



Food for the world

# Summary of Annual Report 2020

NOWACO A/S  
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CVR: 6249 7718

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

Katja Nowak Nielsen  
President & CEO

Tom Leth Jensen  
VP & COO



**EARNINGS  
BEFORE TAX  
DKK 60.2  
MILLION**

**GROSS  
MARGIN  
6.0%**

**REVENUE  
DKK 2,718.3  
MILLION**

**EQUITY  
DKK 339.1  
MILLION**

**GROSS  
PROFIT  
DKK 161.8  
MILLION**

# Financial Highlights And Key Ratios

	NOWACO Group DKK million				NOWACO Group EUR million	
	2017	2018	2019	2020	2019	2020
<b>Income statement</b>						
Revenue	3.050,8	2.855,7	3.025,8	2.718,3	405,3	364,7
Gross profit	155,2	145,7	153,6	161,8	20,6	21,7
Earnings before depr. and amortisation (EBITDA)	47,9	25,3	42,5	57,1	5,7	7,7
Depreciation and amortisation	-2,0	-2,1	-1,4	-1,1	-0,2	-0,1
Earnings before interest and tax (EBIT)	45,9	23,1	41,1	57,0	5,5	7,7
Financial items, net	6,5	2,3	9,0	3,1	1,2	0,4
Earnings on ordinary activities before tax (EBT)	52,4	25,5	50,1	60,2	6,7	8,1
<b>Profit for the year</b>	<b>40,9</b>	<b>19,8</b>	<b>39,1</b>	<b>46,9</b>	<b>5,2</b>	<b>6,3</b>
<b>Balance sheet</b>						
Non-current assets	7,7	4,4	4,1	5,2	0,5	0,7
Current assets	706,0	625,3	547,1	500,0	73,2	67,2
<b>Total assets</b>	<b>713,7</b>	<b>629,8</b>	<b>551,2</b>	<b>505,2</b>	<b>73,7</b>	<b>67,9</b>
Share capital	20,0	20,0	20,0	20,0	2,7	2,7
Retained earnings and proposed dividend	244,1	247,7	285,6	319,1	38,2	42,9
<b>Total shareholders' equity</b>	<b>264,1</b>	<b>267,7</b>	<b>305,6</b>	<b>339,1</b>	<b>40,9</b>	<b>45,6</b>
Provisions	1,1	0,9	0,8	0,7	0,1	0,1
Liabilities other than provisions	448,5	361,2	244,8	165,4	32,7	22,2
<b>Total shareholders' equity and liabilities</b>	<b>713,7</b>	<b>629,8</b>	<b>551,2</b>	<b>505,2</b>	<b>73,7</b>	<b>67,9</b>
<b>Cash flow statement</b>						
Cash flow, operating activities	-56,6	97,1	47,3	78,5	6,3	10,5
Cash flow, investing activities	-2,0	-0,4	-1,0	-2,3	-0,1	-0,3
Free cash flow	-58,6	96,7	46,3	76,2	6,2	10,2
Cash flow, financing activities	-15,0	-15,0	-46,5	-19,4	-6,2	-0,6
<b>Total net cash flow</b>	<b>-73,6</b>	<b>81,7</b>	<b>-0,2</b>	<b>56,8</b>	<b>0,0</b>	<b>9,6</b>
<b>Average number of employees</b>	<b>170</b>	<b>172</b>	<b>174</b>	<b>170</b>	<b>174</b>	<b>170</b>
<b>Key ratios (%)</b>						
Gross margin	5,1	5,1	5,1	6,0	5,1	6,0
EBIT margin	1,5	0,8	1,4	2,1	1,4	2,1
Net margin	1,3	0,7	1,3	1,7	1,3	1,7
Effective tax rate	22,1	22,1	22,0	22,0	22,0	22,0
Return on invested capital (ROIC)	7,5	3,5	7,1	11,7	7,1	11,7
Return on equity	16,4	7,5	13,6	14,6	13,6	14,6
Equity ratio	37,0	42,5	55,4	67,1	55,4	67,1

# Management review 2020

In the financial year 2020 NOWACO delivered the best profit result ever. Compared to the 2019 turnover, the financial year 2020 shows a decline. This development is in line with the overall global trading trends of 2020.

Despite the global reduction in trade volume, NOWACO has succeeded in high growth rates in many markets. Our foreign offices and business areas continued their positive development in 2020 thus making a significant contribution to the Group's strong business model and financial performance.

## The year's operations and profit development

The gross profit amounted to DKK 161,8 million in 2020, equal to an increase of DKK 8.2 million, or 5.3%, compared to 2019. In 2020 the Group realized a gross profit margin of 6.0% and generated a pre-tax profit of DKK 60.2 million. Based on the volatile market conditions and the Covid-19 pandemic, The Supervisory Board considers the profit performance satisfactory.

## Balance sheet

The balance sheet of the NOWACO Group amounted to DKK 505.2 million at December 31, 2020 against 551.2 million at December 31, 2019. The reduction in the balance amount relates to the reduced activity and a reduction in inventories. The year's cashflow statement of the NOWACO Group shows a net cash flow from operation activities of the year 2020 of DKK 78.5 million compared to DKK 47.3 million in 2019.

Equity amounted to DKK 339.1 million at December 31, 2020 relative to DKK 305.6 million at December 31, 2019.

The Group's solvency ratio stood at a record high 67.1% at December 31, 2020 compared to 55.4% at December 31, 2019.

## Outlook for 2021

The global markets still face the challenges of the Covid-19 pandemic and the volatility in the different markets remain. This situation normally brings more opportunities than limitations for NOWACO and we expect to see a satisfactory activity and profit performance in 2021.

**“The Group's solvency ratio stood at a record high 67.1% at December 31, 2020 compared to 55.4% at December 31, 2019”**

# 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 2020.

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, 2020 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, 2020.

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](http://CVR.dk)

Aalborg, March 09, 2021

## Executive Management



Katja Nowak Nielsen  
President & CEO



Tom Leth Jensen  
VP & COO



Peter H. W. Tuure  
CFO

## Supervisory Board



Torben Ballegaard Sørensen  
Chairman



Juttine Nielsen



Peter Terkelsen



Katja Nowak Nielsen



Anders Bauditz



# Independent auditors' report

The Summary financial statement, which comprise the summary balance sheet as at December 31, 2020, 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, 2020.

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 09, 2021

### 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 09, 2021.

## 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 2020

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2020	2019	2020	2019
Revenue	2.718.290	3.025.830	364.656	405.276
Cost of sales	-2.556.534	-2.872.275	-342.957	-384.709
<b>Gross profit</b>	<b>161.756</b>	<b>153.555</b>	<b>21.699</b>	<b>20.567</b>
Other external expenses	-35.650	-44.168	-4.782	-5.916
Staff expenses	-68.014	-66.889	-9.124	-8.959
<b>Earnings before depreciation and amortisation (EBITDA)</b>	<b>58.092</b>	<b>42.498</b>	<b>7.793</b>	<b>5.692</b>
Depreciation and amortisation	-1.064	-1.445	-143	-194
<b>Earnings before interest and tax (EBIT)</b>	<b>57.028</b>	<b>41.053</b>	<b>7.650</b>	<b>5.498</b>
Financial income	4.775	14.527	641	1.946
Financial expenses	-1.650	-5.488	-221	-735
<b>Earnings on ordinary activities before tax (EBT)</b>	<b>60.153</b>	<b>50.092</b>	<b>8.070</b>	<b>6.709</b>
Tax on earnings on ordinary activities	-13.206	-11.001	-1.772	-1.473
<b>Profit for the year</b>	<b>46.947</b>	<b>39.091</b>	<b>6.298</b>	<b>5.236</b>

## Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2020	2019	2020	2019
<b>Assets</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Software	472	499	63	67
<b>Total intangible assets</b>	<b>472</b>	<b>499</b>	<b>63</b>	<b>67</b>
<b>Property, plant and equipment</b>				
Other fixtures and fittings, tools and equipment	3.711	2.494	499	334
<b>Total property, plant and equipment</b>	<b>3.711</b>	<b>2.494</b>	<b>499</b>	<b>334</b>
<b>Financial assets</b>				
Other receivables	1.056	1.066	142	143
<b>Total financial assets</b>	<b>1.056</b>	<b>1.066</b>	<b>142</b>	<b>143</b>
<b>Total non-current assets</b>	<b>5.239</b>	<b>4.059</b>	<b>704</b>	<b>544</b>
<b>Current assets</b>				
<b>Inventories</b>	<b>71.310</b>	<b>87.833</b>	<b>9.586</b>	<b>11.759</b>
<b>Receivables</b>				
Trade receivables	322.184	433.473	43.308	58.031
Other receivables	28.160	8.895	3.785	1.191
Prepayments	2.091	2.430	281	325
Deferred tax	406	601	55	80
Corporate income tax	6.495	1.058	873	142
<b>Total receivables</b>	<b>359.336</b>	<b>446.457</b>	<b>48.302</b>	<b>59.769</b>
<b>Cash and cash equivalents</b>	<b>69.344</b>	<b>12.807</b>	<b>9.321</b>	<b>1.714</b>
<b>Total current assets</b>	<b>499.990</b>	<b>547.097</b>	<b>67.209</b>	<b>73.242</b>
<b>Total assets</b>	<b>505.229</b>	<b>551.156</b>	<b>67.913</b>	<b>73.786</b>

## Balance sheet

	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2020	2019	2020	2019
<b>Shareholders' equity and liabilities</b>				
<b>Shareholders' equity</b>				
Share capital	20.000	20.000	2.688	2.677
Retained earnings	319.134	285.586	42.899	38.233
<b>Total shareholders' equity</b>	<b>339.134</b>	<b>305.586</b>	<b>45.587</b>	<b>40.910</b>
<b>Provisions</b>				
Provision for deferred tax	746	806	100	108
<b>Total provisions</b>	<b>746</b>	<b>806</b>	<b>100</b>	<b>108</b>
<b>Liabilities other than provisions</b>				
<b>Short-term liabilities</b>				
Credit institutions	15.645	20.066	2.103	2.686
Trade payables	115.896	151.500	15.579	20.282
Debts to related companies	0	41.528	0	5.559
Prepayments from customers	7.408	10.013	996	1.341
Corporate income tax	122	117	16	16
Other payables	26.278	21.540	3.532	2.884
<b>Total liabilities other than provisions</b>	<b>165.349</b>	<b>244.764</b>	<b>22.226</b>	<b>32.768</b>
<b>Total shareholders' equity and liabilities</b>	<b>505.229</b>	<b>551.156</b>	<b>67.913</b>	<b>73.786</b>

# Statement of cash flows

## - for the year ended

### 31 December 2020

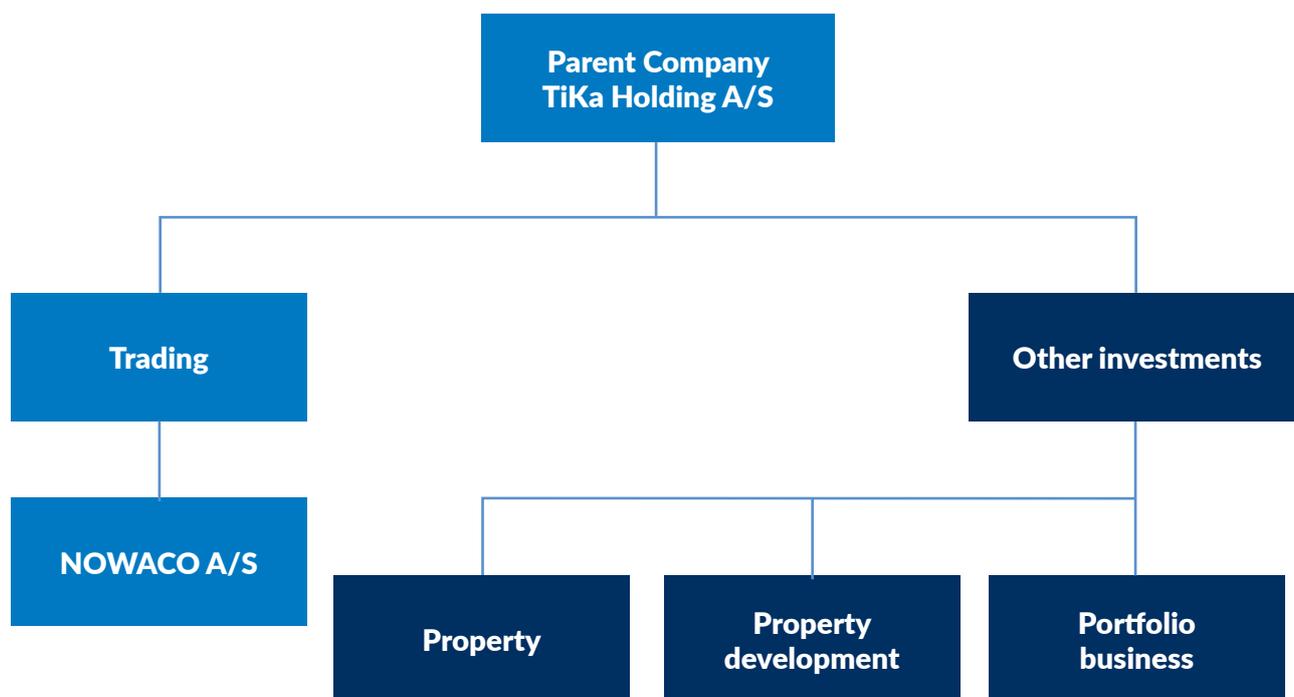
	NOWACO Group DKK thousand		NOWACO Group EUR thousands	
	2020	2019	2020	2019
Revenue	2.718.290	3.025.830	364.656	405.276
Cost of operating activities	-2.660.204	-2.983.332	-356.864	-399.584
<b>Cash flow, operating activities before change in working capital</b>	<b>58.086</b>	<b>42.498</b>	<b>7.792</b>	<b>5.692</b>
Change in inventories	16.523	76.438	2.217	10.238
Change in receivables	92.363	-1.187	12.390	-159
Change in trade payables and other payables, etc.	-74.998	-69.965	-10.061	-9.371
<b>Cash flow, operating activities</b>	<b>91.974</b>	<b>47.784</b>	<b>12.338</b>	<b>6.400</b>
Net financial items	3.125	9.039	419	1.211
Other financing, exchange-rate adjustments taken to shareholder's equity etc.	2.719	-1.587	365	-213
Corporate income tax paid	-19.285	-7.918	-2.587	-1.061
<b>Net cash flow, operating activities</b>	<b>78.533</b>	<b>47.318</b>	<b>10.535</b>	<b>6.337</b>
Acquisition of intangible assets	-244	-292	-33	-39
Acquisition of property, plant and equipment	-2.034	-756	-273	-101
Sale of property, plant and equipment	6	0	1	0
<b>Cash flow, investing activities</b>	<b>-2.272</b>	<b>-1.048</b>	<b>-305</b>	<b>-140</b>
<b>Free cash flow</b>	<b>76.261</b>	<b>46.270</b>	<b>10.230</b>	<b>6.197</b>
Shareholders:				
Dividends paid	-15.000	0	-2.012	0
Bank loans	-4.421	-46.505	-593	-6.229
<b>Cash flow, financing activities</b>	<b>-19.421</b>	<b>-46.505</b>	<b>-2.605</b>	<b>-6.229</b>
<b>Net cash flow, from operating investing and financing activities</b>	<b>56.840</b>	<b>-235</b>	<b>7.625</b>	<b>-32</b>
<b>Cash and cash equivalents and bank loans at 1 January</b>	<b>12.807</b>	<b>13.014</b>	<b>1.718</b>	<b>1.743</b>
Unrealized currency adjustments	-303	28	-22	3
<b>Cash and cash equivalents and bank loans at 31 December</b>	<b>69.344</b>	<b>12.807</b>	<b>9.321</b>	<b>1.714</b>
<b>Breakdown of cash and cash equivalents and bank loans at 31 December</b>				
Cash and cash equivalents	69.344	12.807	9.321	1.714
<b>Cash and cash equivalents and bank loans at 31 December</b>	<b>69.344</b>	<b>12.807</b>	<b>9.321</b>	<b>1.714</b>

# NOWACO is part of the TiKa Holding Group

TiKa Holding A/S holds a 88.5% 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

