957
Other receivables	14	1,004,713	774,142	191,239	187,503
<b>Fixed asset investments</b>		<b>25,436,655</b>	<b>22,119,981</b>	<b>71,789,351</b>	<b>64,703,872</b>
<b>Fixed assets</b>		<b>30,690,330</b>	<b>25,207,495</b>	<b>75,275,956</b>	<b>66,420,615</b>
Finished goods and goods for resale		85,456,284	73,772,712	9,731,003	7,000,098
<b>Inventories</b>		<b>85,456,284</b>	<b>73,772,712</b>	<b>9,731,003</b>	<b>7,000,098</b>
Trade receivables		69,836,915	89,467,852	8,610,653	16,982,600
Receivables from group enterprises		3,000,094	1,621,000	46,654,619	50,117,847
Receivables from associates		312,619	384,018	295,396	237,179
Other receivables		7,369,519	13,163,545	1,165,415	2,394,697
Deferred tax asset	17	0	83,604	0	9,025
Corporation tax receivable from group enterprises		0	0	100,304	237,422
Prepayments	15	624,651	1,030,268	276,222	329,591
<b>Receivables</b>		<b>81,143,798</b>	<b>105,750,287</b>	<b>57,102,609</b>	<b>70,308,361</b>
<b>Current asset investments</b>	16	<b>2,750,779</b>	<b>677,855</b>	<b>2,750,779</b>	<b>677,855</b>
<b>Cash at bank and in hand</b>		<b>17,589,739</b>	<b>12,293,501</b>	<b>373,906</b>	<b>575,471</b>
<b>Current assets</b>		<b>186,940,600</b>	<b>192,494,355</b>	<b>69,958,297</b>	<b>78,561,785</b>
<b>Assets</b>		<b>217,630,930</b>	<b>217,701,850</b>	<b>145,234,253</b>	<b>144,982,400</b>

## Balance sheet 30 September 2025

### Liabilities and equity

(EUR)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Share capital		97,667	97,667	97,667	97,667
Reserve for net revaluation under the equity method		3,418,904	1,834,321	41,542,165	38,849,154
Retained earnings		46,567,828	43,029,067	8,444,567	6,014,234
Proposed dividend for the year		5,000,000	3,500,000	5,000,000	3,500,000
<b>Equity attributable to shareholders of the Parent Company</b>		<b>55,084,399</b>	<b>48,461,055</b>	<b>55,084,399</b>	<b>48,461,055</b>
Minority interests		11,918,797	8,270,782	0	0
<b>Equity</b>		<b>67,003,196</b>	<b>56,731,837</b>	<b>55,084,399</b>	<b>48,461,055</b>
Provision for deferred tax	17	89,545	0	64,244	0
Provisions relating to investments in group enterprises		0	0	460,757	117,717
<b>Provisions</b>		<b>89,545</b>	<b>0</b>	<b>525,001</b>	<b>117,717</b>
Credit institutions		92,006,823	77,177,496	57,191,892	52,303,336
Trade payables		43,389,859	59,099,729	24,751,312	34,376,539
Payables to group enterprises		0	842,785	2,965,244	2,309,910
Payables to associates		8,883,321	16,223,990	3,937,355	6,621,406
Corporation tax		1,173,079	1,085,026	0	0
Other payables		5,085,107	6,540,987	779,050	792,437
<b>Short-term debt</b>		<b>150,538,189</b>	<b>160,970,013</b>	<b>89,624,853</b>	<b>96,403,628</b>
<b>Debt</b>		<b>150,538,189</b>	<b>160,970,013</b>	<b>89,624,853</b>	<b>96,403,628</b>
<b>Liabilities and equity</b>		<b>217,630,930</b>	<b>217,701,850</b>	<b>145,234,253</b>	<b>144,982,400</b>
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Fee to auditors appointed at the general meeting	22				
Accounting Policies	23				

## Statement of changes in equity

### Group

(EUR)	Reserve for net revaluation under the equity method					Total
	Share capital	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	
Equity at 1 October	97,667	43,029,067	3,500,000	48,461,055	8,270,782	56,731,837
Exchange adjustments	0	-970,906	0	-1,030,856	-68,990	-1,099,846
Ordinary dividend paid	0	0	-3,500,000	-3,500,000	-1,049,750	-4,549,750
Dividend from group enterprises	0	1,875,000	0	0	0	0
Other equity movements	0	2,163,378	0	2,163,378	3,158,785	5,322,163
Net profit/loss for the year	0	471,289	5,000,000	8,990,822	1,607,970	10,598,792
<b>Equity at 30 September</b>	<b>97,667</b>	<b>46,567,828</b>	<b>5,000,000</b>	<b>55,084,399</b>	<b>11,918,797</b>	<b>67,003,196</b>

### Parent company

(EUR)	Reserve for net revaluation under the equity method			Proposed dividend for the year	Total
	Share capital	Retained earnings	Proposed dividend for the year		
Equity at 1 October	97,667	6,014,234	3,500,000	48,461,055	
Ordinary dividend paid	0	0	-3,500,000	-3,500,000	
Exchange adjustments relating to foreign entities	0	0	0	-1,030,856	
Dividend from group enterprises	0	5,525,250	0	0	
Other equity movements	0	1,217,961	0	2,163,341	
Net profit/loss for the year	0	-4,312,878	5,000,000	8,990,859	
<b>Equity at 30 September</b>	<b>97,667</b>	<b>8,444,567</b>	<b>5,000,000</b>	<b>55,084,399</b>	

## Cash flow statement 1 October 2024 - 30 September 2025

(EUR)	Note	Group	
		2024/25	2023/24
Result of the year		10,598,793	11,313,459
Adjustments	18	3,541,578	1,574,008
Change in working capital	19	-4,326,437	7,507,106
<b>Cash flow from operations before financial items</b>		<b>9,813,934</b>	<b>20,394,573</b>
Financial expenses		-2,920,519	-4,826,439
<b>Cash flows from ordinary activities</b>		<b>6,893,415</b>	<b>15,568,134</b>
Corporation tax paid		-4,278,840	-2,192,660
Change in payables to associates		-7,340,669	11,908,457
Other adjustments		5,322,163	711,068
<b>Cash flows from operating activities</b>		<b>596,069</b>	<b>25,994,999</b>
Purchase of intangible assets		-500,000	0
Purchase of property, plant and equipment		-2,366,557	-573,903
Fixed asset investments made etc		-1,732,092	-2,234,187
Sale of property, plant and equipment		0	63,586
Sale of fixed asset investments made etc		0	20,000
Dividends received from associates		1,875,000	0
<b>Cash flows from investing activities</b>		<b>-2,723,649</b>	<b>-2,724,504</b>
Repayment of loans from credit institutions		0	-17,748,432
Repayment of payables to group enterprises		-842,785	0
Raising of loans from credit institutions		14,829,327	0
Raising of payables to group enterprises		0	116,240
Other equity entries		59,950	0
Dividend paid		-4,549,750	-5,312,000
<b>Cash flows from financing activities</b>		<b>9,496,742</b>	<b>-22,944,192</b>
<b>Change in cash and cash equivalents</b>		<b>7,369,162</b>	<b>326,303</b>
Cash and cash equivalents at 1 October		12,971,356	12,645,053
<b>Cash and cash equivalents at 30 September</b>		<b>20,340,518</b>	<b>12,971,356</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		17,589,739	12,293,501
Current asset investments		2,750,779	677,855
<b>Cash and cash equivalents at 30 September</b>		<b>20,340,518</b>	<b>12,971,356</b>

## Notes to the Financial Statements

### 1. Revenue

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
<b>Geographical segments</b>				
Europe	266,565,040	239,122,966	28,726,410	25,237,580
North America	57,950,323	68,156,643	39,004,262	49,437,065
South America	75,790,858	87,482,233	0	53,078
Rest of the world	9,279,859	9,071,908	604,217	1,370,794
	<b>409,586,080</b>	<b>403,833,750</b>	<b>68,334,889</b>	<b>76,098,517</b>
<b>Business segments</b>				
Feed	181,273,677	180,402,257	68,334,889	76,098,517
Food	142,490,377	138,154,735	0	0
Pharma	84,447,028	85,276,758	0	0
Technical industries	1,374,998	0	0	0
	<b>409,586,080</b>	<b>403,833,750</b>	<b>68,334,889</b>	<b>76,098,517</b>

The segment information follows the Group's accounting policies, risks and internal financial reporting.

### 2. Staff expenses

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Wages and salaries	9,613,763	9,238,614	520,189	608,985
Pensions	360,960	340,684	335,915	320,978
Other social security expenses	534,902	486,077	94,867	65,537
Other staff expenses	601,368	484,544	446,162	375,607
	<b>11,110,993</b>	<b>10,549,919</b>	<b>1,397,133</b>	<b>1,371,107</b>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<b>406,856</b>	<b>457,473</b>	<b>152,858</b>	<b>152,215</b>
<b>Average number of employees</b>	<b>95</b>	<b>88</b>	<b>13</b>	<b>13</b>

## Notes to the Financial Statements

### 3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Amortisation of intangible assets	184,674	147,171	0	0
Depreciation of property, plant and equipment	905,722	775,060	843,925	714,926
Gain and loss on disposal	-390,000	0	-390,000	0
	<b>700,396</b>	<b>922,231</b>	<b>453,925</b>	<b>714,926</b>

### 4. Income from investments in subsidiaries

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Share of profits	0	0	4,968,878	10,468,943
Amortisation of goodwill	0	0	-184,674	-147,171
Profit/loss on sale of shares	0	-77,678	0	-45,424
	<b>0</b>	<b>-77,678</b>	<b>4,784,204</b>	<b>10,276,348</b>

### 5. Income from investments in associates

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Share of profits	3,519,533	2,932,669	3,519,533	1,004,279
	<b>3,519,533</b>	<b>2,932,669</b>	<b>3,519,533</b>	<b>1,004,279</b>

### 6. Financial income

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest from group enterprises	96,861	85,180	2,728,866	2,518,126
Interest from associates	189,479	159,709	189,479	159,709
Other financial income	2,160,770	2,550,952	1,204,353	147,719
	<b>2,447,110</b>	<b>2,795,841</b>	<b>4,122,698</b>	<b>2,825,554</b>

## Notes to the Financial Statements

### 7. Financial expenses

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest to group enterprises	3,300	23,721	140,643	154,282
Other financial expenses	5,364,329	6,372,115	2,568,460	3,177,874
Exchange loss	0	82,926	0	82,926
	<b>5,367,629</b>	<b>6,478,762</b>	<b>2,709,103</b>	<b>3,415,082</b>

### 8. Income tax expense

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Current tax for the year	4,359,600	3,229,400	136,356	-268,195
Deferred tax for the year	173,628	-132,802	73,748	-92,258
Adjustment of tax concerning previous years	7,293	0	6,778	0
Adjustment of deferred tax concerning previous years	-479	168,216	-479	4,803
	<b>4,540,042</b>	<b>3,264,814</b>	<b>216,403</b>	<b>-355,650</b>

### 9. Profit allocation

(EUR)	Parent company	
	2024/25	2023/24
Proposed dividend for the year	5,000,000	3,500,000
Reserve for net revaluation under the equity method	8,303,737	10,321,772
Retained earnings	-4,312,878	-3,875,127
	<b>8,990,859</b>	<b>9,946,645</b>

## Notes to the Financial Statements

### 10. Intangible fixed assets

<b>Group</b>	<u>Goodwill</u>
(EUR)	
Cost at 1 October	1,471,734
Additions for the year	500,000
Cost at 30 September	<u>1,971,734</u>
Impairment losses and amortisation at 1 October	257,551
Amortisation for the year	184,674
Impairment losses and amortisation at 30 September	<u>442,225</u>
<b>Carrying amount at 30 September</b>	<b><u>1,529,509</u></b>
Amortised over	<u>10 years</u>

### 11. Property, plant and equipment

(EUR)	<u>Group</u>			<u>Parent company</u>		
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 October	5,362,395	1,226,293	8,687	4,358,470	1,226,265	8,687
Additions for the year	1,857,180	10,977	888,400	1,714,410	10,977	888,400
Disposals for the year	-558,180	0	0	-558,180	0	0
Cost at 30 September	<u>6,661,395</u>	<u>1,237,270</u>	<u>897,087</u>	<u>5,514,700</u>	<u>1,237,242</u>	<u>897,087</u>
Impairment losses and depreciation at 1 October	4,145,432	578,612	0	3,298,095	578,584	0
Depreciation for the year	680,219	225,503	0	618,422	225,503	0
Reversal of impairment and depreciation of sold assets	-558,180	0	0	-558,180	0	0
Impairment losses and depreciation at 30 September	<u>4,267,471</u>	<u>804,115</u>	<u>0</u>	<u>3,358,337</u>	<u>804,087</u>	<u>0</u>
<b>Carrying amount at 30 September</b>	<b><u>2,393,924</u></b>	<b><u>433,155</u></b>	<b><u>897,087</u></b>	<b><u>2,156,363</u></b>	<b><u>433,155</u></b>	<b><u>897,087</u></b>

## Notes to the Financial Statements

### 12. Investments in subsidiaries

(EUR)	Parent company	
	2024/25	2023/24
Cost at 1 October	7,013,147	6,076,755
Additions for the year	575,000	956,392
Disposals for the year	0	-20,000
Cost at 30 September	7,588,147	7,013,147
Value adjustments at 1 October	38,849,154	34,258,411
Exchange adjustment	-970,906	-3,423,566
Net profit/loss for the year	4,968,878	10,468,943
Dividend to the Parent Company	-3,650,250	-2,208,000
Other equity movements, net	2,163,341	-99,463
Amortisation of goodwill	-184,674	-147,171
Transfers for the year	-3,289,819	0
Value adjustments at 30 September	37,885,724	38,849,154
Equity investments with negative net asset value amortised over receivables	1,231,542	480,331
Equity investments with negative net asset value transferred to provisions	460,757	117,717
<b>Carrying amount at 30 September</b>	<b>47,166,170</b>	<b>46,460,349</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Chr. Olesen S.A.	Turnhout, Belgium	EUR 62k	75%
Chr. Olesen GmbH	Bardowick, Germany	EUR 250k	100%
Chr. Olesen Latin America A/S	Gentofte, Denmark	DKK 500k	100%
Chr. Olesen Nutrition A/S	Gentofte, Denmark	DKK 538k	87.85%
Chr. Olesen Pharmaceuticals A/S	Gentofte, Denmark	DKK 588k	50%
Chr. Olesen ChemPharm GmbH	Hamburg, Germany	EUR 150k	85%
Activet GmbH	Hamburg, Germany	EUR 240k	50%
Activet BvbA	Turnhout, Belgium	EUR 6k	50%
Chr. Olesen Pharma Latin A/S	Gentofte, Denmark	DKK 500k	51%

## Notes to the Financial Statements

### 12. Investments in subsidiaries (continued)

Name	Place of registered office	Share capital	Ownership
Alimentacao Animal Ltda	Brazil	EUR 4k	70%
Chr. Olesen Iberica S.A.	Madrid, Spain	EUR 3k	99%
Chr. Olesen Minerals GmbH	Bardowick, Germany	EUR 100k	80%
Chr. Olesen Polymers GmbH	Bardowick, Germany	EUR 100k	75%

### 13. Investments in associates

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Cost at 1 October	9,473,561	9,473,561	9,236,024	9,236,024
Cost at 30 September	9,473,561	9,473,561	9,236,024	9,236,024
Value adjustments at 1 October	1,834,321	-577,375	-1,217,961	-2,222,240
Exchange adjustment	-59,950	-520,973	-59,950	0
Net profit/loss for the year	3,519,533	2,932,669	3,519,533	1,004,279
Dividends received	-1,875,000	0	-1,875,000	0
Transfers for the year	0	0	3,289,819	0
Value adjustments at 30 September	3,418,904	1,834,321	3,656,441	-1,217,961
<b>Carrying amount at 30 September</b>	<b>12,892,465</b>	<b>11,307,882</b>	<b>12,892,465</b>	<b>8,018,063</b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
NHU EUROPE GmbH	Germany	EUR 5,000k	25%
Chr. Olesen Synthesis A/S	Denmark	DKK 538k	50%
NHU/Chr. Olesen Latin America A/S	Denmark	DKK 500k	39%
Biotrino ApS	Denmark	DKK 65k	20%

## Notes to the Financial Statements

### 14. Other fixed asset investments

(EUR)	Group		Parent company	
	Receivables from associates	Other receivables	Receivables from associates	Other receivables
Cost at 1 October	10,037,957	774,142	10,037,957	187,503
Additions for the year	1,501,520	230,571	1,501,520	3,736
Cost at 30 September	11,539,477	1,004,713	11,539,477	191,239
<b>Carrying amount at 30 September</b>	<b>11,539,477</b>	<b>1,004,713</b>	<b>11,539,477</b>	<b>191,239</b>

### 15. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurances etc

### 16. Current asset investments

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Carrying amount at 1 October	677,855	219,777	677,855	219,777
Access during the year	1,781,253	541,004	1,781,253	541,004
Unrealised price adjustments	291,671	-82,926	291,671	-82,926
<b>Carrying amount at 30 September</b>	<b>2,750,779</b>	<b>677,855</b>	<b>2,750,779</b>	<b>677,855</b>

Current asset investments consist of listed shares and bonds, which are measured at their fair values at the balance sheet date on the basis of the latest quoted prices.

### 17. Provision for deferred tax

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Deferred tax liabilities at 1 October	-83,604	49,198	-9,025	83,233
Adjustment of deferred tax concerning previous years	-479	0	-479	0
Amounts recognised in the income statement for the year	173,628	-132,802	73,748	-92,258
<b>Deferred tax liabilities at 30 September</b>	<b>89,545</b>	<b>-83,604</b>	<b>64,244</b>	<b>-9,025</b>

## Notes to the Financial Statements

### 18. Cash flow statement - Adjustments

(EUR)	Group	
	2024/25	2023/24
Financial income	-2,447,110	-2,795,841
Financial expenses	5,367,629	6,478,762
Depreciation, amortisation and impairment losses, including losses and gains on sales	700,396	922,231
Income from investments in subsidiaries	0	77,678
Income from investments in associates	-3,519,533	-2,932,669
Tax on profit/loss for the year	4,540,042	3,264,814
Exchange adjustments	-1,099,846	-3,440,967
	<b>3,541,578</b>	<b>1,574,008</b>

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

(EUR)	Group	
	2024/25	2023/24
Change in inventories	-11,683,572	-7,206,948
Change in receivables	24,522,885	-11,934,017
Change in trade payables, etc	-17,165,750	26,648,071
	<b>-4,326,437</b>	<b>7,507,106</b>

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

(EUR)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
<b>Rental and lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	206,001	134,356	0	13,782
Between 1 and 5 years	221,235	231,430	0	0
	<b>427,236</b>	<b>365,786</b>	<b>0</b>	<b>13,782</b>

The Parent Company has entered into rental agreements with a six-month termination notice period. The non-terminable portion of the tenancy amounts to EUR 190k.

The Group has entered into rental agreements with termination periods ranging from 1 to 12 months. The tenancy during the non-terminable period amounts to EUR 1,521k.

## Notes to the Financial Statements

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

#### **Other contingent liabilities**

Chr. Olesen Group is in its nature of doing business, part of various customary disputes in South America in particular. It is assessed in all cases to what extent the cases may entail obligations for Chr. Olesen and the probability thereof. Available information and legal assessments from advisors 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 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 Chr. Olesen Family Holding A/S, 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 Company has entered into a cross security for its subsidiaries' loans from credit institutions. At the balance date, 30 September 2025, TEUR 85,382 of the credit limit has been utilized.

The Company has issued guarantees for CCure A/S (limited to EUR 0.7 million), Inro Holding ApS, Chr. Olesen Synthesis A/S and NHU/Chr. Olesen Latin America A/S.

The Company has issued a Letter of Comfort for Chr. Olesen Synthesis A/S, which is irrevocable until signing of the Annual Report for Chr. Olesen Synthesis A/S for the financial year 2025. The Letter of Support is expected to be prolonged upon expiry.

The Group has entered into agreements with the minority shareholder of one of its subsidiaries that include purchase obligations on their ownership interests, which may require the Group to purchase these minority interests under certain conditions. The timing and amount of any potential payment under these agreements are uncertain and cannot be reliably measured at the reporting date. Accordingly, no provision has been recognized in the consolidated financial statements. Management currently considers the likelihood of the options being exercised to be low, and accordingly, no provision has been recognized.

## Notes to the Financial Statements

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

#### Basis

##### **Controlling interest**

Chr. Olesen Holding A/S, Gentofte	Parent company
Chr. Olesen Family Holding A/S, Gentofte	Ultimate parent company

##### **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. All transactions have been made on an arm's length basis.

##### **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, Denmark

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

Jægersborg Alle 164  
2820 Gentofte  
Denmark

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

(EUR)

Audit fee for the group is disclosed within Chr. Olesen Family Holding A/S group financial statement.

## Notes to the Financial Statements

### 23. Accounting policies

The Annual Report of Chr. Olesen A/S for 2024/25 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 2024/25 are presented in EUR.

#### **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, Chr. Olesen 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.

#### **Minority interests**

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

#### ***Business acquisitions carried through before 1 July 2018***

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

#### ***Business acquisitions carried through on or after 1 July 2018***

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

## Notes to the Financial Statements

### 23. Accounting policies (continued)

#### **Leases**

All 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.

#### **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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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; however, see the section on hedge accounting.

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.

#### **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.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

#### **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. Business segments are regarded as the primary segments.

## Notes to the Financial Statements

### 23. Accounting policies (continued)

#### **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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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 the consolidated revenue for the year.

##### **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales 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.

##### **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 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 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.

## Notes to the Financial Statements

### 23. Accounting policies (continued)

#### Balance sheet

##### Intangible fixed assets

###### *Goodwill*

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

##### 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.

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:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	2-5 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.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

##### Investments in subsidiaries and associates

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

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 and associates 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.

## Notes to the Financial Statements

### 23. Accounting policies (continued)

#### **Other fixed asset investments**

Other fixed asset investments consist of receivables from associated companies and receivables (fixed assets).

#### **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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

#### **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 listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

#### **Equity**

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

#### **Dividend**

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

#### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

## Notes to the Financial Statements

### 23. Accounting policies (continued)

#### **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**

Loans, such as 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" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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

## Notes to the Financial Statements

### 23. Accounting policies (continued)

#### Financial Highlights

##### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
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	$\text{Net profit for the year} \times 100 / \text{Average equity}$