

# Summary of Annual Report

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[nowaco.com](http://nowaco.com)  
[linkedin.com/company/nowaco-as](https://linkedin.com/company/nowaco-as)

NOWACO A/S  
Prinsensgade 15  
DK-9000 Aalborg  
Phone: +45 9630 8080  
CVR: 6249 7718

  
Food for the world

# Executive Management



**Katja Nowak Nielsen**  
CEO

**Tom Leth Jensen**  
COO

**Peter Rasmussen**  
COO

# Financial Review 2022



EARNINGS BEFORE TAX

€ 9.6

MILLION

GROSS PROFIT

€ 26.6

MILLION

GROSS MARGIN

5.8 %



EQUITY

€ 54.4

MILLION

REVENUE

€ 462.7

MILLION



**NOWAGO**  
QUALITY CONTROL

# Financial Highlights And Key Ratios

	NOWACO Group DKK million				NOWACO Group EUR million	
	2019	2020	2021	2022	2021	2022
<b>Income statement</b>						
Revenue	3.025,8	2.718,3	3.097,9	3.442,0	416,6	462,7
Gross profit	153,6	161,8	156,2	198,1	21,0	26,6
Earnings before depr. and amortisation (EBITDA)	42,5	57,1	48,0	68,4	6,4	9,2
Depreciation and amortisation	-1,4	-1,1	-1,2	-1,2	-0,2	-0,2
Earnings before interest and tax (EBIT)	41,1	57,0	46,9	68,6	6,3	9,2
Financial items, net	9,0	3,1	3,2	-1,5	0,4	-0,2
Earnings on ordinary activities before tax (EBT)	50,1	60,2	50,1	71,2	6,7	9,6
<b>Profit for the year</b>	<b>39,1</b>	<b>46,9</b>	<b>39,2</b>	<b>56,5</b>	<b>5,3</b>	<b>7,6</b>
<b>Balance sheet</b>						
Non-current assets	4,1	5,2	25,2	134,2	3,4	18,0
Current assets	547,1	500,0	752,7	804,2	101,2	108,1
<b>Total assets</b>	<b>551,2</b>	<b>505,2</b>	<b>777,9</b>	<b>938,4</b>	<b>104,6</b>	<b>126,1</b>
Share capital	20,0	20,0	20,0	20,0	2,7	2,7
Retained earnings and proposed dividend	285,6	319,1	342,6	384,3	46,1	51,7
<b>Total shareholders' equity</b>	<b>305,6</b>	<b>339,1</b>	<b>362,6</b>	<b>404,3</b>	<b>48,8</b>	<b>54,4</b>
Provisions	0,8	0,7	0,7	23,4	0,1	3,0
Liabilities other than provisions	244,8	165,4	414,6	510,7	55,7	68,7
<b>Total shareholders' equity and liabilities</b>	<b>551,2</b>	<b>505,2</b>	<b>777,9</b>	<b>938,4</b>	<b>104,6</b>	<b>126,1</b>
<b>Cash flow statement</b>						
Cash flow, operating activities	47,3	78,5	-145,2	-18,6	-19,5	-2,5
Cash flow, investing activities	-1,0	-2,3	-20,9	-82,6	-2,8	-11,1
Free cash flow	46,3	76,2	-166,1	-101,2	-22,3	-13,6
Cash flow, financing activities	-46,5	-19,4	106,1	109,2	16,3	16,7
<b>Total net cash flow</b>	<b>-0,2</b>	<b>56,8</b>	<b>-60,0</b>	<b>8,0</b>	<b>-6,0</b>	<b>3,1</b>
<b>Average number of employees</b>	<b>174</b>	<b>170</b>	<b>175</b>	<b>171</b>	<b>175</b>	<b>171</b>
<b>Key ratios (%)</b>						
Gross margin	5,1	6,0	5,0	5,8	5,0	5,8
EBIT margin	1,4	2,1	1,5	2,0	1,5	2,0
Net margin	1,3	1,7	1,3	1,6	1,3	1,6
Effective tax rate	22,0	22,0	21,8	20,6	21,8	20,6
Return on invested capital (ROIC)	7,1	11,7	7,8	8,1	7,8	8,1
Return on equity	13,6	14,6	11,2	14,7	11,2	14,7
Equity ratio	55,4	67,1	46,6	43,1	46,6	43,1

# Management Review 2022

The financial year 2022 delivered a record high revenue of EUR 462.7 million which shows an increase of 11% compared to 2021. Despite headwinds on the financial markets, high interest rates, and increasing consumer prices, NOWACO has successfully continued its strategic growth in all markets, while developing the business both organically and by acquisition.

Once again, all NOWACO teams have contributed significantly to the record result in 2022.

## The year's operations and profit development

The gross profit amounted to EUR 26.6 million in 2022. The Group generated a pre-tax profit of EUR 9.6 million, compared to EUR 6.7 million in 2021. The profit margin for 2022 was realised at 5.8%. The business has been influenced negatively by the political situation in many parts of the world, leading to closing of NOWACO offices in Hong Kong and Shanghai. In 2022 the international markets have been characterized by strong competition, declining demand and pressure on cash flow. The result for the year is in line with the strategy of NOWACO, whereas the Supervisory Board considers the profit performance for the year as satisfactory.

## Balance sheet

The balance sheet amounted to EUR 126.2 million on 31 December 2022 against EUR 104.6 million on 31 December 2021. The increase in the balance amount relates to a high activity level during the period. The year's cashflow statement of the NOWACO Group shows a net cash flow from operating activities for the year 2022 of EUR - 2.5 million compared to EUR -19.5 million in 2021 which follows from the activity level and the structure of the markets, in which we operate.

Equity amounted to EUR 48.8 million on 31 Dec. 2021 relative to EUR 54.4 million on 31 Dec. 2022.

## Outlook for 2023

We expect 2023 to be another challenging year. The war in Ukraine, inflation level and high interest rates are expected to remain influencing the supply of protein in 2023. Our close collaboration with business partners, customers and suppliers will be developed with increased focus on partnerships and digitalisation. Employee well-being and employer attractiveness are continuously important for NOWACO's strategy, and further initiatives will be engaged during 2023.

A satisfactory profit performance for 2023 is expected.

**The gross profit amounted to EUR 26.6 million in 2022**

**Once again, all NOWACO teams have contributed significantly to the record result in 2022**

# 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 2022.

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, 2022 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, 2022.

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 14, 2023

## Executive Management



Katja Nowak Nielsen  
CEO



Tom Leth Jensen  
COO



Peter Rasmussen  
COO

## Supervisory Board



Torben Ballegaard Sørensen  
Chairman



Juttine Nielsen



Peter Terkelsen



Katja Nowak Nielsen



Anders Bauditz



Mikael Thinghuus

# NOWACO 50 Years Gala Party



# 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, 2022, 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, 2022.

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 14, 2023

**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 March 14, 2023.

### 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 2022

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2022	2021	2022	2021
Revenue	3.441.968	3.097.928	462.655	416.556
Cost of sales	-3.243.835	-2.941.728	-436.023	-395.553
<b>Gross profit</b>	<b>198.133</b>	<b>156.200</b>	<b>26.632</b>	<b>21.003</b>
Other external expenses	-51.033	-36.014	-6.860	-4.843
Staff expenses	-77.327	-72.050	-10.393	-9.688
<b>Earnings before depreciation and amortisation (EBITDA)</b>	<b>69.773</b>	<b>48.136</b>	<b>9.379</b>	<b>6.472</b>
Depreciation and amortisation	-1.195	-1.197	-161	-161
<b>Earnings before interest and tax (EBIT)</b>	<b>68.578</b>	<b>46.939</b>	<b>9.218</b>	<b>6.311</b>
Profitshare associated companies	4.095	0	551	0
Financial income	3.475	4.057	467	546
Financial expenses	-4.976	-892	-669	-120
<b>Earnings on ordinary activities before tax (EBT)</b>	<b>71.172</b>	<b>50.104</b>	<b>9.567</b>	<b>6.737</b>
Tax on earnings on ordinary activities	-14.679	-10.936	-1.973	-1.471
<b>Profit for the year</b>	<b>56.493</b>	<b>39.168</b>	<b>7.595</b>	<b>5.266</b>

## Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2022	2021	2022	2021
<b>Assets</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Software	784	336	105	45
<b>Total intangible assets</b>	<b>784</b>	<b>336</b>	<b>105</b>	<b>45</b>
<b>Property, plant and equipment</b>				
Other fixtures and fittings, tools and equipment	3.821	4.162	514	560
<b>Total property, plant and equipment</b>	<b>3.821</b>	<b>4.162</b>	<b>514</b>	<b>560</b>
<b>Financial assets</b>				
Capital investments	128.572	19.558	17.289	2.630
Other receivables	1.007	1.143	136	154
<b>Total financial assets</b>	<b>129.579</b>	<b>20.701</b>	<b>17.425</b>	<b>2.784</b>
<b>Total non-current assets</b>	<b>134.184</b>	<b>25.199</b>	<b>18.044</b>	<b>3.389</b>
<b>Current assets</b>				
<b>Inventories</b>	<b>162.815</b>	<b>115.601</b>	<b>21.894</b>	<b>15.545</b>
<b>Receivables</b>				
Trade receivables	610.912	592.334	82.151	79.652
Other receivables	10.889	17.306	1.464	2.327
Prepayments	2.060	4.092	277	550
Deferred tax	420	373	57	50
Corporate income tax	0	13.715	0	1.845
<b>Total receivables</b>	<b>624.281</b>	<b>627.820</b>	<b>83.949</b>	<b>84.424</b>
<b>Cash and cash equivalents</b>	<b>17.100</b>	<b>9.238</b>	<b>2.299</b>	<b>1.242</b>
<b>Total current assets</b>	<b>804.196</b>	<b>752.659</b>	<b>108.142</b>	<b>101.211</b>
<b>Total assets</b>	<b>938.380</b>	<b>777.858</b>	<b>126.186</b>	<b>104.600</b>

## Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2022	2021	2022	2021
<b>Shareholders' equity and liabilities</b>				
<b>Shareholders' equity</b>				
Share capital	20.000	20.000	2.689	2.689
Retained earnings	384.316	342.566	51.680	46.066
<b>Total shareholders' equity</b>	<b>404.316</b>	<b>362.566</b>	<b>54.369</b>	<b>48.755</b>
<b>Provisions</b>				
Provision for deferred tax	544	697	73	94
Other provisions	22.863	0	3.074	0
<b>Total provisions</b>	<b>23.407</b>	<b>697</b>	<b>3.147</b>	<b>94</b>
<b>Liabilities other than provisions</b>				
<b>Short-term liabilities</b>				
Credit institutions	261.027	136.783	35.101	18.393
Trade payables	176.951	188.450	23.795	25.341
Debts to related companies	50.000	50.000	6.724	6.724
Prepayments from customers	3.232	7.197	435	968
Corporate income tax	587	134	79	18
Other payables	18.860	32.031	2.536	4.307
<b>Total liabilities other than provisions</b>	<b>510.657</b>	<b>414.595</b>	<b>68.670</b>	<b>55.751</b>
<b>Total shareholders' equity and liabilities</b>	<b>938.380</b>	<b>777.858</b>	<b>126.186</b>	<b>104.600</b>

# Statement of cash flows

## - for the year ended

### 31 December 2022

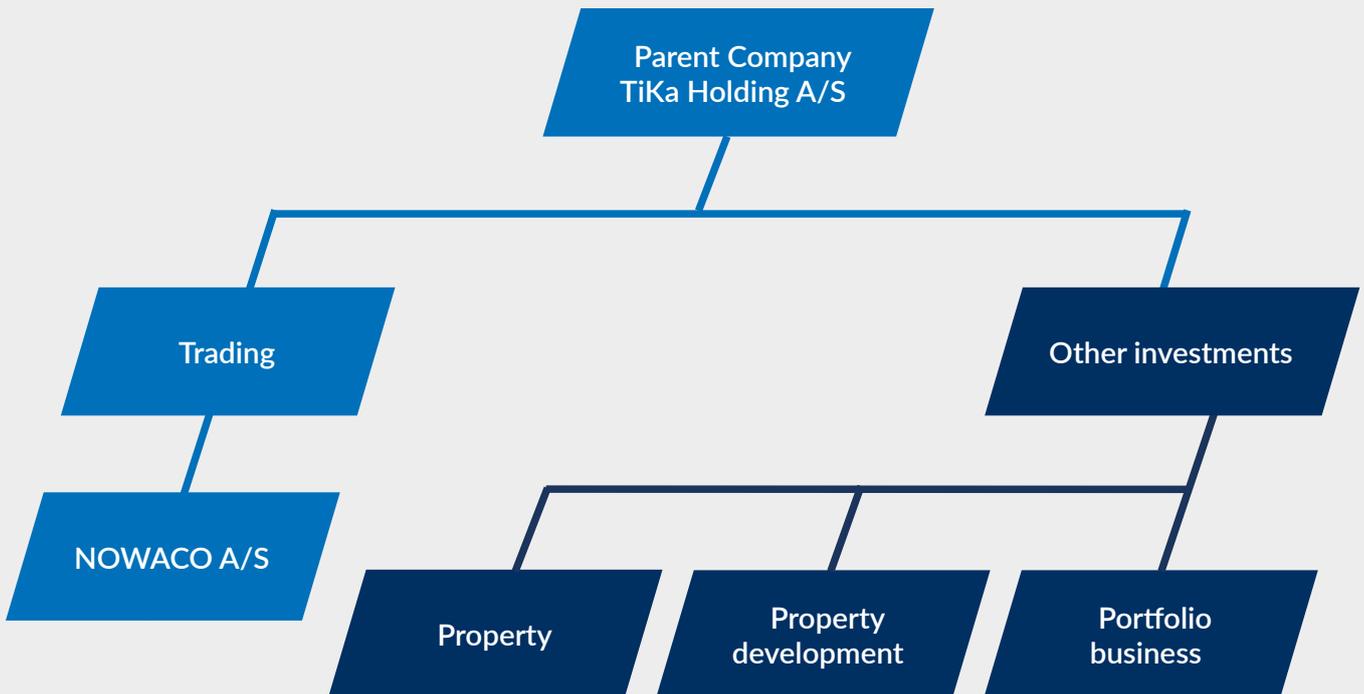
	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2022	2021	2022	2021
Revenue	3.441.968	3.097.928	462.655	416.556
Cost of operating activities	-3.372.196	-3.049.792	-453.277	-410.083
<b>Cash flow, operating activities before change in working capital</b>	<b>69.772</b>	<b>48.136</b>	<b>9.378</b>	<b>6.473</b>
Change in inventories	-47.215	-44.291	-6.347	-5.956
Change in receivables	-10.128	-261.298	-1.361	-35.135
Change in trade payables and other payables, etc.	-28.635	128.095	-3.849	17.224
<b>Cash flow, operating activities</b>	<b>-16.206</b>	<b>-129.358</b>	<b>-2.179</b>	<b>-17.394</b>
Net financial items	-1.501	3.165	-202	426
Other financing, exchange-rate adjustments taken to shareholder's equity etc.	-298	-1.310	-40	-176
Corporate income tax paid	-574	-17.719	-77	-2.383
<b>Net cash flow, operating activities</b>	<b>-18.579</b>	<b>-145.222</b>	<b>-2.498</b>	<b>-19.527</b>
Acquisition of intangible assets	-614	-61	-82	-8
Acquisition of property, plant and equipment	-1.067	-1.444	-143	-194
Sale of property, plant and equipment	720	176	97	23
Acquisition of financial assets	-81.683	-19.558	-10.980	-2.630
<b>Cash flow, investing activities</b>	<b>-82.644</b>	<b>-20.887</b>	<b>-11.108</b>	<b>-2.809</b>
<b>Free cash flow</b>	<b>-101.223</b>	<b>-166.109</b>	<b>-13.606</b>	<b>-22.336</b>
Shareholders:				
Dividends paid	-15.000	-15.000	-2.016	-2.017
Bank loans	124.243	121.138	16.700	16.289
<b>Cash flow, financing activities</b>	<b>109.243</b>	<b>106.138</b>	<b>14.684</b>	<b>14.272</b>
<b>Net cash flow, from operating investing and financing activities</b>	<b>8.020</b>	<b>-59.971</b>	<b>1.078</b>	<b>-8.064</b>
<b>Cash and cash equivalents and bank loans at 1 January</b>	<b>9.238</b>	<b>69.344</b>	<b>1.242</b>	<b>9.324</b>
Unrealized currency adjustments	-158	-135	-21	-18
<b>Cash and cash equivalents and bank loans at 31 December</b>	<b>17.100</b>	<b>9.238</b>	<b>2.299</b>	<b>1.242</b>
<b>Breakdown of cash and cash equivalents and bank loans at 31 December</b>				
Cash and cash equivalents	17.100	9.238	2.299	1.242
<b>Cash and cash equivalents and bank loans at 31 December</b>	<b>17.100</b>	<b>9.238</b>	<b>2.299</b>	<b>1.242</b>

# NOWACO is part of the TiKa Holding Group

TiKa Holding A/S holds a 92,75% stake in NOWACO A/S. The remaining shareholders are members of the management group.

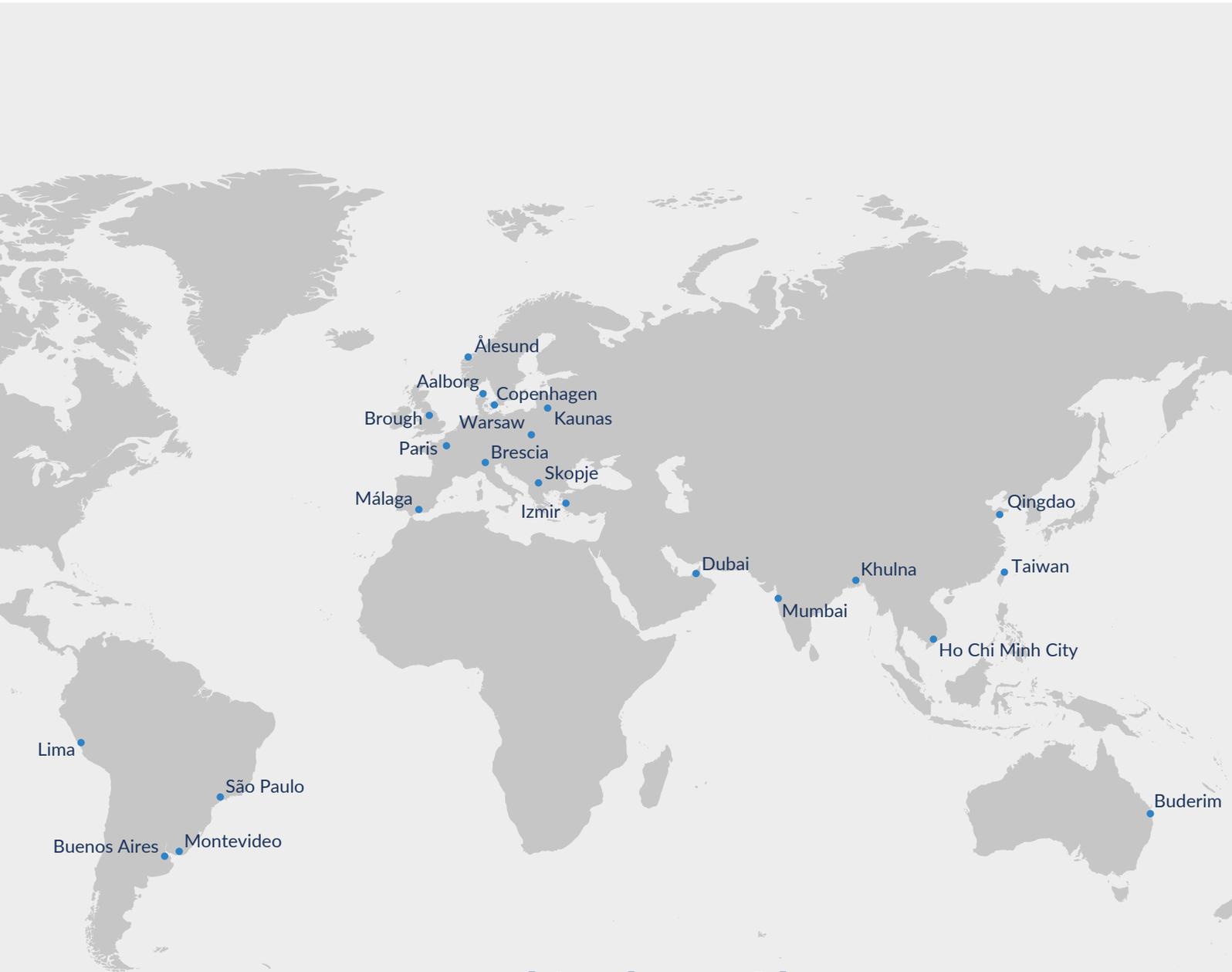
In addition to investing in the food business, TiKa Holding A/S invests in property, property development, portfolio business, and securities.

## Group structure



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

# NOWACO World Map



**Food for the world**