

**Thornico Food &  
Food Technology Group A/S**  
Havnegade 36, DK-5000 Odense

**Annual Report for 2024**

CVR No 37 75 09 13

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23 May 2025

Thor Stadil  
Dirigent  
*Chairman*

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# Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Thornico Food & Food Technology Group A/S for the financial year 1 January – 31 December 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 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and cash flows for 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

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

Odense, 23 May 2025

## Executive Board

Christian Nicholas  
Rosenkrantz Stadil

## Supervisory Board

Thor Stadil

Ronald Lambertus Maria  
Bouwens

Christian Nicholas  
Rosenkrantz Stadil

# Independent Auditor's Report

To the Shareholders of Thornico Food & Food Technology Group A/S

## Opinion

We have audited the consolidated financial statements and the parent financial statements of Thornico Food & Food Technology Group A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish financial statements act.

In our opinion, the consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024 and of the results of their operations and the consolidated cash flows for the financial year 1 January - 31 December 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 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

## Management's Responsibilities for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the consolidated financial statements and parent financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and parent 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 Entity to cease to continue as a going concern
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent financial statements, including the disclosures, and whether the consolidated financial statements and parent 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.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 23 May 2025

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33 96 35 56

Gert Rasmussen  
State Authorised Public Accountant  
Identification No: mne35430

Abdul Wahab Ashraf  
State Authorised Public Accountant  
Identification No: mne46664

## Company Information

### The Company

Thornico Food & Food Technology Group A/S  
Havnegade 36  
DK-5000 Odense C

Telephone: +45 65 48 02 00

CVR No: 37 75 09 13

Financial period: 1 January - 31 December

Municipality of reg. office: Odense

### Supervisory Board

Thor Stadil  
Christian Nicholas Rosenkrantz Stadil  
Ronald Lambertus Maria Bouwens

### Executive Board

Christian Nicholas Rosenkrantz Stadil

### Auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
5100 Odense C

### Consolidated financial statements

The company is included in the group annual report of the Parent Company Thornico A/S, CVR No. 15960205, Denmark, (smallest group) and of Thornico Holding A/S, CVR No. 35258000, Denmark (largest group).

# Group Chart



## THORNICO FOOD GROUP



### FOOD

CONTROLLING INTEREST

Egg and cheese processing, trading and biotech



### FOOD TECHNOLOGY

CONTROLLING INTEREST

Food processing machinery and meditech



### PACKAGING

CONTROLLING INTEREST

Egg and fruit packaging solutions



## Financial Highlights of the Group

	2024	2023	2022	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Profit/loss					
Revenue	7.571.359	7.186.568	6.758.146	5.539.788	4.895.663
Gross profit	2.769.717	2.407.924	2.081.360	1.799.265	1.878.046
EBITDA	1.292.569	1.054.254	856.670	693.797	861.823
Profit/loss before financial income and expenses (EBIT)	970.955	669.685	477.709	345.193	633.304
Net financials	-87.663	-102.055	-46.156	49.148	-125.903
Net profit/loss for the year	669.620	324.390	210.510	298.273	366.864
Balance sheet					
Balance sheet total	6.107.721	5.577.540	5.866.309	5.288.689	4.521.876
Equity	2.542.914	2.043.649	2.571.928	2.387.542	1.961.036
Investment in property, plant and equipment	556.528	371.687	267.789	651.316	502.968
Cash flows					
Cash flows from:					
- operating activities	844.676	1.049.133	445.576	568.852	571.101
- investing activities	-612.834	-416.102	-299.615	-651.072	-677.569
- financing activities	-204.432	-639.378	40.193	187.495	240.256
Changes for the year in cash and cash equivalents	27.410	-17.347	196.454	99.775	133.788
Number of employees	4.486	3.999	3.892	3.863	3.368

## Financial Highlights of the Group

	2024	2023	2022	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Ratios					
Gross margin	36,6%	33,5%	30,8%	32,5%	38,4%
Profit margin	12,8%	9,3%	7,1%	6,2%	12,9%
Return on assets	15,9%	12,0%	8,1%	6,5%	14,0%
Solvency ratio	41,6%	36,6%	43,8%	45,1%	43,4%
Return on equity	26,3%	15,9%	8,2%	12,5%	18,7%

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Explanation of financial ratios

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	=	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Net profit/loss for the year excl. minority interests} \times 100}{\text{Average equity at year end excl. minority interests}}$

# Management Commentary

## **Main activities**

The Group's activities comprise food ingredients, food technology and packaging in global markets, primarily via wholly owned subsidiaries.

The parent company's activities comprise investments in subsidiaries and real estate.

## **Development in activities and finance**

The Annual Report for the Group shows consolidated sales of DKK 7,571m. Consolidated profit before tax is DKK 883m which is considered satisfactory. All verticals of the Group showed positive results for the year. The packaging Group accounts for approx. half of the Group's activities so improvements in this vertical have had a significant effect on the Group results.

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

At the date of the Annual Report for 2023, Management expected results for 2024 at the same level as realised for 2023. Realised profit before tax for 2024 is DKK 883m, exceeding expected profit before tax by DKK 280m. This increase is due in particular to the packaging business exceeding expectations, driven by expanding market share and capacity.

## **Expected development**

Geopolitical tensions and the uncertainties in the wake of the new administration in the USA are a cause for concern for the Group in 2025, but Management still expect increasing activity and results for 2025, with revenues expected at 8,300m – 8,700m and results before tax expected at DKK 950m – 1,050m for 2025. Increased activity is expected mainly for the Food Technology and Packaging Groups.

## **Particular risks**

### *Currency risks*

Due to the global nature of all activities in the Group, the Group is exposed to currency transaction risks and currency translation risks.

Transaction risk is generally hedged as concerns the packaging activities. This is done in accordance with the foreign exchange policy for these activities. For the activities within food ingredients and food technology, hedging is handled within the Thornico group through balancing of income and expenses in the currencies relevant for these activities. Translation risks are mainly associated with the translation into DKK of earnings and net assets in foreign subsidiaries. Translation risks are not hedged.

### *Capital resources*

Via its positive earnings and development, the Group has sound and adequate capital resources available for new investments and growth.

### *Business risks*

The spreading of the Group's investments is well balanced between the different main areas, see our comments in the above paragraph Main activities. The Group's intention is to improve its market position in the individual areas. The Group is market leading in several areas within foods, and the Group intends to achieve a more dominant role in other areas within the respective industries.

### **Research and development**

The Group incurs material expenses for both research and development to create a basis for the future positive financial development. The Group places great importance in recruiting and retaining competent and highly specialised employees in order to maintain a leading position within all its business activities.

### **Subsequent events**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

### **Report on Data Ethics policy**

For the data ethics of Thornico Food & Food Technology Group A/S reference is made to the consolidated corporate social responsibility report including the Group's policy on data ethics at: <https://www.thornico.com/contact/policies/>

### **Report on Corporate Social Responsibility, cf. Section 99 a of the Danish Financial Statements Act**

For the statutory corporate social responsibility report of Thornico Food & Food Technology Group A/S reference is made to the consolidated corporate social responsibility report in the Company Karma report of Thornico A/S, CVR no 15960205, at <https://thornico.com/company-karma/sustainable-growth/>

# Accounting Policies

## Basis of Preparation

The Annual Report of Thornico Food & Food Technology Group A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Parent Company and the consolidated Financial Statements for 2024 are presented in DKK thousands.

## Change in accounting policies and classifications

Items in the income statement items and non-monetary items in the balance sheet for the Argentinian subsidiaries are no longer translated according to rules on restatement for hyperinflation. Instead, these items follow the translation policies described in the following pages. The changes is due to group alignment.

Russian activities are no longer classified as discontinuing activities. Due to EU sanctions and regulatory constraints imposed by Russian authorities it is no longer assessed as highly probable that a divestment will be finalised within the next 12 months. These activities are now included within continuing operations, and associated assets and liabilities are no longer presented as held for sale.

Due to the above changes in accounting policies and classifications, comparative figures for 2023 have been restated:

	Annual report 2023	Hyperinflation	Discontinued operations	Restated Annual report 2023
Revenue	7,186,568	96,500	89,700	7,372,768
Profit before tax	1,054,254	76,900	-41,900	602,630
Net profit	324,390	75,800	0	400,190
Assets	5,577,540	-39,200	0	5,538,340
Equity	2,043,649	-39,200	0	2,004,449

Some reclassifications have been made in the financial statements. In these cases, comparative figures are adapted to the new classification. The reclassifications have not had an effect on the profit or loss for the year, gross profit or the equity per. 31 December 2024.

## Recognition and measurement

The Annual Report has been prepared under the historical cost method.

Revenues are recognised in the income statement as earned including value adjustments of financial assets and liabilities. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs 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 Entity, 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 Entity, 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign currencies.

### **Basis of consolidation**

The Consolidated Financial Statements comprise the Parent Company, Thornico Food & Food Technology Group 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.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the purchase method). Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life. Any remaining negative differ-

ences are immediately recognised in the income statement.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

In the consolidated financial statements amortisation of goodwill is allocated to the functions to which goodwill is related.

### **Minority interests**

Minority interests form part of the consolidated equity. In the proposed distribution of profit, the net profit or loss of the year is allocated to minority interests and to equity belonging to 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.

On subsequent changes to minority interests, where the Group retains a controlling interest in the subsidiary, the purchase price is recognised directly on equity.

### **Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

### **Translation policies**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories, and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the ex-

change rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### **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 which is consequently recognised directly in the equity statement.

## **Income Statement**

### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Segment information is given on the basis of business areas. The segment allocation is in accordance with the company's internal reporting and areas of responsibility. Revenues have been reported for the following business areas: Food ingredients, food technology and packaging. The revenue of each business area has in turn been allocated geographically.

### **Other operating income**

Other operating income comprises revenue from other operating activities which are not related to the principal activities of the company.

**Expenses for raw materials and consumables**

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

**Other external expenses**

Other external expenses comprise expenses for administration, sale, distribution, etc.

**Staff expenses**

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

**Fair value evaluation of investment property**

Fair value evaluation of investment property comprises adjustments for the financial year of investment properties at fair value.

**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 group enterprises and associates**

The item "Income from investments in group enterprises and associates" in the income statement includes the proportionate share of the profit for the year less goodwill amortisation and elimination of internal profits or losses

**Financial income and expenses**

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

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

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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.

The Company is jointly taxed with Danish Group companies. The Danish tax is allocated to the jointly taxed Danish enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Intangible assets**

#### **Goodwill**

On initial recognition, goodwill is recognised at cost in the balance sheet. Goodwill is amortised on a straight-line basis over the estimated useful life of 10-20 years, determined on the basis of Management's experience with the individual business areas. The amortisation period is usually 20 years for strategically acquired companies with a strong market position.

#### **Other intangible assets**

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

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

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

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

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

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

Patents, licences and trademarks are amortised over the remaining patent period or a shorter useful life. The periods of amortisation are 3-20 years.

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Land is not depreciated.

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 raised directly for financing the construction of property, plant and

equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Property: 10-50 years

Plant and equipment: 3-10 years

Estimated useful lives and residual values are reassessed annually.

### **Investment property**

Investment properties are initially measured at cost. Subsequently, investment properties are measured to fair value. Fair value adjustments are measured in income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

In Management's opinion it has not been possible this year to determine fair value through market information, and, consequently, valuation has been determined by using a return-based model.

The fair value of investment properties has been determined at 31 December 2022 for each property by using a return-based model. The calculations are based on property budgets for the upcoming year, adjusted for movements, which are caused by isolated events.

The expected cash flow is multiplied with an individually determined rate of return.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet, by which the fair value emerge.

### **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment 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, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

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.

Goodwill and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together

with the group of assets to which they are attributable.

### **Investments in group enterprises and associates**

Investments in group enterprises and associates are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprise's equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises and associates with a negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent Company has a legal or constructive obligation to cover the liabilities of the relevant enterprises, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises and associates is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 15-20 years.

Investments in group enterprises and associates are written down to the lower of recoverable amount and carrying amount.

Other fixed asset investments

Other fixed asset investments consist of long term receivables, etc.

### **Inventories**

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

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory building and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in costs.

The net realisable value of inventories is calculated at the amount expected to be generated by sale 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 sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

**Receivables**

Receivables are measured in the balance sheet at the 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 recognised under "Current Assets" comprise expenses incurred concerning subsequent financial years.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily converted into cash and which are subject only to insignificant risks of changes in value.

**Equity****Dividend**

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

**Provisions**

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

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

**Financial debts**

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

**Other debts**

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

**Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## **Cash Flow Statement**

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.

### **Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment and fixed asset investments as well as dividend received from non-consolidated subsidiaries and associates.

### **Cash flows from financing activities**

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

### **Cash and cash equivalents**

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

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

## Consolidated Income Statement 1 January-31 December

	Note	2024 DKK '000	2023 DKK '000
Revenue	2	7.571.359	7.372.768
Change in inventories of finished goods and work in progress		66.834	40.579
Work performed on own account and recorded under assets		21.051	0
Other income on operations	3	3.709	3.370
Other expenses on operations	4	-3.804	-1.861
Expenses for raw materials and consumables		-3.785.366	-3.891.579
Other external expenses	5	-1.104.066	-1.074.714
Gross profit		<u>2.769.717</u>	<u>2.448.563</u>
Staff expenses	6	-1.477.148	-1.377.770
EBITDA		<u>1.292.569</u>	<u>1.070.793</u>
Fair value evaluation of investment property	13	1.150	2.143
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	7	-322.764	-400.851
Profit before financial income and expenses		<u>970.955</u>	<u>672.085</u>
Income from investments in associates after tax	8	411	748
Financial income	9	46.311	28.973
Financial expenses	10	-134.385	-99.176
Profit before tax		<u>883.292</u>	<u>602.630</u>
Tax on profit/loss for the year	11	-213.672	-202.440
Net profit for the year		<u>669.620</u>	<u>400.190</u>

## Consolidated Balance Sheet at 31 December

### Assets

	Note	2024 DKK '000	2023 DKK '000
Acquired rights	12	75.294	80.591
Completed development projects	12	77.947	93.376
Development projects in progress	12	59.769	24.004
Goodwill	12	61.775	73.133
		<hr/>	<hr/>
Intangible assets		274.785	271.104
		<hr/>	<hr/>
Land and buildings	13	762.991	727.300
Investment properties	13	48.805	47.282
Plant and machinery	13	1.307.391	1.113.836
Other fixtures, fittings, tools and equipment	13	66.553	51.828
Property, plant and equipment in progress	13	246.454	195.019
		<hr/>	<hr/>
Property, plant and equipment		2.432.194	2.135.265
		<hr/>	<hr/>
Investments in associates	14	13.156	13.679
Other fixed asset investments	15	9.525	10.292
		<hr/>	<hr/>
Fixed asset investments		22.681	23.971
		<hr/>	<hr/>
Fixed assets		2.729.660	2.430.340

## Consolidated Balance Sheet at 31 December

### Assets

	<u>Note</u>	<u>2024</u> DKK '000	<u>2023</u> DKK '000
Inventories	16	<u>1.183.234</u>	<u>1.073.221</u>
Trade receivable s		1.194.580	1.085.447
Receivables from group companies		178	6.388
Receivables from associates		2.882	1.910
Receivable corporation tax		16.590	13.400
Deferred tax asset s	17	68.484	74.527
Other receivables		172.342	178.345
Prepayments	18	114.573	85.435
Receivables		<u>1.569.629</u>	<u>1.445.452</u>
Cash and cash equivalents		<u>625.198</u>	<u>589.327</u>
Current assets		<u>3.378.061</u>	<u>3.108.000</u>
Assets		<u>6.107.721</u>	<u>5.538.340</u>

## Consolidated Balance Sheet at 31 December

### Liabilities and equity

	Note	2024 DKK '000	2023 DKK '000
Share capital		59.900	59.900
Hedging reserve		-4.500	-17.255
Revaluation reserve		6.240	6.240
Translation reserve		-130.821	-65.064
Retained earnings		2.427.562	1.720.642
Proposed dividend for the year		0	100.000
		<hr/>	<hr/>
Equity excl. minority interests		2.358.382	1.804.464
Minority interests		184.532	199.985
		<hr/>	<hr/>
Equity		<u>2.542.914</u>	<u>2.004.449</u>
Provision for deferred tax	17	108.794	91.270
Pension obligations	19	10.159	20.100
Other provisions	20	38.179	30.369
		<hr/>	<hr/>
Provisions		<u>157.132</u>	<u>141.739</u>

## Consolidated Balance Sheet at 31 December

### Liabilities and equity

	Note	2024 DKK '000	2023 DKK '000
Mortgage debt	21	179.641	188.287
Credit institutions	22	677.447	766.800
Other payables	23	9.156	9.777
		<hr/>	<hr/>
Long-term debt		866.244	964.864
		<hr/>	<hr/>
Mortgage debt	21	12.273	9.517
Credit institutions	22	367.283	340.107
Prepayments received from customers		345.472	241.312
Trade payables		632.355	607.949
Payables to group companies		634.195	608.395
Payables to associates		8.691	10.369
Corporation tax		100.564	75.009
Other payables	23	440.598	534.630
		<hr/>	<hr/>
Short-term debt		2.541.431	2.427.288
		<hr/>	<hr/>
Debt		3.407.675	3.392.152
		<hr/>	<hr/>
Liabilities and equity		6.107.721	5.538.340
		<hr/>	<hr/>
Proposed distribution of profit	24		
Financial instruments	25		
Contingent liabilities and other financial obligations	26		
Related parties and ownership	28		

## Statement of changes in consolidated Equity

	Share capital	Hedging reserve	Revaluation reserve	Translation reserve	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2024	59.900	(17.255)	6.240	(25.864)	1.720.642	100.000	1.843.664	199.985	2.043.649
Adjustments from change in accounting policies	0	0	0	(115.000)	75.800	0	-39.200	0	(39.200)
Adjusted equity at 1 Jan. 2024	59.900	(17.255)	6.240	(140.864)	1.796.442	100.000	1.804.464	199.985	2.004.449
Net profit/loss for the year	0	0	0	0	654.683	0	654.683	14.937	669.620
Actuarial gain/loss on defined benefit plans	0	0	0	0	8.300	0	8.300	0	8.300
Exchange adjustments, foreign enterprises	0	0	0	2.143	0	0	2.143	-516	1.627
Value adjustment of hedging instruments	0	14.355	0	0	0	0	14.355	0	14.355
Acquisitions minority interests	0	0	0	0	-29.963		-29.963	-29.874	(59.837)
Tax on equity adjustments	0	-1.600	0	7.900	-1.900	0	4.400	0	4.400
Dividend paid	0	0	0	0	0	(100.000)	-100.000	0	(100.000)
Equity at 31 December 2023	59.900	-4.500	6.240	-130.821	2.427.562	0	2.358.382	184.532	2.542.914

## Consolidated Cash Flow Statement

	Note	2024	2023
		DKK '000	DKK '000
Net profit/loss for the year		669.620	366.290
Adjustments	30	622.949	685.464
Change in working capital	31	-193.963	250.202
Cash flows from operating activities before financial income and expenses		1.098.606	1.301.956
Financial income		46.311	55.454
Financial expenses		-134.385	-156.957
Income taxes paid/received		-165.856	-154.620
Cash flows from operating activities		844.676	1.045.833
Purchase of intangible assets		-74.570	-49.515
Purchase of property, plant and equipment		-556.528	-379.887
Sale of property, plant and equipment		18.264	5.600
Cash flows from investing activities		-612.834	-423.802

## Consolidated Cash Flow Statement

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		DKK '000	DKK '000
Repayment of mortgage loans		-5.890	-8.228
Repayment of loans from credit institutions		-62.177	-403.706
Raising of loans from parent		22.765	470.578
Acquisitions of minority interests		-59.130	-710.844
Capital increase, minority interests		0	112.822
Dividends paid		-100.000	-100.000
		<hr/>	<hr/>
Cash flows from financing activities		-204.432	-639.378
		<hr/>	<hr/>
Total cash flows		27.410	-17.347
		<hr/>	<hr/>
Cash and cash equivalents at 1 January		589.327	658.956
Exchange adjustments, beginning of year		8.461	-69.629
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		625.198	589.327
		<hr/>	<hr/>
Cash and cash equivalents are specified as follows :			
Cash at bank and in hand		625.198	589.327
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		625.198	589.327
		<hr/>	<hr/>

## Notes to the Consolidated Annual Report

### 1 Events after the balance sheet date

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

### 2 Revenue

	Euroasia	Rest of the world	Total
	DKK '000	DKK '000	DKK '000
<u>Business segments:</u>			
Food ingredients	1.980.266	204.402	2.184.668
Food Technology	906.262	670.129	1.576.391
Packaging	1.997.300	1.813.000	3.810.300
	<hr/>	<hr/>	<hr/>
Total revenue 2024	4.883.828	2.687.531	7.571.359

	2024 DKK '000	2023 DKK '000
3 Other income on operations		
COVID-19 compensation, salaries	0	96
Rent income - External	33	0
Rent income - Group	72	29
Wage reimbursements	3.604	3.245
	<hr/>	<hr/>
	3.709	3.370

### 4 Other expenses on operations

Profit/loss on disposals of the year	-3.804	-1.861
	<hr/>	<hr/>
	-3.804	-1.861

## Notes to the Consolidated Annual Report

	<u>2024</u>	<u>2023</u>
	DKK '000	DKK '000
5		
Fee to shareholder appointed auditor		
Fee to Deloitte		
Statutory audit	2.275	1.754
Tax and VAT related services	81	36
Other services	0	72
	<u>2.356</u>	<u>1.862</u>
Fee to other auditors		
Statutory audit	5.236	5.066
Tax and VAT related services	905	0
Other services	420	919
	<u>6.561</u>	<u>5.985</u>
Total fee to auditors		
Statutory audit	7.511	6.820
Tax and VAT related services	986	36
Other services	420	991
	<u>8.917</u>	<u>7.847</u>
6		
Staff expenses		
Salaries	-1.246.670	-1.189.492
Pensions	-111.674	-98.937
Other social security expenses	-118.804	-89.341
	<u>-1.477.148</u>	<u>-1.377.770</u>
Management is employed in the parent company and no management fee is paid to the parent company for this service.		
Average number of employees	<u>4.486</u>	<u>3.999</u>

## Notes to the Consolidated Annual Report

	<u>2024</u>	<u>2023</u>
	DKK '000	DKK '000
7	Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	
	Intangible assets	-68.589
	Buildings, Plant and machinery	-229.975
	Impairment losses	-24.200
	<u>-322.764</u>	<u>-400.851</u>
8	Income from investments in associates	
	Share of profit in associates	411
	<u>411</u>	<u>748</u>
9	Financial income	
	Other financial income	46.311
	<u>46.311</u>	<u>28.973</u>
10	Financial expenses	
	Exchange adjustments	-1.118
	Financial expenses, Group	-33.369
	Other financial expenses	-99.898
	<u>-134.385</u>	<u>-82.546</u>
11	Tax on profit/loss for the year	
	Current tax for the year	-200.891
	Deferred tax for the year	-25.451
	Adjustment concerning previous years	12.670
	<u>-213.672</u>	<u>-202.440</u>

## Notes to the Consolidated Annual Report

	Acquired rights	Completed development projects	Development projects in progress	Goodwill
	DKK '000	DKK '000	DKK '000	DKK '000
12 Intangible assets				
Cost at 1 January	198.887	226.103	24.004	287.597
Transferred from assets held for sale	16.600			44.600
Exchange adjustment	-24.134		23	7.264
Additions for the year	18.077	20.751	35.742	
Disposals for the year	-4.800			
Cost at 31 December	204.630	246.854	59.769	339.461
Impairment losses and amortisation at 1 January	-118.296	-132.727	0	-214.464
Transferred from assets held for sale	-16.600			-44.600
Exchange adjustment	21.231			-6.484
Amortisation for the year	-20.271	-36.180		-12.138
Impairment				
Impairment losses and amortisation on assets sold	4.600			
Impairment losses and amortisation at 31 December	-129.336	-168.907	0	-277.686
Carrying amount at 31 December	75.294	77.947	59.769	61.775
Amortised over	3-20 years	3-5 years	0 years	20 years

Management is of the opinion that the chosen depreciation period is in accordance with the value of the acquired companies in view of the profitability and expectations concerning the future development of each of these companies.

Capitalized development projects are composed of costs related to clearly defined and identifiable projects. These projects are expected to contribute with both new and improved machines and functionalities, hereby contributing to potential market advantages.

Development projects in progress composes of projects, without realized sales. Once a development project is finalized and brought to the market, depreciation may begin if it is deemed that the project has the potential for future sales.

Development projects in process also include several IT initiatives, which are being developed externally and tailored specifically for Sanovo. These projects are designed to create value across the organization by optimizing workflows and and saving time in employees' daily tasks. Once the projects are completed and ready for use, depreciation will commence.

## Notes to the Consolidated Annual Report

### 13 Property, plant and equipment

	Land and buildings	Plant and machinery	Oth. fixtures, fittings, tools and equipment	Property, plant and equipment in progress
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2024	1.425.547	3.199.924	225.473	195.019
Transferred from assets held for sale	20.600	40.600	400	10.800
Exchange adjustment	-1.026	19.756	2.986	2.360
Additions during the year	78.634	387.249	37.270	412.150
Disposals during the year	-13.835	-49.311	-10.973	-358.775
Cost at 31 December 2024	<u>1.509.920</u>	<u>3.598.218</u>	<u>255.156</u>	<u>261.554</u>
Impairment losses and depreciation at 1 January 2024	-700.176	-2.047.458	-172.795	0
Transferred from assets held for sale	-20.600	-40.600	-400	-10.800
Exchange adjustment	3.325	-47.437	-2.394	0
Depreciation for the year	-41.109	-170.682	-18.184	0
Impairment	-1.200	-18.600	-100	-4.300
Impairment losses and depreciation on assets sold	<u>12.831</u>	<u>33.950</u>	<u>5.270</u>	<u>0</u>
Impairment losses and depreciation at 31. december 2024	<u>-746.929</u>	<u>-2.290.827</u>	<u>-188.603</u>	<u>-15.100</u>
Carrying amount at 31. december 2024	<u>762.991</u>	<u>1.307.391</u>	<u>66.553</u>	<u>246.454</u>
Depreciated over	<u>10-50 years</u>	<u>5-10 years</u>	<u>3-8 years</u>	
Leased assets included at 31. december 2024	<u>0</u>	<u>0</u>	<u>674</u>	

## Notes to the Consolidated Annual Report

13	Property, plant and equipment (continued)	
		Investment property
		<u>DKK '000</u>
	Cost at 1 January 2024	54.602
	Transfer	162
	Exchange	211
	Additions during the year	0
	Cost at 31 December 2024	<u>54.975</u>
	Fair value evaluation at 1. January 2024	-7.320
	Fair value evaluation for the year	1.150
	Fair value evaluation adjustment	0
	Fair value evaluation at 31. December 2024	<u>-6.170</u>
	Carrying amount at 31 December	<u>48.805</u>

### Sensitivity in determination of fair value of investment properties

In assessing the fair market value at 31 December, 2024 the required rate of return has been determined individually for each property. The majority of the properties have been valued on the basis of a required rate of return between 8,50% and 9,25%. Market and rental income have been taken into account in connection with the valuation of the Group's properties.

The average required rate of return is determined at 8,75%.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,50%	Basis	0,50%
Rate of return	8,25%	8,75%	9,25%
Fair value	51.534	48.805	46.371
Change in fair value	2.729	0	-2.434

## Notes to the Consolidated Annual Report

	2024	2023
	DKK '000	DKK '000
14 Investments in associates		
Cost at 1 January	10.427	9.430
Exchange adjustment	73	0
Additions during the year	0	997
Cost at 31 December	<u>10.500</u>	<u>10.427</u>
Valuation adjustments at 1 January	3.252	2.223
Exchange adjustment, beginning of year	-1.007	281
Net profit/loss for the year	411	748
Revaluations at 31 December	<u>2.656</u>	<u>3.252</u>
Carrying amount at 31 December	<u>13.156</u>	<u>13.679</u>

Specification of investments in associates:

Name:	Registered office	Share of ownership and votes
Shanghai GI Ovo Packing Co. Ltd.	China	25%
Ovo Track BV	Netherlands	50%

## Notes to the Consolidated Annual Report

	2024	2023
	DKK '000	DKK '000
15 Other fixed asset investments		
Cost at 1 January	8.639	8.510
Exchange adjustment	106	79
Additions during the year	2.629	50
Disposals during the year	-2.155	0
Cost at 31 December	<u>9.219</u>	<u>8.639</u>
Valuation adjustments at 1 January	1.653	1.653
Exchange adjustment	-1.206	0
Net profit/loss for the year	-141	0
Revaluations at 31 December	<u>306</u>	<u>1.653</u>
Carrying amount at 31 December	<u>9.525</u>	<u>10.292</u>
16 Inventories		
Raw materials and consumables	365.154	321.975
Work in progress	107.815	96.635
Finished goods and goods for resale	710.265	654.611
	<u>1.183.234</u>	<u>1.073.221</u>
17 Provision for deferred tax		
Provision for deferred tax at 1 January	16.743	-988
Corrections previous years	0	1.349
Foreign exchange adjustment	0	-5.712
Amounts recognized in the income statement for the year	25.451	18.494
Amounts recognised in equity for the year	-1.884	3.600
Provision for deferred tax at 31 December	<u>40.310</u>	<u>16.743</u>

## Notes to the Consolidated Annual Report

	2024	2023
	DKK '000	DKK '000
17		
Provision for deferred tax (continued)		
Deferred tax asset	-68.484	-74.527
Provision for deferred tax	108.794	91.270
	<u>40.310</u>	<u>16.743</u>

Provision for deferred tax consists mainly of temporary differences between the carrying amount and the tax base of tangible fixed assets, provisions and inventories. Tax loss carry-forwards and other negative differences have been set off against provisions for deferred tax. Deferred tax assets have been set off against provisions in the same legal tax entity and jurisdiction.

The valuation of deferred tax loss carry-forwards has been performed on the basis of the expectations for future earnings set by the executive board. The executive board expects a continuous stream of positive earnings the next five years, which will use the positive deferred tax.

Deferred tax assets that are not expected to be realised or subject to significant risks of not being utilised are not recognised. Unrecognised deferred tax assets relate to the subsidiaries in Brazil, China, Malaysia, Germany and Spain.

### 18 Prepayments

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

### 19 Pension obligations

Pension obligations comprise defined benefit plans where the Group has an obligation to pay a specific benefit (e.g. retirement pension in the form of a fixed proportion of the exit salary). Under these plans the group carries the risk in relation to future developments in interest rates, inflation, mortality, etc.

### 20 Other provisions

Other provisions comprise obligations concerning warranty commitments.

## Notes to the Consolidated Annual Report

	2024	2023
	DKK '000	DKK '000
21		
Mortgage loans		
After 5 years	120.277	135.229
Between 1 and 5 years	59.364	53.058
Long-term part	179.641	188.287
Within 1 year	12.273	9.517
	<u>191.914</u>	<u>197.804</u>
22		
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	677.447	766.800
Long-term part	677.447	766.800
Within 1 year	367.283	340.107
	<u>1.044.730</u>	<u>1.106.907</u>
23		
Other payables		
After 5 years	9.156	8.977
Between 1 and 5 years	0	800
Long-term part	9.156	9.777
Within 1 year	440.598	775.942
	<u>449.754</u>	<u>785.719</u>
24		
Proposed distribution of profit		
Proposed dividend for the year	0	100.000
Minority interests' share of net profit/loss of subsidiaries	14.937	49.244
Retained earnings	654.683	175.146
	<u>669.620</u>	<u>324.390</u>

## Notes to the Consolidated Annual Report

### 25 Financial instruments

Forward exchange contracts are used to hedge future cash flows. The Group's primary currency exposure relates to transactions in other currencies than the functional currency of the individual Group entities.

Forward exchange contracts are used to secure future cash flows covering the following net amounts and periods:

DKK '000	Recognised in notional amount	Fair value
CHF/DKK	45.200	200
GBP/DKK	48.600	(3.300)
PLN/DKK	18.800	(1.500)
USD/CAD	56.000	(3.500)
	<u>168.600</u>	<u>(8.100)</u>

The fair value of forward exchange contracts is included in other receivables, with a value of positive DKK 7.700k. The fair value of forward exchange contracts is included in other payables, with a value of negative DKK 12,800k.

Other financial instruments:	Recognised in notional amount	Fair value
Interest cap. EUR	447.500	(4.700)
Energy contracts	25.600	7.700

The contracts have a maturity within 1-5 years.

Contingent liabilities and other financial obligations

### 26 Security

The following assets have been placed as security for mortgage debt:

Mortgage deeds in the amount of DKK 169 million in property valued at 171 million.  
Indemnity letter covering security for DKK 78 million in machinery and equipment valued at 115 million.

As part of its ordinary activities, the Group has issued guarantees concerning deliveries, refunds received, letter of credit obligations, current credits, etc.

Rental and lease obligations

Rental and lease obligations of the group amount to DKK 73 million.

	DKK '000
Within 1 year	13.100
Between 1 and 5 years	42.300
After 5 years	17.600
	<u>73.000</u>

Contingent liabilities

In autumn 2019, the Brazilian tax authorities raised a claim of BRL 56 million against a subsidiary's company in Brazil concerning non-payment of industrial products tax (IPI) on sales of the company's products in 2015 and 2016. Accumulated calculated interests and fines related to the claim up until December 2024 not claimed by the tax authorities is estimated to BRL 21 million leading to a total estimated claim of BRL 77 million, corresponding to DKK 89 million. The tax authorities have not raised any claims against the Brazilian subsidiary for the subsequent years 2017-2024.

Based on judicial practice and statements from its legal advisers, the subsidiary is of the opinion that the company's products are not liable to IPI tax and accordingly considers the claim to be unjustified and therefore disputes the claim but acknowledges that the case is complicated and that the legal proceedings are to take place in a complex judicial environment. Based on this, the outcome is subject to a degree of uncertainty. There has been no significant development in the case in 2024. A lengthy process is expected before the case will be finally settled. No provision has been recognized.

The Group is party to a limited number of other disputes. In management's opinion these disputes will not significantly affect the financial position of the Group.

## Notes to the Consolidated Annual Report

Contingent liabilities in relation to jointly taxed income.

Thornico Food & Food Technology Group A/S and its Danish subsidiaries are jointly taxed with its Danish group related companies in which Thornico Holding A/S serves as the administration company.

The company thus has secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent.

### 27 Subsidiaries

Specification of investments in subsidiaries:

Name:	Registered office	Share of ownership and votes
Lactosan A/S	Denmark	100%
Lactosan Japan Ltd.	Japan	100%
Lactosan Holdings Ltd.	UK	100%
Lactosan-Sanovo UK	UK	100%
Lactosan UK	UK	100%
Lactosan Uruguay S.A.	Uruguay	100%
Deltanir S.A.	Uruguay	100%
Lactosan Russia Ltd	Russia	100%
Lactosan China Ltd	China	100%
Sanovo Technology A/S	Denmark	100%
Sanovo Technology USA Inc.	USA	100%
Sanovo Technology Japan Ltd.	Japan	100%
Sanovo Technology Italia S.r.l.	Italy	100%
Ramé-Hart Inc.	USA	100%
Staalkat Beheer B.V.	Netherlands	100%
Sanovo Technology Netherlands B.V.	Netherlands	100%
Sanovo Process Solutions A/S	Denmark	100%
Sanovo Technology Asia SDN BHD	China	100%
Sanovo Technology Mexico S.A. DE C.V.	Mexico	100%
Sanovo Logistic ApS	Denmark	100%
Sanovo Technology Comercio de Maquinas Ltda.	Brazil	100%
Investeringsselskabet af 1. september Aps	Denmark	100%
Foodcraft Equipment Co., Inc.	USA	100%
Foodcraft Inc.	USA	100%
Sanovo Capital A/S	Denmark	100%
Sanovo Technology Process A/S	Denmark	100%
Shanghai Sanovo Machinery Technology Co. Ltd.	Kina	100%
Sanovo Technology Robotics A/S	Denmark	100%
Nikro s.r.o.	Slovakiet	100%
Sanovo Plastic Logistics ApS	Denmark	100%
Danish Ovo Investment ApS	Denmark	100%
El Dorado C.A.	Venezuela	100%
Productos Danimex C.A.	Venezuela	100%
West-Star Foods BV	Netherlands	100%
Dominium II K/S	Denmark	100%
Derivados del Huevo S.A.	Spain	100%
Danovo Aps	Denmark	100%
China Egg Products Aps	Denmark	100%
Ovodan Foods (China) Ltd	China	66%
Taiyo Foods Tianjin Ltd	China	66%
Guangdong Ovodan Foods Ltd.	China	66%
Sichuan Ovodan Foods Ltd.	China	66%
Ovodan Egg Co. Ltd	China	100%
Ovodan Europe ApS	Denmark	100%
Ovodan Egg Products UK Ltd	UK	100%
Ovodan Foods A/S	Denmark	100%
Ovodan International A/S	Denmark	100%
Ovodan Biotech A/S	Denmark	100%
Sanovo Pharmtech GmbH	Germany	100%
Ovodan Eiprodukte GmbH & Co. K.G.	Germany	100%

## Notes to the Consolidated Annual Report

Specification of investments in subsidiaries:  
(continued)

	Registered office	Share of ownership and votes
Eiprodukte GmbH	Germany	100%
Sanovo Greenpack K/S	Denmark	100%
Martech Aps	Denmark	100%
Hartmann East Asia Aps	Denmark	100%
Sanovo Egg Packaging Chuzhou Ltd.	China	100%
Hartmann Packaging A/S	Denmark	100%
Hartmann Canada Inc.	Canada	100%
Hartmann d.o.o.	Serbia	100%
Hartmann Finance A/S	Denmark	100%
Hartmann France S.a.r.l.,	Denmark	100%
Hartmann Hungary Kft.	Hungary	100%
Hartmann Italiana S.r.l.	Italy	100%
Hartmann Mai Ltd.	Israel	100%
Hartmann Papirna Ambalaza d.o.o.	Croatia	100%
Hartmann Polska Sp.z.o.o.	Poland	100%
Hartmann Verpackung GmbH	Germany	100%
Hartmann (UK) Ltd.	UK	100%
Hartmann US Inc.	USA	100%
Hartmann Verpackung AG	Switzerland	100%
Hartmann India Ltd.	India	100%
Molarsa Chile SPA	Chile	100%
Moldeados Argentinos S.A.	Argentina	100%
Projects A/S	Denmark	100%
Sanovo Greenpack Argentina S.A.	Argentina	100%
Sanovo Greenpack Embalagens do Brasil Ltda	Brazil	100%
JSC Hartmann-Rus	Russia	100%
OOO EKV Holding	Russia	100%
Danfiber A/S	Denmark	100%
Siangpack Sdn. Bhd.,	Malaysia	100%
Mätfoods A/S	Denmark	100%
Kaz Foods ApS	Denmark	100%

## Notes to the Consolidated Annual Report

### 28 Related parties and ownership

Controlling interest  
Thornico A/S, Odense  
Thornico Holding A/S, Odense  
Christian Nicholas Rosenkrantz Stadil, non-public address

Other related parties  
Supervisory and Executive Boards

In accordance with the Danish Financial Statements Act the company has chosen to only disclose transactions that have not been completed under normal market conditions. Management believes that all related party transactions take place on market terms.

Basis

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Controlling shareholder  
Shareholder of controlling shareholder  
Ultimate owner

Management control

### 29 Group relations

Ovodan Eiprodukte GmbH & Co. KG, Zeven/Germany, Sanovo Pharmtech GmbH, Zeven/Germany and Eiprodukte GmbH, Zeven/Germany are subsidiaries of the company, fully consolidated in the consolidated financial statements and made use of the exemption pursuant to Section 264b or Section 264 paragraph 3 of the German Commercial Code (HGB).

### 30 Cash flow statement - adjustments

Financial income

	2024	2023
	DKK '000	DKK '000

	-46.311	-55.454
--	---------	---------

Financial expenses

	134.385	158.257
--	---------	---------

Depreciation and impairment losses, incl. gain and loss on sale

	321.614	384.569
--	---------	---------

Income on investments in associates

	-411	-748
--	------	------

Income tax in income statement

	213.672	198.840
--	---------	---------

	622.949	685.464
--	---------	---------

### 31 Cash flow statement - change of working capital

Change in inventories

	-110.013	-10.906
--	----------	---------

Change in receivables

	-127.030	69.221
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Change in other provisions

	7.810	21.955
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Change in suppliers etc

	35.270	169.932
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	-193.963	250.202
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## Parent Company Income Statement 1 January - 31 December

	Note	2024 DKK'000	2023 DKK'000
Revenue	1	29.446	28.375
Other external expenses		-6.611	-6.094
EBITDA		22.835	22.282
Fair value evaluation of investment property	8	1.042	1.338
Amortisation, depreciation and impairment of property and other tangible assets	3	-4.923	-6.594
Profit/loss before financial income and expenses		18.955	17.026
Income from investments in group enterprises	4	680.386	272.045
Financial income	5	10.497	12.103
Financial expenses	6	-59.966	-24.805
Profit/loss before tax		649.871	276.368
Tax on profit/loss for the year, income	7	4.812	-1.223
Net profit/loss for the year		654.683	275.145

## Parent Company Balance Sheet at 31 December

Assets	Note	2024 DKK'000	2023 DKK'000
Land and buildings	8	125.637	129.177
Investment properties	8	31.153	29.949
Other tangible assets	8	345	345
Property, plant and equipment in progress	8	3.068	0
		<hr/>	<hr/>
Tangible assets		160.203	159.471
		<hr/>	<hr/>
Investments in group enterprises	4	3.254.234	2.637.085
Receivables from group entities	9	98.172	97.820
Other fixed asset investments	11	519	526
		<hr/>	<hr/>
Fixed asset investments		3.352.925	2.735.430
		<hr/>	<hr/>
Fixed assets		3.513.128	2.894.901
		<hr/>	<hr/>
Receivables from group enterprises		45.702	63.418
Trade receivables		0	0
Receivable corporation tax		7.083	0
Prepayments		39	268
Other receivables		45	0
		<hr/>	<hr/>
Receivables		52.869	63.686
		<hr/>	<hr/>
Cash and cash equivalents		9.205	14.041
		<hr/>	<hr/>
Current assets		62.074	77.727
		<hr/>	<hr/>
Assets		3.575.202	2.972.628
		<hr/>	<hr/>

## Parent Company Balance Sheet at 31 December

### Liabilities and equity

	Note	2024 DKK'000	2023 DKK'000
Share capital		59.900	59.900
Revaluation reserve		6.240	6.240
Reserve for revaluation under the equity method		1.505.918	955.497
Retained earnings		786.324	722.027
Proposed dividend for the year		0	100.000
<b>Equity</b>		<b>2.358.383</b>	<b>1.843.664</b>
Provisions for deferred tax	10	8.238	6.442
<b>Provisions</b>		<b>8.238</b>	<b>6.442</b>
Mortgage debt	12	157.984	166.862
<b>Long-term debt</b>		<b>157.984</b>	<b>166.862</b>
Mortgage debt	12	8.753	7.655
Credit institutions	13	222.036	275.855
Payables to group companies		808.958	665.584
Payables to associates		8.680	3.468
Corporation tax		0	673
Other payables		2.171	2.426
<b>Short-term debt</b>		<b>1.050.598</b>	<b>955.660</b>
<b>Debt</b>		<b>1.208.582</b>	<b>1.122.522</b>
<b>Liabilities and equity</b>		<b>3.575.202</b>	<b>2.972.628</b>
Proposed distribution of profit	14		
Security/Contingent liabilities	15		
Related parties and ownership	16		

## Statement of changes in Equity for Parent Company

	Share capital	Revaluation Reserve	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2024	59.900	6.240	955.497	722.027	100.000	1.843.664
Dividends paid	0	0	0	0	(100.000)	(100.000)
Exchange adjustments	0	0	(39.965)		0	(39.965)
Group restructure	0	0	0	0	0	0
Dividends received	0	0	-90.000	90.000	0	0
Net profit/loss for the year	0	0	680.386	(25.703)	0	654.683
Equity 31. December 2024	59.900	6.240	1.505.918	786.324	0	2.358.383

Notes to the Parent Company Annual Report

		2024	2023
		DKK '000	DKK '000
1	Revenue		
	<u>Business segments:</u>		
	<u>Geography:</u>		
	Rental income	29.446	28.375
		<u>29.446</u>	<u>28.375</u>
2	Staff		
	The company has no employees.		
	Management is employed in the parent company and no management fee is paid to the parent company for this service.		
3	Amortisation, depreciation and impairment of property and other tangible assets		
	Land and buildings	-4.923	-6.594
		<u>-4.923</u>	<u>-6.594</u>
4	Investments in group enterprises		
	Cost at 1 January	1.642.177	917.096
	Additions during the year	59.130	725.081
	Disposal during the year	-155.525	0
	Cost at 31 December	<u>1.545.782</u>	<u>1.642.177</u>
	Revaluation at 1 January	955.496	1.220.886
	Net profit/loss for the year after tax	680.386	272.045
	Exchange rate adjustment	-39.965	-105.578
	Dividend	-90.000	-70.000
	Disposal during the year	155.525	0
	Other equity transactions	0	-361.857
	Revaluation at 31 December	<u>1.661.442</u>	<u>955.496</u>
	Carrying amount at 31 December	<u>3.207.224</u>	<u>2.597.673</u>
	The carrying amount is specified as follows in the balance sheet:		
	Fixed asset investments	3.254.234	2.637.085
	Set off against receivables	-47.010	-39.412
		<u>3.207.224</u>	<u>2.597.673</u>

Specification of investments in subsidiaries:

For a full list of subsidiaries including share of ownership and registered office, please refer to the group notes on page 41-42 in this annual report.

Notes to the Parent Company Annual Report

	2023	2023
	DKK '000	DKK '000
5	Financial income	
	Interest income, group enterprises	8.041      9.745
	Guarantee commission	2      2
	Gain, foreign exchange	2.454      2.355
		<u>10.497</u> <u>12.103</u>
6	Financial expenses	
	Interest, group enterprises	-38.341      -9.831
	Loss, foreign exchange	0      -3.291
	Interest, bank	-21.625      -11.684
		<u>-59.966</u> <u>-24.805</u>
7	Tax on profit/loss for the year	
	Tax on profit/loss for the year is specified as follows:	
	Adjustment conc. previous years	-87      -352
	Adjustment conc. previous years, deferred tax	-388      0
	Provision for the year for deferred tax	-1.796      -198
	Tax on taxable income	7.083      -673
		<u>4.812</u> <u>-1.223</u>

Notes to the Parent Company Annual Report

8 Tangible fixed assets

	Land and buildings	Investment properties	Oth. fixtures, fittings, tools and equipment	Property, plant and equipment in progress
	DKK '000	DKK '000	DKK '000	
Cost at 1 January 2024	250.053	34.925	345	0
Transfer	0	0	0	0
Additions during the year	1.383	162	0	3.068
Cost at 31 December 2024	251.436	35.087	345	3.068
Impairment losses and depreciation at 1 January 2024	-120.876	-26.891	0	0
Transfer	0	0	0	0
Depreciation for the year	-4.923	0	0	0
Impairment losses and depreciation at 31. december 2024	-125.799	-26.891	0	0
Fair value evaluation at 1. January 2024	0	21.915	0	0
Fair value evaluation adjustment	0	0	0	0
Fair value evaluation for the year	0	1.042	0	0
Fair value evaluation at 31. December 2024	0	22.957	0	0
Carrying amount at 31. December 2024	125.637	31.153	345	3.068
Depreciated over	10-50 years			

Notes to the Parent Company Annual Report

Sensitivity in determination of fair value of investment properties

In assessing the fair market value at 31 December, 2024 the required rate of return has been determined for the property. The property has been valued on the basis of a required rate of return of 8,50%. Market and rental income have been taken into account in connection with the valuation of the company's property.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,50%	Basis	0,50%
Rate of return	8,00%	8,50%	9,00%
Fair value	33.102	31.153	29.424
Change in fair value	1.949	0	-1.729
		2024	2023
		DKK '000	DKK '000
9 Receivables from group entities			
Cost at 1 January		97.820	153.145
Movements for the year		353	-55.326
Cost at 31 December		<u>98.172</u>	<u>97.820</u>
Carrying amount at 31. December		<u>98.172</u>	<u>97.820</u>

Notes to the Parent Company Annual Report

	<u>2024</u>	<u>2023</u>
	DKK '000	DKK '000
10 Provision for deferred tax		
Provision for deferred tax at 1 January	6.442	6.244
Amounts recognized in the income statement for the year	1.796	198
Amounts recognized via equity for the year	0	0
Provision for deferred tax at 31 December	<u>8.238</u>	<u>6.442</u>
Deferred tax asset	0	0
Provision for deferred tax	8.238	6.442
Provision for deferred tax at 31 December	<u>8.238</u>	<u>6.442</u>
Provision for deferred tax consists mainly of temporary differences between the carrying amount and the tax base of tangible fixed assets.		
11 Other fixed asset investments		
Cost at 1 January	2.116	2.116
Cost at 31 December	<u>2.116</u>	<u>2.116</u>
Valuation adjustments at 1 January	-1.590	-1.590
Net profit/loss for the year	-7	0
Revaluations at 31 December	<u>-1.597</u>	<u>-1.590</u>
Carrying amount at 31 December	<u>519</u>	<u>526</u>

Notes to the Parent Company Annual Report

	2024	2023
	DKK '000	DKK '000
12 Mortgage loans		
After 5 years	120.277	132.900
Between 1 and 5 years	37.707	33.962
	<hr/>	<hr/>
Long-term part	157.984	166.862
Within 1 year	8.753	7.655
	<hr/>	<hr/>
	166.737	174.517
	<hr/>	<hr/>
13 Credit institutions		
Between 1 and 5 years	0	0
	<hr/>	<hr/>
Long-term part	0	0
Within 1 year	222.036	275.855
	<hr/>	<hr/>
	222.036	275.855
	<hr/>	<hr/>
14 Proposed distribution of profit		
Proposed dividend for the year	0	100.000
Reserve for net revaluation under the equity method	680.386	272.045
Retained earnings	-25.703	-96.900
	<hr/>	<hr/>
	654.683	275.145
	<hr/>	<hr/>

Notes to the Parent Company Annual Report

15 Security/Contingent liabilities

The company guarantees debts and guarantees of group enterprises of DKK 204,080k.

Owner mortgage deed totalling DKK 1,700k which provides security in land and buildings at a total accounting value DKK 71.036k.

The company holds properties on rented premises. According to individual lease agreement, the group is obliged to hand over the leasehold in the same condition as it was taken over.

Contingent liabilities in relation to jointly taxed income.

Thornico Food & Food Technology Group A/S is jointly taxed with its Danish group related companies in which Thornico Holding A/S serves as the administration company.

The company thus has secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent.

16 Related parties and ownership

Controlling interest

Thornico A/S, Odense

Thornico Holding A/S, Odense

Christian Nicholas Rosenkrantz Stadil, non public address

Basis

Controlling shareholder

Controlling shareholder

Ultimate owner

Other related parties

Supervisory and Executive Boards

Management control

In accordance with the Danish Financial Statements Act the company has chosen to only disclose transactions that have not been completed under normal market conditions. Management believes that all related party transactions take place on market terms.