

Nutrimin A/S

Bodalen 11
DK-8643 Ans By

CVR no. 28 51 35 18

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

21 May 2024

Carina Vang Kristoffersen
Chairman of the annual general meeting

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Nutrimin A/S
Annual report 2023
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nutrimin A/S for the financial year 1 January – 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Ans By, 21 May 2024
Executive Board:

Torben Jensen

Board of Directors:

June Lund Lildal
Chairman

Torben Jensen

Niels Jørgen Sørensen

Independent auditor's report

To the shareholder of Nutrimin A/S

Opinion

We have audited the financial statements of Nutrimin A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Aarhus, 21 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Niklas R. Filipsen
State Authorised
Public Accountant
mne47781

Nutrimin A/S
Annual report 2023
CVR no. 28 51 35 18

Management's review

Company details

Nutrimin A/S
Bodalen 11
DK-8643 Ans By

CVR no.:	28 51 35 18
Established:	22 March 2005
Registered office:	Silkeborg
Financial year:	1 January – 31 December

Board of Directors

June Lund Lildal, Chairman
Torben Jensen
Niels Jørgen Sørensen

Executive Board

Torben Jensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	530,855	583,004	-	-	-
Gross profit	45,358	44,640	54,703	46,012	36,639
Profit before financial income and expenses	12,911	13,265	26,686	18,294	11,735
Profit/loss from financial income and expenses	1,161	-17	-651	-400	1,040
Profit for the year	10,821	10,221	20,268	13,920	10,131
Total assets	166,535	159,204	130,234	96,817	93,113
Equity	86,894	76,073	63,320	43,391	36,039
Investment in property, plant and equipment	724	492	144	552	7,222
Ratios					
Return on equity	13.3%	14.7%	38.0%	35.0%	31.5%
Solvency ratio	52.2%	47.8%	48.6%	44.8%	38.7%

In 2023, Nutrimin A/S merged with Nutrimin Ejendomme ApS and Nutrimin Holding ApS with accounting effect from 1 January 2023, with Nutrimin A/S as the succeeding company. Figures for 2022 have been updated accordingly to reflect the uniting-of-interests method applied in measuring the intra-group merger. Comparative figures for 2019-2021 remain unchanged.

The Company was subject to the provisions applying to reporting class C medium-sized entities of the Danish Financial Statements Act in 2019-2021. Consequently, revenue was not disclosed for 2019-2021 in the Financial Highlights.

The financial ratios have been calculated as follows:

Return on equity
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

Solvency ratio
$$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

Management's review

Operating review

Principal activities

The Company's activities consist of production and direct sale of mineral mixtures and piglet feed on the Danish market as well as production and sale of vitamin mixtures and premixtures to the Danish market as well as to the export market.

Development in activities and financial position

The Company's income statement for 2023 shows a profit of DKK 10,821 thousand as against a profit of DKK 10,221 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 86,894 thousand as against DKK 76,073 thousand at 31 December 2022.

Projected profit before tax for 2023 of approx. DKK 10,000-15,000 thousand as set forth in the Management's review of the annual report for 2022 was realised. Considering the market challenges, results for the year are considered satisfactory.

Nutrimin A/S continued its operation in a difficult market, which was faced with declining demand due to decrease in swine production in Denmark.

Outlook

In 2024, Nutrimin A/S expects to enjoy stable operations with only minor growth based on current market uncertainties. The Company will remain focused on increasing activity levels, and a profit before tax of approx. DKK 10,000-15,000 thousand is expected for 2024.

Intellectual capital

The Company possesses, to a high extent, technical knowledge within its business area. Knowledge and know-how have been accumulated over many years. Furthermore, the background, education and experience of the employees are essential to the intellectual capital of the Company. The right combination of education and expertise within the employee group is therefore critical.

To contribute to the accumulation of intellectual capital, a Nutrimin guide has been prepared to ensure the following:

- An equal partnership
- The ability to acquire and communicate knowledge as well as a good deal of business practice
- Only bearing this in mind, we can ensure our customers an optimal feed mix.

Research and development activities

The Company continuously strive to bring the best products to the market for optimal feed mix. Consequently, the Company expands its research and development activities on an ongoing basis.

Management's review

Operating review

Financial instruments

The Company's goals and policies for management of financial risks

Risk management is a major focus area for Nutrimin A/S. These risks are primarily related to volatile market prices as well as financial risks within currency and rent. Effective risk management ensures that Nutrimin A/S assesses and manages the risks it assumes. Commodity and price risks are minimised by entering purchase contracts that minimize open positions on commodities as far as possible.

By far the largest part of both revenue and purchases is settled in DKK or euros. Nutrimin exchange rate policy is defined by not having significant open currency positions from purchases and sales of goods in currencies other than DKK and euros. To the extent that the Group's currency risk cannot be hedged by adjusting payments and disbursements in the same currency, the currency risk is hedged via forward exchange contracts and options..

To ensure quality management at Nutrimin A/S, certification is carried out according to the standards GMP + and VLOG. The quality management system describes all steps in the process from approval of suppliers and procurement of raw materials to production and delivery of the finished goods to the customer.

Nutrimin A/S is vulnerable to the market conditions of primary agriculture. To eliminate this risk, credit insurance is taken out for creditors to the greatest possible extent.

Raw materials

After the previous financial year, Nutrimin A/S expects that the current impacts on the commodity market lead by the supply and energy crisis are of a short-lived standing. Nutrimin A/S continuously monitors the development in raw material and freight costs.

Nutrimin A/S only uses stable and well-known GMP + or FAMI-QS-approved manufacturers to ensure customers high-quality products.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Corporate social responsibility statement

Nutrimin A/S complies with all relevant laws and regulations in the countries where we operate, and we are committed to an open dialog on sustainability and CSR topics. We have set out the basic principles for our approach to social responsibility. It is essential to us that our efforts have a clear strategic direction, are tangible and can be put into practice. We focus on integrating these principles internally at Nutrimin A/S through our Code of Conduct and throughout our value chain through our Supplier Code of Conduct.

Environmental and climate matters

As part of Nutreco Group, Nutrimin A/S has adopted Science-Based Targets and is committed to reducing Scopes 1, 2 & 3 emissions. Greenhouse gas emissions are often divided in three scopes according to the level of influence an organisation has over these emissions:.

Scope 1 emissions are direct emissions from sources that the organization owns or controls, such as emissions from onsite fuel combustion.

Management's review

Operating review

Scope 2 emissions are indirect emissions from the generation of purchased electricity, heat, or steam.

Scope 3 emissions are all other indirect emissions that occur in the organization's value chain, such as emissions from suppliers, transportation, and use of the products or services.

Together with Nutreco, Nutrimin A/S has action plans to reduce our GHG emissions for our own operations (Scopes 1 & 2), our purchased goods and services (Scope 3) and for our products and farm emissions (foot printing tools).

In 2023, it was decided to allocate a CAPEX budget for sustainability for 2024. This budget can only be used for projects that have energy reduction or greenhouse gas reduction as their main justification, and the intention is to complete these projects in 2024. This way, sustainability-related projects do not have to compete with other business priorities - the plan is to repeat this process for 2025 and subsequent years. This is an example of Nutrimin A/S taking concrete steps to reach ambitious 2030 targets.

We focus on ensuring that the goods we buy are produced in a responsible way, where natural resources are preserved, human rights are protected, and applicable legislation is complied with.

Verified deforestation-free soy

Processed soybean meal is a raw material that Nutrimin purchases for use in our production of concentrates etc. In 2023, we purchased approx. 3,700 tons of processed soy protein concentrate in accordance with the guidelines from the European feed producer organization, FEFAC, where the goal by 2023 is for 60% of all soy we purchase to be responsibly and deforestation-free produced - The goal for 2025 is for 100% of all soy we purchase to be responsibly and deforestation-free produced.

Social and employee matters

Nutrimin A/S complies with the requirements for workplace assessments (APV), employee development interviews and the work environment organisation, whose overall tasks are to create the framework for a good, healthy and safe working environment at Nutrimin A/S.

In 2023, several different initiatives and goals were worked on to increase safety and prevent accidents. Among other things, there has been an extra focus on protective equipment and training employees in standard operating procedures for workplace safety. In 2023, there were no serious workplace accidents at Nutrimin A/S, but we will continue to focus on safety in our communication to our employees. At our management meetings, we have discussed initiatives to improve workplace safety, and it has been and will continue to be a priority for our management team in the coming years.

In early 2024, Gemba Walk will be introduced to identify gaps between the normal safety procedures and the actual work being done by walking around in the workplace, observing and engaging with the workers. The goal is to gather information on potential hazards, assess the effectiveness of current safety measures and promote a culture of safety in the workplace.

Employees are offered a physical health check. In 2023, around half of all employees took up the offer. Based on measurement of e.g. BMI, blood pressure and blood sugar by a nurse, employees can gain insight into their health status and possibly be motivated and inspired to change their lifestyle. This procedure will also take place in January 2024.

Nutrimin A/S applies HACCP - Own check and Risk analysis, which means that all steps in the individual processes are assessed. HACCP provides an overview of the risks and errors that are typical in the manufacturing process. Therefore, HACCP contributes to increasing the level of protection of human and animal health.

Management's review

Operating review

Human rights

Nutrimin A/S works continuously to implement the principles of human rights, labor rights, environment, and anti-corruption in the Group's daily operations, and we continuously incorporate social, environmental, and ethical considerations into our production and processes. In 2023, Nutrimin A/S employees ensured compliance with regulations via e-learning courses. We comply with all relevant laws and regulations in the countries in which we operate..

At Nutrimin A/S, we respect internationally recognised human rights and it is important to us that the rights of the parties involved are not violated. We also support the United Nations Guiding Principles on Business and Human Rights, and we expect our suppliers and business partners to comply with the principles. We work to incorporate the principles in our own business and in the value chain in collaboration with our business partners.

Nutrimin A/S respects the rights that the International Labor Organization has declared as fundamental rights in the workplace. This means that we also respect fundamental rights such as freedom of association, the right to collective bargaining and the right not to be subjected to forced labor, child labor or discrimination. We strive to have safe working conditions and a healthy working environment and create equal opportunities for our employees and business partners regardless of gender, background, ethnicity, religion, age, sexuality, etc.

Anti-corruption and bribery

At Nutrimin A/S, we do not accept corruption and fraud, and with our anti-corruption policy we actively work to prevent fraud and corruption. The most significant anti-corruption and bribery risks are related to employees' interactions with third parties. Therefore, no employee may accept or offer bribes and/or be part of corrupt activities of any kind. No employee will be penalised or dismissed for refusing to pay bribes or refusing to participate in corruption even if it may result in Nutrimin A/S losing a business opportunity. The prohibition against bribery in Nutrimin A/S applies without exception.

In 2023, we continued to assess our need for revision and harmonisation of policies and processes within the compliance area, including anti-corruption and fraud, and at the same time we sent compliance letters to our distributors. The response rate was approx. 75%. The work with compliance will continue in 2024.

Goals and policies for the underrepresented gender

Nutrimin A/S pursues an employment policy of hiring employees based on their qualifications without regard to gender, race or color.

The number of women in Nutrimin A/S in 2023 accounted for just approx. 25% of all employees, but 38% of all white-collar workers. The proportion of female managers remained unchanged at around 25%. We continue to work purposefully to increase diversity in connection with recruitment, as the proportion of male managers with many years of seniority remains high in all business areas..

Management's review

Operating review

	2023	2024	2025	2026
Top management				
Total number members	3			
Underrepresented gender in %	0			
Target in %	30			
Year for achievement of target	2027			
Other management levels				
Total number of members	7			
Underrepresented gender in %	28.57			
Target in %	30			
Year for achievement of target	2027			

Data ethics

Data is one of our most important resources. Just as we have control over the storage and processing of the raw materials we purchase and process, we also take responsibility for the data, including personal data, we collect as a company.

The principles for handling personal data are set out in various privacy policies that map out how we process personal data and at the same time set the direction for the use of the data. In collaboration with our members, customers, suppliers, and partners, we explain what personal data we collect, how we process it and what purposes it serves.

In the IT security area, a new server environment with a focus on cyber and information security will be implemented in 2024 to strengthen the defense against cyber-attacks. In addition, ongoing awareness-raising activities are initiated to increase the organisation's focus on IT security, including recurring IT security e-learning events.

To ensure as low environmental impact as possible when delivering goods to Danish customers, Nutrimin A/S uses lorries that are approved according to class Euro 6.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Revenue	2	530,855	583,004
Costs of sales		-468,135	-523,041
Other operating income		90	0
Other external costs	3	-17,452	-15,323
Gross profit		45,358	44,640
Staff costs	4	-29,079	-27,332
Depreciation and amortisation		-3,368	-4,043
Profit before financial income and expenses		12,911	13,265
Financial income	5	1,249	1,166
Financial expenses	6	-88	-1,183
Profit before tax		14,072	13,248
Tax on profit for the year	7	-3,251	-3,027
Profit for the year	8	10,821	10,221

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets	9		
Goodwill		1,398	1,748
		<u>1,398</u>	<u>1,748</u>
Property, plant and equipment	10		
Land and buildings		21,480	22,397
Plant and machinery		4,267	5,644
		<u>25,747</u>	<u>28,041</u>
Investments			
Other equity investments	11	25	25
Total fixed assets		<u>27,170</u>	<u>29,814</u>
Current assets			
Inventories			
Raw materials and consumables		37,619	62,454
Work in progress		40	22
Finished goods and goods for resale		2,039	3,062
Prepayments for goods		8,399	6,566
		<u>48,097</u>	<u>72,104</u>
Receivables			
Trade receivables		43,867	53,984
Receivables from group entities		45,901	1,106
Other receivables		12	0
		<u>89,780</u>	<u>55,090</u>
Cash at bank and in hand		<u>1,488</u>	<u>2,196</u>
Total current assets		<u>139,365</u>	<u>129,390</u>
TOTAL ASSETS		<u><u>166,535</u></u>	<u><u>159,204</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		5,000	5,000
Retained earnings		81,894	71,073
Total equity		86,894	76,073
Provisions			
Provisions for deferred tax	12	744	809
Total provisions		744	809
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations		850	1,488
Payables to group entities		8,000	0
		8,850	1,488
Current liabilities other than provisions			
Current portion of non-current liabilities		638	638
Banks		50	16
Mortgage loans		0	8,434
Trade payables		31,391	29,607
Payables to group entities		25,783	26,334
Corporation tax		3,316	3,047
Other payables	13	8,869	12,758
		70,047	80,834
Total liabilities other than provisions		78,897	82,322
TOTAL EQUITY AND LIABILITIES		166,535	159,204
Fees to auditor appointed at the general meeting	3		
Collaterals	14		
Contractual obligations, contingencies, etc.	15		
Related party disclosures	16		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	5,000	71,073	76,073
Transferred over the profit appropriation	0	10,821	10,821
Equity at 31 December 2023	5,000	81,894	86,894

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2023	2022
Profit for the year		10,821	10,221
Other adjustments of non-cash operating items	17	643	3,044
Depreciation and amortisation		3,368	4,043
Cash flows from operations before changes in working capital		14,832	17,308
Changes in working capital	18	-5,337	4,541
Cash flows from ordinary activities		9,495	21,849
Interest income		1,249	1,166
Interest expense		-88	-1,183
Corporation tax paid		-1,600	-5,322
Cash flows from operating activities		9,056	16,510
Acquisition of intangible assets		0	-1,748
Acquisition of property, plant and equipment		-724	-493
Cash flows from investing activities		-724	-2,241
External financing:			
Repayment of non-current debt		0	-1,297
Repayment of debt to credit institutions		-9,039	-10,965
Cash flows from financing activities		-9,039	-12,262
Cash flows for the year		-707	2,007
Cash and cash equivalents at the beginning of the year		2,195	188
Cash and cash equivalents at year-end		1,488	2,195

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Nutrimin A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The Company prepared its financial statements in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes in prior financial years. The adoption of the new reporting class has not lead to any changes in recognition and measurement in the financial statements, and accordingly the accounting policies used in the preparation of the financial statements are consistent with those of last year.

In 2023, Nutrimin A/S merged with Nutrimin Ejendomme ApS and Nutrimin Holding ApS with accounting effect from 1 January 2023, with Nutrimin A/S as the succeeding company. In line with the uniting-of-interests method, comparative figures have been updated to reflect the intra-group merger. The following effects on the comparative figures have been recognised:

- Other external costs, DKK 2,660 thousand decrease
- Depreciation and amortisation, DKK 452 thousand increase
- Financial income, DKK 153 thousand decrease
- Financial expenses, DKK 239 thousand increase
- Profit before tax, DKK 1,816 thousand increase
- Profit for the year, DKK 1,400 thousand increase
- Land and buildings, DKK 22,397 thousand increase
- Receivables from group entities, DKK 8,433 thousand decrease
- Deferred tax asset, DKK 52 thousand decrease
- Cash at bank and in hand, DKK 10 thousand increase
- Total assets, DKK 13,922 thousand increase
- Equity, DKK 3,932 thousand increase
- Provisions for deferred tax, DKK 809 thousand increase
- Mortgage loans, DKK 8,433 thousand increase
- Trade payables, DKK 108 thousand increase
- Corporation tax, DKK 292 thousand increase
- Other payables, DKK 347 thousand increase

The current year's effect is recognised directly in the financial statements captions.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Intra-group business combinations

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled. The uniting of interests is considered completed as from the earliest accounting period included in the annual report, however, no earlier than the date when the companies became subject to joint control, including restatement of comparative figures.

Foreign currency translation

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

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

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the asset or liability. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of goods, comprising the sale of feed mix, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on payables, receivables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The entities are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Primagaz Danmark A/S is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions.

Goodwill from the acquisition of activities is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The useful life of goodwill is determined at 5 years.

Property, plant and equipment

Plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	5-30 years
Plant and machinery	5-15 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Investments

Other equity investments comprise unlisted equity investments which are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and cash deposits.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

Financial statements 1 January – 31 December

Notes

DKK'000	2023	2022
2 Segment information		
Denmark	374,676	451,521
EU	108,573	84,611
Other third party countries	47,606	46,872
	<u>530,855</u>	<u>583,004</u>

Pursuant to section 96(1) of the Danish Financial Statements Acts, revenue is not broken down into further segments.

With only few competitors in some of the segments in which Nutrimin A/S operates, Management assesses that the Company's competitors will benefit from having access to its revenue within the individual segments and the development therein. Management assesses that the revenue distribution on segments will cause significant damage to the Company.

DKK'000	2023	2022
3 Fees to auditor appointed at the general meeting		
Statutory audit services	238	262
Tax services	19	31
Other assurance services	57	30
Other services	38	54
	<u>352</u>	<u>377</u>

4 Staff costs		
Wages and salaries	25,930	24,696
Pensions	2,871	2,407
Other social security costs	278	229
	<u>29,079</u>	<u>27,332</u>
Average number of full-time employees	<u>51</u>	<u>50</u>

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of the Executive Board and Board of Directors for 2022 and 2023.

5 Financial income		
DKK'000	2023	2022
Interest income from group entities	587	0
Other financial income	662	1,166
	<u>1,249</u>	<u>1,166</u>

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2023</u>	<u>2022</u>
6 Financial expenses		
Interest expense to group entities	0	515
Other financial expenses	<u>88</u>	<u>668</u>
	<u>88</u>	<u>1,183</u>
7 Tax on profit for the year		
Current tax for the year	3,316	3,171
Deferred tax for the year	-65	-160
Adjustment of tax concerning previous years	<u>0</u>	<u>16</u>
	<u>3,251</u>	<u>3,027</u>
8 Proposed profit appropriation		
Retained earnings	<u>10,821</u>	<u>10,221</u>
9 Intangible assets		
DKK'000		<u>Goodwill</u>
Cost at 1 January 2023		<u>1,951</u>
Cost at 31 December 2023		<u>1,951</u>
Amortisation and impairment losses at 1 January 2023		-203
Amortisation for the year		<u>-350</u>
Amortisation and impairment losses at 31 December 2023		<u>-553</u>
Carrying amount at 31 December 2023		<u>1,398</u>

Goodwill relates to the acquisition of activities and represents the positive difference between cost and the fair value of assets and liabilities arising from the acquisitions. The market potential of acquired activities is deemed to offer a greater value than the cost of goodwill. The latest acquisition took place in 2022, and the determined useful life is set at 5 years on the basis of projected positive cash flows from the acquisition.

Financial statements 1 January – 31 December

Notes

10 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Total
Cost at 1 January 2023	26,524	34,455	60,979
Additions for the year	0	724	724
Cost at 31 December 2023	26,524	35,179	61,703
Depreciation and impairment losses at 1 January 2023	-4,127	-28,811	-32,938
Depreciation for the year	-917	-2,101	-3,018
Depreciation and impairment losses at 31 December 2023	-5,044	-30,912	-35,956
Carrying amount at 31 December 2023	21,480	4,267	25,747
Assets held under finance leases	0	1,488	0

11 Investments

DKK'000	Other equity investments
Cost at 1 January 2023	100
Cost at 31 December 2023	100
Revaluations at 1 January 2023	-75
Revaluations 31 December 2023	-75
Carrying amount at 31 December 2023	25

12 Deferred tax

DKK'000	31/12 2023	31/12 2022
Deferred tax at 1 January	809	969
Deferred tax adjustment for the year in the income statement	-65	-160
	744	809

Deferred tax relates to timing variances of accounting and tax treatment with regard to intangible assets, property, plant and equipment and inventory.

Financial statements 1 January – 31 December

Notes

13 Other payables

As part of the hedging of recognised and unrecognised transactions, the Company makes use of hedging instruments such as forward exchange contracts. Hedging of recognised transactions primarily comprises receivables and payables denominated in foreign currencies.

The Company hedges forecast currency risks relating to the sale and purchase of goods within the coming year using forward exchange contracts.

The notional amount of forward exchange contracts amounts to USD 950 thousand (31 December 2022: USD 3,120 thousand) with an accumulated fair value loss of DKK 306 thousand (31 December 2022: loss of DKK 1,235 thousand) as of 31 December 2023. The fair value of the forward exchange contracts is recognised as other payables.

14 Collaterals

The Company has provided collateral towards credit institutions of up to DKK 8,600 thousand secured upon the Company's land and building with a carrying amount of DKK 21,480 thousand as of 31 December 2023. As of 31 December 2023, a net cash deposit of DKK 1,437 thousand is recognised in the relevant credit institution.

Moreover, the Company has provided collateral towards credit institutions through a business mortgage of up to DKK 27,500 thousand. As of 31 December 2023, a net cash deposit of DKK 1,437 thousand is recognised in the relevant credit institution.

15 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with other Danish companies in the Group. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends. Any subsequent correction of the taxable jointly taxed income or withholding taxes could result in an adjustment of the Company's liability.

Operating lease obligations

The Company has entered into operating and rental leases with a remaining term of 58 months with a total obligation of DKK 711 thousand as of 31 December 2023 (31 December 2022: DKK 15,513 thousand).

Financial statements 1 January – 31 December

Notes

16 Related party disclosures

Control

Nutreco International B.V., Veerstraat 38, 5831JN Boxmeer, the Netherlands.

Nutreco International B.V. holds the majority of the contributed capital in the Company.

Nutrimin A/S is part of the consolidated financial statements of Nutreco International B.V., Veerstraat 38, 5831JN Boxmeer, the Netherlands, and SHV Holdings N.V., Rijnkade 1, 3511 LC Utrecht, the Netherlands, which are the smallest and largest groups in which the Company is included as a subsidiary.

The consolidated financial statements can be obtained by contacting the companies at the above addresses.

Related party transactions

The Company's transactions with related parties can be derived as follows:

DKK'000	<u>2023</u>
Sale of goods to group entities	2,071
Purchase of goods from group entities	88,607
Purchase of services from group entities	13,434

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of the Executive Board and Board of Directors for 2022 and 2023.

Interest income and expense from/to group entities are disclosed in notes 5 and 6.

Receivables and payables from/to group entities are disclosed in the balance sheet.

In 2023, Nutrimin A/S merged with Nutrimin Ejendomme ApS and Nutrimin Holding ApS with accounting effect from 1 January 2023, with Nutrimin A/S as the succeeding company.

17 Other adjustments

DKK'000	<u>2023</u>	<u>2022</u>
Financial income	-1,249	-1,166
Finance expenses	88	1,183
Tax on profit for the year	<u>1,804</u>	<u>3,027</u>
	<u>643</u>	<u>3,044</u>

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18 Change in working capital

DKK'000	2023	2022
Change in inventories	24,007	-3,891
Changes in receivables	-34,690	-7,245
Changes in trade payables, etc.	5,346	15,677
	<u>-5,337</u>	<u>4,541</u>

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"By my signature I confirm all dates and content in this document."

Torben Jensen

Adm. direktør

On behalf of: Nutrimin A/S

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Torben Jensen

Bestyrelsesmedlem

On behalf of: Nutrimin A/S

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June Lund Lildal

Bestyrelsesformand

On behalf of: Nutrimin A/S

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Niels Jørgen Sørensen

Bestyrelsesmedlem

On behalf of: Nutrimin A/S

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Niklas Rosenmaier Filipsen

KPMG P/S CVR: 25578198

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

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IP: 83.151.xxx.xxx

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Carina Vang Kristoffersen

Dirigent

On behalf of: Nutrimin A/S

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