



Nordic Sugar

Member of Nordzucker Group

Annual report 2024/2025

1 March 2024 – 28 February 2025

CVR no. 29 78 18 34

Edward Thomsens vej 10, 7th floor, 2300 Copenhagen S

Date of Approval: 26 June 2025

Chairman of the general meeting: Pascal Bothe

Contents

Nordic Sugar A/S

	Page
Company information	1
Management's statement	2
Independent auditor's report	3
Management's review	5
Financial statements	
Income statement	14
Balance sheet	15
Statement of changes in equity	17
Notes	
1. Accounting policies	18
2. Distribution of profit	23
3. Segment reporting	23
4. Employee expenses	23
5. Special items	24
6. Income from investments in subsidiaries	24
7. Financial income and expenses	24
8. Income tax	24
9. Intangible assets	25
10. Property, plant and equipment	25
11. Financial assets	26
12. Receivables	27
13. Equity	27
14. Provision for deferred tax liability	27
15. Other provisions	27
16. Maturity analysis of debt	28
17. Other payables	28
18. Financial instruments	29
19. Contingent assets and contingent liabilities	30
20. Transactions with related parties	30
21. Post balance sheet events	30

Company information

Company

Nordic Sugar A/S
Edvard Thomsens Vej 10, 7th floor
DK-2300 Copenhagen S
CVR no.: 29 78 18 34
Founded: 31 August 2006
Registered office: Copenhagen, Denmark
Financial year: 1 March – 28 February
Telephone: +45 32 66 25 00
Internet: www.nordzucker.com
E-mail: sugarinfo@nordicsugar.com

Board of Directors

Alexander Godow, Chairman
Anja Kirschbaum-Marheine, Vice Chairman
Frank Knälmann
Nicole Dinter
Lars Müller
Martin Ravn*)
Klaus Hansen *)
Lone Gønge *)
*) employee-elected

Executive Board

Jannik Robin Olejas

Auditor

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Approved by the company's annual general meeting on 26 June 2025

Chairman of the general meeting

Pascal Bothe

Management's statement

The Board of Directors and the Executive Board have today approved the annual report of Nordic Sugar A/S for 2024/25. The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position at 28 February 2025 of the company and of the results of the company operations for 2024/25.

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

Copenhagen, 26 June 2025

Executive Board:

Jannik Robin Olejas
CEO

Board of Directors:

Alexander Godow
Chairman

Anja Kirschbaum-Marheine
Vice Chairman

Frank Knälmann

Nicole Dinter

Lars Müller

Martin Ravn

Klaus Hansen

Lone Gønge

Independent auditor's report

To the shareholder of Nordic Sugar A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 28 February 2025, and of the results of the Company's operations for the financial year 1 March 2024 - 28 February 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordic Sugar A/S for the financial year 1 March 2024 - 28 February 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Hellerup, 26 June 2025
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR. No. 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

James Liang
State Authorised Public Accountant
mne34549

Management's review

Key figures and financial ratios (DKKm)

Income statement:	2024/25	2023/24	2022/23	2021/22	2020/21
Revenue	3,165	3,560	2,778	2,233	2,175
EBIT	514	853	427	223	111
Income from investments in subsidiaries	149	46	-75	1	-11
Financial income and expenses, net	12	12	3	-32	14
Profit for the year	565	721	261	150	87
Balance sheet:					
Assets	4,133	3,515	3,019	2,935	2,798
Equity	3,582	2,978	2,309	2,067	1,873
Investment in property, plant and equipment	231	241	136	79	68
Financial ratios (%):					
EBITDA margin	18.8	26.2	19.3	13.8	8.8
EBIT margin	16.2	24.0	15.4	10.0	5.1
ROIC	21.0	38.1	22.2	13.2	6.9

The above KPI's are calculated in accordance with the definitions of financial ratios on page 21. Nordic Sugar Holding A/S has merged into Nordic Sugar A/S with effect from 1 March 2022 and the merger has been accounted for using the group method. Consequently, comparison figures have been adjusted.

Core activity

Nordic Sugar A/S consists of Nordic Sugar's sugar activities in Denmark as well as ownership of foreign subsidiaries in Sweden, Finland, Lithuania and Latvia.

Nordic Sugar A/S develops, produces and sells a wide range of sugar products and animal feed based on sugar beet as the main raw material. Most of the sugar is sold within the food industry and retail market in Northern Europe and to related companies in the Nordzucker Group. Nordic Sugar A/S' subsidiaries in Sweden, Finland and Lithuania have similar sugar activities.

Development in activities and financial position

Nordic Sugar A/S realised revenues of DKK 3,165 million which is DKK 395 million below last year (2023/24: DKK 3,560 million). The lower revenues are driven by a combination of lower sales prices and lower sales volumes of sugar. Gross profit of DKK 833 million is DKK 324 million below last year (2023/24: DKK 1,157 million) which is mainly driven by lower sales prices on sugar and by-products.

EBIT of DKK 514 million is DKK 339 million below last year (2023/24: DKK 853 million). Net overhead costs (i.e. income statement items between gross profit and EBIT) are realised at DKK 15 million above previous year (2023/24: DKK 304 million). The main reason for the increase in net overhead costs is an increase in special items included in other operating expenses with regards to impairment and scrapping of assets. Financial items amount to DKK 12 million which is at the same level as previous year.

The EBIT of DKK 514 million is equal to an EBIT margin of 16% which is above the outlook provided for the financial year 2024/25 as the annual report for 2023/24 included an EBIT outlook in the range DKK 375-475 million. The main reasons for the higher EBIT margin are lower cost of goods sold and sales volumes above expectations.

Profit for the year is realised at DKK 565 million which is DKK 156 million below previous year due to the above-mentioned reasons partly offset by an increase in income from investments in subsidiaries because of dividend received.

Total assets are DKK 618 million higher than last year (2023/24: DKK 3,515 million), which is mainly due to an increase in property, plant and equipment resulting from higher investments and higher receivables from related parties following the strong earnings. Total liabilities are DKK 14 million above last year (2023/24: DKK 537 million) which is mainly due to an increase in deferred tax liabilities.

Outlook for 2025/26

The company expects an EBIT in the range of DKK 15-50 million. The sharp decline in expected EBIT compared to the financial year 2024/25 is mainly due to an oversupply of sugar in the EU from the sugar campaign 2024/25 which has led to a sharp decline in contracted sales prices. The world market price for sugar has also decreased during the financial year 2024/25 leading to lower earnings from exports to countries outside the EU. The EU sugar market is expected to balance in the sugar campaign 2025/26 leading to higher sales price expectations from the second half of the financial year 2025/26.

The expected EBIT is especially connected with uncertainties in relation to the coming harvest, sales volume plus the sales price level for uncontracted sales volumes.

Foreign investments

Nordic Sugar A/S' investments in subsidiaries, which mainly consist of sugar activities in Sweden, Finland and Lithuania, overall showed a good financial performance during the financial year 2024/25. The sugar activities in Sweden and Finland showed very strong operating results while the sugar activities in Lithuania showed a negative operating result as the Lithuanian subsidiary was hit earlier by the declining sales price of sugar in the EU cf. above. The sharp decline in sales prices leads to a challenging outlook for the financial year 2025/26 for all subsidiaries.

Research and development activities

Nordic Sugar A/S has its main research and development activities in the areas of beet research and production processes.

Nordic Sugar A/S contributes to the external research and development entity Nordic Beet Research which is the research and development organisation of the sugar beet growers and sugar industry in Denmark and Sweden. Nordic Beet Research uses its funds to perform research and development activities with sugar beet growing to increase competitiveness and sustainability. Focus areas among others include improvement of yield potential by enhanced soil tillage, research on beet varieties for increased yield and development of seed treatments, sustainable control of fungi and integrated weed control.

The function Digitalization & Technology Service (DTS) is – besides support to ongoing production/business - responsible for the research and development activities within sugar production technology. Current examples are: The development of a fully automated sugar factory including activities on “Industry 4.0”, big data, and new sensor types plus development of energy road maps for all factories in the light of Nordzucker GoGreen. Nordzucker plans to be 100% climate neutral latest by 2050 including beet farming. Reducing energy consumption, making use of renewable energy sources, and reuse/sale of surplus energy from the sugar production (e.g. biogas production and utilization of waste heat for district heating) are examples. Within the project factory 2050 we are going to start a PhD project in Technical University Lund as from 1 April 2025 to explore lime free sugar production using membrane technology.

Finance related risks

Credit risks

The main credit risks include trade debtors, other outstanding amounts, including gains on derivative financial instruments (forward exchange contracts and gas swaps) and bank deposits. Trade debtors are spread in such a manner that the company's credit risks are not considered exceptional. Furthermore, trade debtors are in all material respects covered by credit insurance. Agreements concerning financial instruments are only entered into with recognised credit institutions.

Financial risks

The company's funding is handled through Nordzucker. On an ongoing basis, the company's management considers whether the capital structure is in accordance with the interests of the company and the shareholder. The overall objective is to have a capital structure which supports long-term growth and at the same time maximises the return for the company's stakeholders through an optimisation of the balance between equity and debt. The company's strategy is unchanged from last year.

Foreign exchange risks

Foreign exchange risks occur because of the company's business operations. Nordic Sugar A/S pursues a policy of limiting the impact of exchange rate movements on the company's results and financial position through active currency management hedging significant transactions in foreign currencies.

Sustainability Statement

As Nordic Sugar A/S is part of the Nordzucker Group, this sustainability statement is based on Nordzucker's strategy and policies and the impact on Nordic Sugar A/S as a subsidiary of Nordzucker AG. Sustainability is an integral part of Nordzucker's business model as a sugar producer and it is further described [here](#). We see ourselves as a responsible industrial company and as a responsible employer and partner in the value chain.

Our strong commitment to sustainability continues to play a key role in shaping our future business decisions. We are dedicated to mitigating our climate impact and caring for the environment. Our social commitment is demonstrated through our role as employer and through our assumption of responsibility in the communities where our plants are located and from where we source. Moreover, as a leading sugar producer, we play an active role in the debate on sugar and nutrition. We do this responsibly in relation to our employees, business partners and consumers, as well as towards society as a whole. See our Sugar and nutrition policy [here](#).

Sustainability is an integral part of our operations, and one of the three major components of the overall company strategy, along with Growth and Excellence. In spring 2021, we introduced Nordzucker's 2030 Sustainability Strategy. The Strategy and the subsequent sustainability priorities were directed by a materiality assessment, analysis of megatrends influencing society and identification of relevant UN Sustainable Development Goals. Our key focus is on the following four areas: Sustainable Production, Sustainable Products, Sustainable Sourcing and People in focus. Under these areas, we have analysed the risks and opportunities and set ourselves ambitious actions and targets with clear KPIs for monitoring progress. The sustainability strategy is currently under review and will be aligned with our double materiality assessment as part of becoming CSRD compliant.

In 2021, we re-joined the UN Global Compact after a period of 3 years. Specific UN Sustainable Development Goals (SDGs) are part of our work in practice. We have identified the following goals to be relevant for our business: SDG 5 on gender equality, SDG 6 on water, SDG 7 on affordable and clean energy, SDG 8 on decent work and economic growth, SDG 10 on inequality, SDG 12 on responsible consumption and production, SDG 13 on climate action, SDG 15 on life on land and SDG 17 on partnership for the goals. These goals influence our work within beet growing, sugar and feed production and our cooperation with customers and end consumers.

Environment and climate change

For all our factories, we have a process for identification and determination of significant environmental aspects. To control these aspects various measures have been taken to control and minimise the potential impacts. The most significant aspects are CO₂ emissions followed by other emissions to air (NO_x, SO₂, particulates, smell, noise), emission to water (BOD, COD), handling of chemicals, traffic, dust explosions. Most measures are related to operational controls, maintenance, including preventative maintenance, and cleaning. Description of these is part of our management systems and governed by our policies and permits.

Our ambition on climate is also supported by the Nordzucker Energy and Environmental Policy which outlines the principles to minimize the climate and environmental impacts of our activities. That includes improving our processes in Nordzucker's factories and working closely with our growers to ensure sustainable cultivation of our sugar beets as well as collaborating with our customers, suppliers, and other service providers to improve our environmental performance. Our Energy and Environmental Policy can be found [here](#).

To emphasize our commitment to the environment and climate, the Nordzucker Group has joined the Science Based Targets Initiative in spring 2021. The goal of the Science Based Targets initiative (SBTi) is to ensure that companies have credible emissions reduction targets consistent with the level of climate action needed to prevent catastrophic effects of global warming. Over the past years we have calculated our overall carbon emission baseline to set ambitious and transparent science-based targets. This has been part of our target submissions to SBTi in October 2022. The targets were validated in August 2023.

Sugar production is an energy-intensive process. Apart from sourcing of sugar beets, energy consumption is a major cost factor and thus also of economic significance. Under the GoGreen program, we are implementing our decarbonization roadmap in Scope 1, with a Group target to reduce Scope 1 and 2 greenhouse gas emission (GHG) by 50.4% by 2030 with a baseline in 2018. By 2050 at the latest, we aim to be carbon-neutral and fossil fuel-free in our production. To meet our climate targets, we have setup a dedicated team to run our GoGreen program. The team is examining and assessing the potential of different technologies and how they can be applied in our factories. For each factory detailed roadmaps for technology implementation and energy reduction are outlined. This also includes the use of some of our beet pulp for biogas production. We also secure that the used electricity is renewable. Our ambitions to phase out coal are supported by a new gas pipeline. From 2024, the islands of Lolland-Falster have been connected to the Danish natural gas network which means that both of our Danish sugar factories in Nakskov and Nykøbing have switched to natural gas from the start of the 2024 campaign. Subsequently, we plan to switch from natural gas to biogas in both sites, with the help of the gas grid. In this respect, we have during the financial year 2024/25 entered into an agreement with Nature Energy to use our beet pulp for production of biomethane which can be used in our production as from the 2025 campaign. The agreement with Nature Energy means that we will be able to reduce CO2 emissions by up to 37,000 tons annually until 2030.

To further understand our climate impact and track improvements, as part of the 2030 Sustainability Strategy, we have committed to update our product carbon footprint annually. In cooperation with RISE, the Research Institute of Sweden, we have calculated the product carbon footprint of our sugar for the years 2017-2023. On EcoVadis, a rating platform that assesses sustainability, we received 65 points in 2024. We also report on our climate impact to the Carbon Disclosure Project (CDP) where we have kept the Climate Change score at B level in 2024. On CDP's Supplier Engagement, we have reached a CDP score of B. This is thanks to our acceleration of supplier engagement on climate change that was started as part of our Sustainable Procurement project called "Supplier Sustainability Engagement Program" and our continuous efforts in the Sustainable Agriculture Initiative (SAI) FSA platform. Our Supplier Sustainability Engagement Program has become integrated into our efforts to comply with the new German Human Rights Due Diligence Act (LkSG), and a new Human Rights Strategy describing our approach to amongst other LkSG was finalised in 2024. The negative environmental impacts on ecosystems, including greenhouse gas emissions, are included in our LkSG due diligence processes.

Regarding circular economy, our manufacturing process turns almost the entire sugar beet as well as the products arising from the processing operation into valuable products. Examples are beet pulp used as animal feed, lime used as soil conditioner (fertilizer), molasses used for fermentation and other products. We are actively working on removing unnecessary packaging, and on achieving 100% recyclable plastic packaging and responsibly sourced paper packaging by 2025, commitments stipulated in the Nordzucker's Sustainable Packaging Policy [here](#). Moreover, by re-using water from beet plants, we are able to meet almost all our water requirements and keep consumption of fresh water to a minimum. Transport of sugar beets and final products is optimized to lower the cost and the climate impact from transportation. We clean the beets in the fields to avoid transporting soil and stones to the factory.

- In 2024, the energy consumption in our two Danish factories was 9% higher than in 2023 and the total CO2 emissions were 14% lower compared to 2023. The higher energy consumption was due to higher production volume and the lower CO2 emissions were due to switching from oil to natural gas consumption. Per tonne of sugar produced, energy consumption increased compared to the previous year from 1.60 MWh to 1.48 MWh. The CO2 emissions decreased from 0.41 ton CO2e in 2023 to 0.30 ton CO2e in 2024 following the switch to natural gas as from the 2024 campaign.
- Nordzucker is following its 2030 Sustainability strategy. Our targets were validated by SBTi in August 2023.

Sustainable agriculture / Sustainable beet growing

Continuous improvement in sugar beet growing is a core pillar of sustainable beet growing. Through direct contributions to Nordic Beet Research (NBR), in cooperation with the Danish beet growers' association (DKS), we support research to increase our growers' sugar beet yields and on the other hand lower and optimize the usage of external inputs. This also includes the development of growing regimes like organic sugar beet production.

Optimizing the usage of external inputs in sugar beet growing will result in lowering the CO2 emissions related to agricultural operations.

One of the cornerstones in minimizing the usage of insecticides and fungicides according to the Integrated Pest Management principles (IPM) is the collaboration between Nordic Beet Research (NBR) and the Nordic Sugar Agri Centre to conduct pest and disease monitoring. The monitoring data is available to the growers via our web portal and app, to make better on-field decisions.

To share knowledge among growers and other agricultural stakeholders, we organise grower field days, focus groups and hold grower meetings to disseminate the latest knowledge about beet growing. Additionally, growers are informed about better beet growing practices and latest Agri news via our web portal, app and sugar beet magazine.

To improve our work with sustainable beet growing, Nordzucker Group is investing additional funds into the flagship project "Smart Beet Initiative" where we support practical field trials on plant protection product reduction (e.g., smart spraying systems) and digital tools.

- The sugar yield per hectare in Denmark 2024/25 was 13.05 t/ha compared with the previous year 13.4 t/ha.
- Nordic Sugar is part of the Sustainable Agriculture Initiative Platform (SAI), a voluntary industry initiative of the biggest food and drinks companies. Every third year we conduct the SAI Farm Sustainability Assessments which are third party audited. Our goal is that all our growers will be verified on gold level by 2030. After the latest verification in 2022, 92.5% of the assessed Danish growers received a gold rating while 7.5% received a silver rating.

Human rights

We are committed to respecting and protecting human rights across our operations and supply chains. We do not tolerate forced labour and are inherently against child labour. Our values are the cornerstone of our culture and both our new Code of Conduct from the financial year 2023/24 and the updated Supplier Code of Conduct are built on these. Our Human Rights Policy also highlights how we undertake human rights due diligence and describes grievance and remediation procedures. You can find the link to the Code of Conduct and Supplier Code of Conduct [here](#) and our Human Rights Policy [here](#).

The Nordzucker Group is a SEDEX member, and all factories are subject to so-called SMETA 4-pillar audits every third year. In the financial year 2024/2025 our sites have been audited towards the updated SEDEX 7.0 methodology. To ensure that all products and services we source are in line with our social and environmental requirements, we are strengthening our human rights due diligence, including increased focus on sustainable procurement. We undertake periodic training of our buyers on sustainability topics and have an established process on identifying and assessing the risks and impacts throughout our supply chains. To understand the risks, we might be dealing with in countries where we have no or limited experience, we perform a country risk assessment covering security situation, human rights violations, corruption, land conflict, working conditions, forced labour, child labour, lack of freedom of association, contamination of water, water use, negative impact on ecosystems, and greenhouse gas emissions. The country risk assessment, together with the analysis of the supplier, is used to evaluate the actual risk and serves as a basis for the decision on whether an on-site audit is necessary or not. These processes have become more standardized as a requirement of the German Human Rights Due Diligence Act. Potential risks exist concerning forced and child labour in our extended supply chain in regions with less stringent labour standards. These and other risks we constantly work with are mentioned amongst the salient human rights in our Human Rights Policy.

Human rights and labour standards are also part of the Sustainable Agriculture Initiative (SAI) by the Farm Sustainability Assessment (FSA), which was implemented for the first time in Denmark in 2016. We use the SAI framework to assess, and third party verifies our sugar beet growers thereby promoting sustainable farming.

We are planning to continue all our activities around human rights in the future.

Social responsibility

In the beginning of 2024, a new Human Resources strategy called “People in focus” was introduced.

The strategy is based on 3 pillars:

1. Focus on the workplace at Nordzucker. It should be safe and attractive, both for those already on board and for potential new employees. The goal: A strong employer brand combined with greater visibility on the labour market to attract and retain specialists and managers.
2. Digitalisation & services. The plan is developing digital tools to support employees and optimize HR processes and systems.
3. Engaging in people. HR supports lifelong learning and promotes personal and professional development through training, performance and potential analyses and regular employee appraisals.

The overriding goal is that our employees return home healthy at the end of the working day. However, since there are many sources of danger and unpredictable situations, several starting points are needed to achieve improvements and to make us all as aware as possible. In the newly developed Safety & Health roadmap, some new approaches are integrated to deepen the topic across the Group.

Our focus is on changing the work culture. Creating awareness of preventive and proactive safety. That means being aware of your own behaviour as well as that of your colleagues or contractors.

The 3 goals are:

1. Create even more awareness of safety. Attention on awareness, behavioural change, leadership, and culture. Analysing accidents at work, continue focus on near misses and dangerous situations.
2. Boost our communication: Posters, best practice reports, statistics, etc. In addition, safety must be a topic in every meeting and always the first thing on the agenda. There is a new safety topic every month which we accompany with communication.
3. 11 Life Saving Rules, rolled out step by step. All in all, attention and awareness of occupational safety respecting safety rules and stopping careless behaviour.

Nordzucker’s factories are large workplaces and are important for many people’s daily lives. We strive to have a good relationship with our neighbours. We open the factories for visits from neighbours, schools, students, and other interested parties, support local sport clubs, offer internships and have a good and established dialogue with the authorities.

The following targets have been set within social responsibility.

- Target is to reduce our absence index. In Denmark, our absence was 5.1% in 2024, from 4.5% in 2023, from 3.9% in 2022 and 4.0% in 2021.
- There were 2 serious accidents (with more than 3 days absence) in the Danish operations in 2024. In 2023 there were 8 and in 2022 there were 5 serious accidents. The target is 0 serious accidents. Therefore, special attention is on work safety cf. the above-mentioned action plans.

We are planning to continue all our activities around social responsibility in the future.

Anti-corruption and business ethics

Anti-corruption is fundamental to how we do business. We refuse to offer, give or receive bribes or other improper payments as described in our Code of Conduct. The Code of Conduct was implemented in our company in 2013 with training of all employees. This training has also covered anti-corruption and bribery. In 2023, an updated Code of Conduct was published and training throughout the company was performed. Also, our Supplier Code of Conduct was updated. See the Code of Conduct and Supplier Code of Conduct [here](#).

The most significant risk is dealing with suppliers from countries with weak governance in place.

In 2021, we updated and implemented our Anti-corruption guideline and a Gifts and Hospitalities guideline. We have introduced various risk tools to evaluate partners and agents. To avoid corruption, a “four eyes-principle” is part of our business decision process in the Nordzucker group. This principle requires that a business transaction is approved by at least two individuals. Furthermore, we have mandatory training for management and key employees in relation to competition and antitrust laws, most recent in January 2021. Moreover, in 2020, we have adopted a new Data Protection Guideline and most recently conducted a group wide GDPR training for all employees. Further, advanced training and workshops on these topics are provided for management and relevant departments.

To ensure appropriate grievance mechanism we implemented a whistle-blower system called “Speak Up!” in the Nordzucker group in 2016. All our employees, customers, suppliers and other stakeholders can help to expose misconduct, illegal business practices and all breaches of the Nordzucker Code of Conduct and Supplier Code of Conduct. Speak Up! is a protected system that is made available and managed by an external service provider. It can be used to make a report in written form in the respective national language and, if desired, submitted in fully anonymised form. The Speak Up! system complements the existing communication channels and was recently updated so that it is compliant with the EU whistle-blower directive. You can access and read more about the whistle-blower mechanism, Speak Up! [here](#). There have been no cases related to anti-corruption in our Speak Up! system during the financial year 2024/25.

We are planning to continue all our activities around anti-corruption and business ethics in the future.

Data ethics

Nordzucker processes data for the purposes of production, execution of business transactions and general operation and support of the business. Process automation is done solely for optimization and execution of standard processes. Furthermore, it is not an integral part of our company's business strategy or activities to use data acquired from third parties or to use algorithms for data analysis, automated decision-making or for the personalization of products or the like. Nordzucker has thus not established a data ethics policy.

Certification

Nordzucker is a reliable supplier for our customers. We hold a long list of certifications: ISO 50001, FSSC 22000 and in Denmark also ISO 14001. In addition, we have SMETA, Kosher and Halal audits, Fairtrade products, organic and KRAV labelled products that all have their own specific requirements which we comply with.

Closing remarks to the Sustainability Statement

Our Nordzucker board is heavily involved in the development and execution of our sustainability strategy, which is supplemented with our certificates, policies, commitments and action plans that cover all parts of our organization. Over the past few years, sustainability has taken a central stage in our overall company strategy, and our aim is to be sustainability leaders in the sugar industry. We have launched a new website where we will work on better communicating our results over the next months, giving our stakeholders a clear update on our progress within the sustainability areas on continuous basis. You can find the website [here](#).

Gender distribution in management

In Nordic Sugar we are aware that the best results are achieved when diversity is connected to the business. This ensures that we see things from different perspectives.

We are aware that we lose talent if we do not ensure that the most skilled individuals of both genders have the desire and opportunity to pursue a career with us. Numerous studies have shown that having both genders in leadership positions brings a different dynamic and a transformed culture towards more collaboration and improved communication. Innovation thrives when multiple genders are represented.

We have joined the Danish Industry’s Gender Diversity Pledge and, therefore, at Nordic Sugar, we aim to ensure continuous improvements. We recognize the importance of focusing on good leadership, conducting ongoing evaluations, and fostering a supportive culture. Towards 2030, we will work according to a plan that aims to increase the number of female leaders. Our goal is to actively contribute to achieving the target set by Danish Industry’s Gender Diversity, ensuring that 40% of all leadership positions are held by women. We acknowledge that certain work areas may face challenges in finding a workforce of both genders. Simultaneously, we actively contribute to educating both genders across all work areas.

Results and targets

Current results and targets are shown in the below table.

		2023/24	2024/25
Top management position (Board of directors)	Total number of members (excl. employee-elected)	5	
	Underrepresented gender in %	40	40
	Target figure in %	40	40
	Year for fulfillment of target figure	2023	202
Other management positions (1+2)	Total number of members	8	8
	Underrepresented gender in %	0	0
	Target figure in %	25	25
	Year for fulfillment of target figure	2030	203

The first level of management includes members of the Executive Board and the persons who organisationally are at the same level as the Executive Board. The second level in other management levels includes persons with managerial responsibility who refer directly to the first level of management.

The Board of Directors consists of 5 members whereas the underrepresented gender is 40%. Thus, Nordic Sugar has achieved an equal gender distribution in the Board of Directors. Other levels of management consist of 8 members whereas the underrepresented gender constitutes 0%. Consequently, the target for other levels of management has not been met.

To achieve the target for other levels of management, we have developed the following focus areas.

Recruitment:

- There should always be representation of both genders in the candidate pool.
- When recruiting for internal positions we must ensure that our own talents are encouraged to apply.
- The focus will remain on recruiting the right competencies - both professionally and personally.
- In job postings emphasis will be on the right content to avoid bias while using language that is more inclusive and appeals to a broader and more diversified applicant pool.

Efforts towards current female leaders and women in special roles:

- We ensure that both female leaders and women in special positions participate in our extended management group Nordic Sugar Business Forum. Nordic Sugar Business Forum currently has 41 members of which 13 are women equal to 32%.
- This ensures that female leaders and leaders in special roles can contribute to the foundation of our strategic development and gain knowledge on how we collectively create an attractive workplace.

We aim to involve talents of both genders:

- Our goal is to ensure that extended management group gains inspiration from a diverse pool of talents.
- We will focus on knowledge sharing related to strategic development and also ensure leadership development within Nordic Sugar. This development aligns with societal requirements to ensure equal opportunities for all and meets the demands placed on leaders.

We aim to ensure the following developments through our policy:

- Development in the number of female leaders in the senior management team should reach 25% by the end of 2030.
- Development in the overall number of female employees: We will endeavour to increase this figure by 2030. Where possible, we aim to meet the requirement of having 40% female representation in the total workforce. However, certain groups pose a challenge due to our predominantly male-dominated industrial production.

Additionally, we will:

- Retain female employees through education and training programs to enhance their leadership skills.
- Continuously evaluate initiatives and policies to promote leadership and inclusion. This includes actively utilizing feedback from gender-segregated results in Employee Satisfaction Surveys.
- Promote interest in and educate women in fields that typically have a higher proportion of male representation. Our Apprenticeship Policy will primarily facilitate this.

The CEO position was changed during the financial year 2024/25. The members of management are selected based on experience, expertise, and competencies relevant to the roles.

Income statement

1 March 2024 - 28 February 2025

(DKKm)	Note	2024/25	2023/24
Revenue	3	3,165	3,560
Production costs	4	-2,332	-2,403
Gross profit		833	1,157
Distribution and sales expenses	4	-235	-230
Administrative expenses	4	-69	-68
Other operating income		58	60
Other operating expenses	5	-73	-66
EBIT		514	853
Income from investments in subsidiaries	5, 6	149	4
Financial income	7	28	35
Financial expenses	7	-16	-21
Profit before tax		675	911
Income tax	8	-110	-190
Profit for the year	2	565	721

Balance sheet

ASSETS

(DKKm)	Note	28 February 2025	28 February 2024
NON-CURRENT ASSETS			
Intangible assets	9		
Other intangible assets		55	61
Total		55	61
Property, plant and equipment			
Land and buildings	10	250	237
Plant and machinery		771	649
Fixtures, fittings, tools and equipment		47	41
Prepayments and assets under construction		44	46
Total		1,112	972
Financial assets			
Investments in subsidiaries	11	723	723
Total		723	723
Total non-current assets		1,890	1,756
CURRENT ASSETS			
Inventories			
Raw materials and consumables		94	111
Finished goods and goods for resale		1,194	1,088
Total		1,288	1,202
Receivables			
Trade receivables	12	318	432
Receivables from related parties		545	6
Other receivables		75	51
Accruals		2	2
Total		940	545
Cash and cash equivalents		15	12
Total current assets		2,243	1,759
Total assets		4,133	3,515

Balance sheet

EQUITY AND LIABILITIES

(DKKm)	Note	28 February 2025	28 February 2024
EQUITY			
Share capital	13	1,000	1,000
Other reserves		2,568	2,003
Cash flow hedges		14	-25
Proposed dividend		-	-
Total equity		3,582	2,978
PROVISIONS			
Provision for deferred tax liability	14	146	13
Other provisions	15	5	3
Total provisions		151	134
NON-CURRENT DEBT			
Other payables	17	16	31
Total		16	31
CURRENT DEBT			
Trade payables	16	301	234
Amounts owed to related parties		30	74
Other payables	17	53	64
Total current liabilities		384	372
Total liabilities		551	537
Total equity and liabilities		4,133	3,515

OTHER NOTES

Accounting polities	1
Financial instruments	18
Contingent assets and contingent liabilities	19
Transactions with related parties	20
Post balance sheet events	21

Statement of changes in equity

(DKKm)	Note	Share capital	Other reserves	Cash flow hedging	Proposed dividend	Total
Equity at 1 March 2023		1,000	1,282	27	0	2,309
Transferred, cf. distribution of profit	2	-	721	-	-	72
Changes in cash flow hedging		-	-	-67	-	-6
Tax on changes in cash flow hedging		-	-	15	-	1
Equity at 1 March 2024		1,000	2,003	-25	0	2,978
Transferred, cf. distribution of profit	2	-	565	-	-	565
Changes in cash flow hedging		-	-	50	-	50
Tax on changes in cash flow hedging		-	-	-11	-	-11
Equity at 28 February 2025		1,000	2,568	14	0	3,582

The annual report of Nordic Sugar A/S has been prepared in accordance with the Danish Financial Statements Act's rules for large enterprises in reporting class C.

The annual report has been prepared in accordance with the same accounting principles as last year.

The annual report is presented in Danish kroner (DKK), which is the functional currency of the company.

With reference to section 112.1 of the Danish Financial Statements Act, no consolidated financial statements have been prepared for Nordic Sugar A/S, since the company and its subsidiaries are included in the consolidated financial statements of Nordzucker AG which are prepared in accordance with IFRS and are available at Nordzucker's homepage www.nordzucker.com.

Accounting estimates, assumptions and uncertainties

In determining the carrying amount of assets and liabilities at the balance sheet date, estimates are required of how future events will affect the valuation at the balance sheet date. Estimates, which are significant for the financial reporting, are mainly made in relation to measurement of inventories, depreciation and write down, including impairment of investments in subsidiaries, amortisation, provisions plus contingent assets and contingent liabilities. Estimates are based on assumptions which are reasonable, but which in the nature of the case are uncertain. The assumptions may be incomplete or inaccurate and unexpected events or circumstances may arise. Furthermore, the company is subject to risks and uncertainties which may imply that the actual results may differ from these estimates.

Currency translation

Transactions in foreign currency are recognised using the exchange rate prevailing at the day of the transaction. Non-monetary assets acquired in foreign currency are not subsequently adjusted. Receivables, liabilities and other monetary items in foreign currency are translated using the exchange rate prevailing at the balance sheet date. Currency adjustments arising from the difference between the exchange rate at the transaction date and the balance sheet date are recognised in the income statement under financial items. Currency adjustments of debt in foreign currency are recognised in the income statement.

Derivatives

The company uses forward exchange contracts to reduce exchange rate risks. Sugar futures as well as oil/gas swaps are used to reduce the risk of sugar sales based on world market prices respectively production costs, including forward currency contracts to hedge mainly transactions in USD and NOK. The company does not use derivatives for speculative purposes. Derivative financial instruments are initially recognised at fair value and are subsequently remeasured to the fair value at each balance sheet date.

Fair value of derivatives is included in Other receivables (positive fair value) or Other payables (negative fair value) as the case may be. Hedge accounting is applied for hedging of oil/gas (cash flow hedging) where realised as well as unrealised gains and losses on derivatives are deferred in equity until the hedged item is recognised in the income statement under the same item as the hedged risk (production costs). Hedge accounting is not applied for hedging of revenues where realised as well as unrealised gains and losses on derivatives are recognised in the income statement as financial items.

Fair values of derivative financial instruments are calculated on the basis of current market data and recognised valuation methods (level 2: Value based on recognised valuation methods on the basis of observable market information).

Income statement

Revenue

Revenue comprises invoiced sales less returned goods, bonuses and discounts granted in connection with sales. Sale of goods is recognised when the goods have been delivered and ownership and risk have passed to the buyer in accordance with the principles in IFRS 15 (point in time).

Production costs

Production costs include raw materials, consumables, direct labour and indirect production costs such as maintenance and depreciation of production plant as well as administration and plant management. Production costs also include research and development costs. Research costs are recognised in the income statement in the year in which they are incurred. Clearly defined and identifiable development projects in which the technical degree of exploitation, adequate resources and potential future market or development possibility inside the company are recognisable, and where it is the intention to produce, market or use the project, are recognised as intangible assets where a correlation between the costs incurred and future earnings exists.

Distribution and sales expenses

Distribution and sales expenses comprise transportation costs, salary expenses for sales and logistics personnel, advertising and exhibition expenses, depreciation and other indirect expenses. Furthermore, it includes cost of warehouses and siloes.

Administrative expenses

Administrative expenses comprise expenses of the administrative staff and management and other indirect expenses.

Audit fees are not disclosed with reference to section 96.3 of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements of Nordzucker AG.

Other operating income

Other operating income comprises income of a secondary nature in relation to the activities of the company, including gains on the sale of intangible assets, property, plant and equipment, rental income plus recharged intercompany services.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature in relation to the activities of the company, including losses on the sale of intangible assets and property, plant and equipment.

Government grants

Government grants include CO2 allowances and investments. CO2 allowances are recognised in the income statement on a systematic basis to match the related cost. Investment grants are set off against the cost of the subsidised assets. In case the investment grants exceed the carrying amount of the assets, the residual is recognised as other operating income.

Income from investments in subsidiaries

The item comprises profit from sale of investments in subsidiaries, any write downs and reversals hereof plus dividends from investments in subsidiaries. Dividends are recognised when the right to receive dividends has been approved by the relevant company bodies. To the extent that distributed dividends exceed accumulated earnings after acquisition, only the part comprising accumulated earnings after acquisition is recognised in the income statement.

Financial income and expenses

All financial costs are recognised in the income statement. Financial income and expenses include interest income, interest expenses, commission for committed facilities, borrowing expenses, amortisation of financial assets and liabilities, gains and losses on derivatives where hedge accounting is not applied plus the interest part of capitalised leases.

Income tax

Income tax consists of current tax and changes in deferred tax. Income tax related to cash flow hedging is recognised in equity until the hedged item is recognised in the income statement or balance sheet.

Current tax

The tax currently payable is based on the taxable profit for the year using the applicable tax rates that have been enacted at the balance sheet date.

Deferred tax

Deferred tax is measured according to the balance sheet liability method in respect of all temporary differences between the tax base and the carrying amount of an asset or a liability. Deferred tax on goodwill is not recognised unless the goodwill is tax deductible. Taxation arising on the sale of investments in subsidiaries is not recognised in the balance sheet unless the investments are expected to be sold within a short period. The tax base of tax losses carried forward and negative deferred tax are recognised as assets when it is likely that they will reduce future tax payments within a reasonable period of time. Deferred tax is measured on the basis of the regulatory tax rules and tax rates applicable at the balance sheet date when the deferred tax is expected to become current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement. Withholding taxes relating to dividends from subsidiaries outside Denmark are recognised in the year in which the dividend is declared.

Balance sheet

Other intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is made on a straight-line basis over the estimated useful lives of the assets.

Amortisation period:

Patents, licences and other intellectual property rights	up to 20 years
Software	up to 5 years
CO2 certificates	when consumed

Useful life is determined on the basis of management’s experience in the company’s business areas and reflects in the opinion of management the best estimate of the economic useful lives of the assets.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and write downs. Cost includes costs of materials, components, sub-supplier services, direct labour and indirect production costs. Interest and other borrowing costs are not included in cost. Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets. Depreciation is initiated when the assets are deemed to be ready for use. Land is not depreciated.

Depreciation period:

Buildings	20-60 years
Plant and machinery	10-40 years
Fixtures, fittings, tools and equipment	3-25 years

The basis of depreciation is determined subject to the residual value of the asset. The residual value is estimated to be 0 as it is the intention to keep all property, plant and equipment until the end of the physical useful life.

Expenditure relating to repair and maintenance of property, plant and equipment is recognised either as indirect production costs in the cost of inventories or directly in the income statement.

Lease contracts and related lease liabilities are recognised at the present value of the lease payments in accordance with IFRS 16. Recognition takes place when the assets are made available for the company. Such leases are subsequently depreciated linearly on the same basis as other property, plant and equipment. Residual lease obligations are recognised in the balance sheet under other payables and interest charges on the leases are recognised as financial expenses in the income statement.

Lease payments under non-capitalisable leases include short-term leases and low-value leases and are accrued and recognised in the income statement as operating expenses over the lease term. The service component of the lease contract is as well not capitalised, but recognised as operating expenses in line with the use of the assets.

Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Financial assets

Investments in subsidiaries are measured at cost less write downs. To the extent that distributed dividends exceed accumulated earnings after acquisition, only the part comprising accumulated earnings after acquisition is recognised in the income statement. The remaining part reduces the value of investments in subsidiaries.

Impairment of non-current assets

At year-end, the carrying amount of tangible and intangible assets and investments in subsidiaries is reviewed to determine any indication of impairment.

In the case of such indication, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are deemed to be independent of other assets, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is determined at the higher of the fair value less selling cost and the value in use. In the determination of value in use, estimated future cash flows are discounted by a discount rate reflecting market assessments of the time value of money and special risks associated with the asset for which adjustments have not been made in the estimated future cash flows.

Where the recoverable amount of the asset or unit is estimated to be lower than the carrying amount, the carrying amount is written down to the recoverable amount.

Any impairment loss is recognised in the income statement. Where the impairment is subsequently reversed, the carrying amount of the asset is increased to the adjusted estimate of the recoverable amount, however not exceeding the carrying amount, which the asset would have had, had it not been written down. Reversal of impairment is recognised in the income statement.

Non-current financial assets that are not measured at fair value are assessed at the balance sheet date to determine if any objective indicators exist that an asset or group of assets has been impaired. In that case, the recoverable amount of the asset is determined and where lower than the carrying amount is written down to the recoverable amount.

Inventories

Finished goods and goods for resale are recognised on a first-in/first-out (FIFO) basis and measured at cost. Raw materials and consumables are measured based on periodical average prices. Where cost exceeds the realisable value, a write down to this lower value is performed. Cost includes raw materials, consumables, direct labour and indirect production costs such as maintenance and depreciation of production plant and operations as well as administration and plant management. Obsolete items, including slow-moving items, are written down to net realisable value.

Receivables

Receivables mainly include trade receivables and short-term loans to other subsidiaries of the Nordzucker Group.

Trade receivables are initially measured at cost and subsequently at amortised cost or a lower value subject to individual assessment of potential loss. Fixed-interest short-term loans to subsidiaries are held to maturity and measured at amortised cost.

Other receivables include fair value of derivatives plus receivables from VAT and other duties etc.

Equity

Dividends are recognised as a liability at the date of adoption at the annual general meeting. Proposed dividend payments for the financial year are disclosed as a separate line item in equity.

Pension liabilities

Contributions under defined contribution plans are recognised in the income statement in the period they are related to and any contributions payable are recognised in the balance sheet as other payables.

Other provisions

Other provisions primarily relate to obligations concerning restructuring and obligations towards employees. Provisions are recognised for legal and constructive obligations that have arisen as a result of past events in the financial year or prior years, and where it is likely that the company's financial resources will be required in settling such obligations. The provisions are measured according to management's assessment of the amount by which the obligation is expected to be settled.

Financial liabilities

Mortgage debt and debt to credit institutions are measured at the time of the loan at nominal value less capital loss and transaction expenses and subsequently at amortised cost. The difference between the loan proceeds and the nominal value is recognised as a financial item in the income statement over the term of the loan.

Other payables, which include trade payables, payables to subsidiaries as well as other debt, are measured at amortised cost.

Cash flow statement

With reference to section 86.4 of the Danish Financial Statements Act, no cash flow statement for Nordic Sugar A/S has been prepared. Cash flows for Nordic Sugar A/S are part of the consolidated financial statements of Nordzucker AG.

Segment information on revenue

Segment information is based on the company's accounting policies, risks and internal financial management.

Definition of key figures and financial ratios

$$\text{EBITDA margin \%} = \frac{\text{Operating profit (EBIT) before depreciation and amortisation} \times 100}{\text{Revenue}}$$

$$\text{EBIT margin \%} = \frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Return on invested capital} = \frac{\text{Operating profit (EBIT)} \times 100}{\text{Average invested capital, including goodwill}}$$

$$\text{(ROIC) \%} = \frac{\text{Operating profit (EBIT)} \times 100}{\text{Average invested capital, including goodwill}}$$

$$\text{Energy / sugar (MWh/ton)} = \frac{\text{Total energy consumption (MWh)}}{\text{Beet sugar production (ton)}}$$

$$\text{Emissions / sugar (ton/ton)} = \frac{\text{Total Scope 1 (CO2e)} + \text{Total Scope 2 (CO2e)}}{\text{Beet sugar production (ton)}}$$

$$\text{Sugar yield per hectare (ton/ha)} = \frac{\text{Total sugar produced (ton)}}{\text{Hectare (ha)}}$$

SAI FSA performance levels (Gold, Silver, Bronze) = Sustainability schemes have the possibility to be benchmarked against the Farm Sustainability Assessment (FSA). Within the FSA it is possible to achieve Bronze, Silver and Gold performance levels. This is determined by how many Essential, Intermediate, and Advanced questions are met in the Self-Assessment Questionnaire.

$$\text{Absence index} = \frac{\text{Total absence (hours)}}{\text{Total number of planned working time (hours)}} \times 100$$

$$\text{Serious accidents} = \text{Total number of work-related accidents with more than 3 days absence}$$

Notes to the income statement

2 Distribution of profit		
	2024/25	2023/24
(DKKm)		
Amount to be carried forward	565	721
Proposed dividend	-	-
Total	565	721
3 Segment reporting		
	2024/25	2023/24
(DKKm)		
Product segments		
Sugar	2,809	3,083
By-products	290	353
Other	66	124
Total	3,165	3,560
Geographic segments		
DK	1,666	1,808
Europe	1,415	1,618
Rest of World	84	134
Total	3,165	3,560
4 Employee expenses		
	2024/25	2023/24
(DKKm)		
Employee expenses		
Wages and salaries	-281	-26
Defined contribution plans	-27	-26
Social security expenses etc.	-5	-
Total	-313	-294
Employee expenses are included in the costs below		
Production costs	-221	-208
Distribution and sales expenses	-41	-38
Administrative expenses	-42	-40
Other operating expenses	-1	-
Total	-305	-286
Employee expenses, which are included in the balance sheet		
Projects	-8	-8
Total employee expenses	-313	-294
Average number of employees	503	48

The remuneration of management and board amounted to DKKt 3,669 respectively 75 during the financial year 2024/25. The remuneration of management and board amounted to DKKt 3,052 respectively 75 during the financial year 2023/24.

Management has a bonus agreement which is dependent on the financial performance of the Nordzucker Group.

Notes to the income statement

5 Special items		
	2024/25	2023/24
(DKKm)		
Impairment/scrapping of assets recognised in Other operating expenses	-12	-
Onerous sales contracts recognised in Production costs	-35	-
Impairment of inv. in subsidiaries recognised as Income from investments in subsidiaries	-	-
Total	-47	43
6 Income from investments in subsidiaries		
	2024/25	2023/24
(DKKm)		
Dividend	149	-
Value adjustment of investments in subsidiarie	-	46
Total	149	46
7 Financial income and expenses		
	2024/25	2023/24
(DKKm)		
Financial income		
Financial income from related parties	20	4
Gains on foreign currency and derivatives	7	2
Other financial income	1	2
Total	28	35
Financial expenses		
Financial expenses to related parties	-	-
Losses on foreign currency and derivatives	-13	-2
Other financial expenses	-3	-
Total	-16	-23
Financial income and expenses, net	12	12
8 Income tax		
	2024/25	2023/24
(DKKm)		
Current tax on profit for the year recognised in the income statement	-101	-17
Change in deferred tax for the year recognised in the income statement	-15	-2
Adjustment of current tax for previous years	6	-
Total	-110	-190

Total current tax for the financial year 2024/25 amounts to DKKm 112 of which DKKm 11 has been recognised in equity.

Notes to the balance sheet

9 Intangible assets

(DKKm)	CO2 certificates	Rights	Total
Cost at 1 March 2024	50	20	70
Additions	1	-	1
Disposals	-11	-	-11
Reclassification from assets under construction	-	11	1
Cost at 28 February 2025	40	31	71
Amortisation at 1 March 2024	-4	-5	-9
Amortisation for the year	-5	-2	-7
Amortisation at 28 February 2025	-9	-7	-16
Carrying amount at 28 February 2025	31	24	55

10 Property, plant and equipment

(DKKm)	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Prepayments and assets under construction	Total
Cost at 1 March 2024	870	2,674	104	46	3,690
Additions	28	154	16	33	231
Disposals	-2	-16	-3	-2	-23
Reclassifications	3	19	-	-33	-1
Cost at 28 February 2025	899	2,831	117	44	3,891
Depreciation and write-downs at 1 March 2024	-633	-2,025	-64	-	-2,722
Depreciation of disposals during the year	2	12	3	-	17
Depreciation for the year	-18	-47	-9	-	-74
Reclassifications	-	-	0	-	-
Depreciation/write-downs at 28 February 2025	-649	-2,060	-70	0	-2,779
Carrying amount at 28 February 2025	250	771	47	44	1,112
Carrying amount of leased assets	14	-	8	-	22

There are no pledges in property, plant and equipment.

Notes to the balance sheet

11 Financial assets

(DKKm)	Investments in subsidiaries
Cost at 1 March 2024	723
Additions	-
Disposal	-
Value adjustment	-
Carrying amount at 28 February 2025	723

Subsidiaries	Country	Currency	Nominal capital *	Nordic Sugar's share in %
Nordic Sugar Oy	Finland	EUR	15,000	100
Nordic Sugar AB	Sweden	SEK	400,000	100
Nordic Sugar SIA	Latvia	EUR	2	100
AB Nordic Sugar Kedainiai	Lithuania	EUR	25,965	7

* Nominal share capital in 1,000's.

Subsidiaries	Country	Currency	Result**	Equity**
Nordic Sugar Oy	Finland	EUR	13	64
Nordic Sugar AB	Sweden	SEK	512	1,758
Nordic Sugar SIA	Latvia	EUR	0	0
AB Nordic Sugar Kedainiai	Lithuania	EUR	-7	57

** Result and equity are stated in million local currency based on local GAAP in the respective countries and the latest available annual report.

Notes to the balance sheet

12 Receivables

	2024/25	2023/24
(DKKm)	28 February 2025	29 February 2024
Other receivables		
VAT and other taxes	45	41
Income tax receivable	6	5
Derivative financial instruments	20	3
Other	4	2
Total	75	51

Accruals include accrued insurance premiums and prepaid rent etc.

Receivables payable more than 1 year after the balance sheet date

6

13 Equity

The share capital amounting to DKK 1,000,050,000 consists of 1,000,000 A shares with a nominal value of DKK 100 each and 9,000,500 B shares with a nominal value of DKK 100 each. The B shares have preference of up to 10% accumulated dividend.

14 Provision for deferred tax liability

	2024/25	2023/24
(DKKm)	28 February 2025	29 February 2024
Deferred tax liability at 1 March	131	11
Change in deferred tax recognised in the income statement	15	2
Deferred tax liability at 28 February	146	131

15 Other provisions

	2024/25	2023/24
(DKKm)	28 February 2025	29 February 2024
Other provisions at 1 March	3	4
Provisions during the year	5	3
Provisions utilised during the year	-3	-
Other provisions at 28 February	5	3
Due date is expected to be:		
Within 1 year	5	3
Over 1 year	-	-
Total	5	3

Other provisions mainly include obligations towards employees.

Notes to the balance sheet

16 Maturity analysis of debt		
	2024/25	2023/24
(DKKm)	28 February 2025	29 February 2024
Remaining contractual maturities		
Within 1 year	384	372
Between 1 and 5 years	12	31
Over 5 years	4	-
Total	400	403

17 Other payables		
	2024/25	2023/24
(DKKm)	28 February 2025	29 February 2024
Non-current other payables		
Derivative financial instruments	1	16
Finance lease debt	15	15
Total	16	31
Current other payables		
Wages, salaries, holiday pay, etc.	27	2
Income tax payable	1	-
VAT and other taxes	1	1
Finance lease debt	8	8
Derivative financial instruments	4	22
Other items	12	8
Total	53	64

Supplementary notes

18 Financial instruments

(DKKm)

The company uses FX forward currency contracts to hedge currency exposure related to sales and purchases in other currencies than EUR unless the exposure in another currency is immaterial. The company uses sugar futures to hedge p exposure related to sales contracts based on world market prices. The sugar futures are entered into at group level and subsequently allocated to each entity upon realisation. The company also uses gas derivatives to hedge the price of purchased gas. The company does not use derivatives for speculative purposes.

Hedge accounting is applied for hedging of gas (cash flow hedging) while other exposures are considered as economic hedges where gains and losses from derivatives are recognised immediately in the income statement as gains or losses.

Currency exposure as per 28 February 2025 (DKKm)

	<u>Period</u>	<u>Recognised receivables</u>	<u>Recognised payables</u>	<u>Hedging</u>	<u>Net position</u>
EUR	< 1 year	109	(23)	0	86
NOK	< 1 year	69	(1)	(68)	0
USD	< 1 year	10	0	(10)	0
Other currencies	< 1 year	0	(1)	0	(1)
Total		188	(25)	(78)	85

Price exposure related to sugar

The fair value of FX forward contracts except for cash flow hedges cf. below is DKK -2 million on 28 February 2025.

Cash flow hedging

The company has applied cash flow hedging for the following anticipated gas transactions as per 28 February 2025:

	<u>Period</u>	<u>Hedged volume (MWh)</u>	<u>Gain/loss recognised in equity</u>
(DKKm)			
Gas derivatives	048 months	662,591	17

During the financial year 2024/25 hedging gains of DKK 12 million have been recognised in cost of goods manufactur of which DKK 3 million have been recognised in production costs as a result of sales transactions. Furthermore, gains from previous year of DKK 30 million have been recognised in production costs as a result of sales transactions. Consequently, the total effect of cash flow hedging in the income statement is a gain of DKK 33 million.

The net gain from cash flow hedging recognised in equity during the financial year 2024/25 amounts to DKK 62 millic The changes in cash flow hedging cf. the statement of changes in equity are DKK 50 million consisting of gains of DK 62 million offset by net gains of DKK 12 million transferred into cost of goods manufactured.

Supplementary notes

19 Contingent assets and contingent liabilities

(DKKm)	2024/25 28 February 2025	2023/24 29 February 2024
Guarantees	9	9
Total	9	9
Operating lease and rental obligations		
Maturity of operating lease and rental obligations:		
Within 1 year	1	2
Between 2 and 5 years	1	1
Total	2	3

Credit facility agreement

Nordzucker AG has extended its syndicated revolving credit facility agreement on 20 February 2024 and increased the amount to EUR 450 million. The credit facility agreement runs until 20 December 2028. Nordic Sugar A/S takes part in this credit facility agreement as a guarantor together with other subsidiaries of the Nordzucker Group.

Operating lease and rental obligations

The company has only entered into operating lease agreements in the normal line of business. The leasing agreements include buildings and equipment.

Legal proceedings pending

An arbitration has been initiated by the Danish beet grower association on 20 May 2025 with regards to the calculation of certain beet cost elements. The arbitration case has been considered in the financial statements as per 28 February 2025.

20 Transactions with related parties

Ownership

Nordic Sugar A/S is wholly owned by Nordzucker AG, Küchenstrasse 9, 38 100 Braunschweig, Germany.

Transactions with related parties:

Transactions with related parties are carried out on an arm's length basis. With reference to section 98c of the Danish Financial Statements Act, transactions with related parties are consequently not disclosed.

21 Post balance sheet events

There have been no subsequent events of significance to the annual report 2024/2025 after the end of the financial year on 28 February 2025.