

Flora Food Denmark A/S

Lyskær 3C, 2., 2730 Herlev

CVR no. 36 89 16 96

Annual report 2024

Approved at the Company's annual general meeting on 28 May 2025

Chair of the meeting:

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Sten Tord Ingemar Schwalbe

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Flora Food Denmark A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 28 May 2025
Executive Board:

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Taru Tuuli Hillevi Mäkelä
Managing Director

Board of Directors:

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Sten Tord Ingemar
Schwalbe
Chairman

.....
Annica Kristiina Lindberg

.....
Taru Tuuli Hillevi Mäkelä

Independent auditor's report

To the shareholder of Flora Food Denmark A/S

Opinion

We have audited the financial statements of Flora Food Denmark A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

Auditor's responsibilities for the audit of the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Kolding, 28 May 2025
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Michael Vakker Maass
State Authorised Public Accountant
mne32772

Management's review

Company details

Name	Flora Food Denmark A/S
Address, Postal code, City	Lyskær 3C, 2., 2730 Herlev
CVR no.	36 89 16 96
Established	11 May 2015
Registered office	Herlev
Financial year	1 January - 31 December
Board of Directors	Sten Tord Ingemar Schwalbe, Chairman Annica Kristiina Lindberg Taru Tuuli Hillevi Mäkelä
Executive Board	Taru Tuuli Hillevi Mäkelä, Managing Director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, 2300 København S

Management's review

Business review

Flora is a branded food champion delivering the next generation of delicious, natural, and nutritious food. Flora produces, distributes and markets dairy alternative products in 100+ markets across four vast and growing categories Butters and spreads, Creams, Culinary, and Cheeses. Our reinvigorated iconic power brands reflect over 150 years of plant-based foods expertise and are trusted by consumers globally. Flora scale, culture and capabilities, including extensive food technology and innovation expertise, with 15 manufacturing sites across five continents provides a winning value proposition for customers and consumers. Flora Food Denmark A/S is based in Herlev, and it sells to the Danish market.

Financial review

The financial year under review has been a challenging period for Flora Food Denmark, marked by a decline in both revenue and profit. The management considers that, in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year was satisfactory. The directors do not expect any development in the Company's business in the coming year which is significantly different from its present activities, and remain committed to deliver long-term sustainability and growth.

Key Financial Highlights

- Revenue: The company generated a total revenue of DKK 101,901, representing a decrease of 1.7% compared to DKK 103,649. This decrease is primarily due to pricing activities partially offset by volume increase.
- Profitability: Profit before tax (PBT) for the year was DKK 3,598, a decrease of 57.8% from the previous year. The net profit for the year was DKK 2,744, which represents a 58.7% change compared to the prior year.
- Gross Profit Margin: The gross profit margin declined from 6.3% to 5.7%, reflecting adverse impact of rising raw material costs which eroded the margins on key products.
- Other External Expenses: Other External expenses were managed effectively, with a 32% decrease, largely due to the savings in consultancy fees, no employee costs as compared to prior year and miscellaneous marketing expenses.

The finished goods are purchased from Flora Food Group and invoiced using cost plus mark up model. The operating margin is adjusted with the targeted 3.5% with the Transfer Pricing invoices issued on a quarterly basis. Therefore the cost of sales is adjusted by the transfer pricing treatment in accordance with arms length principle.

Dividend payment of DKK 30,000,000 has been proposed by the Board of Directors attributable to Flora Food Holding UK Limited the only shareholder of the Company.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2024	2023
	Revenue	101,901	103,649
	Cost of sales	-89,788	-87,802
	Other external expenses	-6,336	-9,301
	Gross profit	5,777	6,546
2	Staff costs	0	-709
	Amortisation of intangible assets	-2,210	-2,210
	Profit before net financials	3,567	3,627
3	Financial income	3,552	4,905
	Financial expenses	-3,520	0
	Profit before tax	3,599	8,532
4	Tax for the year	-855	-1,890
	Profit for the year	2,744	6,642
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	30,000	0
	Retained earnings/accumulated loss	-27,256	6,642
		2,744	6,642

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Goodwill	1,105	3,315
		<u>1,105</u>	<u>3,315</u>
	Total fixed assets	<u>1,105</u>	<u>3,315</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	12,437	13,749
	Receivables from group enterprises	62,732	53,814
		<u>75,169</u>	<u>67,563</u>
	Cash	35	728
	Total non-fixed assets	<u>75,204</u>	<u>68,291</u>
	TOTAL ASSETS	<u><u>76,309</u></u>	<u><u>71,606</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	8,000	8,000
	Retained earnings	14,525	41,781
	Dividend proposed	30,000	0
	Total equity	<u>52,525</u>	<u>49,781</u>
	Provisions		
	Deferred tax	243	729
	Total provisions	<u>243</u>	<u>729</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	9,295	11,546
	Payables to group enterprises	10,482	0
	Corporation tax payable	669	1,913
	Other payables	3,095	7,637
		<u>23,541</u>	<u>21,096</u>
	Total liabilities other than provisions	<u>23,541</u>	<u>21,096</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>76,309</u></u>	<u><u>71,606</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Security and collateral
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2023	8,000	35,139	0	43,139
Transfer through appropriation of profit	0	6,642	0	6,642
Equity at 1 January 2024	8,000	41,781	0	49,781
Transfer through appropriation of profit	0	-27,256	30,000	2,744
Equity at 31 December 2024	8,000	14,525	30,000	52,525

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Flora Food Denmark A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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

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

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation

The item comprises amortisation of intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	10 years
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Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, financial expenses relating to realised and unrealised capital gains and losses, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years.

Impairment of fixed assets

The carrying amount of intangible assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Cash

Cash is comprised of cash at bank.

Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

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

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2024	2023
2	Staff costs		
	Wages/salaries	0	670
	Pensions	0	39
		<u>0</u>	<u>709</u>
	Average number of full-time employees	<u>0</u>	<u>1</u>
The Company has no employees.			
3	Financial income		
	Interest receivable, group entities	3,513	1,742
	Other financial income	39	3,163
		<u>3,552</u>	<u>4,905</u>
4	Tax for the year		
	Estimated tax charge for the year	1,341	2,376
	Deferred tax adjustments in the year	-486	-486
		<u>855</u>	<u>1,890</u>
5	Intangible assets		
	DKK'000		Goodwill
	Cost at 1 J anuary 2024		<u>22,099</u>
	Cost at 31 December 2024		<u>22,099</u>
	Impairment losses and amortisation at 1 J anuary 2024		18,784
	Amortisation for the year		2,210
	Impairment losses and amortisation at 31 December 2024		<u>20,994</u>
	Carrying amount at 31 December 2024		<u>1,105</u>
6	Contingent Liabilities		
	Other financial obligations		
	The company does not have any obligations related to contractual obligations and contingencies etc. at 31 December 2024.		
7	Security and collateral		
	The Company has not provided any security or other collateral in assets at 31 December 2024.		

Financial statements 1 January - 31 December

Notes to the financial statements

8 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Flora Food Holding UK Limited	14-21 Rushworth Street, London, England, SE1 0RB	Consolidated financial statements can be requisitioned at: https://find-and-update.company-information.service.gov.uk/company/09327364
Sigma Luxco S.à.r.l.	2 rue Edward Stiechen, L-2540 Luxembourg	Consolidated financial statements can be requisitioned at 2 rue Edward Stiechen, L-2540 Luxembourg