

DAT-SCHAUB A/S

ANNUAL REPORT

01.10.2022 – 30.09.2023

Vesterbrogade 4A, 2., 1620 Copenhagen V
CVR No. 33 35 31 70

The annual report has been presented and approved
at the company's annual general meeting on
30 November 2023

Britta Veis Jensen
Chairman of the meeting



DAT-Schaub

DAT-SCHAUB A/S

Central Business Registration no: 33 35 31 70

ANNUAL REPORT 2022/23

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Summary of the company

DAT-Schaub A/S

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Web www.dat-schaub.dk

Board of Directors

Jais Valeur (Chairman)

Thomas Ahle

Casper Runge Albæk

Executive Board

Jan Roelsgaard, Managing Director, CEO

Lars Brynningsen, CFO

Jesper Agte Johansen, COO

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DAT-Schaub A/S for the financial year 1 October 2022 to 30 September 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 30 September 2023 and of the results of its operations for the financial year 1 October 2022 to 30 September 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.

Copenhagen, 21 November 2023

Executive Board

Jan Roelsgaard
Managing Director, CEO

Lars Brynningsen
CFO

Jesper Agte Johansen
COO

Board of Directors

Jais Valeur
Chairman

Thomas Ahle

Casper Runge Albæk



Independent Auditor's Report

To the Shareholders of DAT-Schaub A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023, and of the results of the Company's operations and cash flows for the financial year 1 October - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DAT-Schaub A/S for the financial year 1 October - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.



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 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 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 judgment and maintain professional skepticism 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 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.

Hellerup 21 November 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stensgård Sørensen
State Authorised Public Accountant
mne32200

Jakob Thisted Binder
State Authorised Public Accountant
mne42816

Management commentary

Primary activities

The main activity of DAT-Schaub A/S is collecting and cleaning high quality hog casings from Danish Crowns hog abattoirs in Denmark. The hog casings are sold along with traded sheep casings on the world market. The company also sells hog stomachs, mucosa and other related products.

Development in activities and finances

Turnover in 2022/23 ended at DKK 1,518 million, which was 4.7% lower than the turnover in 2021/22. Operating profit decreased from DKK 453 million to DKK 397 million mainly due to the lower turnover and decrease in gross profit margin. As DAT-Schaub A/S is the parent company of a versatile international group of companies a significant part of the income is coming from investment in subsidiaries which has been stable and went from DKK 163 million to DKK 170 million.

The net profit of the year ended at DKK 469 million which is regarded as satisfactory.

The total assets amount to DKK 1,897 million against last year DKK 1,978 million. Equity decreased from DKK 1,003 million to DKK 972 million.

Uncertainty relating to recognition and measurement

When preparing the annual report in accordance with the DAT-Schaub A/S' accounting policies the management is required to make estimates and assumptions that affect the assets and liabilities recognised, including information on any contingent assets and liabilities.

The management's estimates are based on historical experience and other assumptions which are deemed relevant at the time. These estimates and assumptions form the basis for the recognised carrying amounts of assets and liabilities and the related effects recognised in the income statement. The actual results may deviate from such estimates and assumptions.

Inventories

Inventories are valued taking into account marketability, obsolescence and development in expected selling price. The development in prices on the world market may be affected by access to distribution in the major markets.

Outlook for 2023/24

Our net profit for the year 2023/24 is expected to decrease due to lower activity and pressure on profitability. Our expectation are a net profit of approximately DKK 350-450 million.

Particular risks

Veterinary matters

The greatest threat to DAT-Schaub A/S is related to veterinary matters that may cut off or disrupt the sourcing, production and/or selling in specific markets. It is therefore crucial for the company to participate actively in fora discussing, veterinary issues and to draw on all relevant industry related veterinary advisory to ensure that the markets are open for the products.

Market conditions

Due to the long production time for natural casings changed market conditions may affect DAT-Schaub A/S both positively and negatively.

Currency risk

DAT-Schaub A/S has a Cash flow risk in foreign currency due to the fact that DAT-Schaub A/S buys and sells in foreign currency, which gives rise to uncertainty as to the DKK value of the future cash flow. The company seeks to counter this risk by using hedging instruments and by seeking to match receivables and debt in the same currency.

Interest risk

DAT-Schaub A/S has both interest-bearing debt and receivables and is as such exposed to interest rate risks. The interest risk is sought to be reduced through the use of interest rate swaps and fixed versus variable debts and receivables with varying maturity.

Environmental performance

As part of Danish Crown, we are focused on reducing the environmental footprint in our value-chain. Large volumes of water are used for the cleaning of casings. Developing new water savings methods is a strategic focus area for DAT-Schaub A/S whilst always ensuring that veterinary conditions are considered.

Further information about the Danish Crowns' Sustainability initiatives we refer to the Annual Report of "Leverandørselskabet Danish Crown AmbA", which is public available at Erhvervsstyrelsen on www.cvr.dk under the CVR-number 21 64 39 39.

Corporate social responsibility

The statement of social responsibility is an integrated part of the Annual Report for "Leverandørselskabet Danish Crown AmbA", which we are required to publish, in accordance with section 99a of the Danish Financial Statements Act. We refer to the Annual Report of "Leverandørselskabet Danish Crown AmbA", which is public available at Erhvervsstyrelsen on www.cvr.dk under the CVR-number 21 64 39 39.

Report on gender composition of management

Danish Crown has a group policy for diversity and inclusion and defined goals for gender representation at different management levels.

In DAT-Schaub, we recognize the value of a diverse and inclusive management. In 2015/16 we thus adopted a target to have 10% of women in the board of directors. Regrettably, the goal has not yet been achieved, primarily because it has not been possible to attract candidates with the required competences. We will maintain our efforts and actions to achieve the target.

Data ethics

DAT-Schaub's values are to be reflected in the way in which we collect, process and use data, and we have established a Data Ethics Policy with applicable principles. The policy describes how data ethics are considered and employed in the use of data, as well as the design and implementation of technologies used for the processing of data in the group. Training in data ethics dilemmas is provided for employees working on data and IT.

Management commentary

Financial highlights

	2022/23	2021/22	2020/21	2019/20	2018/19
T. DKK					
<i>Income statement</i>					
Turnover	1,517,839	1,591,958	1,366,187	1,300,022	1,317,796
Operating profit	397,496	452,613	349,959	241,620	129,033
Net financials	155,307	170,786	141,464	123,505	108,283
Profit before tax	552,803	623,399	491,423	365,125	237,316
Net profit for the year	468,901	521,072	417,775	317,387	212,869
<i>Balance sheet</i>					
Total assets	1,896,550	1,977,882	1,861,068	1,791,666	1,873,573
Investments in tangible assets	5,516	5,283	10,413	14,346	3,192
Equity	971,634	1,002,733	931,661	813,886	696,499
Solvency rate in % of total assets	51%	51%	50%	45%	37%
Return on Equity	49%	54%	51%	42%	30%
Average number of full-time employees	561	567	527	512	531

The financial highlights and key ratios have been defined and calculated in accordance with "Recommendations and Financial Ratios 2015" issued by the Danish Association of Financial Analysts.

Solvency rate in % of total assets	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Solvency rate in % of total assets, including subordinate loan	$\frac{\text{Equity, including subordinate loan} \times 100}{\text{Total assets}}$
Return on Equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement for 2022/23

(1 October 2022 - 30 September 2023)

	<u>Note</u>	<u>2022/2023</u> <u>T. DKK</u>	<u>2021/2022</u> <u>T. DKK</u>
Turnover	1	1,517,839	1,591,958
Production costs	2,3	<u>-1,018,363</u>	<u>-1,025,368</u>
Gross profit		499,476	566,590
Distribution costs	2,3	-48,451	-57,723
Administrative expenses	2,3,18	<u>-53,529</u>	<u>-56,254</u>
Operating profit		397,496	452,613
Financial income	4	229,661	206,924
Financial expenses	5	<u>-74,354</u>	<u>-36,138</u>
Profit before tax		552,803	623,399
Tax on profit for the year	6	<u>-83,902</u>	<u>-102,327</u>
Net profit for the year	7	<u>468,901</u>	<u>521,072</u>

Balance sheet at 30 September 2023

Assets	Note	30.09.2023 T. DKK	30.09.2022 T. DKK
Goodwill	8	60,909	69,311
Intangible assets		60,909	69,311
Land and buildings		46,505	50,151
Plant and machinery		10,408	11,144
Other fixtures, fittings, tools and equipment		2,559	3,675
Right-of-use assets		36,908	42,295
Assets under construction		4,424	3,539
Tangible assets	9	100,804	110,804
Investments in subsidiaries	10	719,480	677,137
Loans to affiliates	11	0	0
Other investments		4,000	4,000
Financial assets		723,480	681,137
Non-current assets		885,193	861,252
Raw materials and consumables		125,447	82,381
Finished goods and goods for resale		283,051	274,647
Inventories		408,498	357,028
Loans to affiliates	12	339,183	548,798
Trade receivables		79,425	70,407
Receivables from affiliates		155,848	92,370
Receivables from associates		25	21
Other receivables		23,230	41,799
Deferred taxes	15	3,554	4,258
Prepayments	13	1,558	1,903
Total receivables		602,823	759,556
Cash		36	46
Current assets		1,011,357	1,116,630
Total assets		1,896,550	1,977,882

Balance sheet at 30 September 2023

Equity and liabilities	Note	30.09.2023 T. DKK	30.09.2022 T. DKK
Share capital	14	50,739	50,739
Retained earnings		420,895	451,994
Proposed dividend		500,000	500,000
Equity		971,634	1,002,733
Lease commitments		34,037	38,609
Loans from affiliates		650,000	650,000
Non-current liabilities	16	684,037	688,609
Lease commitments		4,490	4,962
Credit institutions		3	2
Loans from affiliates	12	2,192	16,778
Trade payables		56,875	52,804
Payables to affiliates		41,989	62,463
Payables to associates		5,991	7,605
Other payables		15,345	6,750
Deferred income		27,170	32,720
Income tax payable	6	86,824	102,456
Current liabilities		240,879	286,540
Liabilities		924,916	975,149
Equity and liabilities		1,896,550	1,977,882

Statement of Equity at 30 September 2023

	Share capital T. DKK	Retained earnings T. DKK	Proposed dividend T. DKK	Total equity T. DKK
2022/23				
Equity at 30 September 2022	50,739	451,994	500,000	1,002,733
Profit for the year		468,901		468,901
Dividend paid to the shareholders			-500,000	-500,000
Proposed dividend		-500,000	500,000	0
Equity at 30 September 2023	50,739	420,895	500,000	971,634
2021/22				
Equity at 30 September 2021	50,739	430,922	450,000	931,661
Profit for the year		521,072		521,072
Dividend paid to the shareholders			-450,000	-450,000
Proposed dividend		-500,000	500,000	0
Equity at 30 September 2022	50,739	451,994	500,000	1,002,733

Ownership

Danish Crown A/S has controlling influence of DAT-Schaub A/S.

Information in accordance with The Danish Company Accounts Act section 71

The Company is included in the consolidated financial statements for Leverandørselskabet Danish Crown AmbA, Danish Crown vej 1, 8960 Randers.

The consolidated financial statements for Leverandørselskabet Danish Crown Amba can be acquired by contacting the Company.

Notes

1. Turnover
2. Staff costs
3. Depreciation, amortisation and impairment losses
4. Financial income
5. Financial expenses
6. Tax
7. Net profit at disposal
8. Intangible assets
9. Tangible assets
10. Investments in subsidiaries
11. Loans to affiliates
12. Cash pool
13. Prepayments
14. Share capital
15. Deferred tax
16. Non-current liabilities
17. Fees to the auditors
18. Related parties
19. Contingent liabilities
20. Events after the balance sheet date
21. Accounting policies

	<u>2022/2023</u> T. DKK	<u>2021/2022</u> T. DKK
1. Turnover		
Distribution by markets		
Sales to Denmark	249,938	312,761
Sales outside Denmark	383,425	452,485
Sales to affiliated companies	884,476	826,712
	<u>1,517,839</u>	<u>1,591,958</u>

External sales outside Denmark in %	<u>61%</u>	<u>59%</u>
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Sales of natural casings etc.	1,401,098	1,458,588
Sales of other product groups	116,741	133,370
	<u>1,517,839</u>	<u>1,591,958</u>

2. Staff costs

The total salaries and wages etc. of DKK 288,131 thousand can be specified as follows:

Salaries and wages	254,106	263,769
Defined contribution plans	19,893	18,500
Other employment and social security costs	14,132	7,479
	<u>288,131</u>	<u>289,748</u>

The staff costs are distributed as follows:

Production costs	229,962	230,792
Distribution costs	17,853	18,008
Administrative expenses	40,316	40,948
	<u>288,131</u>	<u>289,748</u>

The Board of Directors and the management in DAT-Schaub A/S have received the following payment:

The Board of Directors	0	121
The management	12,199	13,217

Management is part of a short-term incentive program based on yearly performance and part of a long-term incentive program based on long-term value creation targets on group level.

Average number of employees	561	567
Number of employees at the balance sheet date	529	580

<u>2022/2023</u>	<u>2021/2022</u>
<u>T. DKK</u>	<u>T. DKK</u>

3. Depreciation, amortisation and impairment losses

Intangible assets	8,402	8,401
Tangible assets	<u>15,516</u>	<u>17,099</u>
	<u>23,918</u>	<u>25,500</u>

Depreciation, amortisation and impairment losses are distributed as follows:

Production costs	9,064	10,691
Distribution costs	8,936	8,896
Administrative expenses	<u>5,918</u>	<u>5,913</u>
	<u>23,918</u>	<u>25,500</u>

4. Financial income

Dividends received from subsidiaries	170,333	162,556
Interest income from affiliated companies	14,610	10,510
Gain on foreign exchange rate	<u>44,718</u>	<u>33,858</u>
	<u>229,661</u>	<u>206,924</u>

5. Financial expenses

Interest expense to affiliated companies	28,332	22,812
Interest expenses, financial leasing	906	969
Interest expenses etc.	201	202
Loss on foreign exchange rate	<u>44,915</u>	<u>12,155</u>
	<u>74,354</u>	<u>36,138</u>

6. Tax

The corporate tax stated in the financial statement is calculated on the basis of the prevailing Danish and foreign tax legislation.

The corporation tax payable amounts to DKK 86,032 thousand (DKK 102,456 thousand in 2021/2022). DKK 86,032 thousand is to be paid in April 2024.

The value of deferred tax Asset totals DKK 3,554 thousand (DKK 4,258 thousand in 2021/22) and is calculated on the basis of income and expenses which in the company taxation is not included in the same period in the tax return and the profit and loss account.

	2022/2023 T. DKK	2021/2022 T. DKK
Tax on the profit for the year	-86,032	-102,603
Change in deferred tax	-704	276
Adjustments re. previous years	2,834	0
	-83,902	-102,327

7. Net profit at disposal

The net profit is suggested distributed as follows

Proposed dividend	500,000	500,000
Retained earnings	-31,099	21,072
	468,901	521,072

	Goodwill T. DKK
8. Intangible assets	
Cost as at 30 September 2022	168,025
Cost as at 30 September 2023	168,025
Amortisation at 30 September 2022	98,714
Amortisation recognised for the year	8,402
Amortisation at 30 September 2023	107,116
Carrying amount as at 30 September 2023	60,909
Amortisation rate	5%

The amortization period for goodwill is assessed individually on the basis of a concrete assessment of the acquired activity, including customer composition, the expected life of contracts and synergies. Based on this long-term earnings profile, goodwill is estimated to have an expected useful life of up to 20 years.

	Land and buildings	Plant and machinery	Other tangible fixed assets	Right-of- use assets	Assets under construction	Total tangible fixed assets
	T. DKK	T. DKK	T. DKK	T. DKK	T. DKK	T. DKK
9. Tangible assets						
Cost as at 30 September 2022	88,469	189,135	29,691	55,960	3,539	366,794
Additions					5,516	5,516
Disposals		-19,220	0	0		-19,220
Transfers	781	3,514	337		-4,631	0
Cost as at 30 September 2023	89,250	173,429	30,028	55,960	4,424	353,090
Depreciations at 30 September 2022	38,318	177,991	26,016	13,665	0	255,990
Disposals		-19,220				-19,220
Depreciation	4,427	4,250	1,453	5,387		15,516
Depreciations at 30 September 2023	42,745	163,021	27,469	19,052	0	252,286
Carrying amount as at 30 September 2023	46,505	10,408	2,559	36,908	4,424	100,804
Depreciation percentage	0-5%	10-50%	20%	5-50%		

	2022/2023 T. DKK	2021/2022 T. DKK
10. Investments in subsidiaries		
Cost as at 30 September 2022	677,137	677,137
Additions	42,343	0
Disposals	0	0
Cost as at 30 September 2023	719,480	677,137
Carrying amount as at 30 September 2023	719,480	677,137

10. Investments in subsidiaries (continued)

In accordance with the Danish Financial Statements Act § 97 A net result and equity are only specified for subsidiaries having published annual reports. As the annual reports for 2022/23 have not yet been published, the figures for 2021/22 are included in the table below:

	Year	Currency	Thousands	
			Net result	Equity
DAT-Schaub Portugal Industria Alimentar Lda	2021/22	EUR	1,891	5,241
DAT-Schaub Finland Oy	2021/22	EUR	-177	2,713
Thomeko Eesti Oü	2021/22	EUR	111	1,548
DAT-Schaub AB	2021/22	SEK	12,466	14,053
DAT-Schaub (Deutschland) GmbH	2021/22	EUR	9,851	27,919
DAT-Schaub Polska Sp. z o.o.	2020/21	PLN	27,967	56,505
DAT-Schaub (UK) Ltd.	2021/22	GBP	2,698	4,304
DAT-Schaub Norge AS	2021/22	NOK	-6,287	-4,683

Group structure is specified below:

Company name	Country	Ownership %
DAT-Schaub Portugal, Indústria Alimentar Lda	Portugal	100.0
DAT-Schaub France S.A.S.	France	100.0
DAT-Schaub Finland Oy	Finland	100.0
Thomeko Eesti OÜ	Estonia	100.0
DAT-Schaub AB	Sweden	100.0
DAT-Schaub (Deutschland) GmbH	Germany	100.0
Gerhard Küpers GmbH	Germany	100.0
DIF Organveredlung Gerhard Küpers GmbH & Co. KG	Germany	100.0
CKW Pharma-Extrakt Beteiligungs- und Verwaltungs GmbH	Germany	50.0 J
CKW Pharma-Extrakt GmbH & Co. KG	Germany	50.0 J
DAT-Schaub Polska Sp. z o.o.	Poland	100.0
DAT-Schaub (UK) Ltd.	UK	100.0
Oriental Sino Limited	Hong Kong	45.0 A
Yancheng Lianyi Casing Products Co. Ltd.	China	73.3 A
Jiangsu Chongan Plastic Manufacturing Co. Ltd.	China	58.8 A
Yancheng Xinyu Food Products Ltd.	China	73.3 A
Yancheng Huawei Food Products Ltd.	China	73.3 A
DAT-Schaub Holdings USA, Inc.	US	100.0
DCW Casing LLC	US	100.0
DAT-Schaub Norge AS	Norway	100.0 D
Shanghai Natural Casing Co., Ltd	China	51.0
DAT-Schaub Spain Holding S.L.U.	Spain	100.0
DAT-Schaub Spain S.L.U.	Spain	100.0
Procesadora Insuban SpA.	Chile	100.0
Elaboradora de Subprodutos de Origen Animal do Brasil Ltda.	Brazil	100.0
BRC Tripas - Comercio de Tripas Ltda.	Brazil	100.0
Tripas de Colombia S.A.S.	Colombia	100.0
Procesadora Insuban SpA.	Chile	100.0
Ventrum Holding B.V.	Netherlands	70.0
Selo Verpakking B.V.	Netherlands	100.0
Selo Belgium BVBA	Belgium	100.0

A = Associated company

D = Dormant

J = Joint venture

Danish Crown has prepared the consolidated Annual report, which can be found on the web page www.danishcrown.dk.

	2022/2023 T. DKK	2021/2022 T. DKK
11. Loans to affiliates		
Cost as at 30 September 2022	0	136,768
Transfer for the year	0	-136,768
Cost as at 30 September 2023	0	0
Carrying amount as at 30 September 2023	0	0

12. Cash pool

Short-term loans to and loans from affiliates include a group cash pool arrangement between the Group's main bank connections and the cash is available for daily operations according to the Group's instructions.

13. Prepayments

Prepayments recognised under assets comprise incurred costs relating to the subsequent financial year.

14. Share Capital

The share capital consists of 50,738,889 shares at DKK 1.

15. Deferred tax

	Deferred tax as at 1 October 2022 T. DKK	Changes in respect of previous years T. DKK	Recognised in net profit for the year T. DKK	Deferred tax as at 30 September 2023 T. DKK
2022/23				
Intangible assets	-4,919	0	1,850	-3,069
Tangible assets	4,895	-5	-425	4,465
Financial assets	0	0	0	0
Current assets	187	-2,166	590	-1,389
Current liabilities	4,095	0	-548	3,547
	4,258	-2,171	1,467	3,554
	Deferred tax as at 1 October 2021 T. DKK	Changes in respect of previous years T. DKK	Recognised in net profit for the year T. DKK	Deferred tax as at 30 September 2022 T. DKK
2021/22				
Intangible assets	-6,769	0	1,850	-4,919
Tangible assets	4,997	67	-169	4,895
Financial assets	-60	60	0	0
Current assets	898	0	-711	187
Current liabilities	4,916	0	-821	4,095
	3,982	127	149	4,258

16. Non-current liabilities

DKK 650,000 thousand of the total non-current liabilities of DKK 684,037 thousand (DKK 688,609 thousand in 2021/22) falls due after 5 years from the balance sheet day.

17. Fees to the auditors

In pursuance of Section 96(3) of the Danish Financial Statements Act, the company has omitted providing information on audit fees as the company is fully consolidated in Danish Crown Amba's consolidated financial statements, in which the audit fees for the Group as a whole are disclosed.

18. Related parties

Control

The ultimate parent company of the group is Leverandørselskabet Danish Crown AmbA (CVR No. 21 64 39 39) Danish Crown vej 1, DK-8960 Randers

Ownership

Danish Crown A/S is the principal shareholder (CVR 26 12 12 64) Danish Crown vej 1, DK-8960 Randers
A copy of the consolidated financial report from Danish Crown A/S can be obtained at www.danishcrown.com

Other related parties

The Board of Directors and General Management

The company has chosen only to report, related party transactions if not based on market price (arm's length) There have not been any of these transactions

19. Contingent liabilities

DAT-Schaub A/S has issued a Guarantee in relation to the credit line of an associated company for EUR 1,1mill. (T.DKK 8,180).

The company is part of a Danish joint taxation with Danish Crown A/S as managing company. The Company is therefore held liable on income taxes etc. under the Corporation Tax Act rules with effect from the financial year 2012/13, for the jointly taxed companies and from 1 July 2012 for any obligation to withhold tax on interest and dividends, royalties for the jointly taxed companies.

20. Events after the balance sheet date

No material events have occurred after the balance sheet date.

21. Accounting policies

Reporting class

This annual report for DAT-Schaub A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (Big).

The Annual Report for 2022/23 is presented in DKK '000.

Consolidated financial statements

DAT-Schaub A/S has not prepared consolidated financial statements as the company has used the exemption rules in §112 of the Danish Financial Statements Act saying that a parent company being a subsidiary owned by more than 90% of a parent company is not obliged to prepare consolidated financial statements. DAT-Schaub A/S is included in the consolidated financial statements for Leverandørselskabet Danish Crown AmbA.

General information on recognition and measurement

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

Liabilities are recognised in the balance sheet if DAT-Schaub A/S has a legal or constructive obligation arising from 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. Value adjustments on financial assets and financial liabilities are recognised in the income statement as financial income and financial costs.

Foreign currency translation

On initial recognition transactions in currencies other than the functional currency are translated at the exchange rates applicable at the transaction date. Receivables, payables and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated using the exchange rates applicable at the balance sheet date. Exchange rate differences arising between the transaction date and the payment date and the balance sheet date, respectively, are recognized in results as net financials.

Derivative financial instruments

On initial recognition derivative financial instruments are measured at cost and subsequently at fair value at the settlement date. After initial recognition, the derivative financial instruments are measured at the fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively. Changes in the fair value of derivative financial instruments classified as and meeting the requirements for hedging the fair value of a recognised asset, a recognised liability or a firm commitment are recognised in results together with changes in the value of the hedged asset or the hedged liability.

For derivative financial statements, which do not meet the requirements for treatment as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Turnover

Turnover from the sale of goods for resale and finished goods is recognized in the income statement when delivery has taken place and risk has been passed to the buyer in accordance with IFRS 15. Turnover comprises the invoiced sales. Turnover is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise costs incurred to earn revenue for the financial year. In production costs trading include cost of sales and the manufacturing include costs relating to raw materials, consumables, production staff as well as maintenance and depreciation, amortization and impairment losses on tangible and intangible assets used in the production process. In addition, the item includes ordinary write-down of inventories.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns including costs for sales and distribution staff, advertising costs as well as depreciation, amortization and impairment losses on tangible and intangible assets used in the distribution process.

Administrative expenses

Administrative expenses comprise costs incurred for the management and administration of DAT-Schaub A/S including costs for the administrative staff and the management as well as office expenses and depreciation, amortization and impairment losses on tangible and intangible assets used in the administration of DAT-Schaub A/S.

Financial income and Financial expenses

Dividends from investments in subsidiaries are recognized as income in the income statement in the financial year in which the dividend is declared.

Investments in subsidiaries written down to the lower of recoverable amount and carrying amount are recognized as expenses in the income statement.

Financials comprise interest income and expenses, the interest portion of finance lease payments, realized and unrealized capital gains and losses on securities, payables and transactions in foreign currencies, amortization premiums/deductions concerning mortgage debt etc.

Interest income and interest expenses are accrued on the basis of the principal amount and the effective rate of interest. The effective rate of interest is the discount rate used to discount the expected future payments which are related to the financial asset or the financial liability in order for the present value of these to correspond to the carrying amount of the asset and the liability, respectively.

Income taxes

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 for the year and recognized directly in equity by the portion attributable to entries directly in equity.

DAT-Schaub A/S is jointly taxed with all Danish entities in the Danish Crown Group. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

The tax rules and rates applicable at the balance sheet date are used to compute the current tax.

Balance sheet

Goodwill

Goodwill is measured at cost less accumulated amortization and impairment losses.

Goodwill is amortized straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortization period is 20 years for strategically acquired activities with a strong market position and a long-term earnings profile as the amortization period is considered to reflect the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Tangible assets

Land and buildings, plant and machinery and other tangible fixed assets are measured at cost less accumulated depreciations and impairment losses. Land and assets under construction are not depreciated.

Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset until such time as the asset is ready to be put into operation.

Interest expenses on loans for financing the construction of property, plant and equipment are included in cost if they relate to the construction period. Other loan costs are recognized in the income statement.

The cost of an aggregate asset is divided into separate components, which are depreciated separately if the useful lives of the individual components are different.

If the acquisition or use of the asset requires DAT-Schaub A/S to incur costs for the demolition or re-establishment of the asset the estimated costs of such measures are recognized as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost less estimated residual value after the end of the useful life. The residual value is re-estimated yearly.

Straight-line depreciation is carried out based on the following assessment of the expected useful lives of the assets:

Buildings:	20 years
Plant and machinery:	2-10 years
Other tangible fixed assets:	5 years
Right-of-use assets	2-21 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in subsidiaries

Investments in subsidiaries are recognized and measured at cost and are written down to the lower of recoverable amount and carrying amount.

Investments in subsidiaries are assessed annually for indications of impairment. Where cost exceeds the recoverable amount, the investments are written down to this lower amount.

Any write-downs are recognized in the profit and loss account under write-down of financial assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realizable value. The cost of goods for resale, raw materials and consumables comprises the purchase price plus landing costs. The cost of manufactured goods and work in progress comprises costs of raw materials, consumables and direct labor costs as well as fixed and variable production overheads.

Variable production overheads comprise indirect materials and labor and are distributed on the basis of estimates of the goods actually produced. Fixed production overheads comprise costs relating to maintenance and depreciation of the machinery, factory buildings and equipment used in the production process as well as general costs for factory administration and management. Fixed production costs are distributed based on the normal capacity of the technical plant.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

Receivables

Receivables comprise trade receivables and other receivables. On initial recognition receivables are measured at fair value and subsequently at amortized cost, which usually corresponds to the nominal value less write-downs for bad debts.

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognized as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Other provisions

Provisions are recognized when DAT-Schaub A/S has a legal or actual obligation resulting from events in the financial year or previous years, and it is likely that fulfilling the obligation will draw on DAT-Schaub A/S' financial resources.

Provisions are measured as the best estimate of the costs necessary to discharge the liabilities at the balance sheet date. Provisions falling due more than one year after the balance sheet date are measured at discounted value.

Pension obligations etc.

DAT-Schaub A/S has entered into pension agreements with a significant proportion of its employees. Under the defined-contribution plans, the company makes regular, defined contributions to independent pension companies and the like. The contributions are recognized in the income statement in the period in which the employees have performed the work entitling them to the pension contribution. Payments due are recognized in the balance sheet as a liability.

Leases

If a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, the contract is or contains a lease.

Each contract is assessed at inception whether it is or contains a lease. If the contract is a lease, the Company, as a lessee, recognizes in accordance with IFRS 16 Leases the right-of-use assets and lease liabilities for the rights and obligations created by leases.

The Company applies the recognition exemptions allowed by IFRS 16. This means that low value asset leases and short-term leases are recognized as expenses in the statement of profit or loss.

The recognition exemptions allow that leases, where the lease term is initially 12 months or less and the leases do not contain any purchase options, are recognized as rental expenses on straight-line basis in the statement of profit or loss.

Gains arising from modifications in lease contracts are recognized as other operating income and losses as other operating expenses.

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 carry forwards, 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. At each balance sheet date, it is estimated whether it is likely that sufficient taxable income will be generated in future to enable utilization of the deferred tax asset.

Other financial liabilities

Other financial liabilities comprise subordinate loans, bank debt, trade payables and other payables to public authorities etc.

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

Deferred income

Deferred income comprises income received in respect of subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The consolidated financial statements of Leverandørselskabet Danish Crown AmbA contain a cash flow statement for the group, and a separate statement for the entity is therefore not included as per the exemption section 86(4) of the Danish Financial Statements Act.