



Premium Pork International

Annual Report 2024

Growing in Romania

Premium Pork International

Dannevirkevej 6, 7000 Fredericia,
Reg. no. 37 87 50 58

Annual Report January 1st – December 31st, 2024

Presented and adopted at the Annual General Meeting on 3rd of April 2025.

Chairman of the Annual General Meeting:

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 Premium Pork 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, 10th 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 Hulse
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 Premium Pork 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 of Accountants' 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 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, 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 information required by 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.

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)

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.

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 10th of March 2025

Deloitte

**Statsautoriseret Revisionspartnerselskab
Central Business Registration
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

EUR '000	2024	2023	2022	2021	2020		2024	2023	2022	2021	2020
Profit & Loss						Employees:					
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	47.929	66.673	Production Scope:					
EBITDA	13.123	18.405	9.367	2.364	1.547	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)	19.012	17.009	3.944	3.474	14.412	Number of pigs produced	412.217	374.353	324.354	396.841	427.887
Operating profit/loss (EBIT)	5.503	10.722	1.407	-6.559	-6.991	Produced pigs per avg. sow	29,3	29,0	29,6	30,3	29,9
Net financials	-2.657	-3.198	-2.309	-3.614	-3.650	Ratios:					
Profit/loss for the period	2.364	6.325	-829	-8.414	-8.912	Gross margin	33,9%	37,9%	31,8%	18,1%	20,6%
Balance sheet:						Ajusted EBITDA margin	26,1%	25,4%	7,6%	7,2%	21,6%
Total assets	144.361	135.328	134.990	146.643	164.840	EBIT margin	7,6%	16,0%	2,7%	-13,7%	-10,5%
Investment in property, plant and equipment	5.182	1.309	1.148	2.419	8.837	Return on invested capital	4,7%	9,1%	1,2%	-5,4%	-5,3%
Equity	88.801	86.146	77.293	75.690	83.886	Return on equity	2,7%	7,8%	-1,1%	-10,5%	-11,4%
Invested capital	113.875	119.123	117.386	115.458	128.187	Solvency ratio	61,8%	63,7%	57,3%	51,6%	50,9%
Net interest-bearing debt	34.447	35.506	44.096	42.117	52.621	Current Ratio	131%	138%	121%	117%	122%
Cash flow:											
Cash flow from operating activities	2.041	13.603	-2.681	6.996	17.865						
Cash flow from investing activities	-1.281	-4.452	-1.296	1.356	-10.623						
Cash flow from financing activities	266	-10.083	-8.209	-2.106	-5.309						

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

Premium Pork International A/S

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 DK-7000 Fredericia

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 Domicile: Fredericia

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 Telefax: +45 64812601
 Web: www.premiumporc.com
 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 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

Ultimate Parent

DCH International A/S

About us

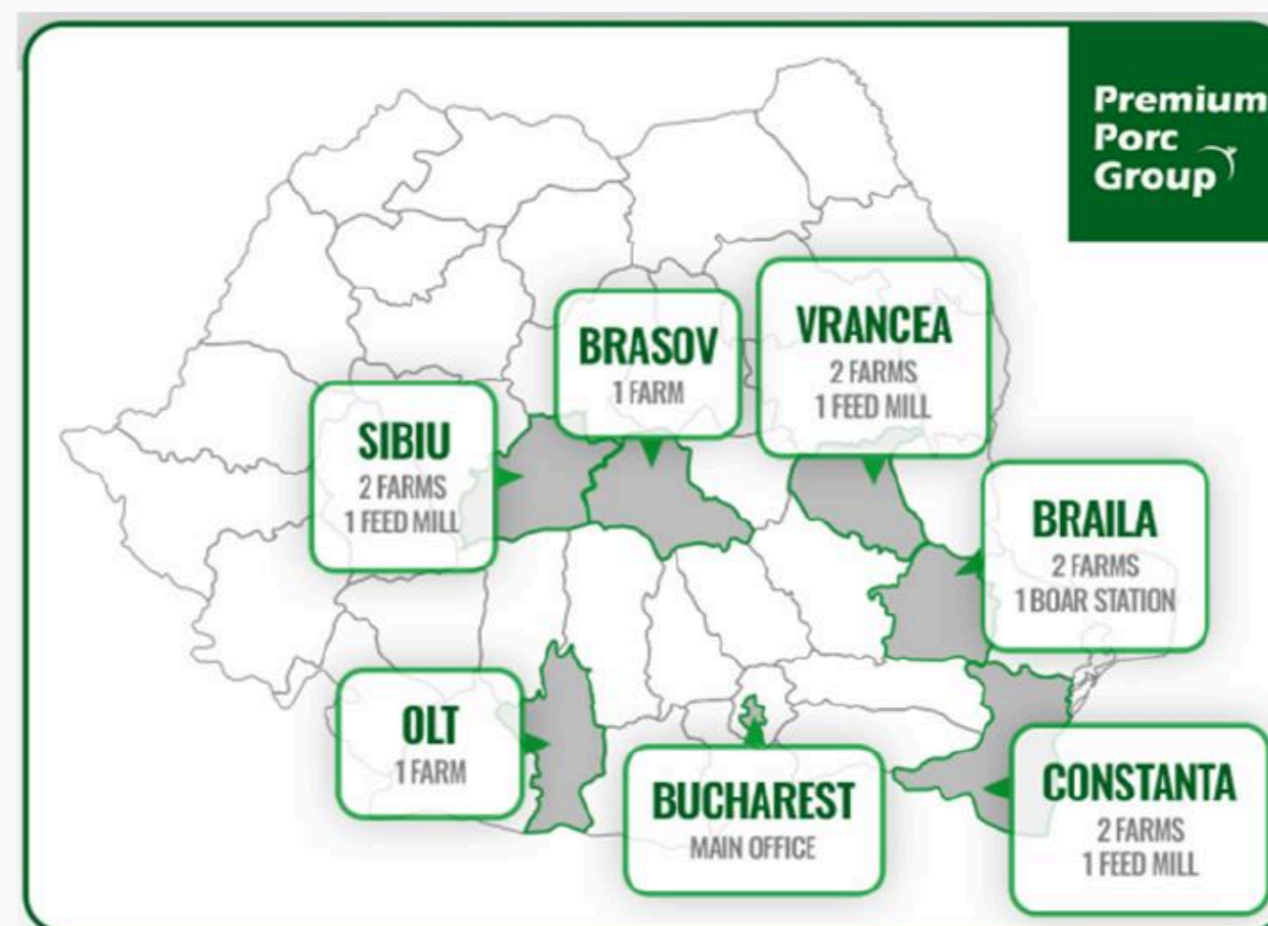
Main activity

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 6.8m compared to EUR 6.1m in 2023. And shows with the negative fair value adjustment of herds of EUR 4.0m, a **profit** of EUR 2.8m compared to EUR 7.5m 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 88.8m compared to YE 2023 (EUR 86.1m) and the solvency ratio is solid, 62%. Also, the Group's liquidity reserves YE 2024 are at a satisfactory level of EUR 11.2 million.

	Consolidated total		Pig production (operating)		Other (incl. non-operating)	
	2024	2023	2024	2023	2024	2023
EUR '000						
Total income	72.863	67.020	71.126	66.315	1.737	705
Total income without fair value adjust. biological assets	76.873	65.624	75.136	64.920	1.737	705
EBITDA	13.123	18.405	14.324	18.512	-1.202	-107
EBITDA excl. fair value adjust. biological assets and excl. Special Items	19.012	17.009	20.213	17.116	-1.202	-107
EBIT	5.503	10.722	11.040	14.061	-5.537	-3.338
Profit before tax	2.847	7.524	9.957	12.343	-7.110	-4.819

Overall assessment

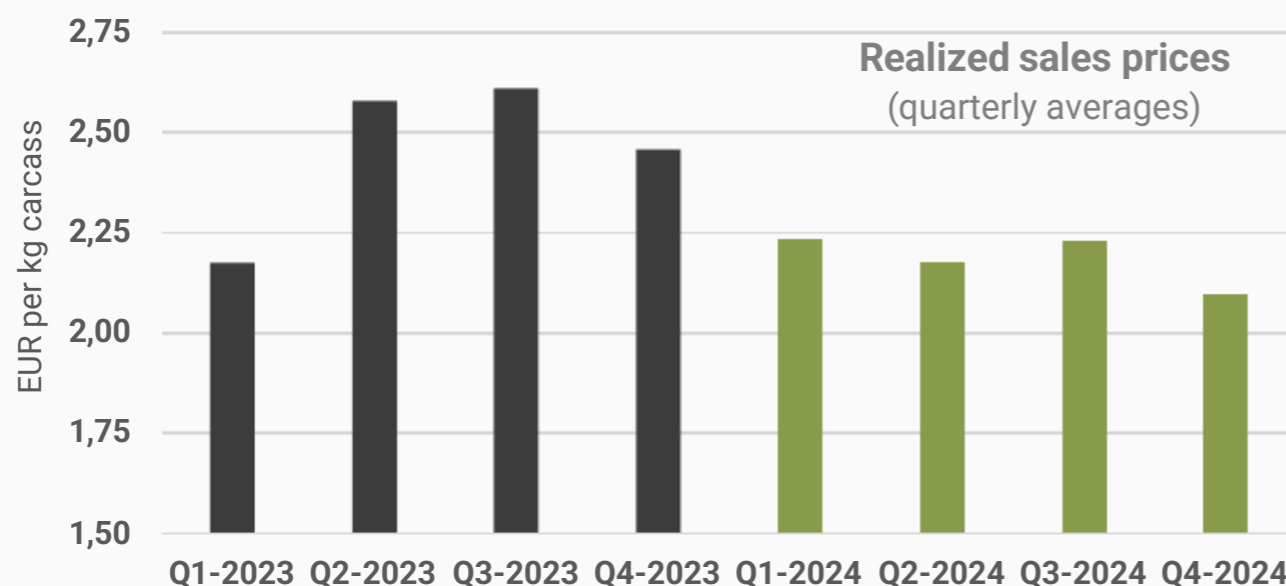
The net result is not satisfactory as operations continue to be negatively influenced by ASF outbreaks and implications of the presence of ASF in general.

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
Pork Prices (carcass)	EUR/kg	1,66	1,42	1,63	1,52	1,32	1,90	2,46	2,17
Feed Prices	EUR/kg	0,21	0,22	0,23	0,24	0,26	0,35	0,35	0,31
Exchange ratio pork:feed		7,9	6,5	7,1	6,4	5,1	5,5	7,0	7,0

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



Our pig production continue 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.

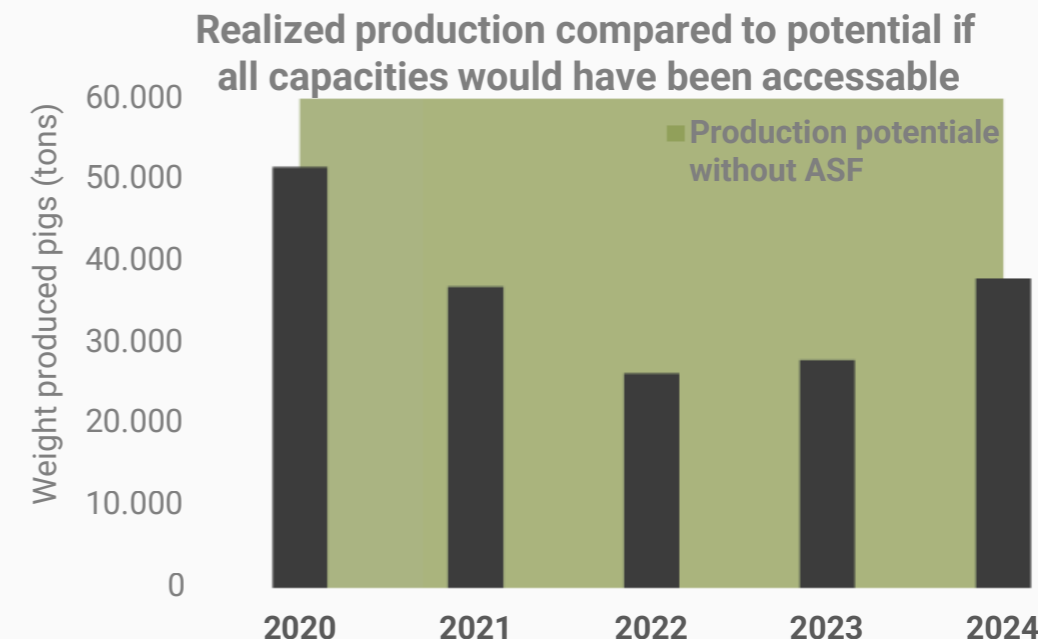
We have in 2024 continued the process of returning the sales mix towards fattening most of our pigs and limit the sale as weaners by restarting of the temporarily closed finisher farms. All farms, except for a small one closed in October 2024 due to ASF, was operating by end of 2024. The restarted finisher 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
Number of sows end of year	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	
Weaned piglets per avg. sow	heads	34,3	32,5	33,8	32,7	32,5	-1%
Produced pigs per avg. sow *)	heads	30,6	30,3	31,7	29,0	29,3	1%
Sold slaughterpigs	heads	423.981	291.477	199.332	193.180	255.158	32%
Sold weaners (net)	heads	-3.457	60.054	95.574	142.400	71.164	-50%
Produced pigs total	heads	427.887	396.841	324.354	374.353	412.217	10%
Weight produced pigs **)	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.



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 1st 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.

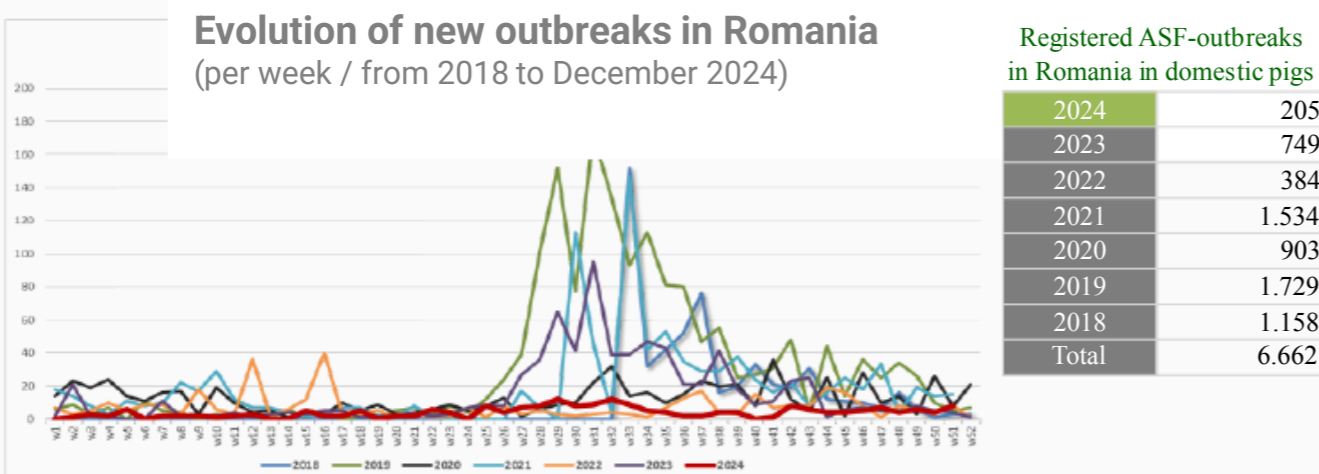


Production affected by African Swine Fever (ASF) in Romania

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 and best-in-class according to international experts. Nevertheless, we experience a huge burden on our operations, due to the measures taken by the authorities and especially ourselves 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, Premium Pork 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



Animal welfare



Environment Protection



Local communities



Care for employees

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
Total Income		72.863	67.020
Direct costs		-31.763	-28.038
Other external costs		-16.366	-13.584
Gross profit		24.735	25.398
Staff expenses	6	-9.733	-6.993
Special items	7	-1.879	0
Depreciation	8	-7.619	-7.682
Operating profit (EBIT)		5.503	10.722
Financial income	8	73	101
Financial expenses	9	-2.730	-3.299
Profit before tax		2.847	7.524
Tax on profit for the year	10	-482	-1.199
Net profit for the year		2.364	6.325
Distribution of profit for the year:			
Group Shareholders		2.364	6.325
Distributed		2.364	6.325

Consolidated Statement of Comprehensive Income

	EUR '000	2024	2023
Net profit for the year		2.364	6.325
Items that may be reclassified subsequently to profit or loss			
Exchange adjustments of foreign enterprises		-317	410
Fair value adjustment of hedging instruments		-144	-72
Tax on hedging instruments		23	12
Items that may not be reclassified subsequently to profit or loss			
Revaluation of land, buildings, leasehold improvements and plant and machinery		866	2.594
Tax on previous years revaluation adjusted		-138	-415
Total comprehensive income		2.654	8.853
Distribution of total comprehensive income			
Group shareholders		2.654	8.853
		2.654	8.853

Balance Sheet

Consolidated Statement of Financial Position

	EUR '000	31/12 2024	31/12 2023
Assets			
	Note		
Acquired rights	11	293	351
Intangible fixed assets in total		293	351
Land and buildings	12	65.615	67.968
Plant and machinery	12	11.405	12.807
Operating equipment	12	814	591
Right of use assets	12	1.388	1.701
Property, plant and equip. in progress	12	3.035	915
Property, plant and equipment		82.257	83.982
Non-current investments	14	56	86
Deferred tax asset	19	764	0
Other non-current assets		820	86
Biological assets, Breeding herd	13	5.644	10.513
Biological assets		5.644	10.513
Total non-current assets		89.014	94.931
Biological assets, Commercial herd	13	16.268	13.338
Inventories	15	9.216	8.379
Biological assets and inventories		25.484	21.717
Trade receivables	16	6.612	6.191
Other receivables	16	16.014	6.014
Prepayments		586	827
Receivables		23.213	13.032
Assets classified as held for sale	17	294	315
Cash and cash equivalents		6.357	5.332
Total current assets		55.348	40.396
Total Assets		144.361	135.328

	EUR '000	31/12 2024	31/12 2023
Equity and Liabilities			
	Note		
Share Capital	18	710	710
Asset revaluation surplus		11.124	11.253
Cash flow hedging reserve		0	121
Reserve for exchange adjustments		875	1.191
Retained earnings		76.092	72.872
Equity		88.801	86.146
Provision for deferred tax	19	0	372
Credit institutions	20	9.330	14.893
Lease liabilities	20	762	467
Subordinated shareholder loan	20	1.700	2.500
Deferred income	21	1.601	1.660
Other non-current liabilities	20	0	3
Long-term liabilities		13.393	19.895
Short term portion, credit institutions, leasing and other non-current	20	28.165	22.195
Trade payables		7.235	3.716
Interest bearing payables to shareholders	20	1.609	1.248
Other liabilities	22	5.159	2.127
Short-term liabilities		42.168	29.286
Total liabilities		55.561	49.181
Total Equity and Liabilities		144.361	135.328

Consolidated Statement of Changes in Equity

	EUR '000					Total Equity
	Share Capital	Asset revaluation surplus	Cash flow hedging reserve	Reserve for exchange adjustment	Retained earnings	
Equity at January 1, 2023	710	9.706	181	759	65.937	77.293
Share based payments	0	0	0	0	-22	-22
Net profit/loss for the year	0	0	0	0	6.325	6.325
Depreciation of revaluation reserve	0	-632	0	0	632	0
Other comprehensive income	0	2.179	-61	432	0	2.550
Comprehensive income for the year 2023	0	1.547	-61	432	6.935	8.853
Equity December 31, 2023	710	11.253	121	1.191	72.872	86.146
Net profit/loss for the year	0	0	0	0	2.364	2.364
Depreciation of revaluation reserve	0	-856	0	0	856	0
Other comprehensive income	0	727	-121	-316	0	290
Comprehensive income for the year 2024	0	-129	-121	-316	3.220	2.654
Equity December 31, 2024	710	11.124	0	875	76.092	88.801

Consolidated Cash Flow Statement

	EUR '000	2024	2023		EUR '000	2024	2023
	<u>Note</u>				<u>Note</u>		
Operating profit/loss (EBIT)		5.503	10.722	Proceeds from borrowings	20	6.008	212
Adjustment for non-cash items:				Repayment of borrowings	20	-5.742	-10.294
Depreciations		7.705	7.725	Capital increase		0	0
Provisions		0	-22	Cash flow from financing activities		266	-10.083
Value adjust., biological assets	5	4.010	-1.396	Change in cash and cash equivalents		1.026	-932
Change in commercial herd	13	-5.995	-1.501	Cash and cash equivalents, start year		5.332	6.280
Change in inventories		-837	1.519	Exchange adjustments, beginning cash		-1	-17
Change in receivables		-10.183	-864	Cash and cash equivalents at December 31		6.357	5.332
Change in trade payables etc.		5.906	1.017	Un-utilised short term facilities		4.865	6.827
Cash flow from operations before financial items		6.110	17.200	Liquidity available at December 31		11.222	12.159
Financial income received	8	73	101				
Financial expenses paid		-2.630	-3.024				
Corporation taxes paid		-1.512	-674				
Cash flow from operating activities		2.041	13.603				
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				
Cash flow from investing activities		-1.281	-4.452				

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
3 Revenue			
Business areas:			
Pig production		70.198	60.927
Other		349	656
		70.546	61.631
Geography:			
Romania		70.546	61.631
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.			
The Group primarily sells pigs for slaughterhouses. Revenue from the sales of pigs is recognised when delivery has taken place.			
4 Grants and other income			
Animal Welfare Payments		4.938	3.993
Other grants		1.388	0
		6.327	3.993
5 Value adjustment, biological assets			
Value adjustments pigs		-4.010	1.396
		-4.010	1.396

Note	EUR '000	2024	2023
6 Staff expenses			
Wages and salaries		9.314	6.265
Pension costs		0	4
Social contribution & other staff expenses		887	746
Wages closed farms (Special Items)		-468	0
		9.733	7.015
Share based payments for management team		0	-22
		9.733	6.993
Remuneration to the Executive Board		608	563
Remuneration to the Board of Directors		101	90
Average number of employees		353	292
7 Special Items			
Net costs related to ASF outbreaks:			
Compensation for culled herd (revenues)		-7.520	0
Value culled herds		5.897	0
Costs related to culling, disinfection and quarantine		3.502	0
		1.879	0
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.			
If the special items had been recognized in operating profit before special items, they would have been included in the following items:			
Total Income		1.623	0
Direct costs		-452	0
Other external costs		-2.582	0
Staff expenses		-468	0
		-1.879	0

Notes to Income Statement and Intangible Assets

Note	EUR '000	2024	2023
8 Financial Income			
Interest financial institutions		73	101
		73	101
9 Financial Expenses			
Interest bank debt		1.774	1.865
Calculated interest leasing commitments		64	77
Interest shareholders loans		10	138
Other financial expenses		780	944
Exchange rate adjustment		102	274
		2.730	3.299
10 Income Taxes			
Current tax		1.253	1.442
Adjustment of deferred tax		-770	-243
		482	1.199
Tax on profit for the year is specified as follows:			
Calculated 16% tax on profit for the year before tax:		455	1.204
Tax effect of:			
Differences in tax rates in Denmark (22%) compared with Romania		171	451
Non-taxable income and expenses		-144	-456
		482	1.199
Effective tax rate for the year		17%	16%

11 Intangible assets

Acquired rights

	EUR '000	2024	2023
Cost at January 1		1.505	1.507
Additions for the year		44	0
Disposals for the year		-322	-2
Cost at December 31		1.227	1.505
Amortisation at January 1		1.153	1.031
Amortisation for the year		103	147
Reversed depreciation on disposal		-322	-25
Amortisation at December 31		934	1.153
Carrying amount at December 31		293	352

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
Cost at January 1, 2023	82.646	43.876	2.906	5.549	836
Additions for the year	320	742	67	102	236
Disposals for the year	-34	-4	-309	-1.468	-157
Cost at December 31, 2023	82.931	44.614	2.664	4.183	915
Revaluation at January 1, 2023	15.304	0	0	0	0
Revaluation increases	2.594	0	0	0	0
Revaluation at December 31, 2023	17.897	0	0	0	0
Amortisation at January 1, 2023	29.024	29.037	2.034	2.947	0
Amortisation for the year	3.842	2.773	318	886	0
Reversed depreciation on disposal	-5	-4	-280	-1.351	0
Amortisation at December 31, 2023	32.860	31.807	2.073	2.482	0
Carrying amount at December 31, 2023	67.968	12.807	591	1.701	915
Out of which carrying amount on revaluations	13.396				
Out of which land not depreciated	4.402				
Right-of-use assets by category	322	948	430		
Assets provided as security for debt	67.968	12.807	591		

Revaluation of fair value of property, plant and equipment

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
Cost at January 1, 2024	82.931	44.614	2.664	4.183	915
Additions for the year	975	1.581	550	444	3.592
Disposals for the year	-6	-2.230	-1.408	-1.718	-1.472
Cost at December 31, 2024	83.900	43.964	1.805	2.909	3.035
Revaluation at January 1, 2024	17.897	0	0	0	0
Revaluation increases	866	0	0	0	0
Revaluation at December 31, 2024	18.762	0	0	0	0
Amortisation at January 1, 2024	32.860	31.807	2.073	2.482	0
Amortisation for the year	4.186	2.972	289	410	0
Reversed depreciation on disposal	0	-2.220	-1.371	-1.371	0
Amortisation at December 31, 2024	37.046	32.559	992	1.521	0
Carrying amount at December 31, 2024	65.615	11.405	814	1.388	3.035
Out of which carrying amount on revaluations	13.241				
Out of which land not depreciated	4.813				
Right-of-use assets by category	214	553	621		
Assets provided as security for debt	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, plant and equipment

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 (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
Movements 2023:			
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
Carrying amount December 31, 2023	13.338	10.513	23.851
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
Movements 2024:			
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
Carrying amount December 31, 2024	16.268	5.644	21.913
Year-end stock (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
14 Non-current investments			
Deposits / other financial assets		56	86
Cost at December 31		56	86
15 Inventories			
Rawmaterials for feed		6.304	5.413
Other Consumables		2.062	2.139
Finished goods (feed a.o.)		850	827
Total inventories		9.216	8.379
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.			
16 Receivables			
Trade receivables		7.140	6.685
Bad debt provision		-528	-494
Trade receivables, net		6.612	6.191
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
Other receivables, net		16.014	6.014
Write down, beginning of year		638	720
Exchange adjustments		0	-4
Additions for the year		211	161
Disposals for the year		-317	-239
Write-down at December 31		532	638

Note	EUR '000	2024	2023
17 Assets held for sale			
Land and buildings		294	315
Cost at December 31		294	315
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.			
18 Share Capital			
The share capital comprises the following share classes:			
A-shares:			
Number beginning		710.000	710.000
Number at December 31		710.000	710.000
Each share has a value of EUR 1. No shares carry any special rights.			
19 Provision for deferred taxes			
Provision at beginning of year		372	-169
Adjustment for the year recognized in profit or loss		-770	-243
Adjustment on equity		-366	784
Provision for deferred tax December 31		-764	372

Deferred tax relates to tangible assets.

Notes to Financial Position

20 Interest bearing debt

EUR '000	Payable				EUR '000	Cash flow from financing activities		Non-cash changes		
	Payable after 5 years	Payable between 2 and 5 years	Payable within 1 year	Total		1/1 2023	Cash flows	Foreign exchange movement	Fair value changes	31/12 2023
Debt at December 31, 2023										
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	9	12	Other non-current debt:	68	-56	0	0	12
Subordinated loan to shareholder:	0	2.500	0	2.500	Subordinated loans	2.500	0	0	0	2.500
Other payables to shareholder:	0	0	1.248	1.248	Other payables to shareholder	1.038	209	0	0	1.248
Credit institutions, current:	0	0	16.131	16.131	Credit institutions, current:	21.839	-5.702	-6	0	16.131
	0	17.863	23.442	41.305		51.388	-9.951	-132	0	41.305
Debt at December 31, 2024										
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	0	3	3	Other non-current debt:	12	-9	0	0	3
Subordinated loan to shareholder:	100	1.600	400	2.100	Subordinated loans	2.500	-400	0	0	2.100
Other payables to shareholder:	0	0	1.209	1.209	Other payables to shareholder	1.248	-38	0	0	1.209
Credit institutions, current:	0	0	22.172	22.172	Credit institutions, current:	16.131	6.041	-1	0	22.172
	100	11.692	29.774	41.566		41.305	266	-5	0	41.566



- Loans with fixed interest
- Loans with variable interest

Notes to Consolidated Financial Statements

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

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.

Note	EUR '000	2024	2023
22 Other liabilities			
Employee related payables		412	492
Other payables		4.747	1.636
		5.159	2.127

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.

Split of total outstanding interest bearing debt

	EUR '000	2023	2024	binding period in months	Avg. effective interest
Loans with fixed interest					
EUR		9.745	3.309	12-36	6%
RON		12	3	up to 24	0%
		9.757	3.312		
Loans with variable interest					
EUR		30.441	34.380	1-6	4-5%
RON		1.105	3.870	1-6	6-7%
DKK		3	4	1	5%
		31.549	38.254		

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
Receivables at December 31, 2023					
Trade receivables		0	0	6.191	6.191
Other receivables		0	0	6.014	6.014
Prepayments		0	460	367	827
		0	460	12.572	13.032
Receivables at December 31, 2024					
Trade receivables		0	0	6.612	6.612
Other receivables		0	148	15.867	16.014
Prepayments		0	278	308	586
		0	425	22.788	23.213

Notes to Consolidated Financial Statements

24 Related parties and ownership

Controlling Interest

Base for influence

DCH International A/S, Dannevirkevej 6, 7000 Fredericia Parent Company

DCH International A/S's shareholders are legal and natural persons, and no individual shareholder exercises control of the Group's activities.

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

EUR '000

	2024	2023
The Group has obtained a subordinate loan from the Parent Company:		
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 Parent Company:		
Outstanding amount at Year-end:	1.209	1.248
Financial expenses for the year amounts to:	-116	13

Remuneration of the Executive Board and the Board of Directors is specified in note 6.

Intercompany transactions have been eliminated in accordance with the accounting policies. All transactions have taken place on arm's length basis.

25 Fees paid to auditors appointed by the General Assembly

Fees for statutory audits	83	96
Other Services	88	75
	171	171

Audit fee are recognized as administrative costs

Note 26: 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:

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

Note 27: Post balance sheets events

There have been no significant post balance sheets 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 Premium Pork 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 Premium Pork 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:

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

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>		
Revenue	28	1.696	1.416
Other external costs		-797	-566
Gross profit		899	850
Staff Expenses	30	-1.102	-881
Depreciation		0	0
Operating profit (EBIT)		-203	-31
Income from investments in subsidiaries	31	2.410	6.347
Financial income	32	342	227
Financial expenses	33	-198	-230
Profit before tax		2.351	6.313
Tax on profit for the year	34	13	12
Net profit for the year		2.364	6.325
Distribution of profit for the year:			
Group Shareholders		2.364	6.325
Distributed		2.364	6.325

	EUR '000	2024	2023
	<u>Note</u>		
Net profit for the year		2.364	6.325
Items that may be reclassified subsequently to profit or loss			
Exchange adjustments of foreign enterprises		-316	436
Hedge accounting		-121	-61
Items that may not be reclassified subsequently to profit or loss			
Value adjustments in subsidiaries		727	2.179
Total comprehensive income		2.654	8.879

Parent Statement of Financial Position

	EUR '000	31/12 2024	31/12 2023
Assets	Note		
Investments in subsidiaries	35	89.324	86.623
Loan to subsidiaries	36	2.100	2.500
Other non-current investments		4	7
Fixed asset investments		91.428	89.131
Non-current assets		91.428	89.131
Receiveables group companies	36	575	657
Other receiveables		106	91
Deferred tax assets		76	63
Receiveables		757	810
Cash and cash equivalents		162	176
Current assets		918	987
Total Assets		92.346	90.117

Equity and liabilities

	EUR '000	31/12 2024	31/12 2023
Equity and liabilities	Note		
Share capital	18	710	710
Reserve for net revaluation according to the equity method		41.312	38.297
Retained earnings		46.778	47.140
Equity		88.801	86.146
Subordinate loan capital	37	2.100	2.500
Long-term liabilities		2.100	2.500
Credit institutions		4	3
Trade payables		73	84
Interest bearing payables to group companies		1.209	1.248
Other payables	38	159	136
Short-term liabilities		1.445	1.471
Total liabilities		3.545	3.971
Total Equity and Liabilities		92.346	90.117

Parent Statement of Changes in Equity

EUR '000	Share Capital	Reserve for net revaluation according to the equity method	Retained earnings	Total Equity
Equity at January 1, 2023	710	29.836	46.748	77.293
Reclassified	0	-31	31	0
Reclassified equity at January 1, 2023	710	29.805	46.778	77.293
Increase share capital	0	0	0	0
Share based payments	0	0	-22	-22
Net profit/loss for the year	0	6.347	-21	6.325
Other comprehensive income	0	2.553	-3	2.550
Equity at December 31, 2023	710	38.705	46.732	86.146
Share based payments	0	0	0	0
Net profit/loss for the year	0	2.410	-46	2.364
Other comprehensive income	0	291	0	291
Equity at December 31, 2024	710	41.405	46.685	88.801

Parent Cash Flow Statement

EUR '000	2024	2023
Operating profit/loss (EBIT)	-203	-31
Adjustment for non-cash items:		
Provisions	0	-22
Change in receivables	67	-228
Change in trade and other payables	12	-20
Change in interest bearing payables group	-39	210
Cash flow from operations before financial items	-164	-92
Financial income received	342	227
Financial expenses paid	-198	-230
Corporation taxes paid	0	0
Cash flow from operating activities	-20	-95
Issuance of loans to subsidiaries	400	0
Cash flow from investing activities	403	0
Repayment of borrowings	-399	-17
Capital increase	0	0
Cash flow from financing activities	-399	-17
Change in cash and cash equivalents	-15	-112
Cash and cash equivalents, start year	176	287
Cash and cash equivalents at December 31	162	176
Un-utilised short term facilities	70	71
Liquidity available at December 31	231	247

Notes to Parent Financial Statements

Note	EUR '000	2024	2023
28 Revenue			
Management services		950	899
Secondment		441	242
Other		305	276
		1.696	1.416
29 Fees paid to auditors appointed by the General Assembly			
Fees for statutory audits		48	34
Other Services		0	0
		48	34
Audit fee are recognized as administrative costs			
30 Staff expenses			
Wages and salaries		1.102	903
Share based payments		0	-22
		1.102	881
Average number of employees		6	4

Reference is made to note 6 for information about remuneration to the Executive Board and Board of Directors and to note 26 for incentive program for the group management team.

Note	EUR '000	2024	2023
31 Income from investments in subsidiaries			
Premium Porc SRL		-435	1.870
Consinterfin SRL, owned partly by Premium Porc Feed SRL		448	1.797
Agro Investments Moldova SRL		688	45
Premium Porc Negreni SRL		81	-160
Premium Porc Feed SRL		-85	324
Degaro SRL, owned partly by Premium Porc Feed SRL		1.233	4.705
Olsuin SRL, owned partly by Premium Porc Feed SRL		487	-1.254
Premium Porc Sibiu SRL, owned partly by PP Feed SRL		-115	-1.077
Premium Vet Depot SRL		111	100
Premium Pork Commercial SRL, merged w. PP Feed SRL		-2	-5
		2.410	6.347
32 Financial Income			
Interest bank deposits		4	3
Interest on loans to subsidiaries		338	225
Exchange rate adjustment		0	0
		342	227
33 Financial Expenses			
Interest bank debt		0	0
Interest on loans from shareholders		190	228
Exchange rate adjustment		7	1
		198	230
34 Income Taxes			
Adjustment of deferred tax		-13	-12
		-13	-12

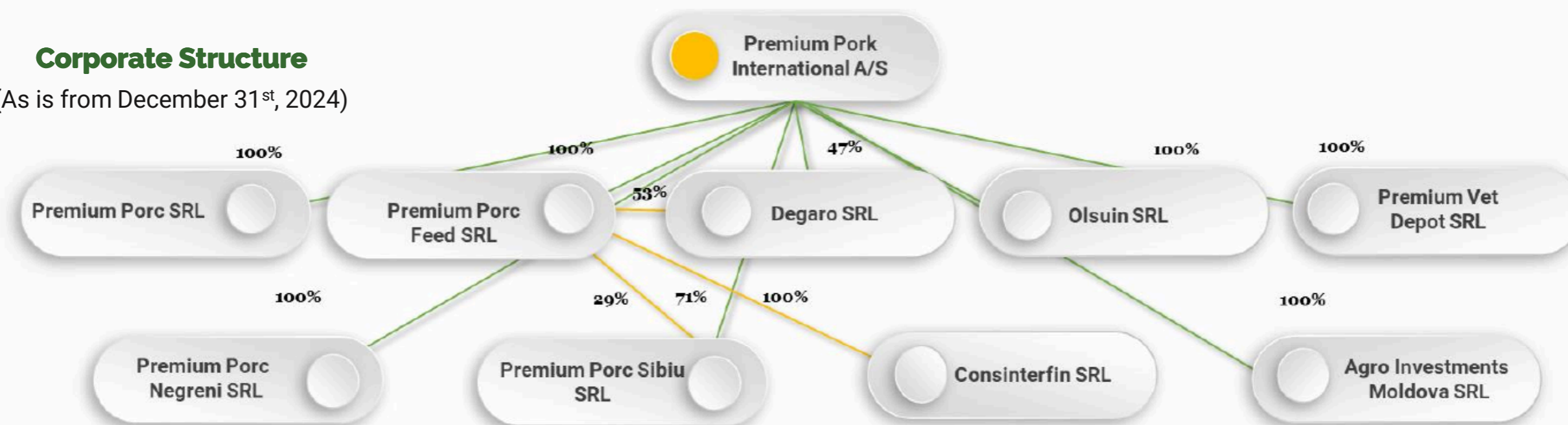
Notes to Parent Financial Statements

Note	EUR '000	2024	2023		EUR '000	2024	2023
35 Investment in subsidiaries				The carrying amount of investments in subsidiaries:	Ownership interest in %		
Cost beginning of year		47.918	47.921	Premium Porc SRL	100	12.519	12.966
Additions for the year		0	10.675	Consinterfin SRL	100	554	98
Disposals for the year		0	-10.678	Agro Investments Moldova SRL	100	2.314	1.626
Cost end of period		47.918	47.918	Premium Porc Negreni SRL	100	7.622	6.740
Appraisal increases at beginning		38.705	29.805	Premium Porc Feed SRL	100	27.939	28.042
Result for the period in subsidiaries		2.410	6.347	Degaro SRL	100	27.989	26.903
Exchange adjustments in subsidiaries		-316	436	Olsuin SRL	100	5.996	5.552
Appraisal of subsidiaries		727	2.179	Premium Porc Sibiu SRL	100	3.869	4.041
Hedging in subsidiaries		-121	-61	Premium Vet Depot SRL	100	520	413
Appraisal increases at end of period		41.405	38.705	Premium Pork Commercial SRL	100	0	242
Carrying amount at end of period		89.324	86.623			89.324	86.623

All subsidiaries are registered in Romania.

Corporate Structure

(As is from December 31st, 2024)



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



Premium Pork International

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Growing in Romania