

Summary of Annual Report

20
23

nowaco.com
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NOWACO GROUP
Prinsensgade 15
DK-9000 Aalborg
Phone: +45 9630 8080
CVR: 6249 7718


Food for the world

Executive Management



Jacob Dissing Hansen
CFO

Katja Nowak Nielsen
CEO

Tom Leth Jensen
COO

Peter Rasmussen
COO

Financial Review 2023



EARNINGS BEFORE TAX

€ 7.6

MILLION

GROSS PROFIT

€ 22.7

MILLION

GROSS MARGIN

5.2 %



EQUITY

€ 49.5

MILLION



REVENUE

€ 433.5

MILLION



Financial Highlights And Key Ratios

	NOWACO Group DKK million				NOWACO Group EUR million	
	2020	2021	2022	2023	2022	2023
Income statement						
Revenue	2.718,3	3.097,9	3.442,0	3.229,9	462,7	433,5
Gross profit	161,8	156,2	198,1	168,8	26,6	22,7
Earnings before depr. and amortisation (EBITDA)	57,1	48,0	69,8	47,8	9,4	6,4
Depreciation and amortisation	-1,1	-1,2	-1,2	-1,6	-0,2	-0,2
Earnings before interest and tax (EBIT)	57,0	46,9	68,6	46,2	9,2	6,2
Income from investment activities	0,0	0,0	4,1	21,4	0,6	2,9
Financial items, net	3,1	3,2	-1,5	-10,8	-0,2	-1,4
Earnings on ordinary activities before tax (EBT)	60,2	50,1	71,2	56,8	9,6	7,6
Profit for the year	46,9	39,2	56,5	48,9	7,6	6,6
Balance sheet						
Non-current assets	5,2	25,2	111,3	121,7	15,0	16,3
Current assets	500,0	752,7	804,2	804,8	108,1	108,0
Total Assets	505,2	777,9	915,5	926,5	123,1	124,3
Share capital	0,5	0,5	0,5	0,5	0,1	0,1
Retained earnings	338,6	362,1	403,8	368,1	54,3	49,4
Total shareholders' equity	339,1	362,6	404,3	368,6	54,4	49,5
Provisions	0,7	0,7	0,5	0,8	0,1	0,1
Liabilities other than provisions	165,4	414,6	510,7	557,0	68,6	74,7
Total shareholders' equity and liabilities	505,2	777,9	915,5	926,5	123,1	124,3
Cash flow						
Cash flow, operating activities	78,5	-145,2	-18,6	37,2	-2,5	5,0
Cash flow, investing activities	-2,3	-20,9	-82,6	3,6	-11,1	0,5
Free cash flow	76,2	-166,1	-101,2	40,8	-13,6	5,5
Cash flow, financing activities	-19,4	106,1	109,2	-51,0	14,7	-6,8
Total net cash flow	56,8	-60,0	8,0	-10,2	1,1	-1,4
Average number of employees	170	175	171	175	171	175
Key ratios (%)						
Gross margin	6,0	5,0	5,8	5,2	5,8	5,2
EBIT margin	2,1	1,5	2,0	1,4	2,0	1,4
Net margin	1,7	1,3	1,6	1,4	1,6	1,4
Return on invested capital (ROIC)	11,7	7,8	8,1	5,7	8,1	5,7
Return on equity	14,6	11,2	14,7	13,3	14,7	13,3
Equity ratio	67,1	46,6	43,1	39,8	43,1	39,8

Management Review 2023

In 2023 there has been a modification of the NOWACO Group structure which entails a differentiation of the trading activities and the investment activities.

In general, the year has been characterized by demanding market conditions due to pressure on supply and demand, increased competition in more geographical areas, as well as fluctuations in raw material prices, which combined have created a challenging business environment. The Group's capital investments have materialized successfully and added positively to the result of the year.

Adapting to emerging technologies NOWACO Group has increased cybersecurity investments during 2023. Further, employee well-being activities have been initiated as a continuous part of the Group's strategy.

In 2023 a revenue of EUR 433.5 million was delivered which is the second highest revenue in the history of NOWACO Group. The highest revenue of EUR 462.7 million was delivered in 2022.

The year's operations and profit development

The gross profit amounted to EUR 22.7 million in 2023 compared to 26,6 million in 2022. The profit margin for 2023 was realised at 5.2% compared to 5.8% in 2022.

Based on the global volatility on financial markets, high interest rates, increasing consumer prices and low demand, NOWACO Group has enhanced the strategic approach to risk management throughout the year. However, the profit development expectations for 2023 have not been fulfilled.

Balance sheet and cash flow

The balance sheet amounted to EUR 124.3 million on 31 December 2023 against EUR 123.1 million on 31 December 2022. The investment activities have developed positively from EUR 550 thousand in 2022 to EUR 2.8 million in 2023. Net cash flow from operating activities has increased from EUR -2.5 million in 2022 to EUR 4.9 million in 2023 primarily due to the activity level and increased focus on liquidity management.

Outlook for 2024

We expect 2024 to be another challenging year. The war in Ukraine, the situation in Suez, high interest rates, and the currency situation in multiple markets are elements that will impact on our business. Our close collaboration with business partners, customers and suppliers is ongoing, and we will continue developing our strategic risk management approach.

The Group's capital investments have materialized successfully and added positively to the result of the year.

In 2023 a revenue of EUR 433.5 million was delivered which is the second highest revenue in the history of NOWACO Group.

Statement by Supervisory Board and Executive Management

The Supervisory Board and Executive Management have today considered and adopted the Annual Report of NOWACO Group for 2023.

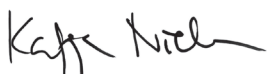
The Annual Report has been prepared in compliance with the Danish Financial Statements Act. We consider the accounting policies applied to be appropriate, and in our opinion, the Annual Report gives a true and fair view of the Group's

and the Company's financial position at December 31, 2023 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January - December 31, 2023.

We recommend that the Annual Report is adopted at the Annual General Meeting. You can request the full Annual Report in Danish at CVR.dk

Aalborg, June 13, 2024

Executive Management



Katja Nowak Nielsen
CEO



Tom Leth Jensen
COO



Peter Rasmussen
COO



Jacob Dissing Hansen
CFO

Supervisory Board



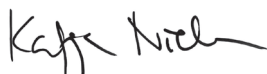
Mikael Thinghuus
Chairman



Juttine Nielsen



Peter Terkelsen



Katja Nowak Nielsen



Peter Normann

Independent auditors' report

To the Management of NOWACO Group

Opinion

The Summary financial statement, which comprise the summary balance sheet as at December 31, 2023, the summary income statement and summary cash flow statement for the year then ended, are derived from the audited financial statement of NOWACO Group for the year ended December 31, 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the Danish Financial Statement Act.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the Danish Financial Statement Act. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Aalborg, June 13, 2024

Redmark

CVR-NO:29442789



Jens Palsgård Nørgaard

MNE - no. 34289

State Authorised Public Accountant

The Audited Financial Statements and Our Report Thereon

We express an unmodified audit opinion on the audited financial statements in our report dated June 13, 2024.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the Danish Financial Statement Act.

Auditor's Responsibility

Our Responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Audition (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Income statement

- for the year ended

31 December 2023

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2023	2022	2023	2022
Revenue	3.229.926	3.441.968	433.489	462.655
Cost of sales	-3.061.161	-3.243.835	-410.839	-436.023
Gross profit	168.765	198.133	22.650	26.632
Other external expenses	-45.962	-51.033	-6.169	-6.860
Staff expenses	-75.032	-77.327	-10.070	-10.394
Earnings before depreciation and amortisation (EBITDA)	47.771	69.773	6.411	9.379
Depreciation and amortisation	-1.619	-1.195	-217	-161
Earnings before interest and tax (EBIT)	46.152	68.578	6.194	9.218
Profitshare associated companies	21.391	4.095	2.871	550
Financial income	4.926	3.475	661	467
Financial expenses	-15.683	-4.976	-2.105	-669
Earnings on ordinary activities before tax (EBT)	56.786	71.172	7.621	9.567
Tax on earnings on ordinary activities	-7.848	-14.679	-1.053	-1.973
Profit for the year	48.938	56.493	6.568	7.594

Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2023	2022	2023	2022
Assets				
Non-current assets:				
Intangible assets				
Software and trademarks	1.149	784	154	105
Total intangible assets	1.149	784	154	105
Property, plant and equipment				
Other fixtures and fittings, tools and equipment	6.692	3.821	898	514
Total property, plant and equipment	6.692	3.821	898	514
Financial assets				
Capital investments	112.633	105.709	15.113	14.215
Other receivables	1.195	1.007	160	135
Total financial assets	113.828	106.716	15.273	14.350
Total non-current assets	121.669	111.321	16.325	14.969
Current assets:				
Inventories	173.144	162.815	23.232	21.894
Receivables				
Trade receivables	590.872	610.912	79.281	82.151
Other receivables	13.792	10.889	1.850	1.464
Prepayments	3.374	2.060	453	277
Deferred tax	377	420	50	57
Corporate income tax	16.260	0	2.182	0
Total receivables	624.675	624.281	83.816	83.949
Cash and cash equivalents	6.964	17.100	934	2.299
Total current assets	804.783	804.196	107.982	108.142
Total assets	926.452	915.517	124.307	123.111

Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2023	2022	2023	2022
Shareholders' equity and liabilities				
Shareholder's equity				
Share capital	500	500	67	67
Retained earnings	368.090	403.816	49.389	54.302
Total shareholder's equity	368.590	404.316	49.456	54.369
Provisions				
Provisions for deferred tax	835	544	112	73
Total provisions	835	544	112	73
Liabilities other than provisions				
Long-term liabilities				
Debts to related companies	67.006	0	8.991	0
Short-term liabilities				
Credit institutions	222.300	261.027	29.827	35.101
Trade payables	195.723	176.951	26.261	23.795
Debts to related companies	50.000	50.000	6.709	6.724
Prepayments from customers	7.127	3.232	956	434
Corporate income tax	143	587	19	79
Other payables	14.728	18.860	1.976	2.536
Total liabilities other than provisions	557.027	510.657	74.739	68.669
Total shareholder's equity and liabilities	926.452	915.517	124.307	123.111

Statement of cash flows

- for the year ended

31 December 2023

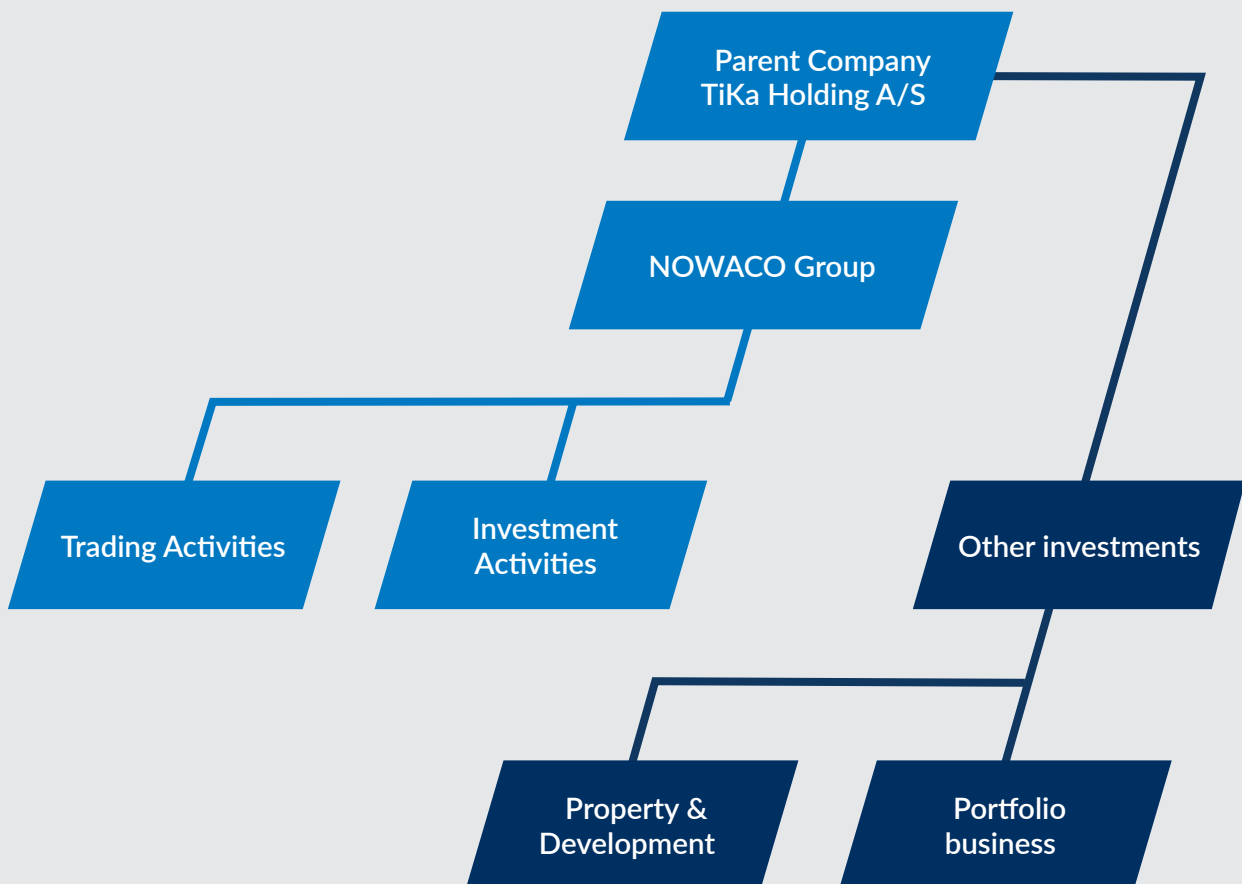
	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2023	2022	2023	2022
Revenue	3.229.926	3.441.968	433.489	462.655
Cost of operating activities	-3.182.155	-3.372.196	-427.078	-453.277
Cash flow, operating activities before change in working capital	47.771	69.772	6.411	9.378
Change in inventories	-10.329	-47.215	-1.386	-6.346
Change in receivables	15.635	-10.128	2.098	-1.361
Change in trade payables and other payables, etc.	18.535	-28.635	2.488	-3.849
Cash flow, operating activities	71.612	-16.206	9.611	-2.178
Net financial items	-10.757	-1.501	-1.444	-202
Other financing, exchange-rate adjustments taken to shareholder's equity etc.	561	-298	75	-40
Corporate income tax paid	-24.213	-574	-3.249	-77
Net cash flow, operating activities	37.203	-18.579	4.993	-2.497
Acquisition of intangible assets	-761	-614	-102	-83
Acquisition of property, plant and equipment	-4.094	-1.067	-550	-143
Sale of property, plant and equipment	2.613	720	351	97
Acquisition of financial assets	0	-81.683	0	-10.980
Dividend from financial assets	5.820	0	781	0
Cash flow, investing activities	3.578	-82.644	480	-11.109
Free cash flow	40.781	-101.223	5.473	-13.606
Shareholders:				
Dividends paid	-12.265	-15.000	-1.646	-2.016
Bank loans	-38.727	124.243	-5.198	16.700
Cash flow, financing activities	-50.992	109.243	-6.844	14.684
Net cash flow, from operating investing and financing activities	-10.211	8.020	-1.371	1.078
Cash and cash equivalents and bank loans at 1 January	17.100	9.238	2.299	1.242
Unrealized currency adjustments	75	-158	3	-21
Cash and cash equivalents and bank loans at 31 December	6.964	17.100	931	2.299
Breakdown of cash and cash equivalents and bank loans at 31 December				
Cash and cash equivalents	6.964	17.100	931	2.299
Cash and cash equivalents and bank loans at 31 December	6.964	17.100	931	2.299

NOWACO is part of the TiKa Holding Group

TiKa Holding A/S holds a majority stake in NOWACO Group. The remaining shareholders are members of the management group, in NOWACO Trading Activities.

In addition to investing in the food business, TiKa Holding A/S invests in property, property development, portfolio business, and securities.

Group structure



NOWACO World Map



Food for the world