



**DCH International AVS**  
**Annual Report 2024**

*Growing in Romania*

# **DCH International A/S**

Dannevirkevej 6, 7000 Fredericia,  
Reg. no. 26 08 85 77

## **Annual Report January 1st – December 31st, 2024**

Presented and adopted at the Annual General Meeting on 3<sup>rd</sup> of April 2025.

**Chairman of the Annual General Meeting:**

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**Bo Hulse**

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# Management's Statement of the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of DCH International A/S for the financial year 1 January to 31 December 2024.

The annual report is prepared in accordance IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and cash flows for the financial year 2024.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements.

We recommend the annual report for adoption at the Annual General Meeting.

Fredericia, 10<sup>th</sup> of March 2025

## Executive Board

Lars V. Drescher  
CEO

Morten Beider  
CFO

## Board of Directors

Torben Svejgård  
Chairman

Carsten Lind Pedersen  
Board Member

Ole Sloth Nielsen  
Board Member

Bo Hølse  
Board Member

Jytte Rosenmaj  
Board Member

# Independent auditor's report on the annual report for the period 01.01.2024 - 31.12.2024

## Opinion

We have audited the consolidated financial statements and the parent financial statements of DCH International A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024, and of the results of their operations and cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

## Basis for opinion

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

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

## Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

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

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with

IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

# Independent auditor's report on the annual report for the period 01.01.2024 - 31.12.2024

## Auditor's responsibilities for the audit of the annual report (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent

financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

Odense 10<sup>th</sup> of March 2025

**Deloitte**

**Statsautoriseret Revisionspartnerselskab**

CVR No. 33 96 35 56

Bo Damgaard Hansen  
State Authorised Public Accountant  
Identification No (MNE) mne34543

Abdul Wahab Ashraf  
State Authorised Public Accountant  
Identification No (MNE) mne46664

# Consolidated Financial Highlights

	2024	2023	2022	2021	2020		2024	2023	2022	2021	2020
<b>Profit &amp; Loss</b>						<b>Employees:</b>					
Revenue	70.546	61.631	40.360	43.184	68.876	Average number of employees	353	292	333	446	498
Total income	72.863	67.020	52.216	47.865	66.574	<b>Production Scope:</b>					
EBITDA	13.104	18.381	9.351	2.236	1.449	Average number of sows	14.088	12.919	10.961	13.078	14.313
Adjusted EBITDA (excl. fair value adjust. bio assets and Special Items due to ASF)	18.993	16.985	3.928	3.345	14.314	Number of pigs produced	412.217	374.353	324.354	396.841	427.887
Operating profit/loss (EBIT)	5.485	10.699	1.392	-6.720	-7.106	Produced pigs per avg. sow	29,3	29,0	29,6	30,3	29,9
Net financials	-2.609	-2.958	-2.009	-3.142	-3.228	<b>Ratios:</b>					
Profit/loss for the period	2.387	6.494	-596	-8.172	-8.673	Gross margin	33,9%	37,9%	31,8%	17,9%	20,5%
<b>Balance sheet:</b>						Ajusted EBITDA margin	26,1%	25,3%	7,5%	7,0%	21,5%
Total assets	146.508	137.012	136.680	147.030	165.069	EBIT margin	7,5%	16,0%	2,7%	-14,0%	-10,7%
Investments in property, plant and equipm.	5.182	1.192	1.797	2.389	8.837	Return on invested capital	4,7%	9,1%	1,2%	-5,5%	-5,3%
Equity	91.751	89.075	80.062	80.227	88.176	Adjusted ROI (excl. fair value adjust. bio assets)	9,5%	8,0%	-3,5%	-4,6%	4,2%
Invested capital	113.874	119.123	117.385	115.455	128.153	Return on equity	2,6%	7,7%	-0,7%	-9,7%	-9,7%
Net interest-bearing debt	32.251	33.043	42.388	39.613	48.541	Solvency ratio	62,6%	65,0%	58,6%	54,6%	53,4%
<b>Cash flow:</b>						Current Ratio	139%	147%	128%	120%	124%
Cash flow from operating activities	2.073	13.813	-1.477	7.274	18.239	Booked value per share	7,19	6,98	6,27	6,28	6,91
Cash flow from investing activities	-1.281	-4.452	-1.296	1.417	-10.623						
Cash flow from financing activities	698	-10.298	-8.093	-2.182	-5.777						

**Definitions of financial ratios:**

Adjusted EBITDA	EBITDA adjusted for price effect on fair value adjustment of biological assets and any special items
Gross margin	Gross profit / Total Income x 100
Adjusted EBITDA margin	Adjusted EBITDA / Total Income x 100
EBIT margin	EBIT / Total Income x 100
Return on invested capital	Net financials / Avg. net interest-bearing debt x 100
Return on equity	Net Profit / Avg. equity x 100
Solvency ratio	Equity / Total assets x 100
Current Ratio	Current assets / current liabilities x 100

# Company Information

## DCH International A/S

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Dannevirkevej 6  
DK-7000 Fredericia

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26 08 85 77

Domicile:

Fredericia

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Telefax:

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Web:

www.dchi.dk

E-mail:

mail@dchi.dk

## Board of Directors

Torben Svejgård (chairman)  
Carsten Lind Pedersen  
Ole Sloth Nielsen  
Bo Holse  
Jytte Rosenmaj

## Executive Board

Lars Vesten Drescher (CEO)  
Morten Beider (CFO)

## Auditor

**Deloitte**

**Statsautoriseret Revisionspartnerselskab**  
City Tower, Værkmestergade 2  
DK - 8000 Aarhus C

## Bank

**Nordea Danmark A/S**

Kolding Åpark 2  
DK - 6000 Kolding

## Lawyer

Gorrissen Federspiel  
Silkeborgvej 2  
DK - 8000 Aarhus C

## Subsidiaries

Premium Pork International A/S  
Premium Porc SRL  
Consinterfin SRL  
Degaro SRL  
Premium Porc Feed SRL  
Agro Investments Moldova SRL  
Premium Porc Negreni SRL  
Premium Vet Depot SRL  
Olsuin SRL  
Premium Porc Sibiu SRL

## About us

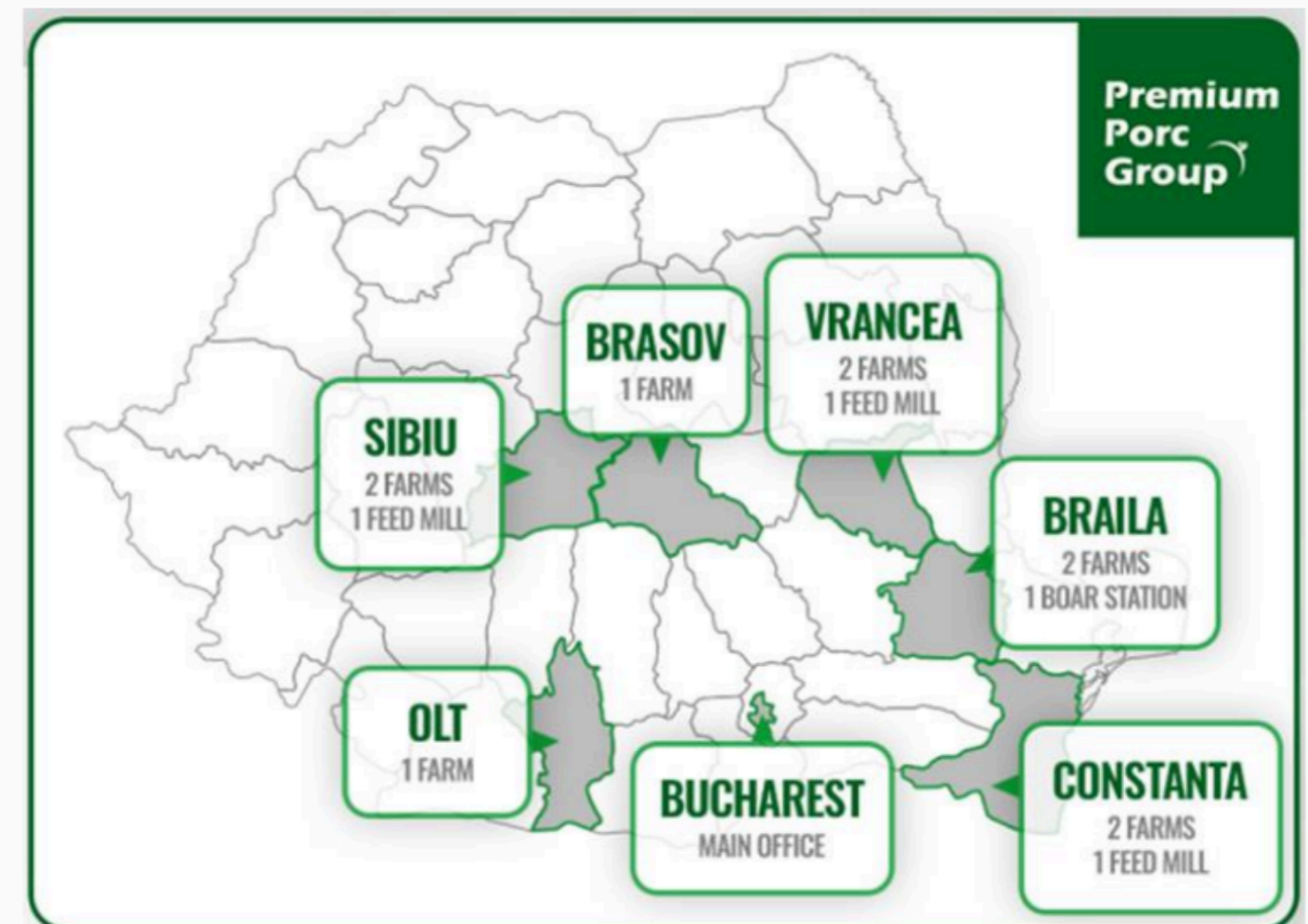
### Main activity

The main activity has been to operate pig production, focusing on sales of finishers through subsidiaries in Romania.

The group manages all activities related to pig production, having all required production divisions: reproduction and genetics, maternity and finisher barns. As secondary activities, the group has its own feed production divisions as well as manure management.

### Our business model

- ✓ Integrated pig production: breeding, reproduction, maternity, finishers
- ✓ The best Danish expertise and genetics
- ✓ Internal logistics for animals and feed
- ✓ Own Feed Mills
- ✓ Management of natural fertilizer



# Development in the financial year and financial positions

## Satisfactory market conditions off sets challenges with African Swine Fever (ASF)

The year shows, without fair value adjustment, a **profit** before tax of approx. EUR 6.9m compared to EUR 6.3m in 2023. And shows with the negative fair value adjustment of herds of EUR 4.0m, a **profit** before tax of EUR 2.9m compared to EUR 7.7m in 2023.

The consolidated total income without fair value adjustment was EUR 76.9m in 2024 (+17% compared to 2023). With fair value adjustment total income is **up** EUR 5.8m (+9%) from 2023.

The increase in total income is a combination of bigger production but lower prices for slaughter pigs. Government grants of EUR 1.4m supporting Romanian businesses in general also contribute to the increase. The sales price decreased 12% compared to last year (from 2.46 to 2.17 EUR per kg) having a negative impact of EUR 7.5m compared to last year's price.

The feed prices decreased by 12% which had a positive impact of EUR 4.4m compared to last year's price. Combined with the drop in the pig prices left a

net-decline in the overall profitability of EUR 3.2m.

Production increases, driven by restart of several farms, temporarily closed due to outbreaks of ASF prior 2024, have a significant positive impact. But ASF outbreaks in January 2024 delayed the return to full production and the production capacity has only been utilized in average with approx. 70% in 2024.

Direct loses due to ASF has a significant negative financial impact in 2024 as Premium Porc farm was infected in January 2024 and Fantanele farm end of 2024 (confirmed in January 2025). Despite Premium Porc farm being restarted successfully and very fast, the negative impact of the outbreak is still big (EUR 3.3m). And the outbreak in Fantanele impacts 2024 negatively with EUR 1.9m.

Temporarily closed farms due to outbreaks in the past, combined with the two new ASF outbreaks, had a total negative impact of EUR 7.1m in 2024 compared to EUR 4.8m last year.

The equity increased 3% to EUR 91.8m compared to YE 2023 (EUR 89.1m) and the solvency ratio is solid, 63%. Also, the Group's liquidity reserves YE 2024 are at a satisfactory level of EUR 13.4 million.

	EUR '000	Consolidated total		Pig production (operating)		Other (incl. non-operating)	
		2024	2023	2024	2023	2024	2023
<b>Total income</b>		<b>72.863</b>	<b>67.020</b>	<b>71.126</b>	<b>66.315</b>	<b>1.737</b>	<b>705</b>
Total income without fair value adjust. biological assets		76.873	65.624	75.136	64.920	1.737	705
<b>EBITDA</b>		<b>13.104</b>	<b>18.381</b>	<b>14.324</b>	<b>18.512</b>	<b>-1.220</b>	<b>-131</b>
EBITDA excl. fair value adjust. biological assets and excl. Special Items		18.993	16.985	20.213	17.116	-1.220	-131
<b>EBIT</b>		<b>5.485</b>	<b>10.699</b>	<b>11.040</b>	<b>14.061</b>	<b>-5.555</b>	<b>-3.362</b>
<b>Profit before tax</b>		<b>2.876</b>	<b>7.741</b>	<b>9.957</b>	<b>12.343</b>	<b>-7.080</b>	<b>-4.602</b>

### Overall assessment

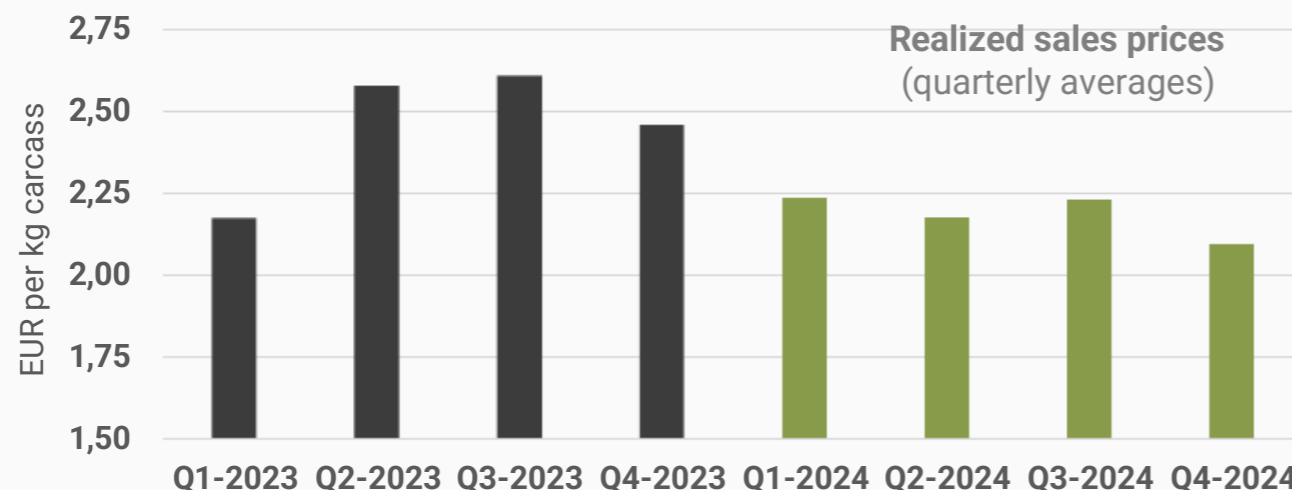
The net result is not satisfactory as operations continue to be negatively influenced by ASF outbreaks and implications of the presence of ASF in general.

Satisfactory prices for pigs and feed were on the other hand an important factor supporting a satisfactory result from the operating farms.

# Pork and feed prices declining but remain at a profitable level

## Pork prices 12% down compared to last year

Although lower than last year, the average sale prices reached again a strong and satisfactory level. The realized prices are significantly higher than the level prior 2023.



The weaner market also remained strong and only dropped 2% compared to last year's record. The financial importance of a strong weaner market is significant considering 21% of our sold pigs were sold as weaners.

The high pig price level (above €2 per kg) since Q3 2022 is supply driven by a dramatic reduction of the European pig production since 2021 (approx. 13%). The reduction has stopped, and the slaughtering is now stabilized at the same reduced level as last year. Although the demand for pork also is reduced compared to a few years ago, the reduction in supplies is significantly bigger shifting the overall market balance.

Herd counts across Europe indicate steady or even reduced production in a foreseeable future. The expected supply supports satisfactory prices for 2025.

## Feed prices also 12% down

Feed prices were 12% lower in 2024 compared to last year. This decrease was expected as it matches the price level for the second half of 2023. Cereal prices in harvest 2023, which largely determines feed costs up to harvest 2024, were 10-15% lower than the record high prices registered in 2022.

Until harvest 2020, feed prices were relatively stable for several years. This trend has certainly changed. Although decreased compared to 2022, the average price of raw materials consumed in 2024 is 33% higher as compared to 2019.

We don't expect a return to harvest 2019 prices, but we do believe that the cereal prices peaked in 2022. We realized cereal prices for 2024 harvest approx. 5% lower than the harvest prices in 2023 supporting slightly lower feed prices for 2025. We expect the price of raw materials to decline further although still at a high level compared to "old" price levels.

## The price level is now back to profitable levels

The price ratio between pork and feed of 7.0 for 2024 is like last year and significantly above the record low in 2021! Although the ratio is unchanged, the profitability outcome is negative due to pig prices being lower. The reduced prices represents a reduced profit before tax of EUR 3.2m in 2024 compared to the same production with 2023 prices.

Compared to 2019 prices, where the price ratio was at the same level, we would have generated approx. EUR 6.2m less in profit before tax if repeating 2019-prices.

## Herd valuation decreased by EUR 4.0m due to lower pig prices YE 2024

The market prices of biological assets (the pig herd) have followed the fluctuations in the pork prices. Consequently, the value of biological assets is decreased by EUR 4.0m compared to the equivalent, if prices of 31.12.2023 were to be used.

The adjustment is in line with international accounting principles, which are considered to provide a more accurate description of the company's activities and financial position.

## Pork and feed prices in Romania

		2017	2018	2019	2020	2021	2022	2023	2024
<b>Pork Prices (carcass)</b>	EUR/kg	1,66	1,42	1,63	1,52	1,32	1,90	2,46	2,17
<b>Feed Prices</b>	EUR/kg	0,21	0,22	0,23	0,24	0,26	0,35	0,35	0,31
<b>Exchange ratio pork:feed</b>		<b>7,9</b>	<b>6,5</b>	<b>7,1</b>	<b>6,4</b>	<b>5,1</b>	<b>5,5</b>	<b>7,0</b>	<b>7,0</b>

Note: The table show realized prices from the subsidiaries in Romania as an annual average after ASF related discounts.



# Our pig production continue the battles with ASF

## Our pig production is increasing again as closed farms gradually are restarted – despite an ASF outbreak in January temporarily closing 15-20% of our capacity

The overall capacity utilization, measured in number of sows, registered a 4% increase compared to YE 2023 despite the reduction of the sow herd caused by an ASF outbreak in Premium Porc farm in January 2024. A fast restart of the farm made a full repopulation of the sow-herd possible by YE 2024. Restarting of Olsuin towards end of 2023 have more than off-set the missing production from Premium Porc farm, explaining the 10% increase of pigs produced despite the closing of Premium Porc farm.

We have in 2024 continued the process of returning the sales mix towards fattening most of our pigs and limit the sale as weaners by restarting of the temporarily closed finisher farms. All farms, except for a small one closed in October 2024 due to ASF, was operating by end of 2024. The restarted finisher farms are the main reason for the production in kg increasing by 35% compared to 2023 considering number of pigs only increased by 10%.

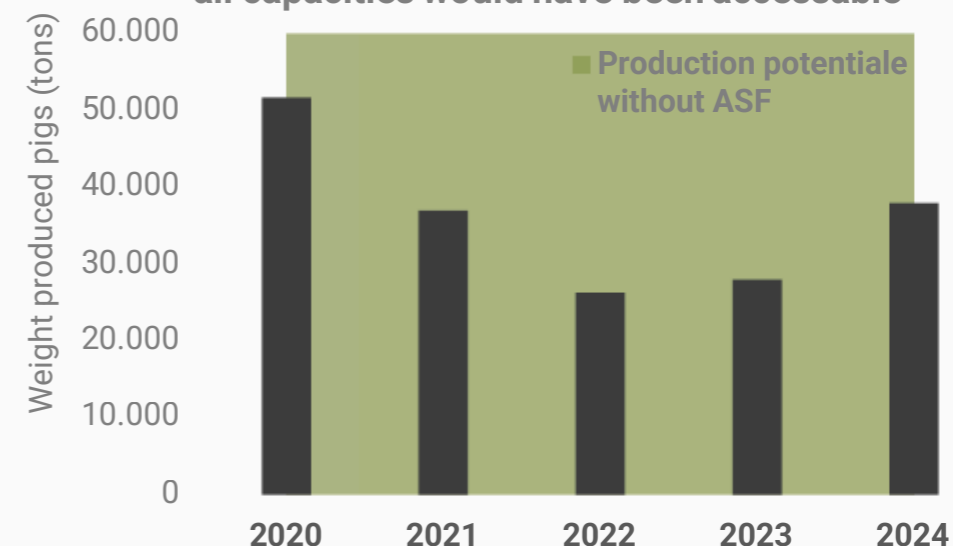
Facts about the pig production		2020	2021	2022	2023	2024	Diff. Y24 over Y23
<b>Number of sows end of year</b>	heads	17.956	9.449	11.308	16.044	16.764	4%
Out of which sows to be culled	heads	3.203	0	0	0	6.847	
<b>Weaned piglets per avg. sow</b>	heads	34,3	32,5	33,8	32,7	32,5	-1%
<b>Produced pigs per avg. sow *)</b>	heads	30,6	30,3	31,7	29,0	29,3	1%
<b>Sold slaughterpigs</b>	heads	423.981	291.477	199.332	193.180	255.158	32%
<b>Sold weaners (net)</b>	heads	-3.457	60.054	95.574	142.400	71.164	-50%
<b>Produced pigs total</b>	heads	427.887	396.841	324.354	374.353	412.217	10%
<b>Weight produced pigs **)</b>	tons	51.689	36.954	26.289	28.002	37.937	35%

Notes: \*) Produced pigs per sow for 2023 are excluding restart of Olsuin and for 2022 & 2024 excluding restart of Premium Porc. \*\*) Weight of pigs culled due to ASF included.

Restarting farms and young sow herds have affected the overall productivity negatively, but different challenges in production have furthermore negatively affected production efficiency. The overall efficiency has improved in 2024 compared to H2 2023, but is still not at a satisfactory level and 5-10% below the efficiency level achieved in the past. The two new sow herds started at promising efficiency levels and our expectations are high.

Another ASF outbreak in January 2025 unfortunately destroys our plan of reaching full production in 2025. This new outbreak (see next page) affects our biggest sow farm representing 40% of our total capacity.

Realized production compared to potential if all capacities would have been accessible



The number of pigs produced in 2024 is still 27% down compared to pre-ASF production.

And measured in weight produced even more below, underlining that utilization of our production capacities still is low.

### Romania supports pig welfare

Based on the Romanian support scheme, we applied for grants to improve animal welfare in pig production. The grant we applied for in 2024 has been recognized in total income by EUR 4.8m, representing 95% of the total value applied for. Payment is expected during the 1<sup>st</sup> half of 2025.

In 2024 we have received payments of EUR 3.9m for animal welfare support, for which we applied for in 2023. This represents EUR 0.1m more than allocated by the end of 2023. In total, grants for improved animal welfare of EUR 4.9m are registered in 2024, 24% up from the same period last year due to higher production.

The subsidy amount is far from a net gain, as we could reduce the significant costs related to meeting the requirements for the subsidy in case it ceased to exist.

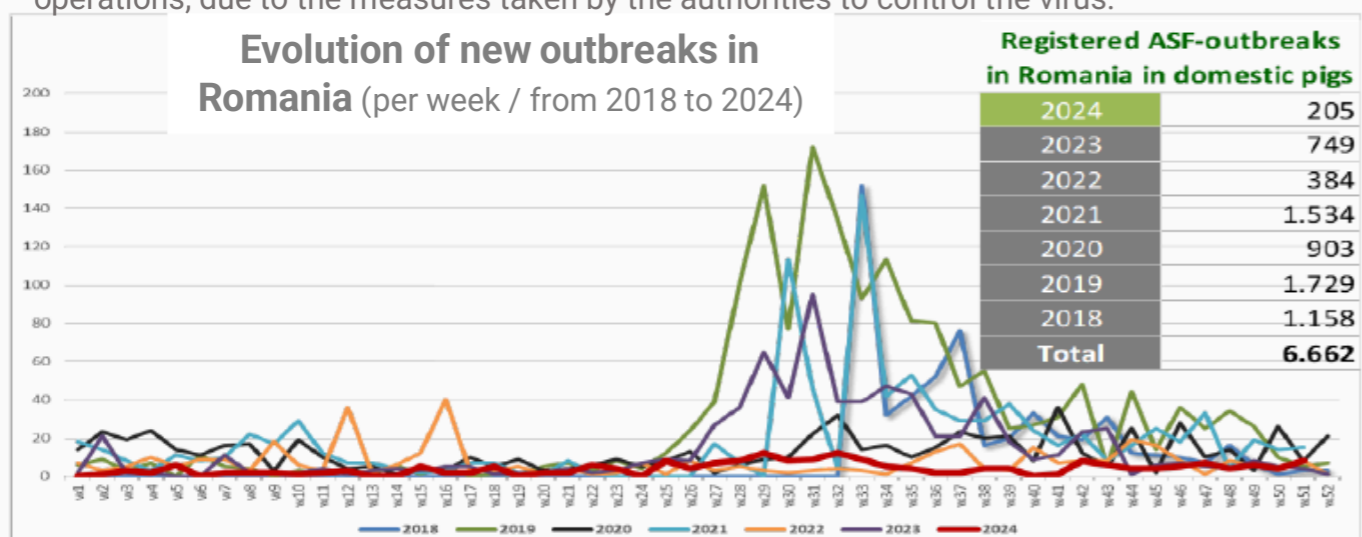


# Production affected by African Swine Fever (ASF) in Romania

Since the beginning of June 2018, more than 6.600 outbreaks of African Swine Fever (ASF) are registered at national level. The entire Romania has been considered affected since 2019 and continues to register a significant number of outbreaks.

### Indirect losses caused by ASF in Romania

The biosecurity in all our farms remains at a very high level, well exceeding industry standards according to international experts. Nevertheless, we experience huge indirect impact on our operations, due to the measures taken by the authorities to control the virus.



Surveillance/protection zones caused by ASF outbreaks in areas close to our farms have repeatedly impacted our production flows negatively, due to restrictions on moving animals in and out of the blocked farms. Except for the zoning of our Consinterfin farm caused by the outbreak in the neighboring Premium Porc farm, no zoning has affected us in 2024.

We work, in close collaboration with the authorities, toward lifting the zonings as soon as procedures and disease control allow. We are often able to continue production unaffected on the blocked farms, if the zoning is lifted in 4-6 weeks, due to the measures we have taken to adjust our production flow.

The indirect losses caused by the restrictions due to ASF outbreaks is not compensated by the authorities. These indirect losses arises from: lower sale prices due to special handling of pigs from ASF areas (thermal treatment), lost production in finishers farms not being supplied with weaners and extra costs to compensate for disrupted production flows.

The indirect loss in 2024 caused by zoning of the one farm was limited to approx. EUR 0.3m as the zoning lasted less than 6 weeks. No indirect losses registered in 2023.

### Direct losses caused by ASF outbreaks in our farms

Following the outbreaks on our farms in previous years, production was significantly downsized until the farms could be restarted again. Obviously, our goal is to avoid additional outbreaks. We believe our biosecurity set-up is a powerful tool to increase our probability of avoiding additional outbreaks.

An outbreak in Premium Porc farm occurred at the end of January 2024 underlining that even best-in-class biosecurity is not enough to prevent outbreaks completely. This farm had 3,000 sows with a capacity for finishing half of the piglets while the other half is transferred to other farms in the Group. All 21,000 pigs were culled. The farm is restarted successfully during 2024, and the sow herd was almost reestablished by YE 2024.

The value of the herd as well as the immediate costs were compensated by the Romanian State whereas the subsequent business interruption loss isn't compensated. The negative financial impact was approx. EUR 3.3m in 2024 and an additional negative impact of €1.3m is expected in 2025 until the farm is in full operation in Q2 2025.

All farms with outbreaks in 2021 and 2022 are back in operation by end of 2024 although some production flows still are in restart phase.

The loss for the Group caused by the ASF outbreaks in 2021 and 2022 amounts for 2024 to approx. EUR 2.1m (EUR 4.8m same period last year) due to the non-covered costs originating from the farms closed. Adding the business interruption triples the loss.

### A new ASF outbreak confirmed in January 2025

A new outbreak in Fantanele farm (part of Degaro) was confirmed early January 2025. The infection most likely happened in December 2024. This farm had 6,700 sows with transfer of piglets and weaners to other farms in the Group. All 51,000 pigs were culled.

The value of the herd as well as the immediate costs will be compensated by the Romanian State whereas the total subsequent loss including business interruption will have a negative financial impact of approx. EUR 8-10m from infection until mid-2026 when the farm is expected to be in full operation. The restart plan is like Premium Porc in 2024 as we plan for it to be restarted as fast as possible having the sow herd reestablished by YE 2025.

A part of the loss, EUR 1.9m, is registered as Special Item in 2024 following the timeframe for the actual infection.

**We are determined and focused on our strategy to be the company who masters the art of producing pigs in an ASF environment.**



## Litigations for relocation of Negreni farm

A group of citizens in Negreni village brought charges in 2016 claiming our farm should be relocated. Their claim is based on a Government Order from 2014 stipulating that distances from farm operations to the neighboring houses should be minimum 1,500m.

Our advisors, as well as the authorities that have assessed and validated our production and building permits, agree that this Order was meant to cover future constructions only and not farms and houses established decades before the Order was issued. Despite this, we lost in two consecutive local court hearings in 2018, and we are demanded to relocate the farm. The Ministry issuing the Order has in 2020 confirmed our understanding.

The case contradicts in many ways the legal framework covering our production permits. The enforceability of the verdict is anyhow seen as practically impossible as all production permits are valid, and production can continue despite the verdict.

Seventeen new, similar claims were received during the last two years. The new claims are either from the same citizens as the original claims or from citizens connected to the original claimants. All cases have been for trial with a satisfactory result for us as the cases are dismissed. The base for new claims no longer exists as the Government Order was changed in 2023 eliminating the minimum distance.

We are also investigating other options for dealing with this case.

We have no intention of relocating the farm and continue disputing the ruling and fighting the new claims received. The management and our legal advisors have initiated several actions for annulment and estimate that we have a strong case for preventing the ruling being carried out. Based on this, we have chosen not to make any provisions as we don't expect to encounter any losses due to this case.

The case is described in detail in Note 2.



# CSR Sustainability and Corporate Social Responsibility

## We care - Responsibility and sustainability as our guiding principles

This statement has been prepared in accordance with the Financial Statement Act §99a, §99b and §99d.

Our CSR strategy reflects the emphasis we, DCH International A/S, put on our operations being responsible and sustainable, and is built upon the pillars of animal welfare, environment, human and labor rights, local communities, corporate governance and anti-corruption. Our CSR report is public and can be read in full at our company's website: [www.premiumporc.com](http://www.premiumporc.com)



We put much effort in reducing the environmental impact of manure from our production. This by applying the manure as natural fertilizer in various ways and, at the same time, exploring new means to use it. To prevent release of greenhouse gasses, and reduce odors in general, the manure is stored in sealed lagoons.

Seeking to develop and support the local communities in which we operate, we have formed sponsorships with local schools and hospitals in Romania. Here, we focus our initiatives on the pillars of education, health, environment and local values.

We aim for the highest standard of animal welfare within our industry by complying to established procedures for pig production as well as biosecurity. These procedures are based on Danish practice, EU standards and further supplemented by the additional measures required by the Romanian national program for animal welfare.

Our guiding principles of sustainability and responsibility is reflected in our continuous drive to minimize the impact of our business, and by providing improvements today and for generations to come.

## Policy for the under-represented gender

### Board of Directors:

The current gender balance in the board is: 1 woman and 4 men. The target regarding diversity at Board of Directors level was that at least one of the board members should be of the under-represented gender. We have a target number of min. 25% women on the board by the end of 2026.

The company's board members are elected by the shareholders at the Annual General Meeting. Taking the specifics of the industry into account, it is unlikely that the proportion of the under-represented gender in the board will increase further over the coming years. The shareholders are aware of the company's wishes to honor diversity and equal gender representation and will be aware of this in the future constitutions of the Board, to the extent the recruitment base supports this possibility.

### Other management levels:

The company is required to establish a policy for diversity at other management levels. Through its internal policies and practices, the group assures a fair selection process, open towards all genders as well as personal circumstances, and the selection is performed strictly on criteria related to expertise and reflection of company values.

## Statement of Data Ethics Policy

We adopted the Policy of Data Ethics in 2022. The policy establishes the overall guidelines and principles for how data ethics is considered and reflects the Group's commitment to manage data responsibly based on principles of honesty, transparency, and accountability.

As a company, we primarily processes data relating to human resources, shareholders interactions, customer and supplier contact. The group controls that data is collected for explicit and legitimate purposes and processed legally and fairly, including that data processing only comprises the data necessary to realize the purpose of the processing.

Any violation of the policy on data ethics or the Group's internal procedures may be reported by employees through the groups whistleblowing system. No reports were filed in 2024.

The policy on data ethics is approved by the board of directors annually and revised on an ongoing basis.



## Anticipated development

### Pork prices expected to remain attractive for the foreseeable future

ASF continues to challenge the industry in EU as affected countries continue to discover new cases. But the market balance in the EU is adjusted to the situation with the lack of export out of EU from the affected countries. Unless ASF spreads to one of the big export countries we don't expect ASF to affect the market balance at European level in 2025.

The demand in Europe for pork has decreased in the latest years partially due to the inflation impacting consumer behavior. But in Romania, the willingness to pay extra for locally produced pork is strong due to a very low self-supply.

Predicting the supply evolution seems to be on firmer grounds indicating low supplies for the foreseeable future. The slaughterings in Europe dropped in 2023 to a significantly lower level than in the past and this reduced level have continued in 2024. The latest herd counts in the EU indicate that production remains stable, even with a small reduction of the sow herd indicating that slaughtering will remain low in 2025 as well.

Although the pig price most likely peaked in 2023, we expect only limited price reductions, and we expect the average price being close to 2 EUR per kg in 2025.

### Feed prices declining - but from a very high level

The grain prices continued the downward trend started last year. We have secured a big portion of the cereals needed until harvest 2025 and even beyond at prices 5-10% below the harvest 2024 level.

### The price level is expected to stay at a profitable level

The price levels for pigs and feed are expected to support profitability also in 2025 as we expect the pig prices to remain relatively high and the feed prices to be stable, if not slightly reduced.

### Subsidies for animal welfare continue

Subsidies for improving animal welfare continues at least until 2027 according to the current program. We expect it to continue beyond this as continuation of support to the industry is an important factor for Romania to reestablish a reasonable degree of national self-supply.

### Production temporarily downsized – focus on return to full operation

Although the new ASF outbreak in January 2025 is a major bump, the strategy still is to

resume full production as soon as reasonably possible. Production in 2025, despite the outbreak in January, is expected to be 4% up from 2024. Production in 2025 will still be approx. 27% lower than in 2019 (the most recent year without ASF outbreaks).

### ASF restrictions will hopefully not impact our production flow

Despite the lack of production flow disruptions caused by farms entering protection/surveillance zones the last year, future incidents are considered unavoidable. But hopefully we can avoid disruptions for the rest of 2025.

It's of high importance for our industry that the ASF situation is being controlled. Improvement can be seen in the manner that some local authorities manage the clearance of ASF outbreaks, leading to gradually decreasing periods of animal movement restrictions.

We do expect that ASF will be present in Romania for several years to come, but as both backyard production and the wild boar population is naturally decreasing over time, further accelerated by ASF, the risk is expected to gradually decrease within the following years.

### Investments focused on optimized production flows

Investments projects are prioritized considering the ASF situation, and the focus on having all farms back in production. Our priority to protect our farms within the Group remains. Besides this, a few specific projects, supported by investments grants, are planned for 2025. The biggest of the projects, upgrading an existing farm, was started in 2024 and will be finalized in 2025.

### We expect loss in 2025 due to the ASF outbreak in January 2025

As stated above, we believe pork prices will remain at a satisfactory level throughout 2025 and the price ratio to continue at the profitable level realized in 2024. But restart of the temporarily downsized production and new ASF outbreaks have a big negative impact.

Based on our price expectations, and a calm ASF situation, we expect a Total income of EUR 60-70m and the adjusted EBITDA (excluded for fair value adjustment of the herd) to reach EUR 6-9m. Herd valuation is expected to have a limited impact for 2025.

We remain focused on our cash flow in 2025. The starting point is strong, and the cash base is expected to remain at a satisfactory level throughout the year supporting restarting the remaining temporarily reduced production capacities.

# Income Statement

## Consolidated Income Statement

	EUR '000	2024	2023
	<u>Note</u>		
Revenue	3	70.546	61.631
Grants and other income	4	6.327	3.993
Value adjustment, biological assets	5	-4.010	1.396
<b>Total Income</b>		<b>72.863</b>	<b>67.020</b>
Direct costs		-31.763	-28.038
Other external costs		-16.384	-13.608
<b>Gross profit</b>		<b>24.716</b>	<b>25.374</b>
Staff expenses	6	-9.733	-6.993
Special items	7	-1.879	0
Depreciation	8	-7.619	-7.682
<b>Operating profit (EBIT)</b>		<b>5.485</b>	<b>10.699</b>
Financial income	8	119	137
Financial expenses	9	-2.727	-3.095
<b>Profit before tax</b>		<b>2.876</b>	<b>7.741</b>
Tax on profit for the year	10	-489	-1.247
<b>Net profit for the year</b>		<b>2.387</b>	<b>6.494</b>
<b>Distribution of profit for the year:</b>			
Group Shareholders		2.387	6.494
<b>Distributed</b>		<b>2.387</b>	<b>6.494</b>

## Consolidated Statement of Comprehensive Income

	EUR '000	2024	2023
Net profit for the year		2.387	6.494
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange adjustments of foreign enterprises		-317	403
Fair value adjustment of hedging instruments		-144	-72
Tax on hedging instruments		23	12
<b>Items that may not be reclassified subsequently to profit or loss</b>			
Revaluation of land, buildings, leasehold improvements and plant and machinery		866	2.594
Tax on revaluation		-138	-415
<b>Total comprehensive income</b>		<b>2.676</b>	<b>9.014</b>
<b>Distribution of total comprehensive income</b>			
Group shareholders		2.676	9.014
		<b>2.676</b>	<b>9.014</b>

# Balance Sheet

## Consolidated Statement of Financial Position

	EUR '000	31/12 2024	31/12 2023		EUR '000	31/12 2024	31/12 2023
<b>Assets</b>	<b>Note</b>			<b>Equity and Liabilities</b>	<b>Note</b>		
Acquired rights	11	293	351	Share Capital	18	12.767	12.767
<b>Intangible fixed assets in total</b>		<b>293</b>	<b>351</b>	Asset revaluation surplus		11.124	11.253
Land and buildings	12	65.616	67.968	Reserve for exchange adjustments		851	1.168
Plant and machinery	12	11.405	12.807	Cash flow hedging reserve		0	121
Operating equipment	12	814	591	Retained earnings		67.009	63.766
Right-of-use assets	12	1.387	1.701			<b>91.751</b>	<b>89.075</b>
Property, plant and equipm. in progress	12	3.035	915				
<b>Property, plant and equipment</b>		<b>82.258</b>	<b>83.982</b>	Provision for deferred tax	19	0	367
Non-current investments	14	56	86	Credit institutions	20	9.330	14.893
Deferred tax asset	19	762	0	Lease liabilities	20	762	467
Biological assets, Breeding herd	13	5.644	10.513	Deferred income	21	1.601	1.660
<b>Total non-current assets</b>		<b>89.013</b>	<b>94.931</b>	Other non-current liabilities	20	1.830	1.834
Biological assets, Commercial herd	13	16.268	13.338	<b>Long-term liabilities</b>		<b>13.523</b>	<b>19.222</b>
Inventories	15	9.216	8.379	Short term portion; credit institutions, leasing and other non-current	20	28.835	22.866
<b>Biological assets and inventories</b>		<b>25.484</b>	<b>21.717</b>	Trade payables		7.235	3.716
Trade receivables	16	6.612	6.191	Other liabilities	22	5.164	2.132
Other receivables	16	16.014	6.014	<b>Short-term liabilities</b>		<b>41.234</b>	<b>28.715</b>
Prepayments		586	827	<b>Total liabilities</b>		<b>54.757</b>	<b>47.937</b>
<b>Receivables</b>		<b>23.213</b>	<b>13.032</b>	<b>Total Equity and Liabilities</b>		<b>146.508</b>	<b>137.012</b>
Assets classified as held for sale	17	294	315				
Cash and cash equivalents		8.505	7.017				
<b>Total current assets</b>		<b>57.496</b>	<b>42.081</b>				
<b>Total Assets</b>		<b>146.508</b>	<b>137.012</b>				

## Consolidated Statement of Changes in Equity

EUR '000	Share Capital	Asset revaluation surplus	Reserve for exchange adjustment	Cash flow hedging reserve	Retained earnings	Total Equity
<b>Equity at January 1, 2023</b>	<b>12.767</b>	<b>9.706</b>	<b>766</b>	<b>181</b>	<b>56.641</b>	<b>80.062</b>
Share based payments	0	0	0	0	-22	-22
Net profit/loss for the year	0	0	0	0	6.494	6.494
Depreciation of revaluation reserve	0	-632	0	0	632	0
Other comprehensive income	0	2.179	403	-61	22	2.542
<b>Comprehensive income for the year 2023</b>	<b>0</b>	<b>1.547</b>	<b>403</b>	<b>-61</b>	<b>7.125</b>	<b>9.013</b>
<b>Equity December 31, 2023</b>	<b>12.767</b>	<b>11.253</b>	<b>1.168</b>	<b>121</b>	<b>63.766</b>	<b>89.075</b>
Share based payments	0	0	0	0	0	0
Net profit/loss for the year	0	0	0	0	2.387	2.387
Depreciation of revaluation reserve	0	-856	0	0	856	0
Other comprehensive income	0	727	-317	-121	-1	288
<b>Comprehensive income for the year 2024</b>	<b>0</b>	<b>-129</b>	<b>-317</b>	<b>-121</b>	<b>3.243</b>	<b>2.676</b>
<b>Equity December 31, 2024</b>	<b>12.767</b>	<b>11.124</b>	<b>851</b>	<b>0</b>	<b>67.009</b>	<b>91.751</b>

## Consolidated Cash Flow Statement

	EUR '000	2024	2023		EUR '000	2024	2023
	<u>Note</u>				<u>Note</u>		
Operating profit/loss (EBIT)		5.485	10.699	Proceeds from borrowings	20	6.008	212
<b>Adjustment for non-cash items:</b>				Repayment of borrowings	20	-5.310	-10.510
Depreciations		7.705	7.702	<b>Cash flow from financing activities</b>		<b>698</b>	<b>-10.298</b>
Value adjustment, biological assets	5	4.010	-1.396	<b>Change in cash and cash equivalents</b>		<b>1.489</b>	<b>-937</b>
Change in commercial herd	13	-5.995	-1.501	Cash and cash equivalents, start year		7.017	7.970
Change in inventories	15	-837	1.519	Exchange adjustments, beginning cash		-1	-17
Change in receivables	16	-10.183	-864	<b>Cash and cash equivalents at December 31</b>		<b>8.505</b>	<b>7.017</b>
Change in trade payables etc.		5.910	1.042	Un-utilised short term facilities		4.865	6.827
<b>Cash flow from operations before financial items</b>		<b>6.095</b>	<b>17.201</b>	<b>Liquidity available at December 31</b>		<b>13.370</b>	<b>13.844</b>
Financial income received	8	119	137				
Financial expenses paid		-2.629	-2.851				
Corporation taxes paid		-1.512	-674				
<b>Cash flow from operating activities</b>		<b>2.072</b>	<b>13.813</b>				
Acquisition of intangible assets	11	-44	0				
Sale of intangible assets	11	0	2				
Acquisitions of property, plant and equipment	12	-5.669	-1.309				
Sale of property, plant and equipment	12	487	176				
Acquisition of investments	14	0	-4				
Net disposal of assets held for sale	17	21	88				
Acquisition of biological assets	13	3.923	-3.405				
<b>Cash flow from investing activities</b>		<b>-1.281</b>	<b>-4.452</b>				

## Note 1: Summary of significant accounting policies and estimates

### Significant accounting estimates and assessments in the group accounting policies

#### Revaluation of fair value of property

The Group's land, buildings are revaluated at fair value. Revaluation of property is recognized in fair value using either a market-based approach or a replacement cost approach. Results of the revaluation based on the replacement cost approach were compared with a revaluation performed using the income approach to check for impairment indicators of revalued assets, if any.

The revaluation process is based on qualified independent appraisers done according with International Valuation Standard 300. This standard considers as basis for evaluation IAS36 and IFRS13. Valuation techniques are the market and replacement cost approach. The replacement cost approach is only used in cases where there was no possibility to use the market approach.

The valuation process are reviewed and approved by the Group's Management and by the Audit Committee every year. Results for measurement are reviewed and approved whenever revaluations are performed.

In the subsidiaries, revaluations are performed frequently, minimum every fifth year, after a rotation principle to ensure the carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting period. This procedure has been used for many years with only limited value adjustments registered.

The total fair value of land, buildings, plant and machinery amounted to EUR 79.2 million on December 31st, 2024 (EUR 83.0 million on December 31st, 2023).

#### Fair value of biological assets

Biological assets are recognized when the Group controls the assets and it is probable that future economic benefits associated with the asset will flow to the Group and the cost for fair value of the asset can be measured reliably.

Biological assets are measured at fair value less selling costs.

Value adjustments of biological assets are recognized in profit or loss for the period of which they relate.

#### Commercial herd:

Slaughter pigs (Finishers) above 50 kg are valued based on average sales prices for November-December on the local market less costs for reaching desired sales weight of approx. 110 kg. Finishers between 25-50 kg are valued as weaners with additions for added weight.

The fair value of weaners is based on official Danish and German quotes plus a mark-up to reflect the Romanian market conditions. The Danish and German quotes are used as there isn't an official quotation for the Romanian market. The Group's experience from historical sales as well as purchases is that prices on the Romanian market are strongly correlated to the German and Danish quotations plus a mark-up reflecting the lack of weaners for sale in Romania. The mark-up is according to the Group's recent weaner sales contracts.

The valuation of piglets is based on official Danish quotes.

#### Breeding herd:

Breeding herd (boars, sows and young females) are valued based on official quotes, based on criteria such as genetics, costs and expected piglets.

## Note 2: Contingent liabilities

### Relocation of Negreni farm: (Negreni neighbor cases)

Five citizens from Negreni village filed, in November 2016, a claim against Premium Porc Negreni SRL with the objective of relocating the Negreni-farm as well as receiving compensation for moral damages. Their claim is based on Government Order no. 119/2014 stipulating that distances from farm operations to the neighboring houses should be minimum 1,500m. The Negreni farm, build in 1981, is currently located at few hundred meters from the nearest houses, all of them being built after the farm.

In first court, in March 2018, the judge ruled that the farm should be relocated in order to respect the mandatory distance provided by Order 119 and denied the claimants compensation for moral damages. Premium Porc Negreni SRL appealed the ruling in June 2018. In second court, in December 2018, the Mehedinti Tribunal rejected our appeal and upheld the decision from the first court.

The Government's objective, in 2014 when Order 119 was issued, was to prevent construction of new farms within less than 1,500 m from private houses for the future. And vice versa. This understanding of the Government's Order also is confirmed by all authorities and is reflected in the fact that all production and functioning permits are regularly renewed despite the distance being less than 1,500 m.

To further substantiate our understanding of the Order we've in 2020 received a response from the Ministry of Health confirming that our understanding is correct. The Order was changed in 2023 and the request of 1,500 m distance from nearest houses was removed.

Fighting enforcement procedures is ongoing and court hearings continued in 2024. As per penalties, several claims against enforcement procedures have been upheld by the Court and initial penalties annulled. We expected a breakthrough when the Court decided, that since we as a company stopped the activities in Negreni farm obligations

according to original rulings were met and the enforcement claims were stopped. But this ruling was appealed, and the decision reversed. However, we are in progress of making new claims for fighting the enforcement procedures, this time based on changing in legislation that was the main argument for the initial decision. Subsequently, we are investigating other options to close the case.

One penalty claim is closed with a limited amount and another claim is dismissed. We expect to close the rest of the claims in a satisfactory manner.

We have since September 2019 up to now received, eighteen new similar claims from one of the original claimants and other citizens with connections to him. All the new cases have been trialed and dismissed making our wins definitive. The risk of receiving new claims copying the original claim no longer exist considering the changes to the Government Order eliminating the minimum distances.

The current ruling for relocation doesn't cancel the production permits. According to our legal advisors, since the ruling is to "move" the farm and not to close it, it will be difficult or impossible for the claimants to stop our production in the farm. Relocation of the farm is impossible to carry out in practice and calculation of the potential worst-case loss is impossible to assess with a reasonable certainty. The potential worst-case loss caused by the unlikely outcome that the farm will have to be closed and removed is substantial.

Based on the management and the company's legal advisor's opinion that the relocation ruling never will be carried out, no provisions for relocation of the farm nor other provisions are stated in the financial statements.

## Notes to the Income Statement

Note	EUR '000	2024	2023
<b>3 Revenue</b>			
<b>Business areas:</b>			
Pig production		70.198	60.927
Other		350	705
		<b>70.548</b>	<b>61.631</b>
<b>Geography:</b>			
Romania		70.548	61.631
<p>Revenue from sale of products is recognized when the Group has transferred control of products sold to the buyer. Control of the products is transferred at a point in time, typically on delivery. Revenue is recognized net of VAT, duties and sales discounts.</p> <p>The Group primarily sells pigs for slaughterhouses. Revenue from the sales of pigs is recognised when delivery has taken place.</p>			
<b>4 Grants and other income</b>			
Animal Welfare Payments		4.938	3.993
Other grants		1.388	0
		<b>6.327</b>	<b>3.993</b>
<b>5 Value adjustment, biological assets</b>			
Value adjustments pigs		-4.010	1.396
		<b>-4.010</b>	<b>1.396</b>

Note	EUR '000	2024	2023
<b>6 Staff expenses</b>			
Wages and salaries		9.314	6.265
Social contribution & other staff expenses		887	751
Wages inactive farms (Special Items)		-468	0
		<b>9.733</b>	<b>7.015</b>
Share based payments for management team		0	-22
		<b>9.733</b>	<b>6.993</b>
Remuneration to the Executive Board		608	563
Remuneration to the Board of Directors		101	90
Average number of employees		353	292
<b>7 Special Items</b>			
<b>Net costs related to ASF outbreaks:</b>			
Compensation for culled herd		-7.520	0
Value culled herd		5.897	0
Costs related to culling, disinfection and quarantine		3.502	0
		<b>1.879</b>	<b>0</b>
<p>Special Items are costs caused by infection of ASF leading to the herd being culled. We refer to the detailed description in the management review.</p> <p>If the special items had been recognized in operating profit before special items, they would have been included in the following items:</p>			
Total Income		1.623	0
Direct costs		-452	0
Other external costs		-2.582	0
Staff expenses		-468	0
		<b>-1.879</b>	<b>0</b>

## Notes to the Income Statement

Note	EUR '000	2024	2023
<b>8 Financial Income</b>			
Interest financial institutions		119	137
		<b>119</b>	<b>137</b>
<b>9 Financial Expenses</b>			
Interest bank debt		1.774	1.865
Calculated interest leasing commitments		64	77
Other financial expenses		790	885
Exchange rate adjustment		99	267
		<b>2.727</b>	<b>3.095</b>
<b>10 Income Taxes</b>			
Current tax		1.253	1.442
Tax Comprehensive Income		-116	-403
Adjustment of deferred tax		-648	208
		<b>489</b>	<b>1.247</b>
<b>Tax on profit for the year is specified as follows:</b>			
Calculated 16% tax on profit for the year before tax:		460	1.238
<b>Tax effect of:</b>			
Differences in tax rates in Denmark (22%) compared with Romania		173	464
Non-taxable income and expenses		-144	-455
		<b>489</b>	<b>1.248</b>
Effective tax rate for the year		17%	16%

	EUR '000	2024	2023
<b>11 Intangible assets</b>			
<b>Acquired rights</b>			
Cost at January 1		1.505	1.507
Additions for the year		44	0
Disposals for the year		-322	-2
Cost at December 31		<b>1.226</b>	<b>1.505</b>
Amortisation at January 1		1.153	1.031
Amortisation for the year		103	147
Reversed depreciation on disposal		-322	-25
Amortisation at December 31		<b>934</b>	<b>1.153</b>
<b>Carrying amount at December 31</b>		<b>293</b>	<b>352</b>

The Group has acquired and implemented several software systems used in daily operations. The value of the acquired rights are based on costs for licenses and implementations of those software systems.

## Notes to Financial Position

### 12 Tangible assets

EUR '000	Land and buildings	Plant and Machinery	Operating equipment	Right of use assets	Property, plant and equipment in progress
<b>Cost at January 1, 2023</b>	<b>82.646</b>	<b>43.876</b>	<b>2.906</b>	<b>5.549</b>	<b>836</b>
<b>Additions for the year</b>	320	742	67	102	236
<b>Disposals for the year</b>	-34	-4	-309	-1.468	-157
<b>Cost at December 31, 2023</b>	<b>82.931</b>	<b>44.614</b>	<b>2.664</b>	<b>4.183</b>	<b>915</b>
<b>Revaluation at January 1, 2023</b>	15.304	0	0	0	0
<b>Revaluation increases</b>	2.594	0	0	0	0
<b>Revaluation at Dec. 31, 2023</b>	<b>17.897</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Amortisation at January 1, 2023</b>	29.024	29.037	2.035	2.947	0
<b>Amortisation for the year</b>	3.842	2.773	318	886	0
<b>Reversed depreciation on disposal</b>	-5	-4	-280	-1.351	0
<b>Amortisation at December 31, 2023</b>	<b>32.860</b>	<b>31.807</b>	<b>2.073</b>	<b>2.483</b>	<b>0</b>
<b>Carrying amount at Dec. 31, 2023</b>	<b>67.968</b>	<b>12.807</b>	<b>591</b>	<b>1.701</b>	<b>915</b>
<b>Out of which carrying amount on revaluations</b>	13.396				
<b>Out of which land not depreciated</b>	4.402				
<b>Right-of-use assets by category</b>	322	948	430		
<b>Assets provided as security for debt</b>	67.968	12.807	591		

### Revaluation of fair value of property

The Group's land and buildings are revaluated at fair value as described in note 1. The revaluation process is based on qualified independent appraisers, and valuation techniques are the market and replacement cost approach. The replacement cost approach is only used in cases where there was no possibility to use the market approach.

Revaluations are in the subsidiaries carried out in a rotation principle to ensure the carrying amounts does not differ materially from what would be determined using fair value at the end of the reporting period.

A valuation review has been performed in 2023 on the properties owned by Premium Porc SRL and Consinterfin SRL. The valuation reviews resulted in a total financial revaluation of EUR 2.6m.

## Notes to Financial Position

### 12 Tangible assets continued

EUR '000	Land and buildings	Plant and Machinery	Operating equipment	Right of use assets	Property, plant and equipment in progress
<b>Cost at January 1, 2024</b>	82.931	44.614	2.664	4.183	915
<b>Additions for the year</b>	975	1.581	550	444	3.592
<b>Disposals for the year</b>	-6	-2.230	-1.408	-1.718	-1.472
<b>Cost at December 31, 2024</b>	<b>83.900</b>	<b>43.964</b>	<b>1.805</b>	<b>2.909</b>	<b>3.035</b>
<b>Revaluation at January 1, 2024</b>	17.897	0	0	0	0
<b>Revaluation increases</b>	866	0	0	0	0
<b>Revaluation at Dec. 31, 2024</b>	<b>18.763</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Amortisation at January 1, 2024</b>	32.860	31.807	2.073	2.483	0
<b>Amortisation for the year</b>	4.186	2.972	289	410	0
<b>Reversed depreciation on disposal</b>	0	-2.220	-1.371	-1.371	0
<b>Amortisation at December 31, 2024</b>	<b>37.046</b>	<b>32.559</b>	<b>992</b>	<b>1.522</b>	<b>0</b>
<b>Carrying amount at Dec. 31, 2024</b>	<b>65.616</b>	<b>11.405</b>	<b>814</b>	<b>1.388</b>	<b>3.035</b>
<b>Out of which carrying amount on revaluations</b>	13.241				
<b>Out of which land not depreciated</b>	4.813				
<b>Right-of-use assets by category</b>	214	553	621		
<b>Assets provided as security for debt</b>	65.615	11.405	814		

If Land and buildings were measured using cost model, the carrying amounts would be:

Net carrying amount Land and Buildings without revaluations, 2023	54.572
Net carrying amount Land and Buildings without revaluations, 2024	52.375

### Revaluation of fair value of property

The Group's land and buildings are revaluated at fair value as described in note 1. The revaluation process is based on qualified independent appraisers, and valuation techniques are the market and replacement cost approach. The replacement cost approach is only used in cases where there was no possibility to use the market approach.

Revaluations are in the subsidiaries carried out in a rotation principle to ensure the carrying amounts does not differ materially from what would be determined using fair value at the end of the reporting period.

A valuation review has been performed in 2024 on the properties owned by Premium Porc Negreni SRL. The valuation reviews resulted in a total financial revaluation of EUR 0.9m.

The Group had end of 2024 contractual obligations related to Property, plant and equipment in progress of EUR 1.9m (2023: EUR 0.0m).

## Notes to Financial Position

### 13 Biological assets

#### Commercial and breeding herd

Carrying amount at January 1, 2023

#### Movements 2023:

Gains/losses fair value changes

Additions from production

Additions from purchases

Disposals from sales

Transfers between groups

Carrying amount December 31, 2023

Year-end stock (heads)

Finishers, weaners & sows sold (heads)

Biological assets provided as security

#### Movements 2024:

Gains/losses fair value changes

Additions from production

Additions from purchases

Disposals from sales

Transfers between groups

Provision for herd culled in 2025

Carrying amount December 31, 2024

Year-end stock after provision (heads)

Finishers, weaners & sows sold (heads)

Biological assets provided as security

EUR '000	Commercial herd	Breeding herd	Total herd
Carrying amount at January 1, 2023	10.089	7.461	17.550
<b>Movements 2023:</b>			
Gains/losses fair value changes	1.748	-352	1.396
Additions from production	56.665	2.551	59.216
Additions from purchases	0	1.576	1.576
Disposals from sales	-53.756	-2.130	-55.887
Transfers between groups	-1.408	1.408	0
<b>Carrying amount December 31, 2023</b>	<b>13.338</b>	<b>10.513</b>	<b>23.851</b>
Year-end stock (heads)	145.262	22.461	167.723
Finishers, weaners & sows sold (heads)	335.580	6.867	342.447
Biological assets provided as security	13.338	10.513	23.851
<b>Movements 2024:</b>			
Gains/losses fair value changes	-3.065	-945	-4.010
Additions from production	66.801	2.252	69.053
Additions from purchases	0	1.175	1.175
Disposals from sales	-57.909	-4.351	-62.259
Transfers between groups	-916	916	0
Provision for herd culled in 2025	-1.981	-3.916	-5.897
<b>Carrying amount December 31, 2024</b>	<b>16.268</b>	<b>5.644</b>	<b>21.913</b>
Year-end stock after provision (heads)	165.769	12.202	177.971
Finishers, weaners & sows sold (heads)	326.322	6.266	332.588
Biological assets provided as security	16.268	5.644	21.913

Gain on changes in fair value comprises changes as a consequence of biological growth and price changes. Disposals from sales and transfer amounts are calculated using the fair value per unit from previous period. Transfers between groups' covers pigs transferred to own breeding as young females.

Reference is made to note 1 for further details of fair value measurement of biological assets.

All biological assets are measured at fair value. All of these fair values are placed at **level 3** in the fair value hierarchy as significant estimates are applied – please refer to note 1. The Groups financial department is responsible for performing the valuation of fair value measurements including level 3 fair values of biological assets. Valuation model includes market inputs from official prices and actual own sales prices on local market. The valuation process and results for measurement are reviewed and approved by Group Management and the Audit Committee at least once every year.



## Notes to Financial Position

Note	EUR '000	2024	2023
<b>14 Non-current investments</b>			
Deposits / other financial assets		56	86
<b>Cost at December 31</b>		<b>56</b>	<b>86</b>
<b>15 Inventories</b>			
Rawmaterials for feed		6.304	5.413
Other Consumables		2.062	2.139
Finished goods (feed a.o.)		850	827
<b>Total inventories</b>		<b>9.216</b>	<b>8.379</b>
Cost of sales recognized in profit or loss (feed)		31.763	28.038
Inventories provided as security		9.216	8.379
No write-down has been made on inventories.			
<b>16 Receivables</b>			
Trade receivables		7.140	6.685
Bad debt provision		-528	-494
<b>Trade receivables, net</b>		<b>6.612</b>	<b>6.191</b>
Receiveable from public grants		4.960	3.943
Receiveable compensation culled herd		7.520	0
Other receivables		3.539	2.215
Bad debt provision		-4	-144
<b>Other receivables, net</b>		<b>16.014</b>	<b>6.014</b>
Write down, beginning of year		638	720
Exchange adjustments		0	-4
Additions for the year		211	161
Disposals for the year		-317	-239
<b>Write-down at December 31</b>		<b>532</b>	<b>638</b>

Note	EUR '000	2024	2023
<b>17 Assets held for sale</b>			
Land and buildings		294	315
<b>Cost at December 31</b>		<b>294</b>	<b>315</b>
Assets held for sale is related to a agricultural land development project spread out over Galati County in Romania. The land has never been part of the Group's operation and a sale will not impact future earnings neither the future development of the Group.			
<b>18 Share Capital</b>			
The share capital comprises the following share classes:			
A-shares:			
Number beginning	number of shares	95.364.611	95.364.611
<b>Number at December 31 in DKK</b>		<b>95.364.611</b>	<b>95.364.611</b>
Each share has a value of DKK 1. No shares carry any special rights.			
<b>19 Provision for deferred taxes</b>			
Provision at begining of year		367	140
Adjustment for the year recognized in profit or loss		-648	465
Adjustment on equity		-481	-238
<b>Provision for deferred tax December 31</b>		<b>-762</b>	<b>367</b>

Deferred tax relates to tangible assets.

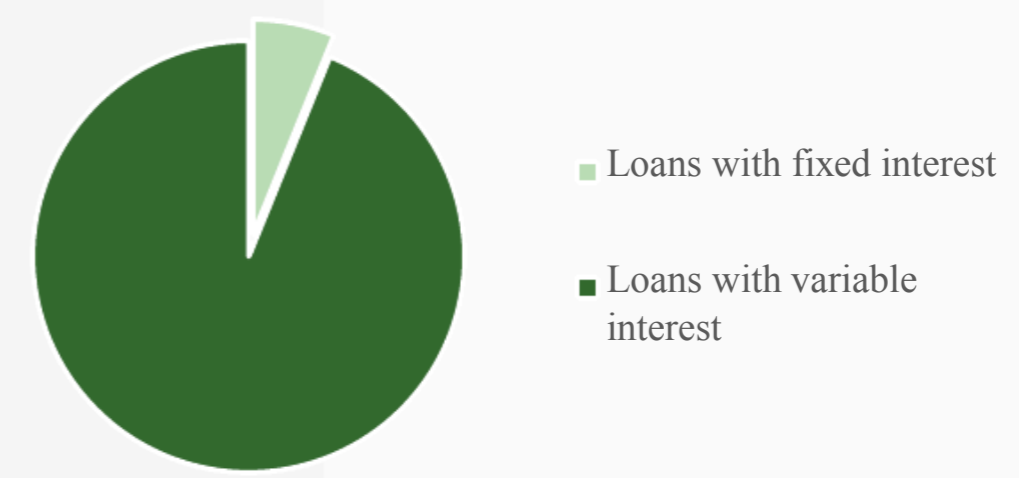
## Notes to Financial Position

### 20 Interest bearing debt

EUR '000	Payable after 5 years	Payable between 2 and 5 years	Payable within 1 year	Total	Cash flow from financing activities:		Non-cash changes			
					1/1 2023	Cash flows	Foreign exchange movement	Fair value changes	31/12 2023	
<b>Debt at December 31, 2023</b>										
Credit institutions, non-current:	0	14.893	5.416	20.309	Credit institutions, non-current:	23.963	-3.528	-126	0	20.309
Leasing debt:	0	467	638	1.105	Leasing debt:	1.980	-875	0	0	1.105
Other non-current debt:	0	3	2.512	2.515	Other non-current debt:	2.576	-56	-6	0	2.515
Credit institutions, current:	0	0	16.131	16.131	Credit institutions, current:	21.839	-5.702	-6	0	16.131
	<b>0</b>	<b>15.363</b>	<b>24.697</b>	<b>40.060</b>		<b>50.358</b>	<b>-10.160</b>	<b>-138</b>	<b>0</b>	<b>40.060</b>
<b>Debt at December 31, 2024</b>										
Credit institutions, non-current:	0	9.330	5.563	14.893	Credit institutions, non-current:	20.309	-5.412	-4	0	14.893
Leasing debt:	0	762	427	1.189	Leasing debt:	1.105	84	0	0	1.189
Other non-current debt:	0	1.830	673	2.503	Other non-current debt:	2.515	-9	-3	0	2.503
Credit institutions, current:	0	0	22.172	22.172	Credit institutions, current:	16.131	6.041	-1	0	22.172
	<b>0</b>	<b>11.921</b>	<b>28.835</b>	<b>40.756</b>		<b>40.060</b>	<b>704</b>	<b>-8</b>	<b>0</b>	<b>40.756</b>

### Split of total outstanding interest bearing debt

EUR '000	2023	2024	binding period in months	Avg. effective interest
<b>Loans with fixed interest</b>				
EUR	7.500	0	12	3-4%
RON	68	3	up to 24	0%
DKK	2.508	2.500		6,5/8,0%
	<b>10.076</b>	<b>2.503</b>		
<b>Loans with variable interest</b>				
EUR	28.879	34.386	1-6	4-5%
RON	1.105	3.868	1-6	6-7%
DKK	0	0	1	6%
	<b>29.984</b>	<b>38.254</b>		



## Notes to Financial Position

Note	EUR '000	2024	2023
<b>21 Deferred Income</b>			
Investments subsidies beginning		1.660	1.981
Correction investment subsidies received prior years		147	0
Amortization of investments subsidies		-255	-321
		<b>1.553</b>	<b>1.660</b>

Deferred income primarily relates to grants for the construction of feedmills and biosecurity barriers on farms in Romania. Grants are recognised as income concurrently with the underlying fixed assets being depreciated.

### 22 Other liabilities

Employee related payables	412	492
Other payables	1.251	1.642
	<b>5.164</b>	<b>2.134</b>

### Note 23: Financial risks

#### Market risk

The Group's credit facilities are floating-rate credits, which exposes the Group to interest rate fluctuations. According to Group policy, all financing of working capital and investments in fixed assets are made on floating-rate terms. An old interest hedging of the debt concluded via the same banks providing the underlying long-term facility expired during 2024 and is no longer in place. 8 % of the Group's debt is with fixed interest rate.

Activities abroad, earnings, cash flows and equity are not materially affected by currency risks, as the foreign activities are predominantly transacting in their functional currency (RON). Similarly, the external financing is denominated in EUR, which is the functional currency of the parent entity and the presentation currency for the Group, except for financing locally, which is in the functional currency of the subsidiary. Hence, there is no currency risks related to external financing either. Consequently, material currency risks for the Group are limited to translation risks related to foreign subsidiaries.

The Group does not engage in speculative currency positions. Introduction of the EUR as functional currency of the consolidated financial statements has contributed to reducing the overall impact of exchange rates.

Exchange rate adjustments of investments in foreign subsidiaries being independent entities are recognized in other comprehensive income. Exchange rate risks related to investments are normally not hedged, as the company's management is of the opinion that a current foreign currency hedging would not be the optimal solution with a view to the overall risk and costs.

The Group is exposed to interest rate risks, as loans are primarily with variable interests except for the smaller part with fixed interests described above. A reasonable possible change in interest rates at 31.12.2024 would not have any material effect. An increase of 1% of the interest will, on an isolated basis, affect profit for the year before tax by approximately EUR 0.4 million (2023: approx. EUR 0.3 million).

The Group is highly exposed to global and EU development in sales prices of pork as well as raw materials for feed (grain and protein). The most significant effect on the Group's earnings is attributable to changes in the price of pig meat and price changes relating to pig feed, which makes up 2/3 of the pig production costs. The Group observes these developments closely.

A change of the pig meat price of 10% will, on an isolated basis, affect profit for the year before tax by approximately EUR 5.7 million (2023: approx. EUR 5.6 million). A 10% change in the feed price will, on an isolated basis, affect profit for the year before tax by approximately EUR 3.2 million (2023: approx. EUR 2.8 million).

## Other Financial Risks

### Note 23: Financial risks - Continued

#### Liquidity risk

The Group ensures adequate cash resources by entering into framework agreements in respect of current overdraft facilities. Existing agreements subject to time limitation are irrevocable on the part of the banks prior to maturity unless there is a breach of the terms of the loans according to the loan agreements.

Maturity analysis for debt is stated in Note 20, to which reference is made. The maturity analysis is disclosed according to category and class broken down on maturity period.

#### Capital management

The objective of the Group's capital management is to ensure the Group's ability to continue as a going concern in order to provide return on the shareholders' investments and establish and maintain an optimal capital structure for the purpose of reducing the costs of borrowed capital and maintain a basis for continued growth in the Group.

The Group's capital management is moreover partly controlled by loan agreements which include specific requirements to the financial performance of the Group.

Total capital comprises equity and subordinate loan capital from the Parent company; as shown in the consolidated balance sheet.

#### Credit risk

The Group is exposed to credit risks on receivables. The Group positively wants to minimize its credit risks, which mainly relates to sales transactions. Credit insurance is taken out in advance on more than 95% of the normal sales of slaughter pigs but a few special cases and weaner sales reduces the total coverage. Credit insurance covers approx. 87% of the total receivable end of 2024 (2023: 86%). Outstanding receivables are followed-up upon on a current basis in accordance with Group procedures.

The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

	EUR '000	Due above 5 years	Due Between 2 and 5 years	Due within 1 year	Total Carrying amount
<b>Receivables at December 31, 2023</b>					
Trade receivables		0	0	6.249	6.249
Other receivables		0	0	4.535	4.535
Prepayments		0	460	367	827
		<b>0</b>	<b>460</b>	<b>11.151</b>	<b>11.611</b>
<b>Receivables at December 31, 2024</b>					
Trade receivables		0	0	6.612	6.612
Other receivables		0	148	15.867	16.014
Prepayments		0	278	308	586
		<b>0</b>	<b>425</b>	<b>22.788</b>	<b>23.213</b>

## Notes to Consolidated Financial Statements

### Note 24: Incentive program for group management

The entity's parent DCH International A/S has granted warrants to members of the entity's management, that will allow them to purchase a number of shares in DCH International A/S at a price agreed in advance.

A total of 2,904,000 warrants have been granted, of which 2,341,833 warrants are allotted on December 31, 2024. All of the remaining 562,167 warrants is cancelled due to the participants termination of employment.

The participants may exercise their warrants by purchasing shares during a four-week period following the approval of the parent entity's annual report in the years 2023 to 2027, after which the warrants will lapse without any further notice. The agreed exercise price increases from 4.00 DKK per share in 2024 to 4.63 per share in 2027.

The fair value of each option is calculated using an option pricing model taking into account the exercise price of the option, an estimate of the current price of the underlying shares, the life of the option and the risk-free interest rate for the life of the option. As the Group is unlisted, and no market information for comparable listed entities are currently available, the current price of the underlying shares is determined based on the equity per share according to the annual report for 2019. Management believe that this is a reasonable approximation of the current market price for the Group's shares for the purpose of the measurement of the warrants, due to the current market situation and the outbreak of ASF in Romania, and the fact that all tangible assets and biological assets of the group are measured at fair value. In determining the life of the option for the purpose of the measurement, it is assumed that the employees will exercise the option as soon as possible.

The fair value of the warrants granted has been determined to be 0.47 DKK (0.06 EUR) per warrant. The most significant inputs used in the measurement model are the following:

<b>Volatility</b>	<b>25%</b>
<b>Exercise price (in the parent)</b>	<b>4.63 DKK</b>
<b>Risk free interest rate (pro anno)</b>	<b>0.0%</b>
<b>Life of the warrants</b>	<b>84 months</b>

### Note

EUR '000

2024

2023

### 25 Fees paid to auditors appointed by the General Assembly

**Fees for statutory audits**

87

103

**Other Services**

88

75

**175**

**178**

Audit fee are recognized as administrative costs

### 26 Related parties and ownership

DCH International A/S's shareholders are legal and natural persons, and no individual shareholder exercises control of the Group's activities. The following shareholders are registered as holding more than 5% of the voting share capital or minimum 5% of the share capital:

**FMB Holding A/S, Søvejen 33, 8752 Østbirk**

**Stenagergaard Invest ApS, Tellerupvej 15, 5591 Gelsted**

**Helge Maagaard, Ulfsvendvej 25, Nees, 7660 Bækmarksbro**

**Tofthøj Agro A/S, Tofthøjvej 41, 7321 Gadbjerg**

### Other related parties

**Lars V. Drescher**

**CEO**

**Morten Beider**

**CFO**

**Torben Svejgaard**

**Chairman of the Board of Directors**

**Carsten Lind Pedersen**

**Member of the Board of Directors**

**Ole Sloth Nielsen**

**Member of the Board of Directors**

**Jytte Rosenmaj**

**Member of the Board of Directors**

**Bo Hølse**

**Member of the Board of Directors**

### Transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### 27 Post balance sheet events

There have been no significant post balance sheet events except for the ASF outbreak in January 2025 described in the management review.

## Accounting Policies

### Note 28: Accounting Policies

#### Classification

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports.

#### Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

#### Consolidated financial statement

The annual report include DCH International A/S (Parent) and the enterprises (group enterprises) that are controlled by the Parent, see group chart in note 36. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

#### Basis of consolidation

The annual report is prepared on the basis of the financial statements of DCH International A/S and its subsidiaries. The annual report is prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognized in full in the annual report.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

#### Business Combinations

Newly acquired or newly established enterprises are recognized in the annual report from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognized in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Identifiable intangible assets are recognized separately from goodwill if they are separable or arise from contractual or other legal rights.

Any remaining positive differences between cost and the fair value of assets, liabilities and contingent liabilities acquired are recognized in intangible assets in the balance sheet as goodwill. Goodwill is not amortized but is tested for impairment on an annual basis. Enterprises acquired are recognized in the consolidated financial statements as from the date of obtaining control, whereas enterprises sold are recognized up until the date of surrender of control. Intra-group acquisitions of subsidiaries are made under the pooling of interest's method.

If any remaining difference between cost and the fair value of assets, liabilities and contingent liabilities acquired are negative, the amount is recognized immediately in profit or loss as a bargain purchase gain.

#### Foreign currency translation

The items recognized in the financial statements of each of the group enterprises are measured at the functional currency used in the primary economic environment in which the individual enterprise operates. The functional currencies of the group enterprises are the following: Romanian Lei (RON) for the Romanian subsidiary and EUR for the parent company in Denmark.

The consolidated financial statements are presented in EUR, which are the functional currency of the parent company and the presentation currency of the Group. On initial recognition, transactions in foreign currencies are translated at the exchange rates at the date of transaction.

Exchange differences arising between the transaction date rates

and the rates at the date of payment are recognized in the income statement as financial income and expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the exchange rates at the date at which the receivable or the payable arose or was recognized in the most recent financial statements are recognized in the income statement as financial income and expenses.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings and other financial instruments designated as hedges of such investments are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

Balance sheet items including goodwill relating to consolidated enterprises that do not have EURO as their functional currency are translated into EUR based on the exchange rates at the balance sheet date, whereas the income statements of these enterprises are translated at average rates of exchange. Exchange adjustments arising on the translation of the opening equity at the exchange rates at the balance sheet date and net profit/loss for the year at the exchange rates at the balance sheet are recognized in other comprehensive income over equity under a separate reserve for exchange adjustments.

#### The Group used the following exchange rates for the translation into EUR on 31 December 2024:

RON: Income statement 2024: 1 EUR = 4.976 RON  
(2023: 1 EUR = 4.951 RON)

DKK: Income statement 2024: 1 EUR = 7.4600 DKK  
(2023: 1 EUR = 7.4502 DKK)

#### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognized under other receivables or other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognized asset or a recognized liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

## Accounting Policies

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognized in other comprehensive income. When the hedged transactions are realized, the accumulated changes are recognized as part of cost of the relevant financial statement items.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries are classified in other comprehensive income.

### Income statement

#### Revenue

Revenue from sale of products is recognized when the Group has transferred control of products sold to the buyer and it is probable that the Group will collect the consideration to which it is entitled for transferring the products. Control of the products is transferred at a point in time, typically on delivery. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the determined consideration.

Investment grants are taken to income as actual payment is made when the conditions of payment of grants have been approved by the authorities.

#### Fair value adjustment biological assets

Fair value adjustments of biological assets include the adjustments of the company's biological assets for the financial year measured at fair value.

#### Costs of feed, energy and other production costs

Costs of feed, energy and other production costs include the consumption of raw materials and consumables used to achieve net revenue.

#### Other external expenses

Other external expenses comprise expenses for distribution, sale, administration, premises, bad debts, etc.

#### Staff costs

Staff costs comprise salaries and wages, social security costs, pension contributions, etc. for the Company's staff.

#### Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses relating to intangible and tangible assets comprise amortization, depreciation and impairment losses for the financial year, calculated on the

basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Financial income and expenses

These items comprise interest income and interest expenses, the interest portion of finance lease payments, payables and transactions in foreign currencies, mortgage amortization premium/allowance on mortgage debt, etc. as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

#### Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit/loss for the year and recognized directly in equity by the portion attributable to entries directly in equity. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance Sheet

#### Intangible assets

Acquired intellectual property is amortized over the term of the agreement, but over no more than 5 years. Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment and property plant and equipment in progress are measured at cost less accumulated depreciation. Cost comprises the cost of acquisition and expenses directly related to the acquisition and costs for set-up. In case of assets of own construction, cost comprises directly attributable costs of labor, materials, components and sub-suppliers.

The categories land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the income

statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is recognized in retained earnings without passing the income statement. Financial expenses directly attributable to purchases, construction or production of a qualifying asset are included as part of the cost of the asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group uses the local, effective rate of interest on credit for construction and overdraft facilities for the calculation of expenses for capitalization.

Depreciation of a non-current asset is commenced when it is put into use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

<b>Production buildings</b>	<b>25-40 years</b>
<b>Production plant and machinery</b>	<b>7-15 years</b>
<b>Operating fixtures, tools and vehicles</b>	<b>3-7 years</b>
<b>Land is not depreciated</b>	

The carrying amount of property, plant and equipment is reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by fair-value or depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount.

#### Biological assets

Agricultural activity is defined as an activity in which biological transformation of biological assets for sale into agricultural produce or another biological asset takes place. Agricultural produce is defined as a harvested product of the Group's biological assets, and a biological asset is defined as living animals or crops.

The Group has assessed that its biological assets consists of breeding herds of gilts, sows and boars, commercial heard of slaughter pigs and unharvested crops.

On initial recognition and at subsequent reporting dates, biological assets are measured at fair value less estimated costs to sell unless fair value cannot be reliably measured on initial recognition.

## Accounting Policies

Gains or losses on initial recognition of a biological asset measured at fair value less estimated costs to sell, and subsequent changes in the fair value less estimated costs to sell relating to the biological asset, are recognized in the income statement in the item “Gains/losses on changes in the fair value of biological assets” in the period in which the gain or loss arises.

Biological assets are recognized as current or non-current biological assets depending on the production cycle of the biological asset concerned. Generally, biological assets relating to slaughter pigs and cropping are recognized as current assets. Breeding herds of gilts, sows and boars are recognized as non-current assets.

### Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or less unamortized positive, or negative goodwill and plus or minus unrealized intra-group profits and losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealized intra-group profits and losses and minus or plus amortization of positive or negative goodwill is recognized in the income statement and the net revaluation reserve under the equity.

Upon distribution of profit or loss, net revaluation of subsidiaries is transferred from the reserve for net revaluation to retained earnings under the equity method.

The purchase method is applied in the acquisition of investments in subsidiaries; see above description under annual report.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value. The net realizable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operation with deduction of costs to sell and costs of completion. The net realizable value is determined allowing for marketability, obsolescence and development in expected sales sum.

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

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labor as well as directly attributable labor and production costs. These costs also comprise maintenance and depreciation of machinery, factory buildings and equipment used in the manufacturing process as well

as costs of production management.

Agricultural produce is initially recognized at fair value at the point of harvest less estimated costs to sell, and subsequently in inventories up until the point when it is sold to a third party or is used internally as feed. The fair value of agricultural produce at the point of harvest is measured on the basis of the market prices on the markets on which the agricultural produce is expected to be sold or used as feed.

### Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad debts.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Lease commitments

Lease payments, not recognized under IFRS 16, are recognized on a straight-line basis in the profit and loss account over the term of the lease.

### Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

### Cash

Cash comprises bank deposits.

### Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Income tax receivable or payable

Current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### Cash flow statement

The consolidated cash flow statement and the parent cash flow statement are presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the cash and cash equivalents at the beginning and end of the financial year.

Cash flows from the acquisition and divestment of enterprises are shown separately under cash flows from investing activities.

Cash flows from operating activities are calculated as operating profit/loss adjusted for non-cash operating items, working capital changes, financial income and expenses and income taxes paid.

Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of enterprises, activities and fixed asset investments as well as acquisition, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Parent's share capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash.

**Parent Income Statement**

**Parent Statement of Comprehensive Income**

	EUR '000	2024	2023
	<u>Note</u>		
<b>Revenue</b>	27	0	0
Other external costs		-18	-24
<b>Gross profit</b>		-18	-24
Staff Expenses	30	0	0
<b>Operating profit (EBIT)</b>		-18	-24
Income f. investments in subsidiaries	31	2.364	6.325
Financial income	32	238	430
Financial expenses	33	-190	-190
<b>Profit before tax</b>		<b>2.394</b>	<b>6.541</b>
Tax on profit for the year	34	-7	-48
<b>Net profit for the year</b>		<b>2.387</b>	<b>6.494</b>
<b>Distribution of profit for the year:</b>			
Group Shareholders		2.387	6.494
<b>Distributed</b>		<b>2.387</b>	<b>6.494</b>

	EUR '000	2024	2023
	<u>Note</u>		
<b>Net profit for the year</b>		<b>2.387</b>	<b>6.494</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange adjustments of foreign enterprises		-317	403
Hedge accounting		-121	-61
<b>Items that may not be reclassified subsequently to profit or loss</b>			
Value adjustments in subsidiaries		727	2.179
<b>Total comprehensive income</b>		<b>2.676</b>	<b>9.014</b>

## Parent Statement of Financial Position

		31/12 2024	31/12 2023
EUR '000			
<b>Assets</b>	<b>Note</b>		
Investments in subsidiaries	35	88.801	86.146
Loan to subsidiaries	36	2.100	2.500
<b>Fixed asset investments</b>		<b>90.901</b>	<b>88.646</b>
<b>Non-current assets</b>		<b>90.901</b>	<b>88.646</b>
Receiveables group companies	36	1.209	1.248
Deferred tax assets		-2	5
<b>Receiveables</b>		<b>1.207</b>	<b>1.253</b>
<b>Cash and cash equivalents</b>		<b>2.148</b>	<b>1.685</b>
<b>Current assets</b>		<b>3.355</b>	<b>2.937</b>
<b>Total Assets</b>		<b>94.256</b>	<b>91.584</b>

		31/12 2024	31/12 2023
EUR '000			
<b>Equity and liabilities</b>	<b>Note</b>		
Share capital	18	12.767	12.767
Reserve for net revaluation according to the equity method		67.741	65.086
Retained earnings		11.243	11.222
<b>Equity</b>		<b>91.751</b>	<b>89.075</b>
<b>Other non-current liabilities</b>	37	<b>1.830</b>	<b>1.832</b>
<b>Long-term liabilities</b>		<b>1.830</b>	<b>1.832</b>
Short term portion, credit institutions and other non-current	37	670	671
Trade payables		0	0
Other payables	39	5	5
<b>Short-term liabilities</b>		<b>675</b>	<b>677</b>
<b>Total liabilities</b>		<b>2.505</b>	<b>2.508</b>
<b>Total Equity and Liabilities</b>		<b>94.256</b>	<b>91.584</b>

## Parent Statement of Changes in Equity

EUR '000	Share Capital	Reserve for net revaluation according to the equity method	Retained earnings	Total Equity
<b>Equity at January 1, 2023</b>	12.767	56.073	11.222	80.062
Reclassified	0	557	-557	0
<b>Reclassified equity at January 1, 2023</b>	<b>12.767</b>	<b>56.630</b>	<b>10.665</b>	<b>80.062</b>
Share based payments	0	0	-22	-22
Net profit/loss for the year	0	6.325	191	6.516
Other comprehensive income	0	2.131	389	2.520
<b>Equity at December 31, 2023</b>	<b>12.767</b>	<b>65.086</b>	<b>11.222</b>	<b>89.075</b>
Net profit/loss for the year	0	2.364	24	2.387
Other comprehensive income	0	292	-3	289
<b>Equity at December 31, 2024</b>	<b>12.767</b>	<b>67.741</b>	<b>11.243</b>	<b>91.751</b>

## Parent Cash Flow Statement

EUR '000	2024	2023
Operating profit/loss (EBIT)	-18	-24
<b>Adjustment for non-cash items:</b>		
Change in receivables	39	-210
Change in trade and other payables	0	1
<b>Cash flow from operations before financial items</b>	<b>21</b>	<b>-232</b>
Financial income received	236	423
Financial expenses paid	-190	-190
<b>Cash flow from operating activities</b>	<b>67</b>	<b>1</b>
Repayment of loans from subsidiaries	400	-1
<b>Cash flow from investing activities</b>	<b>400</b>	<b>-1</b>
Repayment of borrowings	-3	-6
<b>Cash flow from financing activities</b>	<b>-3</b>	<b>-6</b>
<b>Change in cash and cash equivalents</b>	<b>464</b>	<b>-6</b>
Cash and cash equivalents, start year	1.685	1.690
<b>Cash and cash equivalents at December 31</b>	<b>2.148</b>	<b>1.684</b>
<b>Liquidity available at December 31</b>	<b>2.148</b>	<b>1.684</b>

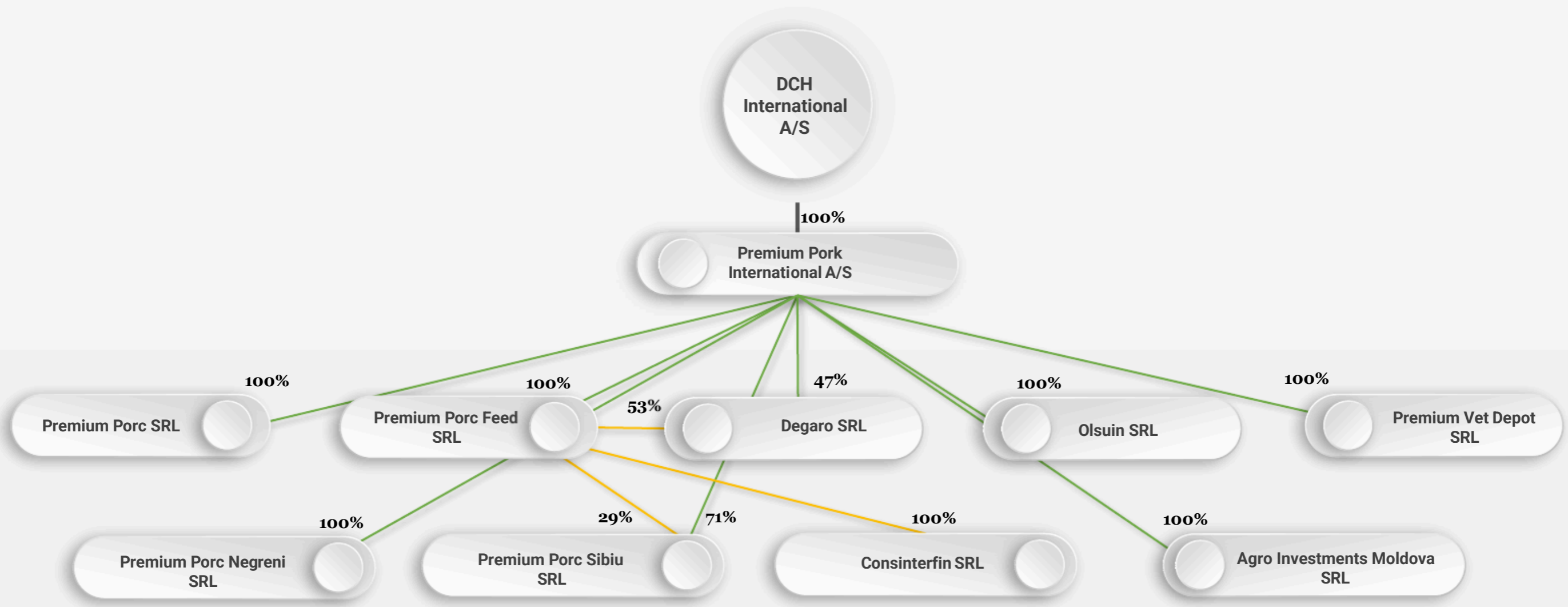
## Notes to Parent Financial Statements

Note	EUR '000	2024	2023
<b>29 Fees paid to auditors appointed by the General Assembly</b>			
Fees for statutory audits		4	7
Other Services		0	0
		<b>4</b>	<b>7</b>
Audit fee are recognized as other external costs.			
<b>30 Staff expenses</b>			
Wages and salaries		0	0
Share based payments		0	0
		<b>0</b>	<b>0</b>
Average number of employees		0	0
Reference is made to note 6 for information about remuneration to the Executive Board and Board of Directors and to note 24 for incentive program for the group management team.			
<b>31 Income from investments in subsidiaries</b>			
Premium Pork International A/S		2.364	6.325
		<b>2.364</b>	<b>6.325</b>
<b>32 Financial Income</b>			
Interest from financial institutions		45	36
Interest on loans to subsidiaries		190	387
Exchange rate adjustment		3	7
		<b>238</b>	<b>430</b>

Note	EUR '000	2024	2023
<b>33 Financial Expenses</b>			
Other financial expenses		190	190
Exchange rate adjustment		0	0
		<b>190</b>	<b>190</b>
<b>34 Income Taxes</b>			
Adjustment of deferred tax		7	48
		<b>7</b>	<b>48</b>
<b>35 Investment in subsidiaries</b>			
Cost beginning of year		21.060	21.060
Additions for the year		0	0
Cost end of period		<b>21.060</b>	<b>21.060</b>
Appraisal increases at beginning		65.086	56.233
Result for the period in subsidiaries		2.364	6.325
Exchange adjustments in subsidiaries		-315	432
Share based payment		0	-22
Appraisal of subsidiaries		727	2.179
Hedging in subsidiaries		-121	-61
Appraisal increases at end of period		<b>67.741</b>	<b>65.086</b>
Carrying amount at end of period		<b>88.801</b>	<b>86.146</b>
<b>The carrying amount of investments in subsidiaries i specified as follows:</b>			
Premium Pork International A/S	Ownership interest in %	100	
		88.801	86.146
		<b>88.801</b>	<b>86.146</b>

# Note 35 continued: Corporate Structure

(As is from December 31<sup>st</sup>, 2024)



**Note:** All subsidiaries are 100% controlled and are all 100% owned directly or indirectly by DCH International A/S.

## Notes to Parent Financial Statements

Note	EUR '000	2024	2023
<b>36 Loans and receivables, subsidiaries</b>			
<b>Total loan to subsidiaries subordinated</b>		2.100	2.500
<b>Total receivables from subsidiaries</b>		1.209	1.248
<b>Total loans and receivables, subsidiaries</b>		<b>3.309</b>	<b>3.748</b>

### 37 Interest bearing debt

	EUR '000	Payable after 5 years	Payable between 2 and 5 years	Payable within 1 year	Total
<b>Debt at December 31, 2023</b>					
Other non-current debt:		0	1.832	671	2.502
Credit institutions, current:		0	0	0	0
		<b>0</b>	<b>1.832</b>	<b>671</b>	<b>2.502</b>
<b>Debt at December 31, 2024</b>					
Other non-current debt:		0	1.830	670	2.500
Credit institutions, current:		0	0	0	0
		<b>0</b>	<b>1.830</b>	<b>670</b>	<b>2.500</b>

### Note 38: Financial risks

Reference is made to the description of financial risks for the Group in the Notes to the Consolidated Financial Statements. The Parent Company is not considered to be subject to any special financial risks other than those disclosed in the Notes to the Consolidated Financial Statements.

### Note 39: Assets charged and securities

Letter of subordination has been issued to banks in respect of loans granted to subsidiaries of EUR 2,100k.

### Note 40: Guarantees and other contingent liabilities

The parent has made a corporate guarantee for subsidiaries debt to credit institutions. The guarantee is limited to EUR 37.1m. The actual debt was EUR 35.1m end of year.

### Note 40: Guarantees and other contingent liabilities - continued

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2016 for income taxes etc. for the jointly taxed entities and from July 14, 2016, also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The total net liability to the Danish Tax Administration appears from the financial statements.

### 41 Related parties and ownership

#### Transactions between the company and the subsidiaries:

#### The subsidiaries have obtained subordinate loans from the Company:

	EUR '000	2024	2023
Outstanding amount at Year-end:		2.100	2.500
Interest for the year amounts to:		126	125

#### Other interest bearing debt and intercompany amounts from the Company:

	EUR '000	2024	2023
Outstanding amount at Year-end:		1.209	1.248
Financial expenses for the year amounts to:		64	262

#### The subsidiaries have provided management services to the Company and the Company provided other services to the subsidiaries:

	EUR '000	2024	2023
Management services charged to the Company:		0	0
O. services or invoiced costs from the Company to subsidiaries:		0	0

Reference is made to note 26 (Note to the Consolidated Financial Statements) for details of the Groups transactions with the related parties.



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