



Food for the world

Summary of Annual Report 2021

NOWACO A/S
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Katja Nowak Nielsen
President & CEO



Tom Leth Jensen
VP & COO



**EARNINGS
BEFORE TAX
DKK 50.1
MILLION**

**GROSS
MARGIN
5.0%**

**REVENUE
DKK 3,097.9
MILLION**

**EQUITY
DKK 362.6
MILLION**

**GROSS
PROFIT
DKK 156.2
MILLION**

Financial Highlights And Key Ratios

	NOWACO Group DKK million				NOWACO Group EUR million	
	2018	2019	2020	2021	2020	2021
Income statement						
Revenue	2.855,7	3.025,8	2.718,3	3.097,9	364,7	416,6
Gross profit	145,7	153,6	161,8	156,2	21,7	21,0
Earnings before depr. and amortisation (EBITDA)	25,3	42,5	57,1	48,0	7,7	6,4
Depreciation and amortisation	-2,1	-1,4	-1,1	-1,2	-0,1	-0,2
Earnings before interest and tax (EBIT)	23,1	41,1	57,0	46,9	7,7	6,3
Financial items, net	2,3	9,0	3,1	3,2	0,4	0,4
Earnings on ordinary activities before tax (EBT)	25,5	50,1	60,2	50,1	8,1	6,7
Profit for the year	19,8	39,1	46,9	39,2	6,3	5,3
Balance sheet						
Non-current assets	4,4	4,1	5,2	25,2	0,7	3,4
Current assets	625,4	547,1	500,0	752,7	67,2	101,2
Total assets	629,8	551,2	505,2	777,9	67,9	104,6
Share capital	20,0	20,0	20,0	20,0	2,7	2,7
Retained earnings and proposed dividend	247,7	285,6	319,1	342,6	42,9	46,1
Total shareholders' equity	267,7	305,6	339,1	362,6	45,6	48,8
Provisions	0,9	0,8	0,7	0,7	0,1	0,1
Liabilities other than provisions	361,2	244,8	165,4	414,6	22,2	55,7
Total shareholders' equity and liabilities	629,8	551,2	505,2	777,9	67,9	104,6
Cash flow statement						
Cash flow, operating activities	97,1	47,3	78,5	-145,2	10,5	-19,5
Cash flow, investing activities	-0,4	-1,0	-2,3	-20,9	-0,3	-2,8
Free cash flow	96,7	46,3	76,2	-166,1	10,2	-22,3
Cash flow, financing activities	-98,2	-46,5	-19,4	106,1	-0,6	16,3
Total net cash flow	-1,5	-0,2	56,8	-60,0	9,6	-6,0
Average number of employees	172	174	170	175	170	175
Key ratios (%)						
Gross margin	5,1	5,1	6,0	5,0	6,0	5,0
EBIT margin	0,8	1,4	2,1	1,5	2,1	1,5
Net margin	0,7	1,3	1,7	1,3	1,7	1,3
Effective tax rate	22,1	22,0	22,0	21,8	22,0	21,8
Return on invested capital (ROIC)	3,5	7,1	11,7	7,8	11,7	7,8
Return on equity	7,5	13,6	14,6	11,2	14,6	11,2
Equity ratio	42,5	55,4	67,1	46,6	67,1	46,6

Mangement Review 2021

The financial year 2021 delivered a revenue of DKK 3,097.9 million and shows a new record high performance level, with an increase of 14% compared to 2020. The activity level during the year has been high, and volumen has increased by 10% compared to 2020. The successful growth consisted of both development in new markets and growth in existing markets.

Our foreign offices and business areas continued their positive development in 2021, thus making a solid contribution to the Group's strong financial performance.

The year's operations and profit development

The gross profit amounted to DKK 156.2 million in 2021. The Group realized a gross profit margin of 5.0%, and generated a pre-tax profit of DKK 50.1 million. The high increase in freight rates and the volatile container situation have impacted negatively on the profit performance. Further to this, the business has been influenced by Covid19 restrictions and increasing competition in the global markets. Based on these circumstances, The Supervisory Board considers the profit performance for the year satisfactory.

Balance sheet

The balance sheet amounted to DKK 777.9 million at 31 December 2021 against DKK 505.2 million at 31 December 2020. The increase in the balance amount relates to a significantly higher activity during the period. The year's cashflow statement of the NOWA-CO Group shows a net cash flow from operating activities for the year 2021 of DKK -145.2 million compared to DKK 78.5 million in 2020 which follows directly from the high activity level and the structure of the markets, in which we operate.

Equity amounted to DKK 362.6 million at 31 December 2021 relative to DKK 339.1 million at 31 December 2020.

Outlook for 2022

We faced many challenges on the competitive, global markets during 2021 and expect 2022 to be equally challenging. The container situation and the rising freight rates are expected to continue into 2022. Further, the continued Covid19 restrictions in many parts of the world, as well as the war in Ukraine are anticipated to influence the supply of protein. Despite the market volatility, our close collaboration with our business partners, customers and suppliers is expected to remain, and to be developed further in 2022.

A satisfactory profit performance for 2022 is expected.

"The financial year 2021 delivered a revenue of DKK 3,097.9 million and shows a new record high performance level with an increase of 14% compared to 2020"

Statement by Supervisory Board and Executive Management

The Supervisory Board and Executive Management have today considered and adopted the Annual Report of NOWACO A/S for 2021.

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, 2021 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, 2021.

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, March 16, 2022

Executive Management



Katja Nowak Nielsen
President & CEO



Tom Leth Jensen
VP & COO

Supervisory Board



Torben Ballegaard Sørensen
Chairman



Juttine Nielsen



Peter Terkelsen



Katja Nowak Nielsen



Anders Bauditz



Independent auditors' report

To the Management of NOWACO A/S

Opinion

The Summary financial statement, which comprise the summary balance sheet as at December 31, 2021, the summary income statement and summary cash flow statement for the year then ended, are derived from the audited financial statement of NOWACO A/S for the year ended December 31, 2021.

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, March 16, 2022

Redmark

CVR-NO:29442789



Jens Palsgård Nørgaard
MNE - no. 34289

State Authorised Public Accountant



Marian Fruergaard
MNE-no. 24699

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 March 16, 2022.

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 2021

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2021	2020	2021	2020
Revenue	3.097.928	2.718.290	416.556	364.656
Cost of sales	-2.941.728	-2.556.534	-395.553	-342.956
Gross profit	156.200	161.756	21.003	21.700
Other external expenses	-36.014	-35.650	-4.843	-4.783
Staff expenses	-72.223	-68.014	-9.688	-9.124
Earnings before depreciation and amortisation (EBITDA)	47.963	58.092	6.472	7.793
Depreciation and amortisation	-1.024	-1.064	-161	-143
Earnings before interest and tax (EBIT)	46.939	57.028	6.311	7.650
Financial income	4.057	4.775	546	641
Financial expenses	-892	-1.650	-120	-221
Earnings on ordinary activities before tax (EBT)	50.104	60.153	6.737	8.070
Tax on earnings on ordinary activities	-10.936	-13.206	-1.471	-1.772
Profit for the year	39.168	46.947	5.266	6.298

Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2021	2020	2021	2020
Assets				
Non-current assets				
Intangible assets				
Software	336	472	45	63
Total intangible assets	336	472	45	63
Property, plant and equipment				
Other fixtures and fittings, tools and equipment	4.162	3.711	560	499
Total property, plant and equipment	4.162	3.711	560	499
Financial assets				
Capital investments	19.558	0	2.630	0
Other receivables	1.143	1.056	154	142
Total financial assets	20.701	1.056	2.784	142
Total non-current assets	25.199	5.239	3.389	704
Current assets				
Inventories	115.601	71.310	15.545	9.586
Receivables				
Trade receivables	592.334	322.184	79.652	43.308
Other receivables	17.306	28.160	2.327	3.785
Prepayments	4.092	2.091	550	281
Deferred tax	373	406	50	55
Corporate income tax	13.715	6.495	1.845	873
Total receivables	627.820	359.336	84.424	48.302
Cash and cash equivalents	9.238	69.344	1.242	9.321
Total current assets	752.659	499.990	101.211	67.209
Total assets	777.858	505.229	104.600	67.913

Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2021	2020	2021	2020
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	20.000	20.000	2.689	2.688
Retained earnings	342.566	319.134	46.066	42.899
Total shareholders' equity	362.566	339.134	48.755	45.587
Provisions				
Provision for deferred tax	697	746	94	100
Total provisions	697	746	94	100
Liabilities other than provisions				
Short-term liabilities				
Credit institutions	136.783	15.645	18.393	2.103
Trade payables	188.450	115.896	25.341	15.579
Debts to related companies	50.000	0	6.724	0
Prepayments from customers	7.197	7.408	968	996
Corporate income tax	134	122	18	16
Other payables	32.031	26.278	4.307	3.532
Total liabilities other than provisions	414.595	165.349	55.751	22.226
Total shareholders' equity and liabilities	777.858	505.229	104.600	67.913

Statement of cash flows

- for the year ended

31 December 2021

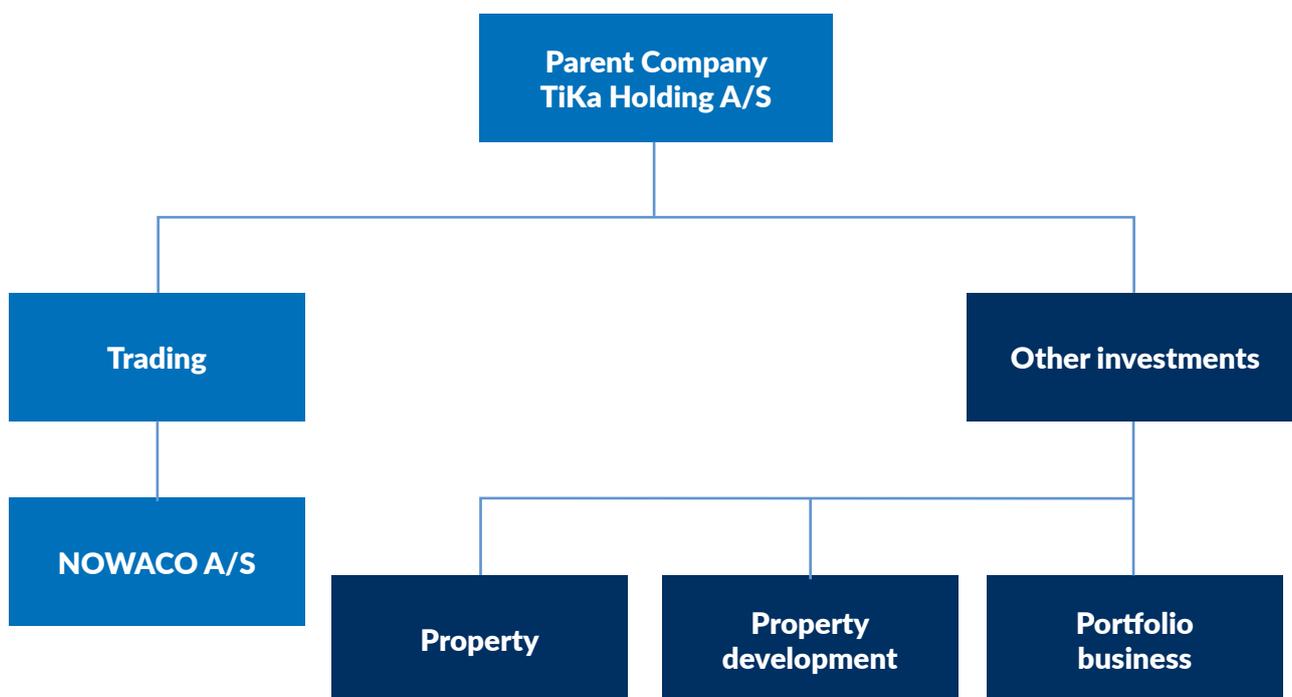
	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2021	2020	2021	2020
Revenue	3.097.928	2.718.290	416.556	364.656
Cost of operating activities	-3.049.792	-2.660.204	-410.084	-356.864
Cash flow, operating activities before change in working capital	48.136	58.086	6.472	7.792
Change in inventories	-44.291	16.523	-5.955	2.217
Change in receivables	-261.298	92.363	-35.135	12.390
Change in trade payables and other payables, etc.	128.095	-74.998	17.224	-10.061
Cash flow, operating activities	-129.358	91.974	-17.394	12.338
Net financial items	3.165	3.125	426	419
Other financing, exchange-rate adjustments taken to shareholder's equity etc.	-1.310	2.719	-176	365
Corporate income tax paid	-17.719	-19.285	-2.383	-2.587
Net cash flow, operating activities	-145.222	78.533	-19.527	10.535
Acquisition of intangible assets	-61	-244	-8	-33
Acquisition of property, plant and equipment	-1.444	-2.034	-194	-273
Sale of property, plant and equipment	176	6	23	1
Acquisition of financial assets	-19.558	0	-2.630	0
Cash flow, investing activities	-20.887	-2.272	-2.809	-305
Free cash flow	-166.109	76.261	-22.336	10.230
Shareholders:				
Dividends paid	-15.000	-15.000	-2.017	-2.012
Bank loans	121.138	-4.421	16.289	-593
Cash flow, financing activities	106.138	-19.421	14.272	-2.605
Net cash flow, from operating investing and financing activities	-59.971	56.840	-8.064	7.625
Cash and cash equivalents and bank loans at 1 January	69.344	12.807	9.324	1.718
Unrealized currency adjustments	-135	-303	-18	-22
Cash and cash equivalents and bank loans at 31 December	9.238	69.344	1.242	9.321
Breakdown of cash and cash equivalents and bank loans at 31 December				
Cash and cash equivalents	9.238	69.344	1.242	9.321
Cash and cash equivalents and bank loans at 31 December	9.238	69.344	1.242	9.321

NOWACO is part of the TiKa Holding Group

TiKa Holding A/S holds a 91.0% stake in NOWACO A/S. The remaining shareholders are members of the management group.

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

Group structure



The total equity for TiKa Holding A/S is more than DKK 1000 million.

NOWACO WORLD MAP

