MCBRIDE DENMARK A/S

LÆGÅRDVEJ 90-94, 7500 HOLSTEBRO

ANNUAL REPORT

1 JULY 2023 - 30 JUNE 2024

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 16 January 2025

Christopher Ian Charles Smith

CVR NO. 45 06 28 13

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COMPANY DETAILS

Company	McBride Denmark A/S Lægårdvej 90-94 7500 Holstebro	
	CVR No.:	45 06 28 13
	Established:	19 January 1962
	Municipality:	Holstebro
	Financial Year:	1 July 2023 - 30 June 2024
Board of Directors	Christopher Ian Charles Smith, chairman Jørn-Ove Johan Sørensen Marielle Ghislaine Claudon Jan Vanghøj Lennard Markestein	
Executive Board	Lennard Markestein	
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4, 7400 Herning CVR-nr. Herning	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of McBride Denmark A/S for the financial year 1 July 2023 - 30 June 2024.

The Annual Report is presented in accordance with the Danish Financial Statements .

In our opinion the Financial Statemen give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Holstebro, 16 January 2025

Executive Board

Lennard Markestein

Board of Directors

Christopher Ian Charles Smith Chairman	Jørn-Ove Johan Sørensen	Marielle Ghislaine Claudon
Jan Vanghøj	Lennard Markestein	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of McBride Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2024, and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of McBride Denmark A/S for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

INDEPENDENT AUDITOR'S REPORT

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 judgement and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

Herning, 16 January 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Kim Vorret	Kasper Ladekjær
MNE no. 33256	MNE no. 50738

FINANCIAL HIGHLIGHTS

	2023/24 DKK '000	2022/23 DKK '000	2021/22 DKK '000	2020/21 DKK '000	2019/20 DKK '000
Income statement					
Net revenue	800.935	699.704	580.880	574.393	553.507
Gross profit/loss	90.003	39.685	48.028	62.744	52.284
Operating profit/loss of main activities	26.151	-5.722	6.959	15.870	13.599
Financial income and expenses, net	-12.441	-7.981	2.555	2.925	7.385
Profit/loss for the year	10.667	-10.572	3.436	10.110	4.845
Balance sheet					
Total assets	425.322	432.922	377.366	369.470	396.692
Equity	101.744	91.077	101.649	98.213	88.103
Investment in property, plant and equipment	-15.188	-25.684	22.951	5.414	8.103
Average number of full-time employees	**219**	**185**	**208**	**213**	**219**
Key ratios					
Gross margin	11.2	5.7	8.3	10.9	9.4
Operating margin	3.3	-0.8	1.2	2.8	2.5
Return on invested capital	12.0	-2.7	1.8	4.3	3.4
Equity ratio	23.9	21.0	26.9	26.6	22.2
Return on equity	11.1	-11.0	3.4	10.9	5.7

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital: NWC + intangible and tangible assets (ex goodwill) – provisions – other operating liabilities, non-current

Gross margin: $\frac{\text{Gross profit x 100}}{\text{Net revenue}}$

Operating margin: $\frac{\text{Operating profit/loss x 100}}{\text{Net revenue}}$

Return on invested capital: $\frac{\text{Operating Profit/loss adjusted for goodwill amortisation x 100}}{\text{Average invested capital}}$

Equity ratio: $\frac{\text{Equity, at year-end x 100}}{\text{Total assets, at year-end}}$

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

MANAGEMENT COMMENTARY

Main activity

The company develops, manufactures, and sells household cleaning products primarily to the European market. The production takes place at two factories, based in Holstebro and Hammel, which produce laundry powder products and tablet format powder products respectively.

Developments during the financial year

Profit and loss account for 2023/24 for the company shows a profit before tax of DKK 13.710 million and a retained profit after tax of DKK 10.667 million. The balance as of 30 June 2024, after transfer of profit for the year, shows equity amounts of DKK 101.744 million.

Overall business performance

It has been a year of significant growth and progress for McBride, with the Group delivering an excellent financial and operational performance. All five divisions maintained the positive momentum created in the second half of 2023, generating profit growth for the year, which is a testament to our specialist teams and their ability to execute our strategy. Whilst the consumer trend towards private label has presented a rising tide of potential growth opportunities, it is McBride's operational delivery that has ensured such a strong trading and financial performance. The Group continued to capitalise on higher demand for everyday value private label household cleaning products, with overall sales volumes up 5.7% and private label sales volumes up 7.2%. The strong demand for McBride's products was driven by a combination of new business wins and growth of existing private label products. Whilst contract manufacturing volumes were lower in the first half of the year and for the year overall, they increased by 13.4% in the second half, largely due to strong fourth quarter volumes from the commencement of a substantial new long-term contract. In the second half, there were some signs of increased promotional activity from manufacturers of branded products, but all divisions continued to see solid demand for private label products.

Strategic progress

At the CMD, McBride presented the significant progress achieved in the implementation of its compass strategy and outlined the key elements of its Transformation programme. Importantly, each division remains focused on delivery of its key objectives, with the strategies continuing to be as relevant today as they were when they were first implemented in 2021.

In terms of the Transformation programme, it is pleasing to report that the initiatives are progressing to plan, as the Group works towards its target of £50 million of net benefits, annualising at £17 million adjusted operating profit in 2028. The focus at present is on the transition from the technical design stages to a phased implementation of three priority initiatives: SAP S/4HANA; Commercial Excellence; and Service Excellence. One of McBride's key strengths is the depth to which its divisions are embedded in their sectors and markets.

It is this focused specialism that provides exceptional product and technological knowledge, together with the abil-ity to adapt to changing customer and consumer needs. Over the past two years, the Group has developed closer partnerships with its customers to enhance the value proposition provided to them. In addition to creating more dynamic pricing arrangements, the clear customer-centric approach means that the divisions can respond quickly and with agility to evolving customer and consumer needs, as well as having a better platform to promote product innovations.

Innovation

The development of innovative products remains at the heart of McBride and is a driver of many of its new business wins. Throughout the year, the divisions have continued to create new solutions to meet changing consumer demands and ensure reliable delivery for their customers. A common theme across the whole business is the move to more compact or more concentrated products, reducing the weight of product to transport and the vol-ume of required packaging. Additionally, during the year, Unit Dosing adapted product packaging formats from plastic to carton packs, Liquids introduced improved product formulations, Powders developed innovative solutions for greater compaction and Aerosols introduced lighter-weight packaging to mitigate the impact of input cost pressures.

Additional conditions

The company has a solvency of 23,9%. The company also has sufficient liquidity and credit facilities to carry out its planned activities. There have been no losses from debtors during the financial year.

MANAGEMENT COMMENTARY

Current trading and outlook
The first two months of the new financial year have seen overall volume levels in line with the Group's expectations. The overall market for household cleaning products is showing volume growth, and within that demand for private label products remains robust in the face of initiatives from branded manufacturers to recover market share. The divisions have a good pipeline of new product launches and business wins ahead and continue to prioritize growth initiatives. Input costs for the main raw materials remain steady overall, but with costs of recycled materials and natural-based chemicals increasing in line with expectations. The business will continue to manage its margins through informed and co-operative dialogue with its customers.
The next year is a crucial period for a number of the Group's Transformation projects, especially the 'gold programmes', being the SAP S/4HANA ERP system upgrade, Commercial Excellence and Service Excellence. The Group remains confident in the quality of delivery and the benefits that will be delivered from these Transformation initiatives. The Group's outlook for the year is consistent with analysts' expectations, which would represent a third consecutive year of revenue growth, with profitability levels significantly ahead of our historical average.

Risk and opportunity oversight
We are focused on continuous improvement to develop and enhance our control mechanisms to manage risks and maximize financial returns for our stakeholders. There is active engagement with management and leadership teams to identify and assess risks related to our strategies and business models. The experience of management and leadership teams helps to anticipate emerging and interrelated risks, in addition to facilitating effective risk control and mitigation mechanisms.
The Board is responsible for overseeing and monitoring the management of risks and opportunities. Our governance framework of committees and advisory forums provides updates and information to the Board to ensure it is able to make informed decisions. Details on the responsibilities of the Board and its Committees are set out in the schedule of matters reserved for the Board and Committee terms of Reference, which are available on our website.

The principal risks and uncertainties to which the group is exposed are listed below.

1. **Changing market, customer and consumer dynamics**
    a. Shifting consumer preferences: Changing tastes, values, and buying habits (e.g., sustainability, ethi-cal sourcing, digital-first experiences).
    b. Increased competition: New entrants, disruptive technologies, and aggressive pricing strategies from rivals.
    c. Declining market share: Loss of market dominance to competitors or due to changing consumer de-mands.
    d. Evolving customer expectations: Higher demands for personalized experiences, transparency, and omnichannel support.
    e. Rapid technological advancements: Disruption from new technologies (e.g., AI, automation, IoT) that could obsolete existing products or services.

2. **Disruption to systems and processes**
    a. Cybersecurity breaches: Data breaches, ransomware attacks, and other cyber threats that can dis-rupt operations, damage reputation, and incur significant costs.
    b. IT system failures: Hardware or software malfunctions, network outages, and data loss that can cripple business operations.
    c. Supply chain disruptions: unexpected events (e.g., natural disasters, geopolitical instability) that can disrupt the flow of materials and finished goods.
    d. Operational inefficiencies: Outdated processes, lack of automation, and poor data management that hinder productivity and increase costs.
    e. Business continuity risks: Lack of preparedness for unforeseen events (e.g., pandemics, natural disasters) that can severely impact operations.

3. **Financing risk**
    a. Access to capital: Difficulty in securing loans, raising equity, or obtaining other forms of financing.
    b. Interest rate fluctuations: Rising interest rates can increase borrowing costs and reduce profitability.
    c. Currency fluctuations: Changes in exchange rates can impact the cost of imports and exports,

Current trading and outlook (continued)

affecting profitability.

d. Credit risk: Risk of default by customers or suppliers on financial obligations.
e. Liquidity risk: Insufficient cash flow to meet short-term obligations.

4. Supply chain resilience

a. Supplier disruptions: Financial instability, natural disasters, or political unrest at supplier locations.
b. Geopolitical risks: Trade wars, sanctions, and other geopolitical events that can disrupt supply chains.
c. Raw material shortages: Limited availability or increased costs of critical raw materials.
d. Logistics challenges: Transportation delays, port congestion, and increased shipping costs.
e. Ethical and social concerns: Risks associated with sourcing from suppliers with poor labor practices or environmental records.

5. Safe and high-quality products

a. Product defects: Manufacturing defects, design flaws, or quality control issues that can lead to product recalls, injuries, and reputational damage.
b. Safety hazards: Risks to consumer safety associated with product use (e.g., fire hazards, chemical exposure).
c. Compliance risks: Failure to comply with safety regulations and industry standards.
d. Counterfeit products: Risks associated with the sale of counterfeit or substandard products.
e. Product liability lawsuits: Legal claims arising from product defects or injuries caused by products.

6. Health and safety

a. Workplace accidents: Injuries to employees due to unsafe working conditions, inadequate safety equipment, or lack of proper training.
b. Occupational diseases: Exposure to hazardous substances, repetitive motion injuries, and other workplace-related health issues.
c. Employee well-being: Stress, burnout, and mental health issues among employees.
d. Pandemic risks: Impact of infectious diseases on employee health and business operations.
e. Emergency preparedness: Lack of preparedness for workplace emergencies (e.g., fires, floods, active shooter situations).

7. Climate change and environmental concerns

a. Environmental regulations: Compliance with increasingly stringent environmental laws and regula-tions.
b. Climate change impacts: Extreme weather events, rising sea levels, and other climate-related impacts on business operations.
c. Resource depletion: Depletion of natural resources (e.g., water, energy) that are critical for business operations.
d. Reputational damage: Negative public perception and consumer backlash due to negative environ-mental impacts.
e. Carbon emissions: Meeting carbon reduction targets and mitigating the environmental impact of business operations.

8. Challenges in attracting and retaining talent

a. Skills shortages: Difficulty in finding qualified employees with the necessary skills and experience.
b. High employee turnover: Loss of key employees due to competition, lack of career development op-portunities, or low employee morale.
c. Aging workforce: Challenges associated with an aging workforce, such as knowledge transfer and succession planning.
d. Changing employee expectations: Increased demand for work-life balance, flexible work arrangements, and meaningful work.
e. Competition for talent: Intense competition for top talent from other companies in the same indus-try and across sectors.

Current trading and outlook (continued)

9. Increased regulations

a. Compliance costs: Increased costs associated with complying with new regulations and reporting re-quirements.
b. Legal and reputational risks: Fines, penalties, and reputational damage due to non-compliance with regulations.
c. Operational disruptions: Disruptions to business operations due to changes in regulations.
d. Competitive disadvantage: Regulatory burdens create a competitive disadvantage compared to businesses in other jurisdictions.
e. Uncertainty: Uncertainty surrounding future regulatory changes and their potential impact on the business.

10. Economic, political and macro environment instability

a. Economic downturns: Recession, high unemployment, and decreased consumer spending.
b. Geopolitical instability: Wars, conflicts, and political unrest that can disrupt global trade and invest-ment.
c. Inflation: Rising prices that can erode profitability and reduce consumer purchasing power.
d. Exchange rate volatility: Fluctuations in currency exchange rates that can impact the cost of imports and exports.
e. Government policies: Changes in government policies (e.g., tax policies, trade policies) that can im-pact business operations.

11. Business transformation challenges

a. Resistance to change: Resistance from employees, customers, or other stakeholders to new initiatives and changes in business processes.
b. Technology adoption: Challenges in implementing and integrating new technologies into business operations.
c. Organizational change management: Difficulty in managing organizational change effectively and en-suring that employees are engaged and supported.
d. Project management challenges: Delays, budget overruns, and other challenges associated with im-plementing complex business transformation projects.
e. Lack of clear strategy: Lack of a clear and well-defined strategy for business transformation.

Every risk is managed by the risk Counsil and presented to the board. Every risk is outlined by
- Risk Impact
- Mitigation
- Key developments

Further how its linked to our strategy
Market standing
- Wide market coverage/knowledge from pan-European operations
- Reduced risk from customer diversification
- Scale advantages: largest volume player
- Blue-chip reputation

Operational excellence
- Manufacturing excellence
- Supply chain co-ordination and capabilities

Sustainability
- Innovation: specialization and focus
- Sustainable product expertise: formulation and packaging

Talent
- Experienced management and dedicated employees
- Marked standing
- Operational excellence
- Sustainability
- Talent

And if the risk is increased - no change or decreased. For further information please refer to the group

MANAGEMENT COMMENTARY

Current trading and outlook (continued)
website. https://www.mcbride.co.uk/da/investorer/annual-report-2024/

Research and development activities
Continuous development and adaptation of products are conducted in accordance with the needs and development of customers and markets. Focus on development activities has been placed at the forefront to accommodate cus-tomers' wishes and needs as well as to develop innovative products. All costs are expensed on an ongoing basis. For the coming financial year, development activities are expected to be at the same level as previous years.´

The company's mission
is aligned to the parent group, McBride plc, and is to be the leading producer of everyday value cleaning products, so every home can be clean and hygienic.

The company's vision:
McBride will extend its position as the leading European manufacturer and supplier of private label and contract manufactured everyday value cleaning products, through focused and sustainable divisional strategies.

Statutory report on corporate social responsibility cf. 99a of the Danish Financial Statements Act
What do we do?
Everyday value cleaning products so every home can be clean and hygienic. We are a producer of cleaning products primarily for the home. We define the home as the dwelling that we live in and the people who live there. Our products clean laundry, dishes and general surfaces. In addition, we offer specialist aerosol products in Europe and personal care products in Asia Pacific.

Risks related to environment and climate change, human rights, employees' conditions and anti-corruption
Please refer to the Risk and Opportunity Oversight above.

Specific policies

Environmental conditions
The company is committed to reducing its climate impact through various green initiatives. A number of strategies have been implemented to reduce CO2 emissions, including investing in renewable energy, streamlining production processes, and promoting sustainable practices.

Social and staff conditions
The company places great emphasis on creating an inclusive and supportive work environment for all its employees. Employee well-being and development are a high priority, and comprehensive training and development programs are offered. Additionally, the company has introduced flexible work arrangements to help employees achieve a better work-life balance.

Respect for human rights
The company works actively to ensure that all its operations and supply chains respect human rights. Strict guide-lines and control mechanisms are in place to prevent human rights violations. In addition, the company collaborates with international organizations to promote human rights globally.

Fight against corruption and bribery
The company has a zero-tolerance policy towards corruption and bribery. Comprehensive policies and procedures have been implemented to prevent and detect any form of corrupt practices. Employees receive regular training on ethics and compliance, and secure channels have been established for reporting suspicious behavior.

What have we done in the reporting period of 2024:
Environmental Conditions
With respect to the following policies, they are included but not limited to our risk assessment point 9 - see previous.

- Renewable Energy Investments

Statutory report on corporate social responsibility cf. 99a of the Danish Financial Statements Act (continued)

- o We have increased the percentage of energy sourced from renewable sources such as solar, wind, or hydroelectric power.
- o We have Implemented energy-efficient technologies in production processes, such as LED lighting, energy-efficient systems, and machinery.

Our environmental sustainability approach is grounded in a thorough analysis of the most relevant and significant sustainability issues. We acknowledge that taking actions to address climate-related risks is critical to our ongoing market relevance and viability. Recognizing their strategic importance, our sustainability priorities are actively man-aged by a cross-functional Sustainability committee, overseen directly by the CEO. In order to further emphasize this commitment, we appointed a Group Head of Sustainability during the year. This individual will play a crucial role in driving the delivery of our science-based targets for climate action, working in close collaboration with our divisions, customers and supply chain partners. We continues to progress and measuring our environmental impact by setting appropriate targets supporting ongoing business growth.

Social and Staff Conditions
With respect to the following policies, they are included but not limited to our risk assessment points 6 and 8 - see previous.

- Inclusive Work Environment:
  - o We encourage to foster a culture of diversity and inclusion through training programs and policies that promote equal opportunities.
- Employee Development:
  - o We Offer continuous learning opportunities, such as workshops, courses, and mentorship programs, to support employee growth.
- Flexible Work Arrangements:
  - o We provide options for remote work, flexible hours, and job-sharing to help employees balance work and personal life.
- Health and Well-being:
  - o We have implemented wellness programs that include mental health support, fitness activities, and healthy eating initiatives.

In December 2023, we introduced our Employee Voice engagement survey, achieving a commendable 74% partici-pation rate. This will continue to be a central part of our Social and Staff Conditions.

Human Rights
With respect to the following policies, they are included but not limited to our risk assessment points 4 and 10 - see previous.

- Supply Chain Audits:
  - o We have conducted regular audits of suppliers to ensure they adhere to human rights standards.
- Training and Awareness:
  - o We educate our employees and suppliers about human rights issues and the company’s expecta-tions.
- Partnerships:
  - o We collaborate with international organizations to support human rights initiatives and stay updated on best practices.
- Grievance Mechanisms:
  - o We have established clear channels for reporting and addressing human rights concerns within the company and its supply chain.

Human rights is part of our ethics Policy and is updated and reviewed annually. It is promoted to all employees through internal communication channels and is highlighted to suppliers and will continue to be a central policy.

Statutory report on corporate social responsibility cf. 99a of the Danish Financial Statements Act (continued)

Fight Against Corruption and Bribery

With respect to the following policies, they are included but not limited to our risk assessment points 4,9 and 10 - see previous.

- Ethics Training:
  - We provide regular training sessions on anti-corruption policies and ethical behavior for all employees.
- Clear Policies
  - We have developed and communicated clear anti-corruption policies and procedures, including con-sequences for violations.
- Whistleblower Protection
  - We have ensured secure and anonymous channels for reporting suspicious activities and protect whistleblowers from retaliation .

We have rolled out mandatory ethics and compliance training modules to all our colleagues in management and ad-ministrative roles. This includes modules on anti-bribery and corruption, conflicts of interest, data protection and whistleblowing. This effort will continue to be improved in the next years.

Statutory report on data ethics cf. 99d of the Danish Financial Statements Act

Cyber security and data protection:

With the advancement and widespread use of information and communication technologies comes an increased cyber security threat. We regularly assess our corporate readiness against external cyber-attacks and insider threats, and we implement corporate-wide measures to protect data and preserve data privacy. In addition to complying with applicable data protection laws and regulations, we also implement cyber security and data protection measures to safeguard our assets and to protect our stakeholders' data.

Our policies and procedures focus on protecting our data from unauthorized disclosures, use or access, and include monitoring mechanisms to prevent unauthorized intrusion into our network and identify vulnerabilities against potential cyber-attacks. These risk-based cyber security measures help to ensure the integrity, confidentiality and availability of our data. Regardless of where the data resides, we apply appropriate safeguards to ensure a sustainable and robust corporate environment in the interest of our stakeholders. Compliance with our Information Technology Security Policy and IT Policy is required of anyone who has access to our networks. We raise awareness about the importance of data protection and cyber security with our colleagues through training.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2023/24 DKK '000	2022/23 DKK '000
NET REVENUE	2	**800.935**	**699.704**
Production costs	3	-710.932	-660.019
GROSS PROFIT/LOSS		**90.003**	**39.685**
Distribution costs	3	-51.982	-41.450
Administrative expenses	3, 4	-14.281	-5.415
OPERATING PROFIT		**23.740**	**-7.180**
Other operating income		2.411	1.458
Other financial income		217	54
Other financial expenses	5	-12.658	-8.035
PROFIT BEFORE TAX		**13.710**	**-13.703**
Tax on profit/loss for the year	6	-3.043	3.131
PROFIT FOR THE YEAR	7	**10.667**	**-10.572**

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2024 DKK '000	2023 DKK '000
Land and buildings		61.824	65.070
Production plant and machinery		42.064	47.308
Other plant, fixtures and equipment		2.728	1.635
Tangible fixed assets in progress and prepayments for tangible fixed assets		50.370	43.715
Property, plant and equipment	8	**156.986**	**157.728**
NON-CURRENT ASSETS		**156.986**	**157.728**
Expenses for raw materials and consumables		48.832	59.415
Work in progress		5.809	5.288
Finished goods and goods for resale		52.980	56.297
Inventories		**107.621**	**121.000**
Trade receivables		121.875	102.344
Receivables from group enterprises		6.213	11.500
Other receivables		23.556	30.330
Prepayments	9	1.744	0
Receivables		**153.388**	**144.174**
Cash and cash equivalents		**7.327**	**10.020**
CURRENT ASSETS		**268.336**	**275.194**
ASSETS		**425.322**	**432.922**

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2024 DKK '000	2023 DKK '000
Share Capital	10	20.000	20.000
Retained earnings		81.744	71.077
EQUITY		**101.744**	**91.077**
Provision for deferred tax	11	9.406	8.322
PROVISIONS		**9.406**	**8.322**
Prepayments received from customers		17.168	11.742
Non-current liabilities	12	**17.168**	**11.742**
Bank debt		17.194	0
Prepayments from customers		1.593	0
Trade payables		126.715	134.175
Debt to Group companies		135.796	165.494
Corporation tax payable		1.959	1.056
Other liabilities		13.747	21.056
Current liabilities		**297.004**	**321.781**
LIABILITIES		**314.172**	**333.523**
EQUITY AND LIABILITIES		**425.322**	**432.922**

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EQUITY

DKK '000	Share Capital	Retained earnings	Total
Equity at 1 July 2023	20.000	71.077	91.077
Proposed profit allocation, see note 7		10.667	10.667
Equity at 30 June 2024	**20.000**	**81.744**	**101.744**

NOTES

	2023/24 DKK '000	2022/23 DKK '000	Note
Going concern assumptions			1

The company's parent company, McBride Plc, has issued a letter of comfort and a subordination agreement for intercompany debt, confirming that McBride Plc will provide the necessary liquidity and capital to support the company's operations until at least 19 December 2025, and will not demand settlement of intercompany balances during this period.
Based on this, management assesses that the company has sufficient capital resources and liquidity to operate and service its debt for at least the coming year.
Therefore, the annual financial statements have been prepared on a going concern basis.

	2023/24 DKK '000	2022/23 DKK '000	Note
Net revenue			2
Revenue, Denmark	26.452	44.035	
Revenue, Europe	774.483	655.669	
	800.935	**699.704**	

Net Revenue is based on the primary activities described in the Management's Statement.

	2023/24 DKK '000	2022/23 DKK '000	Note
Staff costs			3
Average number of full time employees	219	185	
Wages and salaries	105.805	90.745	
Pensions	9.844	6.998	
Social security costs	5.993	5.713	
	121.642	**103.456**	
Remuneration of Management and Board of Directors	250	0	
	250	**0**	

Fee to statutory auditor 4

In accordance with the Danish Financial Statements Act § 96, subsection 3, information regarding the auditor’s fee has been omitted. Reference is made to the consolidated financial statements.

	2023/24 DKK '000	2022/23 DKK '000	Note
Other financial expenses			5
Interest expenses to group enterprises	10.132	8.035	
Other interest expenses	2.526	0	
	12.658	**8.035**	
Tax on profit/loss for the year			6
Calculated tax on taxable income of the year	1.959	1.181	
Adjustment of deferred tax	1.084	-4.312	
	3.043	**-3.131**	

NOTES

	2023/24 DKK '000	2022/23 DKK '000	Note
Proposed distribution of profit			**7**
Retained earnings	10.667	-10.572	
	10.667	**-10.572**	

Property, plant and equipment **8**

DKK '000	Land and buildings	Production plant and machinery
Cost at 1 July 2023	144.268	294.044
Transferred	0	2.143
Additions	0	3.738
Disposals	0	-1.664
Cost at 30 June 2024	**144.268**	**298.261**
Depreciation and impairment losses at 1 July 2023	79.197	246.735
Reversal of depreciation of assets disposed of	0	-1.973
Depreciation for the year	3.247	11.435
Depreciation and impairment losses at 30 June 2024	**82.444**	**256.197**
Carrying amount at 30 June 2024	**61.824**	**42.064**

DKK '000	Other plant, fixtures and equipment	Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 July 2023	9.883	43.715
Transferred	651	-3.738
Additions	1.057	10.393
Disposals	-364	0
Cost at 30 June 2024	**11.227**	**50.370**
Depreciation and impairment losses at 1 July 2023	8.248	0
Reversal of depreciation of assets disposed of	-364	
Depreciation for the year	615	
Depreciation and impairment losses at 30 June 2024	**8.499**	**0**
Carrying amount at 30 June 2024	**2.728**	**50.370**

Prepayments **9**

Prepaid expenses recognized under assets include prepaid costs for leasing and insurance for employees.

NOTES

Note

	2024 DKK '000	2023 DKK '000	Note
Share Capital			10
Allocation of share capital:			
Capital, 20.000 unit in the denomination of 1.000 DKK...........	20.000	20.000	
	20.000	**20.000**	

Provision for deferred tax 11

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	2024 DKK '000	2023 DKK '000
Deferred tax, beginning of year.......................................	8.322	12.634
Deferred tax of the year, income statement........................	1.084	-4.312
Provision for deferred tax 30 June 2024..........................	**9.406**	**8.322**

Long-term liabilities 12

DKK '000	30/6 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2023 total liabilities
Prepayments received from customers........	18.761	1.593	531	11.742
	18.761	**1.593**	**531**	**11.742**

Contingencies etc. 13

Contingent liabilities

Rental and leasing obligations amount to TDKK 693. Of which, TDKK 252 is due within the next financial year.

The company has issued a deed of indemnity (business mortgage) for a total of TDKK 94.002, which provides a mortgage on the company's tangible fixed assets, inventory and receivables from sales and services, the accounting value of which per 30 June amount to TDKK 386.482.

NOTES

Note

Related parties 14

The Company's related parties include:

Controlling interest

McBride Holdings Limited, Middleton Way, Manchester, M24 4DP, is the principal shareholder.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements 15

The company is included in the consolidated report for McBride PLC, parent company, Middleton Way, Manchester, M24 4DP.

ACCOUNTING POLICIES

The Annual Report of McBride Denmark A/S for 2023/24 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies
The company has changed its accounting practices for the presentation of other operating income. The change has affected comparative figures for production costs and other operating income by TDKK 1.458. The change has not impacted last year's results, equity, or total assets. The company's cash flows are not affected by the change.

The company has changed its accounting practices for the measurement of prepayments from customers. The change has affected the allocation between short-term and long-term liabilities in the comparative figures by TDKK 11.742. The change has not impacted last year's results, equity, or total assets. The company's cash flows are not affected by the change.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Production costs
Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

Distribution costs
The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

ACCOUNTING POLICIES

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings	35 years	0 %
Production plant and machinery	10 years	0 %
Other plant, fixtures and equipment	3 - 10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets
The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

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Jørn-Ove Johan Sørensen
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"By my signature I confirm all dates and content in this document."

Kasper Ladekjær
PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB CVR: 33771231
Statsautoriseret revisor
On behalf of: PricewaterhouseCoopers Statsautoriseret…
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Kim Ruby Vorret
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