

C&D FOODS (DENMARK) A/S

Øresundsvej 2
DK-6715 Esbjerg N

CVR no. 78 80 49 12

Annual report 1 April 2023 - 31 March 2024

The annual report was presented and approved at
the Company's annual general meeting on

27 September 2024

Colm Dore
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for C&D FOODS (DENMARK) A/S for the financial year 1 April 2023 - 31 March 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities, cash flows and financial position at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Esbjerg, 27 September 2024
Executive Board:

Ciaran James Murphy
CEO

Board of Directors:

Colm Dore
Chairman

Ciaran James Murphy

Jan Broe Hansen

Orla Mary Colohan



Independent auditor's report

To the shareholder of C&D FOODS (DENMARK) A/S

Opinion

We have audited the financial statements of C&D FOODS (DENMARK) A/S for the financial year 1 April 2023 - 31 March 2024, comprising income statement, balance sheet, statement of changes in equity, cash flows and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2024 and of the results of the Company's operations and cash flows for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.



Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Fredericia, 27 September 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised Public Accountant
mne33220

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Management's review

Company details

C&D FOODS (DENMARK) A/S
Øresundsvej 2
DK-6715 Esbjerg

Telephone:	70 15 83 00
Website:	www.cdfoods.com
E-mail:	info.danmark@cdfoods.com
CVR no.:	78 80 49 12
Established:	21 June 1985
Registered office:	Esbjerg
Financial year:	1 April - 31 March

Board of Directors

Colm Dore, Chairman
Ciaran James Murphy
Jan Broe Hansen
Orla Mary Colohan

Executive Board

Ciaran James Murphy, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27, 2
DK-7000 Fredericia
CVR no. 25 57 81 98

Management's review

Financial highlights

EUR'000	2023/24	2022/23	2021/22	2020/21	2019/20
Revenue	116,011	106,799	84,056	80,591	77,355
Gross profit	26,227	23,843	21,947	18,505	18,628
Operating profit/loss	3,337	2,745	999	-939	-1,997
Profit from financial income and expenses	771	395	322	246	343
Profit/loss for the year	6,832	3,902	1,518	204	-2,061
Total assets	69,098	69,001	6,415	51,813	53,835
Investments in property, plant and equipment	44	1,702	1,129	1,478	731
Equity	49,156	42,378	38,520	36,966	36,684
Cash flows from operating activities	-1,857	520	-4,913	8,974	1,847
Cash flows from investing activities	60	29	-1,214	-1,618	-835
Cash flows from financing activities	833	428	7,000	-9,456	881
Total cash flows	-964	977	873	-2,100	1,893
Operating margin	2.9%	2.6%	1.3%	-1.1%	-2.6%
Solvency ratio	71.1%	61.4%	63.8%	71.3%	73.2%
Average number of full-time employees	320	309	306	286	300

The financial ratios have been calculated as follows:

Operating margin	$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests year end} \times 100}{\text{Total equity and liabilities at year end}}$

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Management's review

Operating review

Principal activities

The Company sells wet pet food to the European retail trade as a "private label" manufacturer of pet food. Furthermore, C&D Foods (Denmark) A/S is a sub-supplier of wet pet food for other manufacturers/distributors of "branded products".

Development in activities and financial position

Profit for the year (including comparison with forecasts previously announced)

The Company's income statement for 2023/24 shows a profit of EUR 6,832 thousand as against a profit of EUR 3,902 thousand in 2022/23. Equity in the Company's balance sheet at 31 March 2024 stood at EUR 49,156 thousand as against EUR 42,378 thousand at 31 March 2023.

Revenue and profit before tax are in line with expectations from prior year financial statements.

Business model

The Company is part of a network of pet food production sites to meet the varying demands of private label retailers from large scale and low cost highly automated facilities.

In all cases, the ethos is the same: a highly trained workforce focused on continuous improvement and operating to the highest standards. Our 'Excellence in Pet food' program promotes a culture of leadership, ownership and responsibility through belief, pride and confidence in what we do.

Uncertainty regarding recognition and measurement

The Company's deferred tax at 31 March 2024 makes up a significant amount available for indefinite carryforward. The use thereof depends on the development in future earnings, which is uncertain. Capitalization of deferred tax asset is based on a five year forecast. Due to a more stabilized market and development capitalization period of deferred tax asset has been increased by two years compared to previous years which accounts for an increase of 2,196 thousand EUR.

Moreover, reference is made to note 10, in which the matter is described in further detail.

Outlook

For FY 2023/24 management expects a revenue between 110-130 million EUR and a profit before tax between 4-5 million EUR.

Intellectual capital

In 2023/24, C&D Foods (Denmark) A/S remained focused on its main business areas to attract intellectual capital for various functions and thereby to strengthen its competitiveness and future performance.

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Management's review

Operating review

Research and development activities

Product development in cooperation with our customers is a focus area.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023/24.

Statement on corporate social responsibility

In accordance with section 99a of the Danish Financial Statements Act on Corporate Social Responsibility, the company must consider environment and climate, social and employees, human rights and corruption responsibilities.

The Company has policies in place for all four areas.

Impact on climate and environmental

For environmental and climate matters The Company has a policy in place to motivate employees and the Company to focus on minimizing the reliance on fossil fuels, promote biodiversity and to reduce waste, energy and water usage through the implementation of renewable energy projects and to support the transition to cleaner energy sources.

The Company runs projects monitoring opportunities to reducing energy and water consumption leading to future adoption of innovative technologies and practices. By constantly optimizing our production processes, we are achieving notable reductions in resource usage, contributing to both environmental sustainability and cost savings.

The Company fosters a circular economy by enhancing our recycling and waste management practices. Through strong community relationships and collaboration with local stakeholders, we have developed initiatives that repurpose materials, reduce waste, and create value from by-products (ex. Danish Biogas).

The Environmental policy strives to motivate employees and The Company to be mindful of consumption and to continuously research sustainable solutions on e.g. waste and energy. The policy states that purchases and investments should be assessed with environmental considerations as a parameter and also states that The Company is to comply with applicable law and regulations, which means that The Company is obligated to prepare and submit an energy report to authorities with a mapping of the consumption including solutions to reduce the same. Furthermore, The Company has committed to an agreement with a utility company for its electricity purchase from year 2024 to be generated by solar and wind energy alone to reduce the carbon footprint. The Company has no outstanding issues with the environmental authorities in terms of environmental permits and compliance with environmental regulations.

The Company has not identified any issues or violations during the financial year and there are currently no plans to make changes to the policy. Going forward The Company will continue to explore and evaluate opportunities to improve environmental and climate impact.

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Operating review

Social and employee staff matters

For social and employee matters The Company policy is to monitor the mental and physical wellbeing of its employees and therefore conducts and reviews the APV survey as required by local legislations as well as monitor employee satisfaction through an annual employee satisfaction conversation. Furthermore, the company is a member of the organization Dansk Industri and strive to comply with the guidelines on all employee matters.

For the financial year the process for APV survey has been followed as the policy states and no critical findings have been reported. Currently The Company does not have any plans to change the policy or process regarding social and employee matters. The company will carry on improving within the policy.

Human rights

The Company respects human rights and has a zero-tolerance policy against modern slavery along with a whistleblowing policy for any violations. These policies are communicated throughout the organization and to every employee. The Company has chosen to undergo a yearly ethical (SMETA) audit to highlight the importance of this matter.

During this financial year no critical findings or policy violations have been recorded through the whistleblower setup nor during the ethical (SMETA) audit. There are no plans in place to change the existing policy and The Company will continue to undergo a yearly ethical (SMETA) audit and improve according to findings.

Anti-Corruption

The Company does not accept corruption/bribery which is stated in its Code of Conduct and made aware to every employee through the employee handbook. The policy e.g. states that gifts are not to be accepted if it could influence a business decision. Furthermore, selected employees are required to sign and hand in a compliance statement annually to avoid conflicts of interest.

The Company has not identified any issues or violations during the financial year and there are currently no plans to make changes to the policy. The Company will continue to follow and improve the policy as well as implement adequate follow up measurements on all levels.

Statement on goals and policies for the underrepresented gender

C&D Foods (Denmark) A/S believes that diversity among Management and employees, including equal distribution of gender, is an important condition for the Company to expand at optimum level and deliver the best results in accordance with the Company's values and culture.

The statement on gender representation is according to Danish Financial Statements Act, section §99b.

The Executive Board of C&D Foods (Denmark) A/S wants to give both sexes equal access to leadership positions and believes that board members should be chosen based on their overall competencies. The male/female balance on the Company's Board of Directors is at present equal in terms of two male and one female.

C&D Foods (Denmark) A/S' goal to have at least one female manager has been met, and initiatives will be taken to attract more qualified female candidates when changes are to be made to the present management team. When the Company has a vacant position on management level, both genders are encouraged to apply and receive relevant training.

As gender composition is equal on the Board of Directors and other management levels, we have not defined any additional targets or made further description of policies.

Management's review

Operating review

	2023/24	2022/23	2021/22	2020/21	2019/20
Supreme management body					
Number of persons serving on the supreme management body	3	-	-	-	-
Share of the underrepresented gender serving on the supreme management body	33%	-	-	-	-
Target for the underrepresented gender on the supreme management body	33%	-	-	-	-
Other management levels					
Number of persons serving on other management levels	9	-	-	-	-
Share of the underrepresented gender on other management levels	44%	-	-	-	-
Target for the underrepresented gender on other management levels	44%	-	-	-	-

Reporting on data ethics

The processing of personal data is not a critical part of and neither closely linked to the companies' business activities. As a B2B company with very few transactions with private customers, the company only processes personal data in respect of customers and suppliers to a very limited extent – and only for customer/supplier administration purposes. The processing of personal data mainly relates to the internal activities involving employees' personal data for HR administration purposes.

Thus, we do not use data to track movements or consumer preferences of any private individuals, nor do we use machine learning, AI or similar to profile customers, employees or other private individuals.

For these reasons, we have assessed that it is not necessary for the Company to have a formalised data ethics policy. By contrast, we have assessed that our general GDPR policies are sufficient to disclose any risks related to the Company's retrieval and processing of data and use of technology.

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Income statement

EUR'000	Note	2023/24	2022/23
Revenue	2	116,011	106,799
Cost of raw materials and consumables		-65,690	-65,201
Other external costs	3	-24,094	-17,755
Gross profit		26,227	23,843
Staff costs	4	-21,684	-19,986
Depreciation of property, plant and equipment and amortisation of intangible assets		-1,206	-1,112
Operating profit		3,337	2,745
Other operating costs		0	-5
Profit before financial income and expenses		3,337	2,740
Other financial income	5	781	574
Other financial expenses	6	-10	-179
Profit before tax		4,108	3,135
Tax on profit for the year		2,724	767
Profit for the year	7	6,832	3,902

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Balance sheet

EUR'000	Note	31/3 2024	31/3 2023
ASSETS			
Fixed assets			
Intangible assets			
Acquired intangible assets	8	107	124
Property, plant and equipment			
Land and buildings	9	2,889	3,165
Plant and machinery		6,472	7,441
Fixtures, fittings, tools and equipment		50	55
		<u>9,411</u>	<u>10,661</u>
Financial assets			
Receivables from group entities		13,003	20,828
Deposits		51	65
		<u>13,054</u>	<u>20,893</u>
Total fixed assets		<u>22,572</u>	<u>31,678</u>
Current assets			
Inventories			
Raw materials and consumables		5,409	5,160
Work in progress		2,884	3,052
Finished goods and goods for resale		6,050	7,878
		<u>14,343</u>	<u>16,090</u>
Receivables			
Trade receivables		3,483	2,310
Receivables from group entities		20,299	10,757
Deferred tax assets	10	5,352	2,632
Other receivables		704	1,182
Prepayments	11	1,455	2,498
		<u>31,293</u>	<u>19,379</u>
Cash at bank and in hand		<u>890</u>	<u>1,854</u>
Total current assets		<u>46,526</u>	<u>37,323</u>
TOTAL ASSETS		<u>69,098</u>	<u>69,001</u>

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Balance sheet

EUR'000	Note	31/3 2024	31/3 2023
EQUITY AND LIABILITIES			
Equity			
Contributed capital	12	13,676	13,694
Retained earnings		35,480	28,684
Total equity		<u>49,156</u>	<u>42,378</u>
Liabilities			
Non-current liabilities			
Payables to group entities		0	6,992
Current liabilities			
Trade payables		13,285	15,312
Payables to group entities		2,935	354
Other payables, including taxes payable		3,722	3,965
		<u>19,942</u>	<u>19,631</u>
Total liabilities		<u>19,942</u>	<u>26,623</u>
TOTAL EQUITY AND LIABILITIES		<u>69,098</u>	<u>69,001</u>

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Statement of changes in equity

EUR'000	Contributed capital	Retained earnings	Total
Equity at 1 April 2023	13,694	28,684	42,378
Exchange adjustment	-18	-36	-54
Transferred over the profit appropriation	0	6,832	6,832
Equity at 31 March 2024	13,676	35,480	49,156

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Cash flow statement

EUR'000	Note	2023/24	2022/23
Profit for the year		6,832	3,902
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		1,206	1,112
Other adjustments of non-cash operating items	13	-3,530	-1,204
Cash generated from operations before changes in working capital		4,508	3,810
Changes in working capital	14	-7,136	-3,685
Cash generated from operations		-2,628	125
Interest income		781	574
Interest expense		-10	-179
Cash flows from operating activities		-1,857	520
Acquisition of intangible assets	8	-120	-105
Acquisition of property, plant and equipment	9	-44	-358
Disposal of property, plant and equipment	9	210	492
Sale of investments		14	0
Cash flows from investing activities		60	29
Repayment of long-term debt		833	428
Cash flows from financing activities		833	428
Cash flows for the year		-964	977
Cash and cash equivalents at the beginning of the year		1,854	877
Cash and cash equivalents at year end		890	1,854

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1 Accounting policies

The annual report of C&D FOODS (DENMARK) A/S for 2023/24 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

All amounts are stated in EUR thousand (EUR'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

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

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms @2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of raw materials and packaging materials comprises raw materials and packaging materials incurred to generate revenue for the year.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

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1 Accounting policies

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense on assets and payables as well as transactions denominated in foreign currencies.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Patents, licences and trademarks

Trademarks are measured at cost less accumulated amortisation. Trademarks are amortised on a straight-line basis over the remaining useful lives.

The amortisation period for trademarks is usually 1-2 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs respectively.

Software

Software are measured at cost less accumulated amortisation. Software are amortised on a straight-line basis over the remaining useful lives.

The amortisation period for software is usually 3-5 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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1 Accounting policies

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	50 years
Plant and machinery	2-30 years
Fixtures, fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as depreciation of property, plant and equipment and amortisation of intangible assets.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases are accounted for as operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

Raw materials and packaging materials are measured at cost in accordance with the FIFO method.

Work in progress and finished goods are valued at calculated cost comprising the costs of raw materials and packaging materials as well as processing costs plus direct costs and a share of production overheads.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production

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1 Accounting policies

machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Goods for resale are valued at purchase price.

Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of the Company's track record with bad debts.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

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1 Accounting policies

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Cash flow

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

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

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1 Accounting policies

Segment information

Segment information is provided on geographical markets, as the company only has one business segment. The segment information is in line with Group's accounting policies, risk and financial management.

2 Segment information

Activities - primary segment

EUR'000	Export markets	Domestic market	Total
2023/24			
Revenue	110.841	5.170	116,011
2022/23			
Revenue	102.392	4.407	106,799

Segment information is only provided on geographical markets, as the Company only has one business segment. The segment information is in line with the Group's accounting policies, risk and internal financial management.

3 Fees to auditors appointed at the annual general meeting

EUR'000	2023/24	2022/23
Total fee to KPMG	<u>76</u>	<u>53</u>
Statutory audit services	43	40
Tax services	28	8
Other services	<u>5</u>	<u>5</u>
	<u>76</u>	<u>53</u>

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4 Staff costs

EUR'000	2023/24	2022/23
Wages and salaries	19,471	18,215
Pensions	1,892	1,493
Other social security costs	321	278
	<u>21,684</u>	<u>19,986</u>
Average number of full-time employees	<u>320</u>	<u>309</u>

Staff costs include remuneration of Management at an amount of EUR 228 thousand. (2022/23: EUR 170 thousand).

In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is presented as an aggregate single amount.

5 Other financial income

EUR'000	2023/24	2022/23
Interest income from group entities	611	551
Other interest income	19	23
Exchange gains	151	0
	<u>781</u>	<u>574</u>

6 Other financial expenses

EUR'000	2023/24	2022/23
Interest paid to group entities	0	142
Other interest expenses	10	37
	<u>10</u>	<u>179</u>

7 Proposed profit appropriation

EUR'000	2023/24	2022/23
Retained earnings	6,832	3,902
	<u>6,832</u>	<u>3,902</u>

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8 Intangible assets

EUR'000	Acquired intangible assets
Cost at 1 April 2023	256
Additions	120
Disposals	-80
Cost at 31 March 2024	296
Amortisation and impairment losses at 1 April 2023	-132
Amortisation	-137
Amortisation and impairment losses for the year on assets sold	80
Amortisation and impairment losses at 31 March 2024	-189
Carrying amount at 31 March 2024	107

9 Property, plant and equipment

EUR'000	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Total
Cost at 1 April 2023	18,997	40,208	5,866	65,071
Foreign exchange adjustments in foreign entities	-25	-53	-8	-86
Additions	0	33	11	44
Disposals	0	-253	0	-253
Cost at 31 March 2024	18,972	39,935	5,869	64,776
Depreciation and impairment at 1 April 2023	-15,832	-32,767	-5,811	-54,410
Exchange rate adjustment	21	43	7	71
Depreciation for the year	-272	-782	-15	-1,069
Disposals for the year	0	43	0	43
Depreciation and impairment at 31 March 2024	-16,083	-33,463	-5,819	-55,365
Carrying amount at 31 March 2024	2,889	6,472	50	9,411

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10 Deferred tax assets

EUR'000	31/3 2024	31/3 2023
Deferred tax at 1 April	2,632	1,867
Deferred tax adjustment for the year in the income statement	2,724	767
Exchange rate adjustment	-4	-2
	<u>5,352</u>	<u>2,632</u>

The Company's preliminary net deferred tax asset as at 31 March 2024 amounted to EUR 15,934 thousand (Tax value EUR 72,427 thousand).

This preliminary deferred tax asset includes losses carried forward of EUR 7,455 thousand (Tax value EUR 33,886 thousand), which can be further broken down as follow:

-A capitalised / recognised deferred tax asset of EUR 1,395 thousand (Tax value EUR 6,340 thousand).
-An uncapitalised / unrecognised deferred tax asset of EUR 6,060 thousand (Tax value EUR 27,546 thousand).

The remaining preliminary deferred tax asset of EUR 8,479 thousand (Tax value EUR 38,541 thousand) relates to other timing differences, which can be further broken down as follow:

-A capitalised / recognised deferred tax asset of EUR 3,957 thousand (Tax value EUR 17,987 thousand).
-An uncapitalised / unrecognised deferred tax asset of EUR 4,522 thousand (Tax value EUR 20,554 thousand).

Due to more stabilized market conditions, the capitalisation period of the deferred tax asset has been changed from a three year forecast to a five year forecast, which accounts for an increase of EUR 2,196 thousand.

11 Prepayments

EUR'000	31/3 2024	31/3 2023
Prepaid assurance	65	165
Other payments	1,390	2,333
	<u>1,455</u>	<u>2,498</u>

12 Contributed capital

Contributed capital consists of:

Contributed capital comprises 10,200,000 shares of EUR 1,3 each.

All shares rank equally.

The contributed capital has not undergone any changes during the past five years.

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13 Other adjustments

EUR'000	31/3 2024	31/3 2023
Other financial income	-781	-574
Financial expenses	10	179
Tax on profit/loss for the year	-2,724	-767
Other adjustments	-35	-42
	<u>-3.530</u>	<u>-1.204</u>

14 Changes in working capital

EUR'000	31/3 2024	31/3 2023
Change in inventories	1,747	-4,920
Change in receivables	-9,194	-3,501
Change in trade and other payables	311	4,736
	<u>-7.136</u>	<u>-3.685</u>

15 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 1-60 months and an average monthly lease payments of EUR 1,290, totalling EUR 189,594.

The Company has entered into operating rent obligations with a remaining term of 1-59 months and an average monthly rent payments of EUR 938, totalling EUR 477,862.

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16 Related parties disclosure

C&D FOODS (DENMARK) A/S' related parties comprise the following:

Control

C&D Foods Ireland Holdings Limited, Channel Islands, Great Britain.

C&D Foods Ireland Holdings Limited holds the majority of the contributed capital in the Company.

C&D FOODS (DENMARK) A/S is part of the consolidated financial statements of Glydee Limited, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Glydee Limited can be obtained by contacting the Company.

Related party transactions

EUR'000	31/3 2024
Sale to group companies	88,584
Purchase from group companies	3,053
Sale of service to group companies	245
Purchase of service from group companies	1,250

Receivables and payables to group companies are disclosed in the balance sheet, and interests to group entities are disclosed in note 5 and 6.

17 Events after the balance sheet date

No events have occurred after the balance sheet date to this date that would influence the assessment of the annual report in any substantial way.