Daka Denmark A/S

Lundagervej 21, 8722 Hedensted

CVR no. 33 77 60 39

Annual report 2024

Approved at the Company's annual general meeting on 23 May 2025

Chairman:

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Kasper Holm

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Daka Denmark A/S for the financial year 1 January – 31 December 2024.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

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

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

Hedensted, 6 May 2025
Executive Board:

Lars Krause-Kjær
CEO

Board of Directors:

Tim A. Schwencke Chairman	Daniel O. Pedersen Vice Chairman	Lars S. Hansen
Jens R. Lyhne	Sabine C. E. Albouy	Florian Gollin
Jacob M. Andersen	Simon Chr. Madsen	Niels Rossen

Independent auditors' report

To the shareholders of Daka Denmark A/S

Opinion

We have audited the financial statements of Daka Denmark A/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.

Independent auditor's report

- 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus, 6 May 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan Mortensen State Authorised Public Accountant mne40030	Christian Jøker State Authorised Public Accountant mne31471

Management's review

Company details

Name	Daka Denmark A/S
Address, zip code, city	Lundagervej 21, 8722 Hedensted
CVR no.	33 77 60 39
Established	22 June 2011
Registered office	Hedensted
Financial year	1 January – 31 December
Website	www.daka.dk
E-mail	daka@daka.dk
Board of Directors	Tim A. Schwencke, Chairman Daniel O. Pedersen, Vice Chairman Lars S. Hansen Jens R. Lyhne Sabine C. E. Albouy Florian Gollin Jacob M. Andersen (employee representative) Simon Chr. Madsen (employee representative) Niels Rossen (employee representative)
Executive Board	Lars Krause-Kjær, CEO
Auditors	EY Godkendt Revisionspartnerselskab EY Huset Værkmestergade 25, DK-8000 Aarhus C

Management's review

Financial highlights

DKK'000	2024	2023	2022	2021	2020
Key figures					
Revenue	697,592	747,390	1,302,309	1,079,635	985,246
Gross profit	78,710	31,503	142,335	287,920	319,633
EBITDA	-12,445	-46,083	63,157	201,489	249,365
Ordinary operating profit/loss	-64,323	-106,370	-6,044	132,893	180,416
Profit/loss from financial income and expense	-7,407	-5,673	-1,239	-1,878	1,505
Profit/loss before tax	-5,993	-56,577	20,411	172,173	205,797
Profit/loss for the year	985	-40,095	19,185	141,233	165,222
Non-current assets	354,707	355,687	407,123	403,034	383,305
Current assets	138,439	163,251	270,923	279,774	326,801
Total assets	493,146	518,938	678,046	682,808	710,106
Investments in property, plant and equipment	55,104	49,084	86,251	75,037	58,710
Share capital	27,540	27,540	27,540	27,540	27,540
Equity	245,254	245,524	285,039	375,145	413,565
Provisions	0	0	0	217	2,186
Non-current liabilities other than provisions	61,781	66,128	78,799	84,738	106,644
Current liabilities other than provisions	186,111	207,286	314,208	222,708	187,711
Financial ratios					
Operating margin	-3.5%	-9.1%	0.4%	13.4%	18.7%
Gross margin	11.3%	4.2%	10.9%	26.6%	32.4%
Return on invested capital	-8.7%	-19.4%	1.5%	95.7%	109.5%
Return on equity	0.4%	-15.1%	5.8%	75.3%	79.9%
Solvency ratio	49.7%	47.3%	42.0%	54.9%	58.2%
Average number of full-time employees	236	239	243	243	237

Gender composition of management

	2024	2023	2022	2021	2020
Board of Directors					
Total number of members (excl. employee representatives)	6	6	-	-	-
Underrepresented in pct.	17%	0%	-	-	-
Goal in pct.	33%	17%	-	-	-
Year of achievement of goal	2027	2025	-	-	-
Other executive positions					
Total number of members	43	46	-	-	-
Underrepresented in pct.	30%	26%	-	-	-
Goal in pct.	33%	33%	-	-	-
Year of achievement of goal	2026	2026	-	-	-

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

The qualitative information on the gender composition of management is presented under a separate heading in the Management's review below.

Management's review

Principal activities

The principal activities of the Company is to collect animal by-products from slaughterhouses and the meat and farming industry, and to collect food waste from restaurants etc., with the purpose of processing these products into various finished products for the pet food, feed, energy, fertilization and biogas sector. In addition, the company is providing a service to the Danish farming industry of daily pick-up of fallen stock and is a vital part of the veterinary safety and keep a capacity operational to fulfil this obligation in case of disease outbreak.

Development in activities and financial matters

Profit for the year amounts to DKK 985 thousand derived from revenue of DKK 697,592 thousand.

Operating loss amounted to DKK 19,475 thousand in 2024 compared to an operating loss of DKK 69,984 thousand last year resulting from a gross profit of DKK 78,710 thousand compared to DKK 31,503 thousand in 2023. The improvement is caused by stable prices compared to 2023 where volatility was high. Strong volumes from slaughterhouses and fallen stock enables stable and efficient operation.

The Profit of the year is within the expected range from the 2023 financial report, but Management does not consider the profit of the year as satisfactory.

The Company's equity totals DKK 245,254 thousand corresponding to 49.7% of the balance sheet total.

No dividends are proposed to the shareholders.

Risks

Though being exposed to price fluctuations on input cost as well as finished goods prices, the Company has not undertaken any particular commercial risks other than those considered usual for the nature and size of the Company.

Intellectual capital

The Company's operations are characterized by complex structures i.a. within the market structures and production technologies particular to the industry.

Moreover, conditions for the Company's activities are constantly changing. The development of the Company's employees to handle such changes will gain significance in order to obtain success. Measures are constantly taken to maintain and develop the employees' qualifications.

Research and development activities

The Company does not carry on any research activities. The Company's production processes are continuously being optimized, just as its finished goods are undergoing constant development in order to add value thereto in the Company's sales channels.

Corporate social responsibility, cf. section 99a of the Danish Financial Statements Act

Sustainability report

Corporate social responsibility is an integrated part of the SARIA Denmark Group's business strategy. The Group wishes to act responsibly in relation to customers, employees, business partners etc. and all of the business areas in the Group have safe, sustainable and productive management of natural resources as a focal point.

Daka Denmark A/S has chosen to publish its report on corporate social responsibility as a part of the Group's sustainability report which can be found on our website; www.daka.dk/en/sustainability.

Management's review

Data ethics and GDPR

Management of Daka Denmark A/S follows the SARIA Group policy on data ethics:

- The Company must comply with the Danish Data Protection Act which has been specified in a general policy for data protection outlining our obligations, treatment of data and several fundamental principles of data protection. In addition, a set of guidelines and data protection responsible persons have been appointed. Guidelines include:
  - Internal handling of employees and employee-related data, i.e. processes, storage of data and deletion.
  - Handling of GDPR data towards external suppliers and systems when data processing is involved.
  - Reporting and handling of data breach.

All employees are presented with the policies. The Company focuses on adherence with the legislation by optimization of processes, lifting the general level of documentation and ensuring a high level of awareness.

Gender composition

The gender composition in Daka Danmark A/S is not equal, mainly because the Company is a manufacturing company, which for many years has operated in a line of business, which primarily employs and attracts male employees. Consequently, women are the underrepresented gender on the Executive Board and in other executive positions.

The broader management team of Daka Denmark A/S comprised 43 persons at 31 December 2024, which included the Company's Executive Board, the department managers of various functions and selected specialists. Female managers on the management team made up 30% in 2024 which is a slight increase versus 2023. The representation of women in management is higher than the overall split in the company where female employees made up 25% of all employees by the end of 2024. The Company's goal is to have 33% female managers before end of 2026.

Daka Denmark A/S wishes to ensure equal opportunities to all, and its overall goal is to ensure that the Board of Directors at all times is made up of the most suitable candidates, irrespective of gender. The Board of Directors of Daka Denmark A/S comprises nine members of which six members are appointed at the annual general meeting and three members are employee representatives.

The Board of Directors in Daka Denmark A/S has set up a goal for the underrepresented gender on the Board of Directors, which is to account for at least one person. At present, 1 member appointed at the annual general meeting are of the underrepresented gender. The present goal has then been fulfilled, and the Board of Directors has set a new target. It is now the Company's target that at least 2 of the Board members appointed by the general meeting are from the underrepresented gender, and that this goal must be fulfilled by the end of 2027.

Daka Denmark A/S' overall goal is to ensure that the Executive Board and management team at all times are made up of the most suitable candidates, irrespective of gender. Furthermore, Daka Denmark A/S wishes to ensure equal opportunities for all and wishes to represent the female/male ratio in society also at management level. In connection with setting goals for the share of women on the Board, the Company has laid down a policy, which describes how to maintain and, if possible, increase the share of women in the Company in general and at management level in particular.

In general, the policy comprises three initiatives regarding women in management positions: Attention by the Company so that female managers are a focus area in the Daka Group, attraction and recruitment, where the Company works to identify and motivate more women to apply for management jobs and retention and development, focusing on management development of women, including courses and coaching processes.

Management's review

During the year, work has been done to ensure that both genders are represented in the recruitment process. Both management and the HR department have focus on supporting the goal and furthermore on motivating women to apply for management positions. Despite these initiatives, there were limited applications or suitable candidates from the underrepresented gender for the available management positions.

Reference is made to the table on page 6 for a summary of the gender composition of management and related goals.

Events after the balance sheet date

No significant events have occurred after the end of the financial year, which may influence the assessment of the Company's financial position.

Outlook

The production of pigs in Denmark has stabilized during 2024, and the received volumes of fallen stock and biproducts from slaughterhouses has been steady compared to 2023. Current levels of volumes is expected to continue in 2025 but the future market price level on pork meat will determine the future development and therefore the most important raw material base. The termination of the veterinary safety agreement with the Danish veterinary authorities end of 2024 will enable Daka to adapt more flexibility in the setup of production capacities.

The uncertainty in the world affects the price level on both energy and finished products. The volatility in the markets during 2023 has continued in 2024 and price levels has been on a declining trend during the year. The volatility makes the outlook for 2025 uncertain, but it is the managements expectation that both the cost of energy and the price levels of animal proteins will stabilize.

All in all, for the financial 2025 turnover is expected to be at same level as 2024 and net result in the range of DKK 10-20 million.

Financial statements for the period 1 January – 31 December

Income statement

Note	DKK'000	2024	2023
3	**Revenue**	697,592	747,390
	Production costs	-618,882	-715,887
	Gross profit	78,710	31,503
	Distribution costs	-41,652	-37,179
	Administrative expenses	-101,381	-100,694
	Ordinary operating loss	-64,323	-106,370
	Other operating income	45,097	38,292
	Other operating costs	-249	-1,906
	Operating loss	-19,475	-69,984
	Income from investments in group enterprises	20,889	19,079
	Income from participating interests	608	1,620
4	Other financial income	1,145	1,711
5	Financial expenses	-9,160	-9,003
	Loss before tax	-5,993	-56,577
6	Tax on profit for the year	6,978	16,482
	Profit/loss for the year	985	-40,095

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Non-current assets		
7	**Intangible assets**		
	Software	4,752	10,054
	Intangible assets in progress	539	100
		5,291	10,154
8	**Property, plant and equipment**		
	Land and buildings	70,384	66,781
	Plant and machinery	182,905	170,782
	Fixtures and fittings, tools and equipment	32,622	35,750
	Property, plant and equipment in progress and prepayments	3,945	8,441
		289,856	281,754
	Investments		
9	Investments in subsidiaries	42,481	46,700
10	Investment in participating interests	17,079	17,079
		59,560	63,779
	Total non-current assets	354,707	355,687
	Current assets		
	Inventories		
	Raw materials and consumables	13,782	17,103
	Finished goods and goods for resale	2,853	8,988
		16,635	26,091
	Receivables		
	Trade receivables	69,904	81,424
	Amounts owed by group entities	15,574	19,291
	Amounts owed by participating interests	2,330	691
11	Deferred tax asset	17,584	14,653
	Joint taxation contribution, receivable	4,074	1,455
	Other receivables	8,974	16,032
12	Prepayments	3,351	3,589
		121,791	137,135
	Cash	13	25
	Total current assets	138,439	163,251
	TOTAL ASSETS	493,146	518,938

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	27,540	27,540
	Retained earnings	217,714	217,984
	Total equity	245,254	245,524
	Liabilities other than provisions		
14	**Non-current liabilities other than provisions**		
	Mortgage loans	61,781	66,128
		61,781	66,128
	Current liabilities other than provisions		
	Current portion of non-current liabilities other than provisions	4,314	3,799
	Credit institutions	51,803	45,194
	Trade payables	87,854	100,706
	Amounts owed to group entities	15,599	26,738
	Amounts owed to participating interests	2,902	3,066
	Other payables	22,286	26,066
	Deferred income	1,353	1,717
		186,111	207,286
	Total liabilities other than provisions	247,892	273,414
	TOTAL EQUITY AND LIABILITIES	493,146	518,938

1 Accounting policies
2 Events after the balance sheet date
15 Contingencies, etc.
16 Mortgages and collateral
17 Staff costs
18 Fees paid to auditors appointed at the annual general meeting
19 Related party disclosures
20 Appropriation of profit/loss

Financial statements for the period 1 January – 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve	Retained earnings	Total
	Equity at 1 January 2023	27,540	2,333	255,166	285,039
	Foreign currency translation adjustments, foreign subsidiaries	0	0	580	580
20	Transferred; see profit appropriation	0	-2,333	-37,762	-40,095
	Equity at 1 January 2024	27,540	0	217,984	245,524
	Foreign currency translation adjustments, foreign subsidiaries	0	0	-1,255	-1,255
20	Transferred; see profit appropriation	0	0	985	985
	Equity at 31 December 2024	27,540	0	217,714	245,254

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Daka Denmark A/S for 2024 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Referring to section 112 of the Danish Financial Statements Act, consolidated financial statements have not been prepared as Daka Denmark A/S and group enterprises are included in the consolidated financial statements of the parent company, SARIA Denmark ApS.

Referring to section 86 of the Danish Financial Statements Act, no cash flow statement has been prepared, as the consolidated financial statements of the ultimate parent company, SARIA Denmark ApS, include a consolidated cash flow statement, in which the Company's cash flows are incorporated.

Change in the Company's activities, including effect of intra-group business combinations

The Company has carried out an intra-group business combination applying the group method. The business combination comprises a merger on 1 January 2024 with the subsidiary DAKA Ejendomme og Finans A/S. Subsequently, the comparative figures have been restated as if the entities had been combined as from the earliest accounting period included in the financial statements.

With effect from the financial year 2024, the Company has changed the presentation of income from raw material fees from a partial net principle to a gross principle. The change has no impact on gross profit for the year and comprises only a reclassification from revenue to production costs, which increases revenue and production costs for the year by the part of the total net raw material fees that are considered to be cost of goods sold under the changed classification. Subsequently, comparative figures and related financial ratios have been restated.

Foreign currency translation

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

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

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Derivative financial instruments

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

Notes to the financial statements

1 Accounting policies (continued)

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

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity must be transferred to the cost of the asset or liability, respectively.

If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity must be transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from collected raw material fees and sale of finished goods, comprising sale of meal, fat and blood products and biodiesel, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided that the income can be reliably measured, and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

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

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating the revenue for the year. Trading enterprises recognise their cost of sales, and production enterprises recognise their production costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and maintenance, transportation and energy depreciation of production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation as well as costs for protecting internal and external environment.

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc. during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions, transport and warehouse rent and depreciation are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for group management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation.

Other operating income and costs

Other operating income and costs comprise items secondary to the activities of the enterprises, including gains and losses on the disposal of intangible assets and property, plant and equipment.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Profits/losses from investments in subsidiaries and participating interests

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The item includes dividend received from participating interests in so far as the dividend does not exceed the accumulated earnings in the participating interest in the period of ownership.

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

Tax on profit/loss for the year

The Parent Company is covered by the Danish rules on compulsory joint taxation of the SARIA Denmark ApS Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they exit the consolidation.

The Parent Company is the administration company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contributions between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive a joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill and software

Goodwill and software is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised over 5 years. Software is amortised on a straight-line basis over the estimated useful life of 3-5 years.

CO_2 rights

On initial recognition, CO_2 rights allocated and acquired are measured at cost. If CO_2 rights are allocated free of charge, cost is DKK 0.

The basis of amortisation for the CO_2 rights is measured at cost less scrap value. The scrap value depends on whether or not the Company expects to utilise the rights itself or sell them. The CO_2 rights are amortised as discharged.

To the extent that the actual discharge exceeds the CO_2 rights allocated and acquired, a liability is recognised corresponding to the fair value of the CO_2 rights which the Company is under an obligation to settle.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and other plant and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less any expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

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

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	8-33 years
Plant and machinery	2-15 years
Fixtures and fittings, tools and equipment	2-15 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

Investments in subsidiaries and participating interests

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of Daka Denmark A/S' annual report are not recognised in the reserve for net revaluation.

Acquisitions of subsidiaries are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition.

Any excess of the cost over the fair value of the assets and liabilities identified (goodwill) is recognised as investments in subsidiaries and depreciated over the estimated useful life of five years. The net asset value of goodwill is assessed on an ongoing basis and is written down in the income statement if the carrying amount exceeds the expected future net income from the enterprise or activity to which goodwill is allocated.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in participating parties are measured at cost. Dividends received that exceed the accumulated earnings in the participating interest during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of non-current assets

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

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and direct production costs and indirect production overheads.

Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in the cost.

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

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments, assets

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The hedging reserve does not represent a limitation under company law and may therefore be negative.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

Liabilities other than provisions

The company has chosen IAS 39 as interpretation for recognition and measurement of debt obligations.

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

Other liabilities are measured at net realisable value.

Prepayments, liabilities

Deferred income comprises payments received concerning income in subsequent years.

2 **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

	DKK'000	2024	2023
3	**Revenue**		
	Finished goods, Denmark	261,364	299,010
	Finished goods, abroad	132,876	198,269
	Raw material fees, Denmark	297,373	240,380
	Raw material fees, abroad	5,979	9,731
		697,592	747,390
4	**Other financial income**		
	Interest income from group entities	5	174
	Other interest income	682	872
	Other financial income	458	665
		1,145	1,711
5	**Financial expenses**		
	Interest expense to group entities	295	109
	Other interest expenses	7,885	8,206
	Other financial expenses	980	688
		9,160	9,003
6	**Tax on the profit for the year**		
	Current tax for the year	-4,044	-1,324
	Adjustment of deferred tax	-2,931	-15,169
	Adjustment of tax relating to previous years	-3	11
		-6,978	-16,482

Financial statements for the period 1 January – 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Software	Intangible assets in progress	Total
Cost at 1 January 2024	35,452	100	35,552
Additions during the year	0	539	539
Transferred	100	-100	0
Disposals during the year	-693	0	-693
Cost at 31 December 2024	34,859	539	35,398
Amortisation at 1 January 2024	25,398	0	25,398
Disposals during the year	-385	0	-385
Amortisation for the year	5,094	0	5,094
Amortisation at 31 December 2024	30,107	0	30,107
Carrying amount at 31 December 2024	4,752	539	5,291
Amortised over	3-5 years		

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2024	142,640	494,824	117,178	8,441	763,083
Additions from merger	25,917	0	0	0	25,917
Adjusted cost at 1 January 2024	168,557	494,824	117,178	8,441	789,000
Additions during the year	7,510	34,995	4,942	7,657	55,104
Transferred	1,763	8,483	1,907	-12,153	0
Disposals during the year	-5,153	-3,845	-5,476	0	-14,474
Cost at 31 December 2024	172,677	534,457	118,551	3,945	829,630
Depreciation and impairment losses at 1 January 2024	84,190	324,042	81,428	0	489,660
Additions from merger	17,586	0	0	0	17,586
Depreciation and impairment losses at 1 January 2024	101,776	324,042	81,428	0	507,246
Disposals during the year	-4,934	-3,845	-5,477	0	-14,256
Depreciation during the year	8,882	33,312	10,449	0	52,643
Write-down during the year	0	3,124	217	0	3,341
Reversal of write-downs	-3,431	-5,081	-688	0	-9,200
Depreciation and impairment losses at 31 December 2024	102,293	351,552	85,929	0	539,774
Carrying amount at 31 December 2024	70,384	182,905	32,622	3,945	289,856
Depreciated over	8-33 years	2-15 years	2-15 years		

Financial statements for the period 1 January – 31 December

Notes to the financial statements

9 Investments in subsidiaries

DKK'000	2024	2023
Cost at 1 January	51,353	130,010
Disposals relating to merger	0	-77,967
Adjusted cost at 1 January	51,353	52,043
Disposals during the year	0	-790
Additions during the year	0	100
Cost at 31 December	51,353	51,353
Value adjustments at 1 January	-4,653	-67,719
Disposals relating to merger	0	70,052
Adjusted cost at 1 January	-4,653	2,333
Dividend paid	-23,854	-25,291
Foreign currency translation	-1,255	580
Reversal of value adjustments	0	-1,355
Profit/loss for the year	21,194	21,468
Elimination of unrealised intra-group profits	-304	-2,388
Value adjustments at 31 December	-8,872	-4,653
Carrying amount at 31 December	42,481	46,700

Name and registered office:	Voting rights	Ownership
Daka ecoMotion A/S, Hedensted	51.56 %	49.00 %
Konvex AB, Lidköping, Sweden	100.00 %	100.00 %
Svensk Lantbrukstjänst AB. Lidköping, Sweden	50.00 %	50.00 %
Gyllebo Gödning AB. Lidköping, Sweden	33.33 %	33.33 %

10 Investments in participating interest

DKK'000	2024	2023
Cost at 1 January	17,079	14,935
Additions during the year	0	2,144
Cost at 31 December	17,079	17,079
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	17,079	17,079

Name and registered office:	Voting rights and ownership
Biosirk AS, Norway	10.00 %
ecoMotion JV GmbH, Germany	5.01 %
TESSAF S.A.S., France	4.98 %

Financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Deferred tax

DKK'000	2024	2023
Deferred tax at 1 January	-14,653	-160
Adjustment of the deferred tax relating to merger	0	-1,034
Adjusted deferred tax at 1 January	-14,653	-1,194
Adjustment of the deferred tax charge for the year	-2,931	-15,066
Adjustment of the deferred tax charge following split	0	1,607
Deferred tax at 31 December	-17,584	-14,653

Deferred tax primarily relates to intangible assets, property, plant and equipment, provisions and tax loss carry-forwards.

Based on the Company's budget and forecasts up to 2028, Management has assessed it likely that future taxable income will be available in which unused tax losses and unused tax deductions can be utilized.

12 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, software subscriptions and insurance policies.

13 Share capital

The share capital comprises 27,539,600 shares of DKK 1 nominal value each. All shares rank equally.

14 Non-current liabilities

DKK'000	2024	2023
Amounts owed to mortgage credit institutions which fall due more than 5 years after the balance sheet date	43,304	49,312

15 Contingencies, etc.

Contingent liabilities

DKK'000		
Rent and lease obligations (operating leases)	37,238	44,779
Guarantee for pension commitment in subsidiary	2,209	2,154
	39,447	46,933

Daka Denmark A/S is jointly taxed with the Parent Company, SARIA Denmark ApS. Jointly taxed companies which are not wholly owned have limited and secondary liability for Danish withholding taxes on dividends, interest and royalties within the joint taxation unit. The jointly taxed enterprises' total known net liabilities to the tax authorities are stated in the financial statements of the administration company. Any subsequent corrections of the joint taxation income and withholding taxes, etc. may result in an increase in the Company's liability.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

16 Mortgages and collateral

Land and buildings with a carrying amount of DKK 70,384 thousand have been provided as collateral for mortgages. In addition, a considerable part of the Parent Company's plant and machinery is deemed to be included in the collateral. Mortgage loans amounted to DKK 66,095 thousand at 31 December 2024.

	DKK'000	2024	2023
17	**Staff costs**		
	Wages and salaries	156,381	146,274
	Pensions	15,405	13,222
	Other social security costs	3,611	4,815
		175,397	164,311
	Remuneration to the Executive Board and the Board of Directors	2,431	2,095
	Average number of full-time employees	236	239
18	**Fees paid to auditors appointed at the annual general meeting**		
	Statutory audit	295	283
	Assurance engagements	42	20
	Tax consultancy	0	643
	Other non-audit services	883	409
		1,220	1,355

19 Related party disclosures

Parties exercising control

SARIA Denmark ApS, Lundagervej 21, DK-8722 Hedensted holds the majority of the share capital in the Company.

The consolidated financial statements of SARIA Denmark ApS are available at the Company's address and at www.cvr.dk.

Daka Denmark A/S is included in the consolidated financial statements of the ultimate parent company, Rethmann SE & Co. KG, Selm, Germany.

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act. All transactions have been carried out on an arm's length basis.

20 Appropriation of profit/loss

DKK'000	2024	2023
Retained earnings	985	-40,095
	985	-40,095

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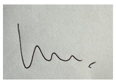

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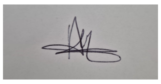

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