

The logo for MADECO A/S features a square icon on the left, divided into a red top half and a blue bottom half. To the right of the icon, the text "MADECO A/S" is written in a large, black, sans-serif font. Below this, the text "- part of NoriDane group" is written in a smaller, black, italicized sans-serif font.

MADECO A/S

- part of NoriDane group

Madeco International A/S

Amaliegade 9 B
1256 København K
CVR No. 27043593

Annual report 2023

The Annual General Meeting adopted the annual report on 06.03.2024

Per Stride

Chairman of the General Meeting

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Entity details

Entity

Madeco International A/S

Amaliegade 9 B

1256 København K

Business Registration No.: 27043593

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Per Stride, Chairman

Martin Ravn

Hans Thorn Wittussen

Executive Board

Ronnie Melbye

Bank

Jyske Bank

Vesterbrogade 9

1780 København V

Attorney

Hafnia Advokatpartnerselskab

Vesterbrogade 9

1780 København K

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Madeco International A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

København, 27.02.2024

Executive Board

Ronnie Melbye

Board of Directors

Per Stride
Chairman

Martin Ravn

Hans Thorn Wittussen

Independent auditor's report

To the shareholder of Madeco International A/S

Opinion

We have audited the financial statements of Madeco International A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

København, 27.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Tim Kjær-Hansen

State Authorised Public Accountant

Identification No (MNE) mne23295

Management commentary

Primary activities

The main activities of the company are international trade in food products, particularly meat products. Madeco International A/S traded food products in 53 different countries around the world in 2023. Madeco International A/S will hereafter be referred to as Madeco.

Description of material changes in activities and finances

2023 was characterized by overall more stable market conditions than in 2022, despite still being impacted by wars, political instability, animal diseases etc. in specific markets and areas.

Decreasing production of pork in the European market made prices of pork more turbulent, as the markets were trying to find the market equilibrium.

The company have been able to navigate well to the current market conditions. Good focus on collaboration with customers and suppliers have brought us closer to the clients and thereby increased business activity, reduced risk and fulfilling client's needs. The positive trends are reflected in the result for 2023.

In 2023, the tax authorities have rejected usage of a previously used tax loss. This has resulted in an additional cost of approx. 1,8 Mio DKK for the year. The management of Madeco does not agree with the authorities decision. However has incorporated the decision in the financial statement for 2023.

As a result of Russia's continued invasion of Ukraine, Madeco has still ceased all trade with customers and suppliers in Russia and Belarus. This decision is made for ethical and compliance reasons, even though sanctions against the countries do not prevent us from trading food products.

During the financial year, the company achieved a turnover of 137,1 million DKK, which is an increase of 31,5 % compared to the previous year. Profit before tax is realized at 5,0 million DKK, which is an increase of 7,1% compared to the previous year. As of December 31, 2023, the company's balance sheet shows equity of 10,8 million DKK. The company's solvency ratio is 37%, compared to 47% the previous year.

Management considers the achieved result to be satisfactory.

Profit/loss for the year in relation to expected developments

The result for the year is above the expected result for the year. The management considers the realized result to be satisfying when taking the unexpected tax loss into account.

Outlook

With a new strategy being implemented from 2023 to 2027, the management expects an increased growth in the coming years. With the new strategy, Madeco will seek to grow via various focus areas and e.g. expand business on other commodities than meat, expand current markets and enter new markets.

The company's turnover is very much influenced by developments in prices on the global market, why there is no real expectation for turnover in 2024. The management expects that the markets will continue to be characterized by volatility in prices, supply and demand in 2024.

It is expected that the company will grow 5 – 15 % in terms of volume in 2024 and continue a positive development in current and new activities.

The management expects a EBIT result in 2024 of 4 – 5 Mio DKK.

Events after the balance sheet date

No events of significant importance to the company's financial position have occurred after the end of the financial year.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		5,496,071	5,114,476
Other financial income		288,393	14,633
Other financial expenses		(768,854)	(448,142)
Profit/loss before tax		5,015,610	4,680,967
Tax on profit/loss for the year	1	(2,761,038)	(998,035)
Profit/loss for the year		2,254,572	3,682,932
Proposed distribution of profit and loss			
Retained earnings		2,254,572	3,682,932
Proposed distribution of profit and loss		2,254,572	3,682,932

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Trade receivables		29,359,137	16,127,723
Receivables from group enterprises		0	1,816,151
Deferred tax		21,210	2,143
Other receivables		326,846	147,926
Income tax receivable		0	61,869
Prepayments		0	74,942
Receivables		29,707,193	18,230,754
Current assets		29,707,193	18,230,754
Assets		29,707,193	18,230,754

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		600,000	600,000
Retained earnings		10,261,993	8,007,421
Equity		10,861,993	8,607,421
Other provisions		89,107	343,535
Provisions		89,107	343,535
Trade payables		5,333,610	4,909,184
Payables to group enterprises		13,167,430	4,370,614
Income tax payable		255,053	0
Current liabilities other than provisions		18,756,093	9,279,798
Liabilities other than provisions		18,756,093	9,279,798
Equity and liabilities		29,707,193	18,230,754
Employees	2		
Contingent liabilities	3		
Assets charged and collateral	4		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	600,000	8,007,421	8,607,421
Profit/loss for the year	0	2,254,572	2,254,572
Equity end of year	600,000	10,261,993	10,861,993

Notes

1 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	1,155,053	238,131
Change in deferred tax	(19,067)	759,904
Adjustment concerning previous years	1,625,052	0
	2,761,038	998,035

2 Employees

The Entity has no employees other than the Executive Board.

3 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where serves as the administration company, NoriDane Food A/S. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

4 Assets charged and collateral

The Company participates in a cash pool with NoriDane Food A/S and Noridane Food AS at Jyske-Bank. Participants in the cash pool are jointly and severally liable for the total debt in the cash pool.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. Reclassification of individual items in the income statement and balance sheet has been made with no effect on the income statement and equity.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected 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 recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of

receivables recognised in current assets.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

Tax payable or receivable

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

Prepayments

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

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

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