
Chr. Olesen A/S

Jægersborg Alle 164, DK-2820 Gentofte

Annual Report for 1 October 2023 - 30 September 2024

CVR No. 15 20 87 91

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

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 2023 - 30 September 2024.

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 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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.

Copenhagen, 4 February 2025

Executive Board

Mads Chr. Olesen

Christian Dam Olesen

Board of Directors

Dan Moalem
Chairman

Nikolaj Vejlsgaard

Mads Chr. Olesen

Philip Christian Dam Quitzau
Olesen

Independent Auditor's report

To the shareholders 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 2024 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 2023 - 30 September 2024 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 2023 - 30 September 2024, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance 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.

Independent Auditor's report

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	<p>Chr. Olesen A/S Jægersborg Alle 164 DK-2820 Gentofte</p> <p>Telephone: 45 70 23 07 00</p> <p>CVR No: 15 20 87 91</p> <p>Financial period: 1 October 2023 - 30 September 2024</p> <p>Financial year: 20th financial year</p> <p>Municipality of reg. office: Gentofte</p>
Board of Directors	<p>Dan Moalem, chairman Nikolaj Vejlsgaard Mads Chr. Olesen Philip Christian Dam Quitzau Olesen</p>
Executive Board	<p>Mads Chr. Olesen Christian Dam Olesen</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup</p>
Lawyers	<p>Nielsen Nørager Advokatpartnerselskab Frederiksberggade 16 DK-1107 København K</p>
Bankers	<p>Sydbank Vingårdsgade 21 DK-9000 Aalborg</p> <p>Danske Bank Bernstorffsgade 40 DK-1577 København V</p>

Group Chart

Company	Residence	Ownership
Chr. Olesen A/S	Denmark	
Chr. Olesen S.A	Belgium	75%
Chr. Olesen Nutrition A/S	Denmark	87,85%
- Chr. Olesen Inc	USA	100%
- Chr. Olesen Nutrition Iberica S.L	Spain	100%
- Chr. Olesen Nutrition Latin America Ltda	Brazil	95%
- 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 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%
- 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%
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%

Financial Highlights

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

	Group				
	2023/24	2022/23	2021/22	2020/21	2019/20
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Revenue	403,834	402,269	497,677	394,580	335,438
Gross profit	26,878	27,815	34,980	25,403	19,213
Profit/loss of primary operations	15,406	17,727	25,508	16,576	12,334
Profit/loss of financial income and expenses	-828	-3,608	-216	-201	562
Net profit/loss for the year	11,313	10,729	18,680	13,257	10,885
Balance sheet					
Balance sheet total	217,702	195,414	221,053	193,268	142,232
Equity	56,732	54,269	48,794	30,331	25,791
Cash flows					
Cash flows from:					
- operating activities	25,995	4,624	8,987	-16,479	17,790
Number of employees	88	80	69	67	66
Ratios					
Gross margin	6.7%	6.9%	7.0%	6.4%	5.7%
Profit margin	3.8%	4.4%	5.1%	4.2%	3.7%
Return on assets	7.1%	9.1%	11.5%	8.6%	8.7%
Solvency ratio	26.1%	27.8%	22.1%	15.7%	18.1%
Return on equity	20.4%	20.8%	47.2%	47.2%	84.4%

Management's review

Key activities

The Chr. Olesen Group was originally established in 1885 and today is represented by both the 4th and 5th generations. Since 1992, the company has grown into an international group of companies with entities in Denmark, Germany, Spain, Belgium, France, USA, Brazil and Mexico.

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 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 group has 90 employees at the end of the financial year. Of these, 53 are employed at the headquarters in Denmark and the rest work in the entities outside Denmark.

Development in the year

The income statement of the Group for 2023/24 shows a profit of EUR 11,313,459, and at 30 September 2024 the balance sheet of the Group shows positive equity of EUR 56,731,837.

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

2024 was the first business year in the industrial ingredients as minerals and this business is developing according to the plans.

In this financial year, the group has, further, consolidated the previous years of investments in human equity, new regions and the Industrial business area.

Therefore, 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 of the same level are expected to be negotiated as last year.

Special risks - operating risks and financial risks

A significant part of the Group's transactions take place in foreign currencies. As an element in the Group's business strategy, the management has determined that day-to-day foreign currency exposures should be hedged by entering into forward exchange contracts, periodical borrowing or placement of funds in foreign currencies.

Moreover, currency options are also used 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.

In the coming year, special emphasis will be placed in entering into new regions and product lines including investments also in the digital systems and processes. Also, investments in developing the compliant reporting on CSRD will be started up in 2025.

Although the need of consolidating the new investments in the coming years, the Chr. Olesen Group will remain positive towards investments in new relevant areas to further broaden its activities.

Management expects revenue for the upcoming year of 2025 to be on par with this year.

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

Chr. Olesen's sustainability report, which is part of this management report, can be found at Chr. Olesen Group's website: <https://www.chr-olesen.dk/sustainability/>

The report covers Chr. Olesen Group's companies - including Chr. Olesen A/S. The report includes reporting in accordance with both §99a, §99b and §99d.

Statement on gender composition

The statutory statements are available in the ESG-progress report on the Company's website: www.chr-olesen.dk

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 2024 of the Group and the results of the activities and cash flows of the Group 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	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		EUR	EUR	EUR	EUR
Revenue	1	403,833,750	402,268,753	76,098,517	62,960,476
Expenses for raw materials and consumables		-372,115,651	-370,248,362	-75,125,371	-59,308,871
Other external expenses		-4,839,746	-4,205,270	12,783	-5,153
Gross profit		26,878,353	27,815,121	985,929	3,646,452
Staff expenses	2	-10,549,919	-9,231,803	-1,371,107	-1,168,523
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-922,231	-856,238	-714,926	-685,685
Profit/loss before financial income and expenses		15,406,203	17,727,080	-1,100,104	1,792,244
Income from investments in subsidiaries	4	-77,678	-68,074	10,276,348	7,055,198
Income from investments in associates	5	2,932,669	1,608,007	1,004,279	931,624
Financial income	6	2,795,841	2,521,645	2,825,554	2,036,590
Financial expenses	7	-6,478,762	-7,669,795	-3,415,082	-2,790,952
Profit/loss before tax		14,578,273	14,118,863	9,590,995	9,024,704
Tax on profit/loss for the year	8	-3,264,814	-3,390,345	355,650	-223,503
Net profit/loss for the year	9	11,313,459	10,728,518	9,946,645	8,801,201

Balance sheet 30 September 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		EUR	EUR	EUR	EUR
Goodwill		1,214,183	1,361,354	0	0
Intangible assets	10	1,214,183	1,361,354	0	0
Other fixtures and fittings, tools and equipment		1,216,963	1,366,630	1,060,375	1,162,574
Leasehold improvements		647,681	771,444	647,681	768,909
Property, plant and equipment in progress		8,687	0	8,687	0
Property, plant and equipment	11	1,873,331	2,138,074	1,716,743	1,931,483
Investments in subsidiaries	12	0	0	46,460,349	40,502,048
Investments in associates	13	11,307,882	8,896,186	8,018,063	7,013,784
Receivables from associates	14	10,037,957	9,539,943	10,037,957	9,539,943
Other receivables	14	774,142	535,365	187,503	183,841
Fixed asset investments		22,119,981	18,971,494	64,703,872	57,239,616
Fixed assets		25,207,495	22,470,922	66,420,615	59,171,099
Finished goods and goods for resale		73,772,712	66,565,764	7,000,098	5,727,302
Inventories		73,772,712	66,565,764	7,000,098	5,727,302
Trade receivables		89,467,852	81,842,117	16,982,600	18,152,906
Receivables from group enterprises		1,621,000	0	50,117,847	31,406,932
Receivables from associates		384,018	33,268	237,179	0
Other receivables		13,163,545	11,359,512	2,394,697	1,410,454
Deferred tax asset	15	83,604	0	9,025	0
Corporation tax receivable from group enterprises		0	0	237,422	0
Prepayments	16	1,030,268	497,769	329,591	174,738
Receivables		105,750,287	93,732,666	70,308,361	51,145,030
Current asset investments	17	677,855	219,777	677,855	219,777

Balance sheet 30 September 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		EUR	EUR	EUR	EUR
Cash at bank and in hand		<u>12,293,501</u>	<u>12,425,276</u>	<u>575,471</u>	<u>929,607</u>
Current assets		<u>192,494,355</u>	<u>172,943,483</u>	<u>78,561,785</u>	<u>58,021,716</u>
Assets		<u>217,701,850</u>	<u>195,414,405</u>	<u>144,982,400</u>	<u>117,192,815</u>

Balance sheet 30 September 2024

Liabilities and equity

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		EUR	EUR	EUR	EUR
Share capital		97,667	97,667	97,667	97,667
Reserve for net revaluation under the equity method		1,834,321	0	38,849,154	34,258,411
Retained earnings		43,029,067	38,438,030	6,014,234	4,179,619
Proposed dividend for the year		3,500,000	7,000,000	3,500,000	7,000,000
Equity attributable to shareholders of the Parent Company		48,461,055	45,535,697	48,461,055	45,535,697
Minority interests		8,270,782	8,733,369	0	0
Equity		56,731,837	54,269,066	48,461,055	45,535,697
Provision for deferred tax	15	0	49,198	0	83,233
Provisions relating to investments in group enterprises		0	0	117,717	166,882
Provisions		0	49,198	117,717	250,115
Credit institutions		77,177,496	94,925,928	52,303,336	49,513,889
Trade payables		59,099,729	34,940,118	34,376,539	15,359,372
Payables to group enterprises		842,785	726,545	2,309,910	4,509,855
Payables to associates		16,223,990	4,315,533	6,621,406	1,515,224
Corporation tax		1,085,026	2,135,490	0	28,651
Other payables		6,540,987	4,052,527	792,437	480,012
Short-term debt		160,970,013	141,096,141	96,403,628	71,407,003
Debt		160,970,013	141,096,141	96,403,628	71,407,003
Liabilities and equity		217,701,850	195,414,405	144,982,400	117,192,815
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Accounting Policies	22				

Statement of changes in equity

Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Equity at 1 October	97,667	0	41,938,030	3,500,000	45,535,697	8,733,369	54,269,066
Exchange adjustments	0	-520,973	-2,902,593	0	-3,423,566	-17,401	-3,440,967
Ordinary dividend paid	0	0	0	-3,500,000	-3,500,000	-1,812,000	-5,312,000
Transfer negative value adjustment prior years of associates	0	-577,375	577,375	0	0	0	0
Other equity movements	0	0	-97,721	0	-97,721	0	-97,721
Net profit/loss for the year	0	2,932,669	3,513,976	3,500,000	9,946,645	1,366,814	11,313,459
Equity at 30 September	97,667	1,834,321	43,029,067	3,500,000	48,461,055	8,270,782	56,731,837

Statement of changes in equity

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	EUR	EUR	EUR	EUR	EUR
Equity at 1 October	97,667	34,258,411	7,679,619	3,500,000	45,535,697
Exchange adjustments	0	-3,423,566	0	0	-3,423,566
Ordinary dividend paid	0	0	0	-3,500,000	-3,500,000
Dividend from group enterprises	0	-2,208,000	2,208,000	0	0
Other equity movements	0	-99,463	1,742	0	-97,721
Net profit/loss for the year	0	10,321,772	-3,875,127	3,500,000	9,946,645
Equity at 30 September	97,667	38,849,154	6,014,234	3,500,000	48,461,055

Cash flow statement 1 October 2023 - 30 September 2024

	Note	Group	
		2023/24	2022/23
		EUR	EUR
Result of the year		11,313,459	10,728,518
Adjustments	18	1,574,008	7,505,289
Change in working capital	19	7,507,106	-3,193,605
Cash flow from operations before financial items		20,394,573	15,040,202
Financial expenses		-4,826,439	-5,512,286
Cash flows from ordinary activities		15,568,134	9,527,916
Corporation tax paid		-2,192,660	-4,392,955
Change in payables to associates		11,908,457	-510,976
Other adjustments		711,068	0
Cash flows from operating activities		25,994,999	4,623,985
Purchase of intangible assets		0	-1,471,734
Purchase of property, plant and equipment		-573,903	-1,200,816
Fixed asset investments made etc		-2,234,187	-2,929,735
Sale of fixed asset investments made etc		20,000	11,368,364
Sale of property, plant and equipment		63,586	0
Cash flows from investing activities		-2,724,504	5,766,079
Repayment of loans from credit institutions		-17,748,432	0
Repayment of payables to group enterprises		0	-842,451
Dividend paid		-5,312,000	-5,226,916
Raising of loans from credit institutions		0	2,480,474
Raising of payables to group enterprises		116,240	0
Cash flows from financing activities		-22,944,192	-3,588,893
Change in cash and cash equivalents		326,303	6,801,171
Cash and cash equivalents at 1 October		12,645,053	5,843,882
Cash and cash equivalents at 30 September		12,971,356	12,645,053
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		12,293,501	12,425,276
Current asset investments		677,855	219,777
Cash and cash equivalents at 30 September		12,971,356	12,645,053

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
1. Revenue				
Geographical segments				
Europe	239,122,966	253,199,706	25,237,580	23,072,758
North America	68,156,643	53,559,275	49,437,065	39,149,031
South America	87,482,233	84,462,901	53,078	167,580
Rest of the world	9,071,908	11,046,871	1,370,794	571,107
	403,833,750	402,268,753	76,098,517	62,960,476
Business segments				
Feed	180,402,257	151,357,196	76,098,517	62,960,476
Food	138,154,735	154,531,830	0	0
Pharma	85,276,758	96,379,727	0	0
	403,833,750	402,268,753	76,098,517	62,960,476

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
2. Staff expenses				
Wages and salaries	9,238,614	7,907,316	608,985	312,198
Pensions	340,684	326,419	320,978	307,647
Other social security expenses	486,077	367,440	65,537	41,498
Other staff expenses	484,544	630,628	375,607	507,180
	10,549,919	9,231,803	1,371,107	1,168,523
Including remuneration to the Executive Board and Board of Directors	457,473	411,095	152,215	110,438
Average number of employees	88	80	13	11

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	147,171	110,380	0	0
Depreciation of property, plant and equipment	775,060	745,858	714,926	685,685
	922,231	856,238	714,926	685,685

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
4. Income from investments in subsidiaries				
Share of profits of subsidiaries	0	0	10,468,943	7,233,652
Amortisation of goodwill	0	0	-147,171	-110,380
Profit/loss on sale of shares	-77,678	-68,074	-45,424	-68,074
	-77,678	-68,074	10,276,348	7,055,198

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
5. Income from investments in associates				
Share of profits of associates	2,932,669	1,608,007	1,004,279	931,624
	2,932,669	1,608,007	1,004,279	931,624

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
6. Financial income				
Interest received from group enterprises	85,180	143,467	2,518,126	1,903,492
Interest received from associates	159,709	72,611	159,709	72,611
Other financial income	2,550,952	2,285,416	147,719	60,487
Exchange adjustments	0	20,151	0	0
	2,795,841	2,521,645	2,825,554	2,036,590

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
7. Financial expenses				
Interest paid to group enterprises	23,721	0	154,282	176,911
Other financial expenses	6,372,115	7,669,795	3,177,874	2,593,712
Exchange loss	82,926	0	82,926	20,329
	6,478,762	7,669,795	3,415,082	2,790,952

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
8. Income tax expense				
Current tax for the year	3,229,400	3,284,193	-268,195	177,584
Deferred tax for the year	-132,802	117,014	-92,258	58,445
Adjustment of tax concerning previous years	0	-10,862	0	-12,526
Adjustment of deferred tax concerning previous years	168,216	0	4,803	0
	3,264,814	3,390,345	-355,650	223,503

Notes to the Financial Statements

	Parent company	
	<u>2023/24</u>	<u>2022/23</u>
	EUR	EUR
9. Profit allocation		
Proposed dividend for the year	3,500,000	3,500,000
Reserve for net revaluation under the equity method	10,321,772	2,483,622
Retained earnings	<u>-3,875,127</u>	<u>2,817,579</u>
	<u>9,946,645</u>	<u>8,801,201</u>

10. Intangible fixed assets

Group

	<u>Goodwill</u>
	EUR
Cost at 1 October	<u>1,471,734</u>
Cost at 30 September	<u>1,471,734</u>
Impairment losses and amortisation at 1 October	110,380
Amortisation for the year	<u>147,171</u>
Impairment losses and amortisation at 30 September	<u>257,551</u>
Carrying amount at 30 September	<u>1,214,183</u>
Amortised over	<u>10 years</u>

Notes to the Financial Statements

11. Property, plant and equipment

	Group			Parent company		
	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
	EUR	EUR	EUR	EUR	EUR	EUR
Cost at 1 October	4,977,113	1,129,597	0	3,985,852	1,127,034	0
Additions for the year	468,520	96,696	8,687	455,856	99,231	8,687
Disposals for the year	-83,238	0	0	-83,238	0	0
Cost at 30 September	5,362,395	1,226,293	8,687	4,358,470	1,226,265	8,687
Impairment losses and depreciation at 1 October	3,610,483	358,153	0	2,823,278	358,125	0
Depreciation for the year	554,601	220,459	0	494,469	220,459	0
Reversal of impairment and depreciation of sold assets	-19,652	0	0	-19,652	0	0
Impairment losses and depreciation at 30 September	4,145,432	578,612	0	3,298,095	578,584	0
Carrying amount at 30 September	1,216,963	647,681	8,687	1,060,375	647,681	8,687

Notes to the Financial Statements

	Parent company	
	2023/24	2022/23
	EUR	EUR
12. Investments in subsidiaries		
Cost at 1 October	6,076,755	3,785,429
Additions for the year	956,392	2,291,326
Disposals for the year	-20,000	0
Cost at 30 September	<u>7,013,147</u>	<u>6,076,755</u>
Value adjustments at 1 October	34,258,411	31,175,811
Exchange adjustment	-3,423,566	-237,686
Net profit/loss for the year	10,468,943	7,233,862
Dividend to the Parent Company	-2,208,000	-3,858,600
Other equity movements, net	-99,463	55,404
Amortisation of goodwill	-147,171	-110,380
Value adjustments at 30 September	<u>38,849,154</u>	<u>34,258,411</u>
Equity investments with negative net asset value amortised over receivables	<u>480,331</u>	<u>0</u>
Equity investments with negative net asset value transferred to provisions	<u>117,717</u>	<u>166,882</u>
Carrying amount at 30 September	<u>46,460,349</u>	<u>40,502,048</u>

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	88%
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%

Notes to the Financial Statements

Name	Place of registered office	Share capital	Ownership
Activet Bvba	Turnhout, Belgium	EUR 6k	50%
Chr. Olesen Pharma Latin A/S	Gentofte, Denmark	DKK 500k	51%
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%

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
13. Investments in associates				
Cost at 1 October	9,473,561	9,339,221	9,236,024	9,101,684
Additions for the year	0	134,340	0	134,340
Cost at 30 September	9,473,561	9,473,561	9,236,024	9,236,024
Value adjustments at 1 October	-577,375	-2,229,543	-2,222,240	-3,153,864
Exchange adjustment	-520,973	50,085	0	0
Net profit/loss for the year	2,932,669	1,608,007	1,004,279	931,624
Other equity movements, net	0	-5,924	0	0
Value adjustments at 30 September	1,834,321	-577,375	-1,217,961	-2,222,240
Carrying amount at 30 September	11,307,882	8,896,186	8,018,063	7,013,784

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%
NHU/Chr. Olesen Mexico SAPI de CV	Mexico	MXN 2.000k	34%
NHU/Chr. Olesen Latin Ltda	Brazil	BRL 5.000k	39%
Biotrino ApS	Denmark	DKK 65k	20%

Notes to the Financial Statements

14. Other fixed asset investments

	Group		Parent company	
	Receivables from associates	Other receivables	Receivables from associates	Other receivables
	EUR	EUR	EUR	EUR
Cost at 1 October	9,539,943	535,365	9,539,943	183,841
Additions for the year	498,014	238,777	498,014	3,662
Cost at 30 September	10,037,957	774,142	10,037,957	187,503
Carrying amount at 30 September	10,037,957	774,142	10,037,957	187,503

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
Deferred tax asset at 1 October	-49,198	52,996	-83,233	-39,634
Amounts recognised in the income statement for the year	132,802	-117,014	92,258	-58,445
Amounts recognised in equity for the year	0	14,820	0	14,846
Deferred tax asset at 30 September	83,604	-49,198	9,025	-83,233

The recognized tax asset consists of positive tax differences which are expected to be utilized within the coming years. When assessing the utilization of the tax asset, emphasis is placed on the group's positive historical results and corresponding expectations for the future.

16. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurances etc.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
Carrying amount at 1 October	219,777	240,106	219,777	240,106
Addition during the year	541,004	0	541,004	0
Unrealised price adjustments	-82,926	-20,329	-82,926	-20,329
Carrying amount at 30 September	677,855	219,777	677,855	219,777

17. Current asset investments

Notes to the Financial Statements

18. Cash flow statement - Adjustments

	Group	
	2023/24	2022/23
	EUR	EUR
Financial income	-2,795,841	-2,521,645
Financial expenses	6,478,762	7,669,795
Depreciation, amortisation and impairment losses, including losses and gains on sales	922,231	856,238
Income from investments in subsidiaries	77,678	68,074
Income from investments in associates	-2,932,669	-1,608,007
Tax on profit/loss for the year	3,264,814	3,390,345
Exchange adjustments	-3,440,967	-349,511
	1,574,008	7,505,289

19. Cash flow statement - Change in working capital

	Group	
	2023/24	2022/23
	EUR	EUR
Change in inventories	-7,206,948	23,530,318
Change in receivables	-11,934,017	1,782,785
Change in trade payables, etc	26,648,071	-28,506,708
	7,507,106	-3,193,605

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	EUR	EUR	EUR	EUR
20. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	134,356	134,356	13,782	19,178
Between 1 and 5 years	231,430	108,261	0	0
	365,786	242,617	13,782	19,178

The Parent Company has entered into rental agreements with a termination period of 6 months. The tenancy in the nonterminable period amounts to EUR 187k.

The Group has entered into rental agreements with a termination period of 1-12 months. The tenancy in the non-terminable period amounts to EUR 241k

Notes to the Financial Statements

Group		Parent company	
2023/24	2022/23	2023/24	2022/23
EUR	EUR	EUR	EUR

20. Contingent assets, liabilities and other financial obligations

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 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 Group's Danish companies are jointly and severally liable for the taxes on the Group's joint taxable income, etc. The total amount of company taxes can be found in the annual report for Chr. Olesen Holding I A/S, which 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.

The Company has entered into a cross security for its subsidiaries' loans from credit institutions. At the balance date, 30 September 2024, EUR 75,672k of the credit limit has been utilized.

The Company has issued guarantees for CCure A/S limited to EUR 5 mio.

The Company has issued a Letter of Comfort for Chr. Olesen Synthesis A/S, which is irrevocable until signing of Annual Report for 2025.

Notes to the Financial Statements

21. Related parties and disclosure of consolidated financial statements

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

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.

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Chr. Olesen Holding A/S, Gentofte
Bardaix GmbH, Bardowick
C. Schrader Beteiligung GmbH, Wedel
Gustavo Luz Penz, Porto Alegre

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

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

Jægersborg Alle 164
2820 Gentofte
Denmark

Auditors fee for the Group are disclosed within this financial statement

Notes to the Financial Statements

22. Accounting policies

The Annual Report of Chr. Olesen A/S for 2023/24 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 2023/24 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.

Notes to the Financial Statements

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.

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

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.

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, see below.

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.

Notes to the Financial Statements

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 based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

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 and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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.

Notes to the Financial Statements

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.

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

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. 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.

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 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.

Other fixed asset investments

Other fixed asset investments consist of deposits etc.

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 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. 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 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

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

Notes to the Financial Statements

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.

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.

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.

Notes to the Financial Statements

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.

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	$\text{Net profit for the year} \times 100 / \text{Average equity}$