

Annual Report 2024

DANÆG Holding A/S

Danægvej 1, 6070 Christiansfeld

CVR-nr. 35 53 02 23

The annual report was drawn
up and approved at the
company's annual general
meeting on 5/3 2025

Jesper Vikelsø Jensen
Dirigent

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of DANÆG Holding A/S for the financial year 1 January – 31 December 2024.

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2024.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the annual report will be adopted at the Annual General Meeting.

Christiansfeld, 26 February 2025

Executive Board

Jann Døllerup Vig Jensen
CEO

Jesper Vikelsø Jensen
CFO

Board of Directors

Ole Thulstrup Bruhn
Chairman

Jesper Pagh
Vice chairman

Niels Dengsø Jensen

Robert Helge Beck

Camilla Simonsen

Mikael Robert Gilbertsson

Asbjørn Børsting

Independent Auditor's Report

To the Shareholders of DANÆG Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DANÆG Holding 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 material accounting policy information, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Trekantområdet, 26 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

Jesper Simmelkjær Berg
State Authorised Public Accountant
mne51511

Company Information

The Company

DANÆG Holding A/S
Danægvej 1
6070 Christiansfeld

Mail: danaeg@danaeg.com
Web: www.danaeg.com

CVR No: 35 53 02 23
Financial Year: 1 January - 31 December
Municipality: Kolding

Board of Directors

Ole Thulstrup Bruhn, Chairman
Jesper Pagh, Vice chairman
Niels Dengsø Jensen
Robert Helge Beck
Camilla Simonsen
Mikael Robert Gilbertsson
Asbjørn Børsting

Executive Board

Jann Døllerup Vig Jensen
Jesper Vikelsø Jensen

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
7100 Vejle

Financials Highlights

	2024	2023	2022	2021	2020
In million DKK					
Income statement					
Revenue	2.155	2.083	1.879	1.481	1.105
Gross Profit	305	320	234	207	144
Profit after tax (EAT)	55	82	14	50	21
Balance sheet					
Total assets	944	902	885	844	409
Investments in property, plant and equipment	54	68	54	46	40
Group equity	313	312	227	226	191
Cash flow statement					
Cash flow from operating activities	76	164	23	150	37
Cash flow from investment activities	-60	-71	-55	-309	-41
Cash flow from financing activities	-15	-97	34	159	-4
Change in cash and cash equivalents for the year	-	-4	3	1	-7
Full-time employees, FTE	406	389	357	331	244
Ratios					
Gross margin, %	14,2%	15,4%	12,5%	14,0%	13,0%
Operating margin, %	4,2%	5,5%	1,4%	4,2%	2,3%
Return on assets, %	9,6%	12,8%	3,1%	7,4%	6,1%
Equity ratio, %	33,1%	34,6%	25,5%	26,6%	46,7%
Return on equity, %	22,7%	32,9%	6,3%	24,2%	10,7%
EBITDA	137	156	77	77	46
Gearing ratio	2,4	1,7	4,6	4,1	1,6
EBIT	90	116	27	62	25
EBT	71	102	20	58	26
Net interest bearing debt, NIBD	323	270	354	318	74
Net working capital, NWC	161	151	142	113	101
Net income, EAT	55	82	14	50	21

In 2023 Danæg Holding A/S adopted the International Financial Reporting Standards, IFRS, when preparing the consolidated financial statements for the Danæg Group. The stated figures for 2023 and 2022 and the balance sheet items for 2021 were prepared according to the IFRS standards, other figures were prepared in accordance with provisions of the Danish Financial Statements Act.

Management Report Danæg Holding A/S

Main activities

Danæg Group's main activities are to collect, sort and market shell eggs purchased from the Danæg Amba cooperative as well as the production and marketing of processed egg-related products.

Danæg Group has production facilities in Denmark, Sweden and Finland, which are also the Danæg Group's primary markets, but the Danæg Group continues to experience growth in export markets outside the Nordic region.

The Danæg Group's long-term strategy is to create profitable growth through a market-oriented range of primarily self-produced and secondarily purchased products.

Development during the year

The Danæg Group's income statement for 2024 shows a profit of 55.1 million DKK (2023: 82.5 million DKK) and Danæg Group's balance sheet as of 31 December 2024 shows an equity of 313.0 million DKK (2023: 311.6 million DKK).

The result for the year is better than expected at the beginning of the financial year. Danæg Group benefitted from a business model consisting of both processing plants, packaging plants and own production of shell eggs enabling resilience towards volatile markets and egg prices.

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

Throughout the year we saw stable high prices mainly driven by market volatility due to global cases of avian flu and demand fluctuations between different global markets. Looking at the Group's companies on a stand-alone basis this is positive towards the Group's packaging plants but poses a challenge towards our processing plants as they experience increased prices for raw materials. On a consolidated basis these conditions are however to some extent balanced out and despite the challenging market conditions the consolidated result for the year is very satisfactory and within the expectations put forward in last year's financial statement.

During the financial year, investments of 53.9 million DKK (2023: 67.9 million DKK) have been made, the vast majority of which was made in production equipment and facilities.

In the spring of 2024 BioChick A/S was founded and the activity in the financial year has been limited. BioChick A/S offers a mobile solution for humane culling of sick and obsolete livestock directly on the farm thereby avoiding long transports of the animals.

Capital readiness

The solvency ratio amounts to 33.1% (2023: 34.6%) corresponding to an equity as of 31 December 2024 of 313.0 million DKK (2023: 311.6 million DKK).

Special risks - operational risks and financial risks

Operation

Danæg Group is exposed to the usual commercial risks, including fluctuations in commodity prices and foreign exchange rates. These are closely monitored as part of the day-to-day operation of the business, and major fluctuations may have an impact on the result. Appropriate policies have been implemented to reduce exposure.

Danæg Group has a very high quality standard within hygiene, traceability, working environment and waste and energy management. Likewise, the demands on our Danish, Swedish and Finnish egg producers continue to increase. The very high quality of Danish, Swedish and Finnish eggs, where the occurrence of salmonella is minimal, must be maintained and further expanded, but at the same time, this entails higher production costs.

Danæg Group has taken out the insurances relevant in accordance with the Danæg Group's insurance policy. Insurance policies are reviewed annually together with an insurance advisor.

Currency

Danæg Group is exposed to currency risks, which are continuously hedged via various hedging instruments.

Objectives and expectations for the coming year

For the financial year 2025 a group result of DKK 40-60 million DKK after tax is expected. The activity is expected to increase due to higher weigh-in's which is offset by expected higher transportation costs and general pressure on sales prices due to a currently normalized supply situation in especially Sweden.

Market volatility from outbreaks from avian flu is a general condition and potentially negative effects on earnings cannot be ruled out. There will be a continued high focus on streamlining all companies to ensure continued competitiveness.

The basis of earnings

Research and development

Danæg Group's development activities primarily include further development of the company's products and concepts as well as development of new products for the retail, foodservice and industrial segments.

Ongoing costs are incurred for the development and marketing of new products in the individual companies as well as for the optimization of methods and processes.

External environment

Danæg Group is an environmentally conscious group and attaches crucial importance to reducing the environmental impacts of the companies' operations, e.g. by reducing the total amount of waste and reducing energy consumption. In addition, there is an ongoing focus on improving the individual processes and creating a healthy and safe working environment for all employees.

Knowledge resources

Danæg Group has built an organization with a high level of knowledge within egg packing and refining. Alongside an efficient production, we are constantly working to optimize food safety throughout the production process, and the Danæg Group has continued and maintained certification according to several applicable standards.

Uncertainty in recognition and measurement

There has been no uncertainty in recognition and measurement in the annual report.

Unusual circumstances

Danæg Group's assets, liabilities and financial position as of 31 December 2024 as well as the result of Danæg Group's activities and cash flows for 2024 are not affected by unusual circumstances other than those described.

Post-balance sheet event

After the balance sheet date, no circumstances have occurred that have a material impact on the assessment of the annual report.

Statement of Corporate Social Responsibility cf. section 99a of the Financial Statements Act

Danæg Group's business model is based on its own production of barn eggs and the purchase of eggs in general from the Group's shareholders and contract producers. All eggs are either quality sorted and sold on as shell eggs or reprocessed into a range of liquid, boiled or powder-based egg products, which are sold to the professional or industrial market.

Danæg Group strongly focusses on demonstrating social responsibility, including complying with legislation and ethical rules, etc. within the areas of human rights, labour rights, the environment and anti-corruption in the countries and communities in which Danæg Group has its primary activities.

Since 2013, the Danæg Group has been affiliated to the UN Global Compact, which is the world's largest voluntary network for corporate social responsibility. The Global Compact contains 10 overall principles for human and labour rights, the environment and anti-corruption. The membership of the UN Global Compact commits the Danæg Group to working actively with the above principles, and an annual progress report (Communication on Progress) is drawn up describing this work.

Environment and climate

In a climate context, eggs are attractive compared to a number of other animal foods, and contribute to a relatively low CO2 footprint. However, this does not prevent Danæg Group from setting ambitious targets to reduce its climate footprint significantly in the future. Danæg Group sees limited risks of an increase in climate impact as well as environmental impact. On the contrary, the strong focus on both climate and environment means that significant reductions are expected over the coming years, both in the form of initiatives within the Danæg Group, but also in the form of initiatives backwards in the value chain. A number of these actions have already been identified and initiated.

We want to reduce the impact we leave on the world around us, and the efficient use of resources is one of the essential keys to achieving this. In this context, targeted efforts are being made to reduce emissions from our own production, both by increasing the use of energy from renewable sources and actively investing in its conversion.

In 2022, the Danæg Group carried out a complete mapping of the climate impact on both Scope 1, 2 and 3 for the first time, which now serves as a starting point for further work in the climate area. The figures are based on data from 2021 and are calculated at group level based on the GHG protocol including the LUC factor and are validated by an external party. Comparing to last year annual report the method of calculation is changed and calculated in accordance with "Greenhouse Gas Protocol Land Sector and Removals Guidance".

This is in accordance with the latest recommendations and requirements from the GHG protocol. Comparative figures for 2022 and 2021 are adjusted accordingly.

The Group's footprint for the 3 known years is shown in the table below (incl. LUC).

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Scope 1	5.301 tCO2e	5.200 tCO2e	6.127 tCO2e
Scope 2	1.169 tCO2e	1.312 tCO2e	1.288 tCO2e
Scope 3	286.672 tCO2e	317.691 tCO2e	344.761 tCO2e

Emissions in Scope 1 are the direct emissions from activities that Danæg Group itself owns or controls. It includes emissions from own vehicles as well own facilities for heat and energy production. Emissions in scope 2 are the indirect emissions from the energy that Danæg Group purchases, i.e. electricity, steam, heat or cooling. Emissions in scope 3 are the indirect emissions related to Danæg Group's entire value chain, both upstream and downstream.

To report on Danæg Group's overall climate footprint, emission of greenhouse gases is converted to CO2 equivalents (CO2e), which indicates how much the output of another greenhouse gas would be equivalent to in CO2.

Reports are made on scope 1, 2 and 3, and for scope 2 includes both the location-based and market-based calculation. The marketbased method reflects emissions from the electricity, which Danæg Group has chosen to purchase, while the location-based method reflects the average emission intensity on the power grids where energy consumption takes place.

Base year emissions will be retroactively recalculated if necessary to reflect any significant changes. This is done so that reported information does not lose relevance or continuity. Significant changes are defined as impacts that have a greater impact than $\pm 5\%$ on calculated total emissions.

Significant changes can, for example, be due to structural changes in the company or changed calculation methods.

The vast majority of the climate footprint occurs at farm level. Together with egg producers and feed suppliers, we are actively working to ensure further reduction of this, especially in relation to feed composition, where especially the use of soy has a significant effect on the climate footprint.

ESG forms a central part of Danæg Group's strategy for 2023-2027, and includes the work to measure, adapt and improve the climate footprint as well as actively investing in reducing CO2 emissions from scope 1 and scope 2, as well as reducing emissions from scope 3 together with Danæg Group's suppliers, and especially egg producers.

Since March 2023, the Danæg Group has been registered as Committed to the Science Based Target initiative. Currently Danæg Group is waiting for the final approval of the targets set for the future to contribute to future emission reductions. However, work on reducing climate impact is already underway with clear expectations of annual improvements. Part of the potential for reducing the climate footprint has already been made visible and action plans are being prepared.

In addition to working on the climate footprint, Danæg Group has since 2021 worked on getting all operating companies certified according to the ISO 14001 standard. The last remaining companies in Finland completed this task in the end of 2024.

Similarly, in the climate area, work is also being done to improve the environment in general, including wastewater quality, heat recycling, the Group's water consumption and waste management in general.

Social and staff conditions

It is Danæg Group's policy to ensure a good social working environment and good staff conditions, and increased focus will be placed on this in the coming years. The most significant risks are assessed to be related to the physical strain in parts of the production processes, and continuous assessments are carried out as well as investments in improvements, automation solutions and rotation where possible. In addition, risks are associated with loss of labour in a market with low unemployment, as well as ensuring the right skills and qualifications in the future.

In Danæg Group's companies, an employee handbook has been drawn up that describes the general framework in relation to employment, including adjustments in relation to national conditions. Through the employment agreement, agreements have been made regarding contributions to pension savings and insurance schemes in case of loss of earning capacity or death. Furthermore, health insurance etc. has been taken out in several of the Danæg Group's companies.

Attractive staff conditions cf. the above are the starting point for retaining current employees as well as attracting new colleagues and generally being considered an attractive workplace. In connection with the implementation of the Danæg Group's strategy for 2023-2027 "DANÆG 4-2-1", there will be an increased focus on the employee and the good workplace. Employee surveys has been conducted in both 2023 and 2024 creating a good foundation to support the future development. As a result, Danæg Group Management has initiated a project to develop a unified Group-HR strategy expected to be implemented at the end of 2025. Besides supporting the overall strategy for the Danæg Group, the focus areas are among others talent management, continuous improvement of the general working environment in our production, e.g. reducing risk of injury, heavy lifting, one-sided tasks and other strenuous processes. Projects to improve staff facilities and office areas, especially in Christiansfeld, are commencing as planned and the new group head quarter will be finalized in the middle of 2025.

Human rights

Danæg Group strives to be a workplace that values and encourages employee differences. Diversity is crucial to the results we create, and we work to be a diverse workplace where everyone is given the opportunity to live out their full potential. Therefore, there must be no discrimination because of gender, age, background, ethnicity, sexuality or the like.

Respect for human rights throughout the value chain is of paramount importance to the Danæg Group. In general, the risk is assessed as limited among the Danæg Group's employees, which is due to both company culture and the Danæg Group's focus and policies in this area. Regarding partners and stakeholders in the value chain we consider the risk to be very low as the Danæg Group sends some very clear messages about the Danæg Group's expectations in this area.

Every year, the "Danæg Holding Code of Conduct", which contains the general principles for ethical trade is sent to the Danæg Group's suppliers. Through his signature on the document, the supplier declares compliance with the relevant laws and regulations as well as the Danæg Group's CSR policy and the rules of the UN Global Compact. In addition, the Code of Conduct expresses the expectation that the supplier has a dialogue backwards in the value chain to ensure compliance with basic rights here too.

For a number of years, there has been a group policy for good behaviour in the workplace, with the aim of further focusing on a safe and healthy workplace with high employee well-being. The policy has been communicated to all employees and is available on the Group's intranet. At the same time, the policy has been sent to the Group's shareholders, in the expectation that they, as part owners, also comply with the policy.

With a focus on good behaviour, we want to ensure that all employees are aware of their rights and that the managers know how to deal with these.

The Danæg Group is not aware of any circumstances in 2024 that indicate human rights violations and in future, the work in this area will continue to focus on compliance with human rights backwards in the value chain combined with a focus on good behavior and respect for each other internally in the Danæg Group.

Anti-corruption and bribery

In the Danæg Group, we do not accept corruption or fraud in any form, which we clearly mark through our adherence to the UN Global Compact. Under the auspices of UN Global Compact, companies are encouraged to work against all forms of corruption, including extortion and bribery among employees.

The risk of breach of the Danæg Group's policy in this area is generally assessed as low and to a large extent covered by legislation and the Danæg Group's policies and procedures in this area. At the same time, the majority of the Danæg Group's trade with suppliers and customers takes place in countries with a very low level of corruption, according to the report by the anti-corruption organisation Transparency International, and the Danæg Group's focus is primarily on risks related to the very limited trade in countries that are low on this list.

Danæg Group provides a whistleblower platform which allows both employees and external stakeholders to anonymously report suspicions of criminal acts or other serious matters. The purpose of the whistleblower platform is to reduce risks and ensure the trust of our employees, customers and the public in the Danæg Group.

The Danæg Group is not aware of any circumstances in 2024 that indicate any form of corruption or fraud. The Danæg Group's goal is to continue its efforts to avoid all forms of corruption and fraud, among other things by strengthening internal controls.

Statement of gender composition cf. section 99b of the Financial Statements Act

The Danæg Group has developed a comprehensive policy for gender diversity in the management bodies of the Group with the aim of ensuring a more equal distribution between the genders in the different management levels.

Gender distribution and Target figure within Management

	<u>2024</u>	<u>2023</u>
Number of people at other management levels, Danæg Holding A/S	2	2
Under-represented gender, share in % at other Management levels, Danæg Holding A/S	0%	0%
Number of people at other management levels, Group	8	8
Under-represented gender, share in % at other Management levels, Group	13%	13%
Target figures in % for the other management levels, Group	30%	30%
Year, in which the target figure is expected to be met	2025	2025

The female gender is currently underrepresented in the top management teams of the Danæg Group, and in line with our diversity policy, we have also focused on raising awareness of qualified candidates of all genders in connection with recruitment processes and internal promotions. External recruiters are specifically asked to include all genders when assessing potential candidates. Identifying internal talents that have the potential to take on managerial responsibility is a focused part of the annual performance appraisals held with employees.

Gender distribution and Target figure for Board of Directors

	<u>2024</u>	<u>2023</u>
Members of Board of Directors	7	7
Under-represented gender, share in % of the Board of Directors	14%	14%
Target figures for the Board of Directors	28%	28%
Year, in which the target figure is expected to be met	2025	2025

It is a goal of the Board of Directors that the composition should reflect the gender composition of the ownership groups, with due respect for the democratic choices that lie behind, among other things, the selection of Danæg Amba's Board of Directors, from which parts of the Board of Directors of Danæg Holding A/S are elected. The Board in the current configuration has the necessary qualifications to safeguard the interest of the shareholders, however we are continuously encouraging our female egg producers to consider a Board position, and the aspiration is still to increase the number of female members of the Board of Directors by 2025.

Statement of data ethics cf. section 99d of the Financial Statements Act

The Danæg Group focuses on complying with good data ethics, cf. section 99d of the Financial Statements Act. The largest interface with data occurs in connection with our employees, partners, suppliers, customers and members. Particular focus is on the rules of the GDPR legislation, where a number of policies and instructions have been introduced. These are continuously maintained.

The Danæg Group has not developed a comprehensive policy for data ethics, and it is currently not considered that the current data collection necessitates a policy in this area, other than the policies that have been introduced in the GDPR area.

We will continuously assess what data we process in the Danæg Group and how it is treated. In case of changes in the business model, consequences in relation to data ethics will be assessed. It is the Danæg Group's goal to continuously organize policies and guidelines in such a way that this is done in an ethically responsible manner.

Consolidated Income Statement
for the year ended 31 December 2024

In thousands DKK	Notes	2024	2023
Revenue from contracts with customers	3	2.154.802	2.082.998
Production costs		<u>-1.849.303</u>	<u>-1.762.797</u>
Gross profit		<u>305.499</u>	<u>320.201</u>
Distribution costs		-125.178	-121.998
Administrative expenses		-90.542	-93.218
Other operating income	4	608	10.578
Other operating expenses	4	<u>-</u>	<u>-31</u>
Operating profit		<u>90.387</u>	<u>115.532</u>
Financial income	7	4.559	4.596
Financial expenses	7	<u>-24.026</u>	<u>-17.743</u>
Profit before income tax		<u>70.920</u>	<u>102.385</u>
Income tax expense	8	<u>-15.843</u>	<u>-19.934</u>
Net profit for the year		<u>55.077</u>	<u>82.451</u>

Consolidated statement of comprehensive income
for the year ended 31 December 2024

In thousands DKK	Notes	2024	2023
Profit for the year		<u>55.077</u>	<u>82.451</u>
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		-3.631	1.789
Exchange differences on IFRS-16		-87	6
Net gain/(loss) on cash flow hedges, net of tax		-	86
Other comprehensive income for the period, net of tax		<u>-3.718</u>	<u>1.881</u>
Total comprehensive income for the year		<u>51.359</u>	<u>84.332</u>
Extraordinary dividend after year end		-	50.000
Total extraordinary dividend after year end per share in DKK		-	125

Consolidated Balance Sheet
as per 31 December 2024

In thousands DKK	Notes	2024	2023
Assets			
Non-current assets			
Goodwill	10, 16	213.077	213.077
Completed development projects	10	7.842	9.562
Acquired trademarks and other rights	10	6.233	7.169
Property, plant and equipment	11	370.241	358.065
Biological assets	12	8.585	7.451
Right-of-use assets	15	5.330	5.900
Financial assets		4.205	305
Deferred tax assets	9	6.822	7.646
Total non-current assets		622.335	609.175
Current assets			
Inventories	13	148.224	144.899
Trade receivables	14	158.586	135.671
Other receivables	17	6.989	4.411
Prepayments		7.668	7.148
Cash and cash equivalents		473	203
Total current assets		321.940	292.332
Total assets		944.275	901.507

Consolidated balance sheet
as per 31 December 2024

In thousands DKK	Notes	2024	2023
Equity			
Share capital	21	40.000	40.000
Foreign currency translation reserve		-8.895	-5.264
Reserve for cash flow hedges		-	-
Retained earnings		251.878	276.888
Proposed dividend		<u>30.000</u>	<u>-</u>
Total equity		<u>312.983</u>	<u>311.624</u>
Liabilities			
Non-current liabilities			
Borrowings	17	218.145	219.666
Lease liabilities	15	2.982	3.264
Deferred tax liabilities	9	20.243	19.633
Other liabilities	17	<u>51.041</u>	<u>50.990</u>
Total non-current liabilities		<u>292.411</u>	<u>293.553</u>
Current liabilities			
Borrowings	17	99.244	44.797
Lease liabilities	15	2.702	2.931
Trade payables	17	145.320	130.065
Income tax liabilities		7.268	6.761
Other liabilities		<u>84.347</u>	<u>111.776</u>
Total current liabilities		<u>338.881</u>	<u>296.330</u>
Total liabilities		<u>631.292</u>	<u>589.883</u>
Total liabilities and equity		<u>944.275</u>	<u>901.507</u>

Consolidated statement of changes in equity
for the year ended 31 December 2024

In thousands DKK	Share capital	Foreign currency translation reserve	Reserve for cash flow hedges	Retained earnings	Proposed dividend	Total equity
As at 1 January 2024	40.000	-5.264	-	276.888	-	311.624
Profit for the period	-	-	-	25.077	30.000	55.077
Other comprehensive income	-	-3.631	-	-87	-	-3.718
Total comprehensive income	-	-3.631	-	24.990	30.000	51.359
Transactions with owners in their capacity as owners						
Dividends paid	-	-	-	-50.000	-	-50.000
As at 31 December 2024	40.000	-8.895	-	251.878	30.000	312.983

Consolidated statement of changes in equity
for the year ended 31 December 2023

In thousands DKK	Share capital	Foreign currency translation reserve	Reserve for cash flow hedges	Retained earnings	Proposed dividend	Total equity
As at 1 January 2023	40.000	-7.053	1.048	193.297	-	227.292
Profit for the period	-	-	-1.134	83.585	-	82.451
Other comprehensive income	-	1.789	86	6	-	1.881
Total comprehensive income	-	1.789	-1.048	83.591	-	84.332
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2023	40.000	-5.264	-	276.888	-	311.624

Consolidated statement of cash flows
for the year ended 31 December 2024

In thousands DKK	Notes	2024	2023
Cash flows from operating activities			
Net profit for the year		55.077	82.451
Adjustments	20	79.483	75.448
Changes in net working capital	20	-26.447	27.194
Interest received		4.559	4.596
Interest paid		-24.026	-17.743
Income taxes paid		-13.116	-8.101
Net cash inflow from operating activities		75.530	163.845
Cash flows from investing activities			
Payment for acquisition of subsidiaries, net of cash acquired		-	-8.338
Payments for intangible assets		-2.617	-2.191
Payments for property, plant and equipment		-53.954	-67.963
Payments for biological assets		-1.134	6.771
Payments for financial assets		-3.900	-
Proceeds from sales of tangible assets		1.753	936
Net cash outflow from investing activities		-59.852	-70.785
Cash flows from financing activities			
Repayment of borrowings		-12.461	-105.169
Proceeds from borrowings		65.387	11.338
Principal elements of lease payments		-3.319	-2.948
Dividends paid to shareholders		-50.000	-
Repayment of contingent consideration		-15.015	-
Net cash inflow (outflow) from financing activities		-15.408	-96.779
Net increase (decrease) in cash and cash equivalents		270	-3.719
Cash and cash equivalents at the beginning of the financial year		203	3.922
Cash and cash equivalents at end of year		473	203

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Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of Danæg Holding A/S and its subsidiaries ('the Group').

Basis of preparation

The consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional the Danish disclosure requirements applying to entities of reporting class C for large enterprises.

The consolidated financial statements are presented in thousands Danish Kroner ('DKK') and all values are rounded to the nearest thousand, except when otherwise indicated.

The number formatting is consistent with the Danish version, even though the financial statements are presented in English.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as a financial liability and subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Danish Kroner (DKK), which is the also parent's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

The results and financial position of foreign operations that have a functional currency different from Danish Kroner are translated into Danish Kroner as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Leases

The Group leases various properties, vehicles, and other equipment. Property contracts typically have a duration of 12 months to 3 years but may have extension and termination options, see note 15.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, and
- makes adjustments specific to the lease, e.g term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of property, vehicles and equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Derivatives and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value over profit and loss. Derivatives are carried as financial assets, presented under other receivables, when the fair value is positive and as financial liabilities, presented under other payables, when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge.

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income and presented under "Reserve for cash flow hedges" (equity). Where the expected future transactions results in the acquisition of non-financial assets, any amounts deferred under equity are transferred from equity to the cost of the asset. Where an expected future transaction results in income or expense, any amounts deferred under equity are transferred from equity to the income statement in the same item as the hedged transaction as a reclassification adjustment.

The amount included in the hedging reserve is the lower of, in absolute amounts, of the cumulative fair value adjustment of the hedging instrument and the hedged item. Ineffectiveness is recognised in the income statement.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Income statement

Revenue

The Group produces and sells a wide range of egg and egg-related products in the wholesale market.

The Group enters into various framework agreements with customers, which lay the groundwork for future product purchases. Each product order represents a single performance obligation. The Group's customer contracts may include various forms of variable consideration, such as retrospective volume discounts based on the quantity of products sold to a specific customer over a 12-month period. These volume discounts are estimated, and a liability is recognised for the expected amount to be paid to the customer. Sources of variable consideration are accounted for as a reduction in the transaction price, and thus reduces the revenue being recognised.

Revenue from each order is recognised when control has transferred to the customer, which is upon delivery of the goods. No significant element of financing is deemed present as the sales are made with an average credit term of approximately 30 days.

Production costs

Production costs includes the costs incurred to achieve the year's revenue. The cost price comprises raw materials, auxiliary materials, direct wages, indirect production costs, such as maintenance and depreciation etc. as well as operation, administration and management of factories. Depreciation of goodwill is also recognised under production costs to the extent that goodwill relates to the production activity. In addition, changes in fair value of the biological assets is recognised in production costs.

Distribution costs

Distribution costs comprises direct costs for wages for sales and distribution staff, advertising and marketing costs, transportation costs and depreciation, etc. Depreciation of goodwill is also included to the extent that goodwill relates to the distribution activity.

Administration expenses

Administrative costs comprises costs for the management, the administrative staff, office costs, depreciation etc. Depreciation of goodwill is also included in the share relating to the administration activity.

Other operating income and expenses

Other operating income and other operating costs comprise accounting items of a secondary nature in relation to the Group's main activity, including profit and loss on the sale of intangible and tangible assets.

Financial income and expenses

Financial income and expenses (net financial items) include interest income and expenses calculated in accordance with the effective interest method, exchange rate adjustments, amortisation of mortgage loans as well as supplements and reimbursements under the advance tax scheme.

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Balance sheet

Goodwill

Goodwill on acquisitions of subsidiaries is measured as described under business combinations. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Development projects

Costs associated with research are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of a development project include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are amortised from the point at which the asset is ready for use.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Acquired trademarks and other rights

Separately acquired trademarks and other rights are shown at historical cost. Trademarks and other rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

Completed development projects	3 - 5 years
Acquired trademarks and other rights	10 years
Goodwill	Not amortised

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Buildings	10 - 25 years
Production assets and machinery	6 - 10 years
Other fixtures, fittings and equipment	3 - 6 years

Land is not subjected to depreciations due to the assessed residual value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Biological assets

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell. Changes in fair value of the Group's hens are recognised in profit or loss as part of production costs. Costs related to harvesting the eggs are expensed as incurred.

Fair value of the biological assets decreases linearly over its estimated useful life due to a decrease in remaining egg production. The estimated useful life of the biological assets are 95 weeks. At the time of harvest, eggs are measured at fair value less costs to sell and transferred to inventories.

Methods used to measure fair value less costs to sell are provided in note 19. Key assumptions used to determine the fair value of biological assets and sensitivity analysis are provided in note 12.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Financial assets

Financial assets comprises ownership shares in trading associations and deposits, which are valued at cost price.

Impairment of assets

Goodwill and development projects in progress are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Inventories

Inventories are measured at the lower of cost and net realisable value under the FIFO method. The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses.

The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price. The cost of goods for resale equals landed cost. The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost less loss allowance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss.

Other receivables

Other receivables consist of accrual accounting, deposits, other accounts receivable and hedging instruments.

Prepayments

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

Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Equity reserves

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

Foreign currency translation reserve

Exchange differences arising on translation of the parent company and of foreign controlled entities into DKK, are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Reserve for cash flow hedges

Reserve for cash flow hedges comprises accumulated changes in the fair value of derivative financial instruments that qualify for hedging of future cash flows, where the hedged position has not yet been realised. The changes in fair value are transferred either to the income statement when the hedged positions are realised or to the cost price of a non-financial assets, if this is the hedged item.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period, but not distributed at the end of the reporting period.

Statement of cash flows

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 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. Working capital comprises current assets less short-term debt, excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

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

Contents of the notes to the consolidated financial statements

Note 1 Material accounting policy information

Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances.

Key figures

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Gross margin	$\text{Gross margin} \times 100 / \text{revenue}$
Operating margin	$\text{Operating profit} \times 100 / \text{revenue}$
Return on assets	$\text{Operating profit} \times 100 / \text{total assets ultimo}$
Equity ratio	$\text{Equity ultimo} \times 100 / \text{total assets ultimo}$
Return on equity	$\text{Net profit (loss)} \times 100 / \text{average equity}$
Gearing ratio	$\text{Net interest-bearing debt} / \text{EBITDA}$
Net interest bearing debt (NIBD)	$\text{Net interest-bearing debt minus cash}$
Net working capital (NWC)	$\text{Inventory} + \text{trade receivables} - \text{trade and other payables}$

Contents of the notes to the consolidated financial statements

Note 2 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Significant judgements

Biological assets

Method for valuation of poultry

The fair value of poultry is determined by reference to market prices for poultry for that local area adjusted for obsolescence. Significant judgements include applying a cost approach, often referred to as current replacement cost, as a fair value model because this incorporates the specific location and genetics for the poultry, and in the management's view, is the most appropriate valuation model for estimating the fair value. Another approach would be to use a discounted cash flow model, which would estimate an entity-specific fair value. This approach, however, would not give a fair value of the biological assets relative to the market due to a significant amount of entity inputs.

Key assumptions to determine fair value of the biological assets and sensitivity analysis are provided in note 12.

Critical estimates

Impairment of non-financial assets

Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 16.

Contents of the notes to the consolidated financial statements

Note 3 Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The Group revenue derives from the transfer of goods at a point in time in the following geographical regions and consists of sale of shell eggs and processed products. Sale of shell eggs accounts for 55% (2023: 45%) of the total revenue. Sale of processed products account for 45% (2023: 55%) of the total revenue.

2024					
In thousands DKK	Denmark	Finland	Sweden	Other	Total
Revenue from contracts with customers	581.930	400.594	766.348	405.930	2.154.802
	<u>581.930</u>	<u>400.594</u>	<u>766.348</u>	<u>405.930</u>	<u>2.154.802</u>

2023					
In thousands DKK	Denmark	Finland	Sweden	Other	Total
Revenue from contracts with customers	607.413	381.078	667.132	427.375	2.082.998
	<u>607.413</u>	<u>381.078</u>	<u>667.132</u>	<u>427.375</u>	<u>2.082.998</u>

Contents of the notes to the consolidated financial statements

Note 4 Other income and expense items

In thousands DKK	2024	2023
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Other income and expenses

Change in contingent consideration related to business combination	-	10.486
Other income	608	92
Other expenses	-	-31
	<u>608</u>	<u>10.547</u>

Contents of the notes to the consolidated financial statements

Note 5 Staff costs

In thousands DKK	2024	2023
Wages and salaries	163.613	152.837
Pension cost, defined contribution plans	18.339	16.033
Other social security costs	16.010	15.117
	197.962	183.987
Average number of employees	406	389

Key management personnel compensation

Key management personnel consists of the Executive Board and the Board of Directors. The compensation paid or payables to key management personnel for employee services is shown below:

In thousands DKK	Executive Board	Board of Directors	Total
2024			
Wages, bonus and pensions	10.707	1.423	12.130
	10.707	1.423	12.130

In thousands DKK	Executive Board	Board of Directors	Total
2023			
Wages, bonus and pensions	11.375	1.460	12.835
	11.375	1.460	12.835

Contents of the notes to the consolidated financial statements

Note 6 Depreciation, amortisation and impairment

In thousands DKK	2024	2023
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Depreciation and amortisation

Depreciation of property, plant and equipment	38.584	36.580
Depreciation of right-of-use assets	3.373	2.902
Amortisation of intangible assets	<u>5.272</u>	<u>5.268</u>
	<u>47.229</u>	<u>44.750</u>

Impairment

Impairment of intangible assets	<u>-</u>	<u>6.000</u>
	<u>-</u>	<u>6.000</u>

Total depreciation, amortisation and impairment	<u>47.229</u>	<u>50.750</u>
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Contents of the notes to the consolidated financial statements

Note 7 Financial income and expenses

In thousands DKK	2024	2023
Financial income		
Interest income from bank and customers	4.559	4.596
Total financial income	4.559	4.596
Financial expenses		
Interest expenses on borrowings	-23.075	-17.321
Interest expenses on lease liabilities	-209	-148
Foreign exchange rate losses	-742	-274
Total financial expenses	-24.026	-17.743
Net finance costs	-19.467	-13.146

Contents of the notes to the consolidated financial statements

Note 8 Income tax expense

In thousands DKK	2024	2023
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Current tax

Current tax on profits for the year	-13.642	-15.255
Adjustments for current tax of prior periods	-	27
Deferred income tax	<u>-2.201</u>	<u>-4.706</u>

Income tax expense	<u>-15.843</u>	<u>-19.934</u>
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In thousands DKK	2024	2023
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Reconciliation of effective tax rate

Calculated tax at the Danish tax rate of 22% (2023: 22%)	15.602	22.591
Less tax in foreign operations in relation to the Danish tax rate of 22% rate (2023: 22%)	-869	-792

Tax effects of amounts which are not deductible (taxable) in calculating taxable income:

Non-deductible expenses and income	1.110	-1.838
Adjustments for current tax of prior periods	<u>-</u>	<u>-27</u>

Income tax expense at the effective tax rate of 22,3% (2023: 19,4%)	<u>15.843</u>	<u>19.934</u>
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Contents of the notes to the consolidated financial statements

Note 9 Deferred tax

In thousands DKK	2024	2023
Deferred tax at 1 January	11.987	7.317
Deferred tax recognised in the statement of profit or loss	2.201	4.744
Exchange adjustment	<u>-767</u>	<u>-74</u>
Deferred tax at 31 December	<u>13.421</u>	<u>11.987</u>
Deferred tax relates to:		
Intangible assets	982	841
Property, plant and equipment	8.994	7.203
Right-of-use assets	-78	-66
Trade receivables	-22	-
Inventories	367	284
Tax losses carried forward	-685	-685
Tax related to foreign operations	<u>3.863</u>	<u>4.410</u>
Deferred tax asset, recognised	<u>13.421</u>	<u>11.987</u>
Of which presented as deferred tax assets	6.822	7.646
Of which presented as deferred tax liabilities	<u>20.243</u>	<u>19.633</u>
Deferred tax at 31 December	<u>13.421</u>	<u>11.987</u>

In line with the requirements in IAS 12, the deferred tax assets and liabilities are offset as they have a legal right to set off and relate to income tax with the same taxation authority.

The recognised tax assets that relates to tax losses carried forward, which is the result of previous years taxable income ascertained in 2018. In connection with the assessment of the utilisation of the tax assets, special emphasis has been placed on that the most significant tax loss carry forward are in markets, where the Group now is well established and these operations are expected to generate positive results going forward.

Contents of the notes to the consolidated financial statements

Note 10 Intangible assets

In thousands DKK	Goodwill	Completed development projects	Acquired trademarks and other rights	Total
Cost:				
At 1 January 2023	242.124	24.324	6.817	273.265
Additions	-	2.191	-	2.191
Additions from business combinations	6.355	-	1.919	8.274
Disposals	-	-4.898	-	-4.898
Exchange differences	3	18	-	21
At 31 December 2023	248.482	21.635	8.736	278.853
Accumulated depreciation and impairment:				
At 1 January 2023	-29.403	-12.490	-744	-42.637
Amortisation charge	-	421	-823	-402
Impairment	-6.000	-	-	-6.000
Exchange differences	-2	-4	-	-6
At 31 December 2023	-35.405	-12.073	-1.567	-49.045
Carrying amount 31 December 2023	213.077	9.562	7.169	229.808
Cost:				
At 1 January 2024	248.482	21.635	8.736	278.853
Additions	-	2.617	-	2.617
Disposals	-	-680	-	-680
Exchange differences	-	8	-	8
At 31 December 2024	248.482	23.580	8.736	280.798
Accumulated depreciation and impairment:				
At 1 January 2024	-35.405	-12.073	-1.567	-49.045
Amortisation charge	-	-3.661	-936	-4.597
Exchange differences	-	-4	-	-4
At 31 December 2024	-35.405	-15.738	-2.503	-53.646
Carrying amount 31 December 2024	213.077	7.842	6.233	227.152

Contents of the notes to the consolidated financial statements

Note 10 Intangible assets

Impairment charge

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGU's) was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in specifications in note 16. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Development projects

Development projects comprises the cost directly related to the development of the software in Group.

Acquired trademarks and other rights

Acquired trademarks and other rights are related to the subsidiaries aquired in 2021 and 2023. The trademarks are mostly related to the name and logo, which are valuable to consumers, hence a part of the purchase value have been allocated to the trademarks and is subsequently amortised according to the accounting policies in note 1.

Contents of the notes to the consolidated financial statements

Note 11 Property, plant and equipment

In thousands DKK	Land and buildings	Plant and machinery	Other fixtures, fittings and equipment	Total
Cost:				
At 1 January 2023	303.826	460.683	41.318	805.827
Additions	21.966	41.606	4.392	67.964
Disposals	-	-7.875	-890	-8.765
Exchange differences	427	1.103	56	1.586
At 31 December 2023	326.219	495.517	44.876	866.612
Accumulated depreciation and impairment:				
At 1 January 2023	-144.220	-304.911	-28.958	-478.089
Depreciation charge	-9.522	-17.470	-2.499	-29.491
Exchange differences	-168	-748	-51	-967
At 31 December 2023	-153.910	-323.129	-31.508	-508.547
Carrying amount 31 December 2023	172.309	172.388	13.368	358.065
Cost:				
At 1 January 2024	326.219	495.517	44.876	866.612
Additions	22.424	27.599	3.932	53.955
Disposals	-	-4.405	-1.235	-5.640
Exchange differences	-1.023	-5.544	-427	-6.994
At 31 December 2024	347.620	513.167	47.146	907.933
Accumulated depreciation and impairment:				
At 1 January 2024	-153.910	-323.129	-31.508	-508.547
Depreciation charge	-9.545	-21.236	-3.307	-34.088
Exchange differences	789	3.818	336	4.943
At 31 December 2024	-162.666	-340.547	-34.479	-537.692
Carrying amount 31 December 2024	184.954	172.620	12.667	370.241

Contents of the notes to the consolidated financial statements

Note 12 Biological assets

In thousands DKK	2024	2023
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Layer hens

Carrying amount at 1 January	7.451	14.222
Increase due to purchases	14.786	8.192
Decrease due to obsolescence	-13.340	-14.282
Change in fair value due to price changes	-312	-681
Carrying amount at 31 December	8.585	7.451

The Group's biological assets consist of layer hens producing barn eggs. The Group's biological assets are located in Finland. The useful life of a layer hen is approximately 20 months depending on production efficiency.

Refer to note 1 to see how the Group accounts for biological assets. See note 18 for risk management strategies regarding biological assets.

Valuation of biological assets

For layer hens, market-based prices are not available in its present location and condition, hence fair value should be measured on the basis of a valuation technique which is appropriate in the circumstances and for which sufficient data is available to measure fair value.

The Group determines the fair value less costs to sell of its layer hens using the depreciated replacement cost approach adjusted for obsolescence, as this reflects the amount that would be required currently to replace the service capacity of the Group's layer hens. Obsolescence in this case is the decreased production efficiency of the layer hens as they age, become disease infected etc.

The Group has classified its biological assets within level 3 of the fair value hierarchy, being that the transaction prices used in the depreciated replacement cost approach is not observable in active markets.

Valuation inputs and the relationship to the fair value is, as a consequence of the depreciated replacement cost approach, based on transaction prices, which means that the higher the market price of the layer hens, the higher the fair value.

Sensitivity analysis of significant unobservable inputs

In thousands DKK	Variance	Increase / decrease in fair value	Estimated fair value	
			2024	2023
Layer hens market price	5,00%	429	9.014	7.824

Valuation process

The Group has a team within the External Reporting department that performs the valuation of biological assets. When considering the appropriate market prices for layer hens to use, the team reviews available information such as the latest transaction prices. The valuation policies and procedures, as well as changes in the fair value measurements are reviewed annually.

Contents of the notes to the consolidated financial statements

Note 13 Inventories

The Group's inventories comprise the following:

In thousands DKK	2024	2023
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Amounts recognised in the balance sheet

Raw materials and stores	73.144	49.563
Finished goods	<u>75.080</u>	<u>95.336</u>
	<u>148.224</u>	<u>144.899</u>

There have been no write downs on inventory in 2024 or 2023.

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 31 December 2024 amounted to 1.679 mDKK (2023: 1.606 mDKK).

Contents of the notes to the consolidated financial statements

Note 14 Trade receivables

In thousands DKK	2024	2023
Trade receivables from contracts	158.953	135.941
Loss allowance	<u>-367</u>	<u>-270</u>
	<u>158.586</u>	<u>135.671</u>

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

For further information on the loss allowance provision, see note 18.

Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk, and therefore continues to recognise the transferred assets in their entirety in its balance sheet.

In thousands DKK	2024	2023
Carrying amount of transferred trade receivables	<u>11.892</u>	<u>8.831</u>

Management considers that in substance the factor collects the amounts receivable on the Group's behalf and retains the cash in settlement of the separate financing transaction. The Group therefore presents the cash inflows received from the bank as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

Fair value of trade receivables

Due to the short-term nature of the current receivables, the carrying amount is considered to be the same as the fair value.

Offsetting arrangements

The Group gives volume-based rebates to selected wholesalers. Under the terms of the supply agreements, the amounts payable by the Group are offset against receivables from the wholesalers and only the net amounts are settled. The relevant amounts have therefore been presented net in the statement of financial position. The offsetting arrangements amounts to DKK 30.713 thousands in 2024 (2023: DKK 35.604 thousands). If presented gross, the recognised trade receivables would have been DKK 189.299 thousands in 2024 (2023: DKK 171.275 thousands) and the recognised trade payables would have been DKK 176.033 thousands in 2024 (2023: DKK 165.669 thousands).

Contents of the notes to the consolidated financial statements

Note 15 Leases

In thousands DKK	2024	2023
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Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets		
Properties	238	476
Vehicles	3.673	3.410
Other equipment	1.419	2.014
	<u>5.330</u>	<u>5.900</u>
Lease liabilities		
Current	2.702	2.931
Non-current	2.982	3.264
	<u>5.684</u>	<u>6.195</u>
Additions to the right-of-use assets	<u>2.806</u>	<u>4.214</u>

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		
Properties	563	187
Vehicles	2.015	1.897
Other equipment	795	818
	<u>3.373</u>	<u>2.902</u>
Interest expense on lease liabilities	-209	-148
Expense relating to short-term leases	636	303
Expense relating to leases of low-value assets	11	18
	<u>3.319</u>	<u>3.077</u>

Extension and termination options

Property leasing covers on single property located in Färgelanda, Sweden. The contract commenced on 1 March 2016 and was initially set to expire on 28 February 2020. However, the contract automatically extends for one year if neither the lessor nor Danæg gives notice of termination to the other party. This notice must be given at least nine months before the contract's expiration.

Car leases generally have a lease period of three to five years, with no extension or termination options included in the contracts.

Leases for machinery and other equipment generally have a lease period of three to five years, with no extension or termination options included in the contracts.

Contents of the notes to the consolidated financial statements

Note 16 Impairment tests

Impairment tests for goodwill

Goodwill relates to the acquisition of Munax Oy and Torggummans Ägg AB. The carrying amount of goodwill amounts to DKK 213.077 thousands (2023: DKK 213.077 thousands) For both companies an impairment test in respect of goodwill has been carried out at December 31, 2024 based on value in use. The impairment test was performed through a calculation of value based on a DCF model applying the following assumptions.

2024			
In thousands DKK	Finland	Sweden	Total
Goodwill	206.721	6.356	213.077

2023			
In thousands DKK	Finland	Sweden	Total
Goodwill	206.721	6.356	213.077

Key assumptions used for value in use calculations

The DCF model use cash flow projections based on financial budgets approved by management covering a five-year period. Applied EBIT-margins corresponds to the EBIT-margins realized in 2024. No growth rate for EBIT-margins has been applied for the five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 1,5% (2023: 1,5%). For both companies a pre-tax discount rate of 10,5% (2023: 11,3%) has been applied. The applied discount rate is based on specific risks relevant to the segments and the countries in which they operate. Annual capital expenditure is based on historical expenditure and planned investments.

No impairment losses on goodwill have been recognized in 2024.

A reasonable change in the applied key assumptions on which the management has based its estimation of the recoverable amounts would not cause the carrying amounts to exceed the recoverable amount of goodwill.

Contents of the notes to the consolidated financial statements

Note 17 Financial assets and financial liabilities

The Group holds the following financial instruments:

In thousands DKK	2024	2023
Financial assets		
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	-	44
Total financial assets at fair value	-	44
Financial assets at amortised cost		
Trade receivables	158.586	135.671
Other receivables	6.989	4.367
Cash and cash equivalents	4.205	305
	169.780	140.343

Derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases

Financial liabilities

Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	16	147
Financial liabilities at fair value through profit or loss		
Contingent consideration	51.041	65.993
Total financial liabilities at fair value	51.057	66.140
Liabilities at amortised cost		
Trade payables	145.320	130.065
Other liabilities	84.331	96.627
Borrowings	317.389	264.463
Lease liabilities	5.684	6.195
	552.724	497.350

Trade payables are unsecured and are usually paid within 30 days of recognition. Where trade payables are settled via electronic cash transfer, they are derecognised when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Derivatives not designated as hedging instruments reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Contents of the notes to the consolidated financial statements

Note 17 Financial assets and financial liabilities

Contingent consideration is in relation to acquisition of a subsidiary in 2021, where part of the total purchase value is based on an earn-out agreement. This earn-out agreement is payable in the financial years 2022, 2023 and 2027 and is contingent on EBITDA achieved by the subsidiary for the financial years above. The potential undiscounted amount payable under the agreement is DKK 53,8 millions. The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows discounted by the incremental borrowing rate of Finnish unsecured debt instruments, without adjustment of any interest supplement but assumed probability-adjusted sales. It is assessed that the earn-out agreement payable in the financial year 2027 is highly probable, hence the recognised amount is close to the expected cash payment.

Borrowings

In thousands DKK	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Mortgage loans	11.179	97.990	109.169	11.666	109.964	121.630
Bank loans	<u>88.065</u>	<u>120.155</u>	<u>208.220</u>	<u>33.131</u>	<u>109.702</u>	<u>142.833</u>
	<u>99.244</u>	<u>218.145</u>	<u>317.389</u>	<u>44.797</u>	<u>219.666</u>	<u>264.463</u>

For the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. All financial instruments are measured based on level 2 input. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

The borrowings for the Group are divided into mortgage and bank loans and covers plenty different loans. Part of them is remunerated at fixed rate in the range of 1,08% to 1,55%. Their maturity period ends from beginning of 2025 until end of 2032. The other part is remunerated at variable rate in the range of 6,26% to 7,30% and the maturity period ends in 2029 and 2043.

The Group's exposure to various risks associated with the derivative financial instruments are explained in note 18.

Contents of the notes to the consolidated financial statements

Note 18 Financial risk management

The Group's principal financial liabilities, other than derivatives, primarily comprise mortgage loans, bank loans, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and cash equivalents. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Group. The Board of Directors provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, trade receivables, trade payables and derivative financial instruments.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group continuously monitor interest rate trends and market conditions to anticipate potential changes and regularly assess the impact of interest rate fluctuations on financial statements and adjust financial strategies accordingly.

Generally, the Group's policy is to enter into long-term fixed rate borrowings to manage risks, primarily denominated in DKK and EUR.

A reasonably possible change in the market interest rate compared to the interest rates as of the end of the reporting period will have the following hypothetical impact on profit after tax and equity:

In thousands DKK	2024	2023
Impact on post tax profit and equity		
Interest rate - increase of 1,0% (2023 of 1%)	-1.999	-1.786
Interest rate - decrease of 1,5% (2023 of 1,5%)	<u>2.999</u>	<u>2.679</u>

Currency risk

The Group operates internationally and is exposed to foreign exchange risk, primarily Euro, SEK, GBP and the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk, see note 17.

The Group's exposure to changes in EUR, GBP and USD are not material, whereas a 4% change in the currency rate for SEK will have a 12.844 tDKK impact on post tax profit and equity (2023: 9.978 tDKK)

Contents of the notes to the consolidated financial statements

Note 18 Financial risk management

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables.

Credit risk is managed on a Group basis. For banks and financial institutions, the Group has established relationships with reliable banks. Furthermore, the Group maintains adequate cash reserves and identifies risks while ensuring proper segregation of duties where possible.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for both trade receivables.

In thousands DKK	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
At 31 December 2024					
Expected loss rate	1%	20%	0%	0%	-
Gross carrying amount - trade receivables	145.954	12.999	-	-	158.953
Loss allowance	<u>125</u>	<u>242</u>	<u>-</u>	<u>-</u>	<u>367</u>
At 31 December 2023					
Expected loss rate	1%	0%	20%	50%	-
Gross carrying amount - trade receivables	125.827	9.559	761	-206	135.941
Loss allowance	<u>125</u>	<u>-</u>	<u>100</u>	<u>45</u>	<u>270</u>

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

Contents of the notes to the consolidated financial statements

Note 18 Financial risk management

In thousands DKK	Trade receivables	
	2024	2023
Opening loss allowance	270	225
Reserved for loss allowance during the year	97	45
Receivables written off during the year as uncollectible	-	-
Closing loss allowance	367	270

For some trade receivables the Group may obtain security in the form of credit insurance, which can be called upon if the counterparty is in default under the terms of the agreement. The Group has insured approximately 70% of its trade receivables at a large global insurance company, while the remaining uninsured 30% are trade receivables from counterparties with no historic loss. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. To obtain the flexibility in funding the Group has selected to obtain short term overdraft facilities in different currencies to be able to meet obligations when due. The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

The Group's policy is to secure adequate liquidity to always meet the planned future financial and operational payment obligations for minimum of the next 12 months period. The Group has an adequate liquidity position allowing management to carry out the planned strategy. The Group monitors the liquidity risk through follow up against plans and forecasting of cash flow.

Maturities of financial liabilities

The amounts disclosed in the following table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

In thousands DKK				Total contractual cash flows	Carrying amount
	Less than 1 year	1 - 5 years	More than 5 years		
Contractual maturities of financial liabilities					

At 31 December 2024

Trade payables	145.320	-	-	145.320	145.320
Mortgage loans	13.258	66.290	50.931	130.479	109.169
Bank loans	103.298	86.905	44.031	234.234	208.220
Lease liabilities	2.702	2.982	-	5.684	5.684
Other liabilities	84.347	51.041	-	135.388	135.388
	348.925	207.218	94.962	651.105	603.781

Contents of the notes to the consolidated financial statements

Note 18 Financial risk management

In thousands DKK				Total	Carrying amount
	Less than 1 year	1 - 5 years	More than 5 years	contractual cash flows	
Contractual maturities of financial liabilities					

At 31 December 2023

Trade payables	130.065	-	-	130.065	130.065
Mortgage loans	13.224	66.120	65.702	145.046	121.630
Bank loans	38.181	108.909	786	147.876	142.833
Lease liabilities	2.931	3.264	-	6.195	6.195
Other liabilities	111.776	50.990	-	162.766	162.766
	296.177	229.283	66.488	591.948	563.489

Financial risk management strategies for biological assets

The Group is exposed to risks arising from disease outbreak and financial risk in respect of the Group's biological assets. The Group manages disease outbreak by segregating of layer hens as well as significant testing of both layer hens and eggs. The Group has strong environmental policies and procedures in place to comply with environmental and other laws.

To reduce risk related to disease outbreak, the Group has taken out relevant and sufficient insurance. Insurance coverage and terms are reviewed annually.

The Group is exposed to risks arising from fluctuations in the price of layer hens, however the Group has long-term relationships with layer hen suppliers to ensure a stable supply. For price fluctuations, the Group follows analyses the market for the input of raising the layer hens, hence the Group has an overview of price fluctuations.

Contents of the notes to the consolidated financial statements

Note 19 Fair values

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. The Group has no financial instruments measured at fair value based on level 1 input (quoted active market prices).

All financial instruments are measured based on level 2 input (input other than quoted prices that are observable either directly or indirectly), except biological assets which are measured based on level 3 input. See note 12 for a specification on biological assets.

Derivative financial instruments

The fair value of currency and interest rate derivatives is determined based on generally accepted valuation methods using available observable market data. Calculated fair values are verified against comparable external market quotes.

Biological assets

The Group has classified its biological assets within level 3 of the fair value hierarchy, being that the transaction prices used in the depreciated replacement cost approach is not observable in active markets.

Contingent consideration

The Group has classified its contingent consideration in relation to a previous business combination within level 3 of the fair value hierarchy, being that the liability is based on the present value of discounted cash flows - see note 17.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

2024	Fair value hierarchy			
In thousands DKK	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial instruments				
Foreign exchange forward contracts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other assets measured at fair value				
Biological assets	8.585	-	-	8.585
	<u>8.585</u>	<u>-</u>	<u>-</u>	<u>8.585</u>
Liabilities measured at fair value				
Derivative financial instruments				
Foreign exchange forward contracts	16	-	16	-
Interest rate swaps	-	-	-	-
	<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>
Other liabilities measured at fair value				
Contingent consideration	51.041	-	-	51.041
	<u>51.041</u>	<u>-</u>	<u>-</u>	<u>51.041</u>

Contents of the notes to the consolidated financial statements

Note 19 Fair values

2023	Fair value hierarchy			
In thousands DKK	Total	Level 1	Level 2	Level 3

Assets measured at fair value

Derivative financial instruments				
Foreign exchange forward contracts	44	-	44	-
	<u>44</u>	<u>-</u>	<u>44</u>	<u>-</u>
Other assets measured at fair value				
Biological assets	7.451	-	-	7.451
	<u>7.451</u>	<u>-</u>	<u>-</u>	<u>7.451</u>

Liabilities measured at fair value

Derivative financial instruments				
Foreign exchange forward contracts	147	-	147	-
Interest rate swaps	-	-	-	-
	<u>147</u>	<u>-</u>	<u>147</u>	<u>-</u>
Other liabilities measured at fair value				
Contingent consideration	65.993	-	-	65.993
	<u>65.993</u>	<u>-</u>	<u>-</u>	<u>65.993</u>

There were no transfers between any levels during 2024 (2023: no transfers).

Contents of the notes to the consolidated financial statements

Note 20 Cash flow specifications

In thousands DKK	2024	2023
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Adjustments

Financial income	-4.559	-4.596
Financial expenses	24.026	17.743
Depreciation, amortisation and impairment charges	47.229	50.750
Income tax	15.843	19.934
Foreign currency translation	-2.047	630
Other adjustments	-1.009	-9.013
	79.483	75.448

Changes in net working capital

Change in inventories	-3.325	-21.740
Change in trade receivables and prepayments	-26.013	23.343
Change in trade payables, other payables and contract liabilities	2.891	25.701
Change in cash flow hedges	-	-110
	-26.447	27.194

Non-cash investing and financing activities

Non-cash activity	-	-
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Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the period presented.

In thousands DKK	Liabilities from financing activities		
	Borrowings	Leases	Total

Net debt:

At 1 January 2023	-358.296	-4.977	-363.273
Cash flows	93.832	3.077	96.909
New leases	-	-4.214	-4.214
Other changes	-	-81	-81
At 31 December 2023	-264.464	-6.195	-270.659
Cash flows	-52.926	3.319	-49.607
New leases	-	-2.806	-2.806
Other changes	2	-2	-
At 31 December 2024	-317.388	-5.684	-323.072

Contents of the notes to the consolidated financial statements

Note 22 Capital management

The Group's objectives when managing capital are to:

- safeguard the ability to continue as a going concern and to continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net debt to EBITDA ratio (leverage). As part of the acquisition of Munax Oy in Finland in 2021, the Group has increased the net interest-bearing debt significantly, and with a long term settlement plan. The leverage has been highly negatively affected by the net debt increase, with a goal of significant improvements towards 2025, to a level below 3,0. Furthermore the Group monitors the net debt to equity ratio (gearing).

In thousands DKK	2024	2023
Net interest-bearing debt	323	270
Equity	313	312
EBITDA	137	156
Ratios		
Leverage (net debt / EBITDA)	2,4	1,7
Gearing (net debt / equity)	103%	87%

During 2024, the Group's strategy was unchanged from 2023.

Loan covenants

Under the terms of the major borrowing facilities, no covenants exist.

The Group's goal is to reach and/or maintain the following levels on key figures no later than 2025:

- the leverage (NIBD/EBITDA) must be <2,0
- the gearing (NIBD/equity) must be <75%
- the equity ratio (equity/total assets) to be above 40%

Dividends

The board has recommended payment of dividend in 2024 of 30,0 mDKK

Contents of the notes to the consolidated financial statements

Note 23 Contingent liabilities, commitments and contingencies

Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

In thousands DKK	2024	2023
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Collateral for mortgage institutions

The following assets are secured for the mortgage institution:

Land and buildings with a carrying amount of:	25.991	24.427
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Collateral for bank loans

Unlisted shares in Munax Oy, tEUR	75	75
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Contingent liabilities

For information on the contingent consideration in connection with the acquisition of Munax Oy, see note 17.

Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

An agreement has been made with a supplier on a minimum stock of packaging, which the Group has agreed to purchase. The obligation can amount to a maximum of DKK 1.373 thousands.

For continued egg production, the Group has made an agreement with a supplier for the delivery of layer hens. The obligation is expected to amount to approximately of DKK 1.931 thousands.

The Group's companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax due is shown in the annual report for Vitfoss A/S, CVR-nr. 82 77 62 14, which is the management company in relation to the joint taxation. The Group's companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability amounting to a higher amount.

Contents of the notes to the consolidated financial statements

Note 24 Related party transactions

The Group is controlled by the following entities:

Name of entity	Type	Place of business	Ownership interests	
			2024	2023
Dansk Landbrugs Grovvarereselskab A.M.B.A.	Ultimate parent company and controlling party	Fredericia	50%	50%
Danæg A.M.B.A.	Significant non-controlling party	Christiansfeld	50%	50%
Vilofoss A/S	Immediate parent company	Fredericia	50%	50%

Dansk Landbrugs Grovvarereselskab A.M.B.A. holds 100% of the issued ordinary shares of Vilofoss A/S. The Group is included in the consolidated financial statements of Dansk Landbrugs Grovvarereselskab A.M.B.A.

Information about remuneration to key management personnel has been disclosed in note 5.

Interests in subsidiaries are set out in note 26.

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

In thousands DKK	2024	2023
The following transactions occurred with related parties:		
Dansk Landbrugs Grovvarereselskab A.M.B.A. Purchase of employee services from parent	411	499
Danæg A.M.B.A. Purchase of shell eggs	690.590	610.864

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Contents of the notes to the consolidated financial statements

Note 25 Fee to auditors appointed at the general meeting

In thousands DKK	2024	2023
PricewaterhouseCoopers		
Audit fee	805	791
Other assurance services	101	51
Tax advisory service	40	66
Other services	142	388
	<u>1.088</u>	<u>1.296</u>
EY		
Audit fee	156	226
Other services	7	7
	<u>163</u>	<u>233</u>

Note 26 Subsidiaries

The Group's principal subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business	Ownership interests held by the group	
		2024	2023
DANÆG A/S	Christianfeld, Denmark	100%	100%
DANÆG Products A/S	Roskilde, Denmark	100%	100%
Kronägg AB	Perstorp, Sweden	100%	100%
Källbergs Industri AB	Töreboda, Sweden	100%	100%
Munax Oy	Laitila, Finland	100%	100%
Torggummans Ägg AB	Färgelanda, Sweden	100%	100%
BioChick A/S	Sunds, Denmark	100%	0%

Note 27 Subsequent events

No circumstances have occurred that have a material impact on the assessment of the annual report.

Annual Report 2024

DANÆG Holding A/S
Parent company

Parent income statement
for the year ended 31 December 2024

In thousands DKK	Notes	2024	2023
Revenue		47.077	46.069
Gross profit		47.077	46.069
Administrative expenses	1	-49.040	-48.099
Other operating income	2	-	10.486
Other operating expenses	2	-	-31
Operating profit		-1.963	8.425
Income from investments in subsidiaries		54.884	67.729
Financial income	3	11.977	7.094
Financial expenses	3	-24.128	-14.148
Profit before income tax		40.770	69.100
Income tax expense	4	2.832	2.009
Net profit for the year		43.602	71.109
Distribution of profit			
Net revaluation reserve according to the equity method		3.148	57.729
Proposed dividend for the year		30.000	-
Extraordinary dividend		50.000	-
Retained earnings		-39.546	13.380
		43.602	71.109

Parent balance sheet
as per 31 December 2024

In thousands DKK	Notes	2024	2023
Assets			
Completed development projects		4.465	5.533
Intangible assets	5	4.465	5.533
Land and buildings		42.591	24.427
Plant and equipment		5.342	4.841
Property, plant and equipment	6	47.933	29.268
Investments in subsidiaries	7	568.819	567.301
Fixed assets investments		305	305
Deposits		3.900	-
Financial assets		573.024	567.606
Total non-current assets		625.422	602.408
Receivables from group entities		7.931	7.356
Other receivables		-	19
Deferred tax		10.082	10.149
Income tax receivable		3.051	1.660
Prepayments		3.290	2.981
Cash and cash equivalents		2	-
Total current assets		24.356	22.165
Total assets		649.778	624.573

Parent balance sheet
as per 31 December 2024

In thousands DKK	Notes	2024	2023
Equity			
Share capital		40.000	40.000
Net revaluation reserve according to the equity method		70.774	71.257
Reserve for development costs		3.484	4.317
Retained earnings		143.128	181.841
Proposed dividend		30.000	-
Total equity		287.386	297.415
Liabilities			
Non-current liabilities			
Mortgage loans		42.755	45.548
Bank loans		105.281	101.639
Other liabilities		53.861	53.810
Total non-current liabilities	8	201.897	200.997
Current liabilities			
Mortgage loans	8	1.936	1.663
Bank loans	8	146.536	97.682
Trade payables		6.289	4.413
Payables to group entities		128	-
Other liabilities	8	5.606	22.403
Total current liabilities		160.495	126.161
Total liabilities		362.392	327.158
Total liabilities and equity		649.778	624.573
Contingent liabilities, commitments and contingencies	9		
Related parties	10		
Material accounting policy information	11		

Parent statement of changes in equity
for the year ended 31 December 2024

In thousands DKK	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Retained earnings	Proposed dividend	Total equity
As at 1 January 2024	40.000	71.257	4.317	181.841	-	297.415
Currency exchange foreign entities	-	-3.631	-	-	-	-3.631
Development costs for the year	-	-	1.855	-1.855	-	-
Amortisation and impairment for the year	-	-	-2.688	2.688	-	-
Dividends paid	-	-	-	-50.000	-	-50.000
Profit for the period	-	3.148	-	10.454	30.000	43.602
As at 31 December 2024	40.000	70.774	3.484	143.128	30.000	287.386

Contents of the notes to the parent financial statements

Note 1 Staff costs

In thousands DKK	2024	2023
Wages and salaries	24.031	21.367
Pension cost, defined contribution plans	1.403	1.240
Other social security costs	353	359
	<u>25.787</u>	<u>22.966</u>

Wages, salaries, pensions, other social security costs and staff costs are presented in income statement as administrative expenses.

	<u>25.787</u>	<u>22.966</u>
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Average number of employees

	<u>21</u>	<u>20</u>
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Remuneration paid or payables to the Executive Board and the Board of Directors - please refer to note 5 to the consolidated financial statements.

Note 2 Other income and expense items

In thousands DKK	2024	2023
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Other income and expenses

Change in contingent consideration related to business combination

	<u>-</u>	<u>10.486</u>
	<u>-</u>	<u>10.486</u>

Contents of the notes to the parent financial statements

Note 3 Financial income and expenses

In thousands DKK	2024	2023
Financial income		
Interest income from group entities	4.320	3.162
Interest income from bank and customers	<u>7.657</u>	<u>3.932</u>
Total financial income	<u>11.977</u>	<u>7.094</u>
Financial expenses		
Interest expenses from group entities	-7.491	-52
Other interest expenses	-16.466	-12.943
Foreign exchange rate losses	<u>-171</u>	<u>-1.153</u>
Total financial expenses	<u>-24.128</u>	<u>-14.148</u>
Net finance costs	<u>-12.151</u>	<u>-7.054</u>

Contents of the notes to the parent financial statements

Note 4 Income tax expense

In thousands DKK	2024	2023
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Current tax

Current tax on profits for the year	2.900	1.560
Adjustments for current tax of prior periods	-	2
Deferred income tax	<u>-68</u>	<u>423</u>

Income tax expense	<u>2.832</u>	<u>1.985</u>
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The tax is specified as follows:

Tax on profits for the year	2.832	2.009
Tax on changes in equity	<u>-</u>	<u>-24</u>

2.832	1.985
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Contents of the notes to the parent financial statements

Note 5 Intangible assets

In thousands DKK	Completed development projects
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Cost:

At 1 January 2024	15.184
Additions	2.378
Disposals	<u>-681</u>
At 31 December 2024	<u>16.881</u>

Accumulated depreciation and impairment:

At 1 January 2024	-9.650
Depreciation charge	-3.446
Depreciation and impairment on disposals for the year	<u>680</u>
At 31 December 2024	<u>-12.416</u>

Carrying amount 31 December 2024 **4.465**

Note 6 Property, plant and equipment

In thousands DKK	Land and buildings	Plant and equipment
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Cost:

At 1 January 2024	109.660	9.509
Additions	19.646	2.831
Disposals	<u>-</u>	<u>-754</u>
At 31 December 2024	<u>129.306</u>	<u>11.586</u>

Accumulated depreciation and impairment:

At 1 January 2024	-85.233	-4.668
Depreciation charge	-1.482	-1.702
Depreciation and impairment on disposals for the year	<u>-</u>	<u>126</u>
At 31 December 2024	<u>-86.715</u>	<u>-6.244</u>

Carrying amount 31 December 2024 **42.591** **5.342**

Period of depreciation 10-25 years 3-6 years

Contents of the notes to the parent financial statements

Note 7 Investments in subsidiaries

In thousands DKK	2024	2023
Cost:		
At 1 January 2024	495.379	485.214
Additions	2.000	10.165
At 31 December 2024	497.379	495.379
Revaluations:		
At 1 January 2024	71.922	12.403
Exchange rate adjustment	-3.631	1.789
Profit/Loss for the year	69.322	80.980
Received dividends for the year	-51.736	-10.000
Amortisation goodwill	-14.437	-13.954
Adjustment in internal profit on inventories	-	704
At 31 December 2024	71.440	71.922
Carrying amount 31 December 2024	568.819	567.301
Positive difference amounts, which are identified on first recognition of subsidiaries at net asset value	-	8.275
Remaining positive difference amount, which is included in the above accounting value	212.258	226.696

Investments in subsidiaries are specified as follows:

Name of entity	Place of business	Capital Share	Ownership interests held by the group
DANÆG A/S	Christianfeld, Denmark	tDKK 3.100	100%
DANÆG Products A/S	Roskilde, Denmark	tDKK 1.000	100%
Kronägg AB	Perstorp, Sweden	tSEK 4.000	100%
Källbergs Industri AB	Töreboda, Sweden	tSEK 12.000	100%
Munax Oy	Laitila, Finland	tEUR 75	100%
Torggummans Ägg AB	Färgelanda, Sweden	tSEK 100	100%
BioChick A/S	Sunds, Denmark	tDKK 2.000	100%

Contents of the notes to the parent financial statements

Note 8 Long-term liabilities

Maturities of financial liabilities

Repayments due within 1 year are listed under short-term liabilities. Other liabilities are recognized under long-term liabilities.

In thousands DKK				
	Less than		More than	Carrying
Contractual maturities of financial liabilities	1 year	1 - 5 years	5 years	amount
At 31 December 2024				
Mortgage loans	1.936	8.249	34.506	44.691
Bank loans	146.536	105.281	-	251.817
Other Liabilities	5.606	53.861	-	59.467
	154.078	167.391	34.506	355.975

In thousands DKK				
	Less than		More than	Carrying
Contractual maturities of financial liabilities	1 year	1 - 5 years	5 years	amount
At 31 December 2023				
Mortgage loans	1.663	7.296	38.252	47.211
Bank loans	97.682	93.981	7.658	199.321
Other liabilities	22.403	53.810	-	76.213
	121.748	155.087	45.910	322.745

Contents of the notes to the parent financial statements

Note 9 Contingent liabilities, commitments and contingencies

Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

In thousands DKK	2024	2023
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Collateral for mortgage institutions

The following assets are secured for the mortgage institution:

Land and buildings with a carrying amount of:	25.991	24.427
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Collateral for bank loans

Unlisted shares in Munax Oy, tEUR	75	75
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Lease commitments

Lease commitments from operative leasing agreements. Total future

leasing payments:

Less than 1 year	946	931
1-5 years	1.118	559
	<u>2.064</u>	<u>1.490</u>

The Group's companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax due is shown in the annual report for Vitfoss A/S, CVR-nr. 82 77 62 14, which is the management company in relation to the joint taxation. The Group's companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability amounting to a higher amount.

Contents of the notes to the parent financial statements

Note 10 Related parties

DANÆG Holding A/S is owned equally by DANÆG amba and Dansk Landbrugs Grovvarereselskab amba. Dansk Landbrugs Grovvarereselskab A.M.B.A. holds 100% of the issued ordinary shares of Vilofoss A/S. DANÆG Holding A/S is included in the consolidated financial statements of Dansk Landbrugs Grovvarereselskab A.M.B.A. The consolidated annual report can be requested on the adress of Ballesvej 2, 7000 Fredericia.

Name of entity	Type	Place of business	Ownership interests	
			2024	2023
Dansk Landbrugs Grovvarereselskab A.M.B.A.	Ultimate parent company and controlling party	Fredericia	50%	50%
Danæg A.M.B.A	Significant non-controlling party	Christiansfeld	50%	50%
Vilofoss A/S	Immediate parent company	Fredericia	50%	50%

Contents of the notes to the parent financial statements

Note 11 Material accounting policy information

The annual report for DANÆG Holding A/S of 2024 has been prepared in accordance with provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies have not been changed from last year.

The financial statements are presented in thousands Danish Kroner ('DKK') and all values are rounded to the nearest thousand, except when otherwise indicated.

The number formatting is consistent with the Danish version, even though the financial statements are presented in English.

Recognition and measurement

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Business combinations

Business combinations completed on or after 1 July 2018

Purchases of subsidiaries are treated according to the acquisition method, according to which the acquired company's identifiable assets and liabilities are measured at fair value at the time of acquisition.

The time of acquisition is the time when the group obtains control over the acquired company.

The cost price of the purchased business constitutes the fair value of the agreed consideration, including consideration contingent on future events. Transaction costs that can be directly attributed to the purchase of subsidiaries are recognised in the income statement as they are incurred.

Positive difference between the cost price of the acquired business and the identified assets and liabilities is recognised in the balance sheet under intangible assets as goodwill, which is written off straight-line in the income statement over the expected useful life. If the difference amount is negative, this is recognised immediately in the income statement.

If the purchase price allocation is not final, positive and negative difference amounts from purchased subsidiaries, as a result of changes in recognition and measurement of the identified net assets, can be adjusted up to 12 months from the time of acquisition. These adjustments are simultaneously reflected in the value of goodwill or negative goodwill, including in depreciations already made.

If the cost includes contingent consideration, these are measured at fair value at the time of acquisition. Contingent remuneration is subsequently remeasured at fair value. Value adjustments are recognised in the income statement.

Contents of the notes to the parent financial statements

Note 11 Material accounting policy information

In the case of incremental acquisitions, the value of the previous holding of capital shares in the acquired company is remeasured to the fair value at the time of acquisition. The difference between the book value of the previous equity share and the fair value is recognised in the income statement.

Business combinations completed before 1 July 2018

Company acquisitions completed before 1 July 2018 are, with certain exceptions, treated according to the same accounting practices as business combinations completed on 1 July 2018 or later. The main exceptions are:

- Identified assets and liabilities in the acquired business are only recognised if they are probable.
- Identified contingent liabilities in the acquired company are not recognised in the consolidated balance sheet.
- If the purchase price allocation is not final, positive and negative difference amounts, as a result of changes in recognition and measurement of acquired net assets, can be adjusted until the end of the financial year that follows the year of acquisition.
- Transaction costs that can be directly attributed to the purchase of subsidiaries are included as part of the purchase price.
- Adjustment of contingent consideration after initial recognition is recognized directly against the original purchase price, whereby a correction is made to the value of goodwill or negative goodwill.
- In the case of incremental acquisitions, the book value of the existing capital shares is included in the cost price.

Business mergers

In the case of group internal business pooling, the pooling of interest is used. In this way, the two companies are merged at book values, and no difference amounts are identified. Any consideration that exceeds the book value of the acquired company is recognised directly in equity. The merger method is carried out as if the two companies had always been merged when adjusting comparative figures.

Leasing

Leasing contracts, where the company has all significant risks and benefits associated with ownership (financial leasing), are recognised in the balance sheet at the lower of the fair value of the asset and the present value of the lease payments, calculated using the lease agreement's internal interest rate or an alternative loan interest rate as a discount factor.

The capitalised residual leasing obligation is recognised in the balance sheet as a liability, and the interest part of the leasing service is expensed on an ongoing basis in the income statement.

All other leasing contracts are considered operational leasing. Services in connection with operational leasing are recognised on a straight-line basis in the income statement over the leasing period.

Foreign currency translation

Danish kroner is used as the presentation currency. All other currencies are considered foreign currency.

Transactions in foreign currency are converted at the exchange rate on the day of the transaction. Exchange rate differences that arise between the exchange rate on the day of the transaction and the exchange rate on the day of payment are recognised in the income statement as a financial item. If currency positions are considered to be a hedge of future cash flows, the value adjustments are recognised directly in equity.

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Receivables, debts and other monetary items in foreign currency that are not settled on the balance sheet date are measured at the balance sheet date's exchange rate. The difference between the exchange rate on the balance sheet date and the exchange rate at the time the receivable or debt arose is recognised in the income statement under financial income and expenses.

Fixed assets purchased in foreign currency are measured at the exchange rate on the day of the transaction.

Derived financial instruments

Derivative financial instruments are first recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other liabilities".

Changes in the fair value of derivative financial instruments are recognised in the income statement, unless the derivative financial instrument is classified as and meets the criteria for hedge accounting.

Hedge accounting

Changes in the fair value of financial instruments that are classified as and meet the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with the changes in the fair value of the hedged asset or the hedged liability that can be attributed to the risk that is hedged.

Changes in the fair value of financial instruments that are classified as and meet the conditions for hedging expected future transactions are recognised in equity under the fair value reserve as far as the effective part of the hedge is concerned. The ineffective part is recognised in the income statement. If the secured transaction results in an asset or a liability, the amount deferred under equity is transferred from equity and recognised in the cost price of the asset or liability respectively. If the hedged transaction results in income or a cost, the amount deferred under equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the secured transaction.

Changes in the fair value of financial instruments that are classified as and meet the criteria for hedging net investments in independent foreign subsidiaries or associated companies are recognised directly in equity as far as the effective part of the hedge is concerned, while the ineffective part is recognised in the income statement.

Income statement

Revenue

When selling goods, net revenue is recognised when the benefits and risks relating to the sold goods have passed to the buyer, the net revenue can be measured reliably, and it is likely that the financial benefits of the sale will accrue to the company.

Services are recognised in step with the performance of the service to which the contract relates using the production method, whereby the net turnover corresponds to the sales value of the service performed for the year. The method is used when the total income and costs of the service and the degree of completion on the balance sheet date can be calculated reliably, and it is likely that the financial benefits, including payments, will accrue to the company. Costs incurred in relation to the expected total costs of the service are used as degree of completion.

The net turnover is measured at the remuneration received and is recognised exclusive of VAT and with the deduction of discounts in connection with the sale.

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Note 11 Material accounting policy information

Administrative expenses

Administrative costs comprises costs for the management, the administrative staff, office costs, depreciation etc. Depreciation of goodwill is also included in the share relating to the administration activity.

Other operating income/ -expenses

Other operating income and other operating costs comprise accounting items of a secondary nature in relation to the Company's main activity, including profit and loss on the sale of intangible and tangible assets.

Income from investments

In the income statement, the proportionate share of profit for the year is recognised under the item "Income from investment in subsidiaries".

Financial income/ -expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year.

Tax on profit og loss for the year income

Tax on the year's result consists of the year's current tax and deferred tax and is recognised in the income statement with the part that can be attributed to the year's result, and directly on the equity with the part that can be attributed to entries directly on the equity.

The company is jointly taxed with other Danish group companies. The tax effect of the joint taxation with the subsidiaries is distributed to both profit-making and loss-making Danish companies in relation to their taxable income (full distribution with refund regarding tax losses).

Balance sheet

Completed development projects

Directly attributable costs that are capitalised as part of a development project include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are amortised from the point at which the asset is ready for use.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate amortisation and depreciation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The depreciation basis, which is calculated as cost price reduced by any residual value, is distributed linearly over the assets' expected useful life, which amounts to:

Production buildings	10-25 years
Other buildings	10-25 years
Plant and equipment	3-6 years

Depreciation period and residual value are reassessed annually. Land is not subjected to depreciations due to the assessed residual value.

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Note 11 Material accounting policy information

Impairment of plant and equipment

The carrying amount of intangible assets and property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

Investment in subsidiaries

Investments in subsidiaries have been recognised according to the equity method.

In the balance sheet, under the item "Investment in subsidiaries", the proportional ownership share of the companies' accounting equity value is calculated based on the fair value of the identifiable net assets at the time of acquisition, with the deduction or addition of unrealised intra-group profits or losses and with the addition of the residual value of any capital gains and goodwill calculated at the time of the acquisition of the companies.

The total net revaluation of capital shares in subsidiaries is allocated via the profit allocation to "Net revaluation reserve according to the equity method" under equity. The reserve is reduced by dividend distributions to the parent company and regulated by other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. If the parent company has a legal or actual obligation to cover the company's underbalance, a provision for this obligation is recognised.

Fixed assets investments

Fixed assets investments, recognised under fixed assets, include listed bonds and shares, which are measured at the fair value on the balance sheet date. The fair value is calculated on the basis of the most recently quoted sales price.

Investments that are not traded on an active market are measured at cost price or a lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at amortised cost or a lower net realisable value, which is normally nominal value less impairment losses.

Prepayments

Prepayments comprise prepaid costs relating to rent, insurance premiums, subscriptions and interest.

Equity and liabilities

Dividends

Dividends that management proposes to distribute for the financial year are shown as a separate item under equity.

Deferred tax assets and liabilities

Deferred tax is measured according to the liability method of temporary differences between the accounting and tax value of assets and liabilities, calculated on the basis of the planned use of assets, respectively settlement of the liability.

Deferred tax assets, including the tax value of the tax losses to be carried forward, are measured at the value at which the asset is expected to be realised, either by offsetting tax on future earnings or by offsetting deferred tax liabilities within the same legal tax unit.

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Note 11 Material accounting policy information

Deferred tax is measured on the basis of the tax rules and tax rates that will apply with the balance sheet date's legislation when the deferred tax is expected to be used as current tax. Changes in deferred tax, as a result of changes in tax rates, are recognised in the income statement or in equity when the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the year's taxable income adjusted for tax on previous years' taxable income and for taxes paid on account. Interest reimbursement and interest surcharge under the Danish Tax Prepayment Scheme are recognised in the income statement under financial items.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised when the loan is taken out at the proceeds received, less transaction costs incurred. In subsequent periods, the loans are measured at amortised cost, so that the difference between the proceeds and the nominal value is recognised in the income statement as an interest expense over the loan period.

Priority debt is thus measured at amortised cost price, which for cash loans corresponds to the remaining debt of the loan. For bond loans, the amortised cost corresponds to a residual debt calculated as the loan's underlying cash value at the time of taking out the loan adjusted by a write-off over the repayment period of the loan's exchange rate adjustment at the time of taking out the loan.

Other liabilities are measured at amortised cost, which essentially corresponds to nominal value.