

# Annual Report 2024



Lecker Fisch.  
Ohne Haken.



is for everyone

# KEY FIGURES FOR THE FRoSTA GROUP

## Key figures of the FRoSTA Group

| Financial year                        |        | 2023  | 2024              |
|---------------------------------------|--------|-------|-------------------|
| Employees (average)                   | number | 1,665 | 1,760             |
| Revenue                               | mEUR   | 639   | 638               |
| EBITDA                                | mEUR   | 68.6  | 79.3              |
| in % of revenue                       |        | 10.7% | 12.4%             |
| Consolidated profit/loss for the year | mEUR   | 34.1  | 42.0              |
| Capital expenditure                   | mEUR   | 19.4  | 13.2              |
| Dividend per share                    | EUR    | 2.00  | 2.40 <sup>1</sup> |

<sup>1</sup> subject to approval by the General Meeting

## FINANCIAL CALENDAR

### Financia Calendar

| Event                             | Date                          |
|-----------------------------------|-------------------------------|
| Presentation of Annual Results    | Thursday,<br>13 February 2025 |
| Virtual Annual General Meeting    | Thursday,<br>24 April 2025    |
| Half-yearly financial report 2025 | Monday,<br>14 July 2025       |

## PUBLISHING

**Published by:**  
FRoSTA Aktiengesellschaft  
Am Lunedeich 116  
27572 Bremerhaven

Phone: +49 471 9736-0  
Fax: +49 471 75163  
E-Mail: [moin@frosta.com](mailto:moin@frosta.com)  
[www.frosta-ag.com](http://www.frosta-ag.com)

# CONTENT

|                                                                                       |           |
|---------------------------------------------------------------------------------------|-----------|
| <b>LETTER TO OUR SHAREHOLDERS</b>                                                     | <b>5</b>  |
| <b>OUR PURPOSE</b>                                                                    | <b>6</b>  |
| <b>ABOUT FRoSTA AG</b>                                                                | <b>7</b>  |
| <b>NEW PRODUCTS</b>                                                                   | <b>8</b>  |
| <b>GROUP MANAGEMENT REPORT OF FRoSTA AKTIENGESELLSCHAFT</b>                           | <b>16</b> |
| FUNDAMENTAL INFORMATION ABOUT THE FRoSTA GROUP                                        | 16        |
| BUSINESS ENVIRONMENT                                                                  | 14        |
| SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY                       | 21        |
| REPORT ON OPPORTUNITIES AND RISKS                                                     | 21        |
| REPORT ON EXPECTED DEVELOPMENTS                                                       | 27        |
| <b>ANNUAL FINANCIAL STATEMENTS OF THE FRoSTA GROUP</b>                                | <b>28</b> |
| CONSOLIDATED INCOME STATEMENT OF FRoSTA AG                                            | 29        |
| CONSOLIDATED BALANCE SHEET OF FRoSTA AG                                               | 30        |
| CONSOLIDATED STATEMENT OF CASH FLOWS OF FRoSTA AG                                     | 32        |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF FRoSTA AG                              | 33        |
| CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS                               | 34        |
| <b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS<br/>FOR THE 2024 FINANCIAL YEAR</b> | <b>37</b> |
| <b>MANAGEMENT REPORT FRoSTA AG 2024</b>                                               | <b>56</b> |
| FUNDAMENTAL INFORMATION ABOUT FRoSTA AG                                               | 56        |
| BUSINESS ENVIRONMENT                                                                  | 57        |
| SUSTAINABILITY, THE ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY                   | 60        |
| REPORT ON OPPORTUNITIES AND RISK                                                      | 61        |
| REPORT ON EXPECTED DEVELOPMENTS                                                       | 67        |
| <b>ANNUAL FINANCIAL STATEMENTS OF FRoSTA AG</b>                                       | <b>68</b> |
| INCOME STATEMENT OF FRoSTA AG                                                         | 69        |
| BALANCE SHEET OF FRoSTA AG                                                            | 70        |
| STATEMENT OF CHANGES IN FIXED ASSETS OF FRoSTA AG                                     | 72        |
| <b>NOTES TO THE ANNUAL FINANCIAL STATEMENTS<br/>FOR THE 2024 FINANCIAL YEAR</b>       | <b>74</b> |
| <b>TEN-YEAR OVERVIEW FOR THE FRoSTA GROUP</b>                                         | <b>88</b> |
| <b>REPORT OF THE SUPERVISORY BOARD FOR THE 2024 FINANCIAL YEAR</b>                    | <b>90</b> |
| <b>MANAGEMENT BODIES</b>                                                              | <b>91</b> |
| <b>GROUP STRUCTURE AND ADDRESSES</b>                                                  | <b>92</b> |



# Lecker Fisch. Ohne Haken.

100% frei von Zusätzen.



| TESTSIEGER            |                                                |
|-----------------------|------------------------------------------------|
| Stiftung<br>Warentest | GUT (2,4)                                      |
| test<br>+             | FRoSTA<br>15 Fischstäbchen                     |
|                       | Ermittelt am<br>Produkt mit<br>MHD: 03.07.2024 |
|                       | Ausgabe 3/2024                                 |
|                       | <a href="http://www.test.de">www.test.de</a>   |

24SK39

FRoSTA  
REINHEITS-  
GEBOT  
seit 2003



ist für alle da



# LETTER TO OUR SHAREHOLDERS

Dear shareholders,

2024 was a year of growth and innovation. Sales revenues for the FRoSTA brand grew by 13.5% to 331 million euros, with the markets in Germany, Austria, Poland and Italy contributing particularly to this successful result. Despite a generally downward market trend and the non-extension of unprofitable supply contracts, total Group sales, at 638 million euros, remained stable.

Consolidated net income for the year in the amount of 42 million euros and a margin of 6.6% of sales developed positively. This will allow us to continue to invest in communication, modern technology and environmentally friendly wind and solar power in the future.

We once again introduced a variety of new products in 2024. We now offer organic ready meals in Germany and pasta dishes in Italy in environmentally friendly paper bags. Our fish fingers were crowned the winner by Stiftung Warentest, and have also been available since the beginning of 2025 with an extra-crunchy cornflakes crumb. We believe that our Purity Promise will continue to attract a growing number of consumers keen to embrace a healthy and natural diet going forward.

We would like to express our heartfelt thanks for your trust and support in the past year. At the same time, we would like to extend a big thank you to our workforce, whose unwavering commitment made our success possible.

Yours



Felix Ahlers



Maik Busse



Hinnerk Ehlers

# Our Purpose

## Food the way it should be.

At FRoSTA we are dedicated to offering delicious tasting frozen food. We combine our care and expertise to ensure the highest quality.

Our commitment extends to sustainable sourcing, production and logistics. Our branded products are pure, natural, and entirely free from additives. We believe in traditional cooking methods that have proven successful for generations. The origins of all ingredients are declared on each product. No tricks. No secrets.

We call it the „FRoSTA Purity Promise”.





# ABOUT FRoSTA AG

1,760 people work for FRoSTA AG in seven countries. We produce at three plants in Germany and one in Poland.

FRoSTA is a successful brand for frozen fish, vegetables and meals in Germany, Poland, Austria, Italy and Eastern Europe. The FRoSTA Purity Promise is our way of promising that we will never add any colours, flavourings, flavour enhancers, stabilisers or emulsifiers to any of our branded products – even if this is not currently prescribed by food labelling laws. FRoSTA products are available from supermarkets and include a range

of vegetables, fish, fruit and herbs as well as classic dishes such as Nasi Goreng and Paella. In April 2013, FRoSTA was the first frozen food brand to publish on the Internet the countries of origin of each batch of our ingredients. Since autumn 2015, we have included this information on all of our product packaging as well.

FRoSTA AG is also a specialist production partner in the development and production of high-quality customer brands for the European retail and wholesale sectors.

→ [CLICK HERE FOR MORE INFORMATION](#)



# HI THERE, WE'RE NEW!

## NEW FRoSTA PRODUCTS IN 2024

The new products that we launched in 2024 are, of course, also subject to the strict FRoSTA Purity Promise. Our products have been consistently free from all additives and flavourings since 2003 – even those that do not have to be declared or labelled as such under food law. Since 2015, we have also included the country of origin of all ingredients on our packaging.



### READY MEALS



#### **SWEET AND SOUR CHICKEN**

One of the most famous dishes of Asian cuisine has found its way into our FRoSTA range and from now on strengthens our successful product range of small meals.

In our "Sweet and Sour Chicken" tender chicken breast meets with rice and a well-rounded sweet-sour sauce. The popular classic gets the fine and balanced ratio of sweet and sour from the fruity pineapple, finely chopped chilli, candied ginger and a small dash of soy sauce.

→ [SWEET AND SOUR CHICKEN](#)

#### **VEGAN GOULASH NOODLE PAN**

Fancy a spicy goulash pan with noodles and no meat at all? Our Vegan Goulash Pan offers just that combined with crunchy peppers, mushrooms and a chicken alternative made from pea protein in a fine, spicy tomato sauce. The fusilli noodles come from our own production.

→ [VEGAN GOULASH NOODLE PAN](#)



### **FRoSTA ORGANIC**

Our three organic dishes have gone into the well-known bag! So they fit perfectly with the large FRoSTA family of dishes and the newly launched organic dishes at Kaufland.



#### **ORGANIC PASTA ALLA TOSCANA**

Our organic pasta dish, Pasta alla Toscana, is a delicious combination of tagliatelle, fruity cherry tomatoes and broccoli in a light cheese and cream sauce. The tagliatelle are made on our own pasta machine.

→ [ORGANIC PASTA ALLA TOSCANA](#)

#### **ORGANIC CREAM SPAETZLE PAN**

We also produce the organic spaetzle on our own pasta machine. The dish combines delicious vegetables, such as mushrooms, red peppers and fine peas, in a tomato-cream sauce, refined with nutmeg and cayenne pepper.

→ [ORGANIC CREAM SPAETZLE PAN](#)

#### **ORGANIC COCONUT CURRY PAN**

Our Coconut Curry Pan is an organic Indian-style rice dish with various vegetables, such as crunchy carrots, chickpeas, cauliflower and spinach, in a creamy coconut curry sauce.

→ [ORGANIC COCOMUT CURRY PAN](#)



Four more new FRoSTA organic dishes can now be found in the freezers at Kaufland supermarkets! As usual, our new organic dishes also impress with delicious, varied recipes and freshly frozen ingredients. Organic from FRoSTA means ingredients from strictly organic cultivation plus FRoSTA Purity Promise quality. In other words, 100% without any additives – even without those that do not have to be declared or described as such according to food law.

### ORGANIC PENNE ALL' ARRABIATA

A real Italian pasta classic with a fruity-spicy tomato sauce, refined with basil, garlic and cayenne pepper.

→ [ORGANIC PENNE ALL' ARRABIATA](#)

### ORGANIC FRIED RICE ASIA STYLE

Our Organic Fried Rice Asia Style convinces with the combination of rice and a colorful vegetable mix of red peppers, mung bean sprouts, spring onions, tender corn and mushrooms and is rounded off by a spicy soy sauce.

→ [ORGANIC FRIED RICE ASIA STYLE](#)



### ORGANIC MACARONI PAN

Organic Macaroni Pan combines macaroni with delicious vegetables, such as carrots, broccoli and leeks in a creamy cream sauce, refined with a hint of nutmeg. We make the organic macaroni with our own pasta machine.

→ [ORGANIC MACARONI PAN](#)



### ORGANIC TORTELLINI CREAM SPINACH

We make the Organic Tortellini with cream cheese and spinach filling ourselves. They impress with the combination with fruity cherry tomatoes and spinach leaves in a creamy cream sauce.

→ [ORGANIC TORTELLINI CREAM SPINACH](#)

## HERBS

### 6-HERB BLEND

Our new 6-Herb Blend consists of sorrel, chervil, parsley, pimpinelle, chives and cress. This makes the mix perfect as a basis for the "green sauce" known in Frankfurt. The herbs are freshly harvested, frozen, finely chopped and can be sprinkled. The herbs are traceable back to the field, and the indication of origin is printed on the package. The practical click box made of coated FSC-certified cardboard can be resealed as often as desired and can be recycled in waste paper when completely emptied.

→ [6-HERB BLEND](#)



## VEGETABLES

### PURE ORGANIC VEGETABLES



The pure FroSTA organic vegetable varieties Young Peas, Young Green Beans, Carrots and Summer Vegetables come exclusively from fields in Germany and are frozen directly after freshly harvested.

They are grown according to the principles of organic farming, i.e. without the use of chemical-synthetic pesticides and fertilisers, and are certified in Bioland quality.

A special feature of this range is the new light-coloured paper bag, which can be recycled in waste paper.

→ ORGANIC SUMMER VEGETABLES

→ ORGANIC CARROTS

→ ORGANIC YOUNG PEAS

→ ORGANIC YOUNG GREEN BEANS



### ORGANIC VEGETABLE MIXES

Three unseasoned and carefully composed vegetable mixtures that are versatile and particularly convincing creative, cooking-savvy and at the same time convenience-oriented consumers. A special feature of this range is the new light-coloured paper bag, which can be recycled in waste paper.

#### **ORGANIC VEGETABLE MIX THAI CUISINE**

The Organic Vegetable Mix Thai Cuisine with broccoli, white cabbage, mung bean sprouts and bell peppers offers a good basis for Asian dishes.

→ ORGANIC VEGETABLE MIX THAI CUISINE



#### **ORGANIC VEGETABLE MIX MEXICAN CUISINE**

The Organic Vegetable Mix Mexican Cuisine with kidney beans, corn, green beans, peppers and tomatoes is ideal for burritos, chilies or other Mexican dishes.

→ ORGANIC VEGETABLE MIX MEXICAN CUISINE



#### **ORGANIC VEGETABLE MIX SWEDISH CUISINE**

The Organic Vegetable Mix Swedish Cuisine contains potatoes, pumpkin, kale and carrots and can be refined and seasoned as desired.

→ ORGANIC VEGETABLE MIX SWEDISH CUISINE





## **ORGANIC VEGETABLE PANS**

The FRoSTA Organic Vegetable Pans bring the taste worlds of the most popular national cuisines into the home household. In organic quality and only with freshly frozen vegetables – of course according to the FRoSTA Purity Promise, 100% free of additives.

### **ORGANIC VEGETABLE PAN ALLA SICILIANA**

The Organic Vegetable Pan alla Siciliana is reminiscent of Italian cuisine and combines zucchini, romano beans, cherry tomatoes and peas in a fine herb marinade with parsley and oregano.

→ [ORGANIC VEGETABLE PAN ALLA SICILIANA](#)

### **ORGANIC VEGETABLE PAN ORIENTAL STYLE**

The Organic Vegetable Pan Oriental Style is based on Levant cuisine and combines spinach, chickpeas and tomatoes with a spicy, mild sauce, refined with ginger and turmeric.

→ [ORGANIC VEGETABLE PAN ORIENTAL STYLE](#)



## **FISH**

### **CORNFLAKES STICKS**

Finally they are here: The new Cornflakes Sticks contain juicy Alaska pollock fillet in a crispy breeding of golden yellow cornflakes. The Cornflakes Sticks taste good to both children and adults. This is due to the special crunch. They can be combined in many ways and are well suited for fat-free preparation in the air fryer.

→ [CORNFLAKES STICKS](#)



### **GOURMET FILLET WITH ORGANIC CRISPY TOPPING**

The Gourmet Fillet with Organic Crispy Topping is a juicy Alaska pollock fillet (63%) with a golden-brown crunchy topping from certified organic farming. Refined with butter, fresh parsley and dill and rounded off with a hint of garlic.

→ [GOURMET FILLET WITH ORGANIC CRISPY TOPPING](#)

### **OVEN FISH IN ORGANIC BREADING**

The Oven Fish in Organic Breading consists of juicy Alaska pollock fillet in a golden brown breading with ingredients from controlled organic farming. It is suitable for preparation in the pan as well as in the oven and can be combined in many ways. The Oven Fish in Organic Breading is ideal for a fish burger.

→ [OVEN FISH IN ORGANIC BREADING](#)



### **GOURMET FILLET À LA BORDELAISE CLASSIC**

The Gourmet Fillet à la Bordelaise Classic combines juicy Alaska pollock fillet and a delicious topping refined with parsley. The gourmet fillet à la Bordelaise Classic has a particularly high fish content of 76% and, with its slightly finer edition, is an ideal alternative to the crunchy gourmet fillet "Crispy Crunchy". Also suitable for preparation in the air fryer.

→ [GOURMET FILLET À LA BORDELAISE CLASSIC](#)

# NEW PRODUCTS ITALY

## READY MEALS



After many ready meals with rice, FroSTA finally offers traditional pasta recipes: “Pasta al Bronzo” with authentic seasoning in three variants. The 300 g bags offer a quick solution for those who want to enjoy “pasta al dente” in just a few minutes.

→ [TRAFILATI AL BRONZO – PENNE WITH MUSHROOMS](#)

→ [TRAFILATI AL BRONZO – FUSILLI WITH RICOTTA AND TOMATOES](#)

→ [TRAFILATI AL BRONZO – FUSILLI WITH PESTO AND DRIED TOMATOES](#)

## FISH



### BURGER

Brand new in the frozen food market are our distinctive fish burgers consisting of shrimp and hoki or salmon and Alaska pollock:

→ [FISH BURGER WITH SHRIMPS AND HOKI](#)

→ [FISH BURGER WITH SALMON AND ALASKA POLLOCK](#)

### NUGGETS

Based on the popular chicken nuggets, FroSTA now offers delicious fish nuggets from Alaska pollock fillet with a chili breading.

→ [SPICY FISH NUGGETS](#)



### FISH FINGERS IN ORGANIC BREADING

Organic breading is particularly trendy – we have therefore added a product in organic breading without paprika and turmeric to our fish finger range.

→ [FISH FINGERS IN ORGANIC BREADING](#)

### FISH FINGERS “MILLER’S STYLE”

Two become one: We now also offer our traditional fish fingers in the popular variant “Miller’s Style”.

→ [FISH FINGERS “MILLER’S STYLE”](#)





## VEGETABLES

### GRILLED VEGETABLES WITH EGGPLANT, ZUCCHINI AND TOMATOES

For this side dish, we were inspired by traditional Mediterranean cuisine: grilled eggplant, zucchini and tomatoes with a light seasoning.

→ [GRILLED VEGETABLES WITH EGGPLANT, ZUCCHINI AND TOMATOES](#)



### VEGETABLE PATTIES “ORTOLANO”

These vegetable patties combine the delicate sweetness of carrots, potatoes and zucchini in a light, aromatic texture – ideal as a main course or appetizer.

→ [GRILLED VEGETABLE PATTIES “ORTOLANO”](#)

## NEW PRODUCTS POLAND

### READY MEALS



### SWEET AND SOUR CHICKEN

Our new sweet and sour chicken has also been available in Polish freezers since 2024.

→ [SWEET AND SOUR CHICKEN](#)

### FISH

#### GRILLED FISH

We are now bringing our Alaska pollock fillets with grill strips to the Polish shelves:

→ [GRILLED FISH IN MEDITERRANEAN MARINADE](#)

→ [GRILLED FISH IN HERB BUTTER MARINADE](#)



### FISH BURGER

The fish burgers are back: Fine Alaska pollock fillet (72%) in a light crispy breading with parsley – simply delicious!

→ [FISH BURGER IN CRISPY BREADING](#)





# GROUP MANAGEMENT REPORT 2024

## OVERVIEW

|                                                                                   |           |
|-----------------------------------------------------------------------------------|-----------|
| <b>FUNDAMENTAL INFORMATION ABOUT THE FRoSTA GROUP</b>                             | <b>16</b> |
| BUSINESS MODEL                                                                    | 16        |
| BRANCH OFFICES                                                                    | 16        |
| MANAGEMENT SYSTEM                                                                 | 16        |
| <b>BUSINESS ENVIRONMENT</b>                                                       | <b>17</b> |
| BUSINESS DEVELOPMENT, FINANCIAL PERFORMANCE,<br>FINANCIAL POSITION AND CASH FLOWS | 17        |
| SEGMENT REPORTING                                                                 | 18        |
| PEOPLE AND CULTURE                                                                | 18        |
| THE FRoSTA SHARE AND APPROPRIATION OF NET PROFIT                                  | 20        |
| <b>SUSTAINABILITY, ENVIRONMENT AND CORPORATE<br/>SOCIAL RESPONSIBILITY</b>        | <b>21</b> |
| <b>REPORT ON OPPORTUNITIES AND RISKS</b>                                          | <b>21</b> |
| INTERNAL CONTROL SYSTEM                                                           | 21        |
| RISK MANAGEMENT SYSTEM                                                            | 25        |
| <b>REPORT ON EXPECTED DEVELOPMENTS</b>                                            | <b>27</b> |

# GROUP MANAGEMENT REPORT OF FRoSTA AKTIENGESellschaft, BREMERHAVEN

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

## FUNDAMENTAL INFORMATION ABOUT THE FRoSTA GROUP

### BUSINESS MODEL

At FRoSTA, we are active with 1,760 employees in seven European countries and produce deep-frozen products from fresh at our three plants in Germany and one in Poland.

We have a long-standing commitment to sustainability. With our Purity Promise, we have gone without adding any colourings, flavourings, flavour enhancers, stabilisers, emulsifiers or other additives to any of our branded products since 2003. This enables FRoSTA to guarantee the quality, taste, and naturalness of its extensive product range to an exceptionally high standard.

FRoSTA products are available from supermarkets and, in addition to traditional dishes such as Bami Goreng and Paella, include a range of vegetarian and vegan choices as well as vegetables, fish, fruit and herbs.

In 2013, FRoSTA was the first frozen food brand to start publishing the countries of origin of all ingredients on the Internet and, since 2015, it has also done so on product packaging. In 2019, FRoSTA made the switch to paper packaging in the freezer aisle. A plant-based alternative to fish was also introduced in 2020.

In addition, we develop and produce high-quality private labels for the food retail and wholesale sectors, for the most part using our retail partners' own brands. We

also offer a wide range of frozen products as a production partner to industry and its out-of-home customers (supplying restaurant chains and wholesalers).

### BRANCH OFFICES

Production in Germany is organised across the following branch offices:

- FRoSTA AG Werk Werk Bremerhaven
- FRoSTA AG Werk Bobenheim-Roxheim
- FRoSTA AG Werk Lommatzsch

### MANAGEMENT SYSTEM

We manage our business operations based on the key performance indicators sales and consolidated net income for the year.

## BUSINESS ENVIRONMENT

### GENERAL MARKET AND INDUSTRY CONDITIONS

#### MACROECONOMIC FACTORS

Europe, and Germany in particular, faced a difficult economic situation in 2024.

The German economy continued to tread water, with a 0.1% decline in the price-adjusted gross national product.



The prime causes of this were the rise in interest rates to combat high inflation and the resulting loss of purchasing power. Coupled with growing geopolitical uncertainties, this had a significant dampening effect both on corporate investment and private households' appetite for consumption. Additionally, the lack of structural changes in terms of digitalisation, decarbonisation and demographics also had a sustained impact on the economy (Source: Ifo Economic Forecast Winter 2024).

Overall, the business environment for FRoSTA AG remained challenging.

## THE FROZEN FOOD MARKET IN 2024

Retail sales in the frozen food market for the product groups fish, vegetables and ready meals in the core markets (Germany, Italy and Poland) declined in terms of volume by -0.6%. By contrast, FRoSTA brand business saw a year-on-year increase in consumer sales volume of 16.1% across all product groups and as much as 21.1% for ready meals.

The FRoSTA brand with its Purity Promise was thus once again a clear and positive growth driver across the whole category (Sources: YTD Dec. 2024 AC Nielsen Germany/Poland & Iri Italy Food Retail Sector).

## BUSINESS DEVELOPMENT, FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

### DEVELOPMENT OF SALES

With a sales increase of EUR 39m across all countries, the strong growth of the FRoSTA brand with the Purity Promise (+13.5%) made a very positive contribution to total sales. As previously forecast in the half-yearly report, consolidated sales stagnated at EUR 638m (-0.2% compared to 2023). The sales forecast at the beginning of the year, which projected sales growth of between 3% and 5%, was not confirmed. The reasons for this lie in the development of the other sales segments. Out-of-home business felt the effects of the muted consumer spending in the hospitality sector and saw a decline in sales of EUR 4m (-4.4%).

Remaining business with the industrial and private label distribution channels lost sales shares totalling EUR 36.7m (-15.0%) due to the generally downward market trend and the non-extension of unprofitable supply contracts. The FRoSTA Group generates 62% of its sales in the German market and 38% abroad.

## FINANCIAL PERFORMANCE

Consolidated net income for the year in the amount of EUR 42m (2023: EUR 34.1m) and 6.6% of sales developed very positively against the projection of 5% of sales. The main driver of this positive development was the portfolio mix between brand and private label business. Demand for the FRoSTA brand, especially in the second half-year, was considerably stronger than expected in all domestic and foreign markets, while private label business – as described above – declined sharply. Material costs continued to be very volatile and remained at a high level. Energy costs fell sharply compared to the previous year, but remained well above the situation prior to 2022. The high inflation-driven wage increases were reflected in the Group's wage costs as well as in purchased merchandise and services. We also used the year to continue our intensive efforts to improve product quality, hire new talents, develop our employees and drive digital transformation. The further increase in advertising expenditure provided the basis for future growth in the brand business across all markets.

## FINANCIAL POSITION, CASH FLOWS AND INVESTMENTS

The Group's balance sheet strength continued to improve. The main driver of this was the positive net income for the year. In line with the sales trend, absolute working capital, at EUR 123.9m, remained at the previous year's level. Investments of EUR 13.2m were made in the financial year, focusing on quality, efficiency increases and data security. Cash funds at the end of the financial year had increased to EUR 110.7m, thus establishing the desired independence for future investment decisions. The equity ratio improved slightly to 56.7% (2023: 53.6%). Measured in terms of the „current ratio/liquidity III“, liquidity increased by 20 percentage points to 196.7%. The Company was at all times in a position

to fulfil its payment obligations, and was able in 2024 to reduce the approved but unused credit lines from EUR 44m to EUR 32m.

We are very satisfied with the strong business performance and the corresponding development of the financial position, financial performance and cash flows.

## SEGMENT REPORTING

### FRoSTA SEGMENT

With total net sales of EUR 466m, the FRoSTA operating segment covers the brand business, out-of-home and industrial business (Home Delivery and industry customers), and accounts for a share of 73% of overall business. The segment grew by 7.2% year on year. While out-of-home and industrial business performed negatively year on year in line with the overall market, the FRoSTA brand once again made the positive difference. Our consumer orientation with a strong focus on taste, quality and sustainability has paid off. At the same time, we again significantly increased spending on advertising in all countries in the hope of winning over even more households to the FRoSTA brand with its Purity Promise.

Thanks to our strong cooperation with the retail sector, we were able to achieve sustained growth in all countries, also outside of promotional campaigns, which had a positive impact on the entire category. The brand's double-digit growth, with 12% in Germany, 11% in Italy and as much as 21% in Poland, contributed significantly to the increased consolidated net income for the year.

### COPACK SEGMENT

The COPACK operating segment comprises the private label business of the FRoSTA Group and generated sales revenue of EUR 172m, accounting for 27% of total sales, in the reporting year. The downward volume trend in the retail segment and the expiry of below-cost supply contracts led to sales losses of EUR 32.5m compared to the previous year. However, the non-renewal of unprofitable supply contracts positively impacted consolidated net income for the year.

## PEOPLE & CULTURE

### FRoSTA'S GROWTH IS REFLECTED IN THE WORKFORCE

The average number of employees increased to 1,760 in the 2024 financial year. On the back of the positive development of brand business and the corresponding expansion of production shifts at all plants, as well as the significant increase in qualified junior staff, a total of 95 new employees were hired. Thus in the reporting year we continued to pave the way for the Company's profitable growth in the future.

#### Annual mean number of employees

|                                     | 2023         | 2024         | Diff.     |
|-------------------------------------|--------------|--------------|-----------|
| <b>Total employees</b>              | <b>1,665</b> | <b>1,760</b> | <b>95</b> |
| of which permanent                  | 1,465        | 1,546        | 81        |
| of which temporary                  | 200          | 214          | 14        |
| Distribution by function            |              |              |           |
| <b>FRoSTA Head Office</b>           | <b>427</b>   | <b>440</b>   | <b>13</b> |
| of which Administration             | 266          | 273          | 7         |
| of which Sales                      | 161          | 167          | 6         |
| <b>FRoSTA Production facilities</b> | <b>1,238</b> | <b>1,320</b> | <b>82</b> |
| of which Bremerhaven                | 469          | 486          | 17        |
| of which Bydgoszcz                  | 448          | 468          | 20        |
| of which Lommatzsch                 | 183          | 220          | 37        |
| of which Bobenheim-Roxheim          | 138          | 146          | 8         |

### FRoSTA IS FOR EVERYONE – ALSO IN THE FUTURE

FRoSTA is getting younger. At the end of the reporting year, the average age of our workforce was 43.4 years, down from 43.9 years in the previous year. We are pleased to report that 54 young employees (aged below 30) joined the FRoSTA team in 2024.

We employ people from a diverse range of cultures. This internationality is a valuable asset not only when developing our recipes; it also plays a role in shaping our future, both when it comes to attracting new employees and accessing new markets. We are therefore particularly proud of the fact that FRoSTA meanwhile employs people of 43 different nationalities.



In the reporting year, we were also able to increase the number of women employed at FRoSTA to a total of 629 (+16 compared to the previous year). Of these, 324 work in Administration and Sales, where the proportion of women is evenly balanced at 54 % in line with our target. This was also 8 women more than in the previous year. There are still no women on the Supervisory Board or the Executive Board. At first-tier management level below the Executive Board, women accounted for a share of 25 % (2023: 31 %), at second-tier management level for 41 % (2023: 42 %). This means that despite the increase in absolute figures, the proportion of women employed fell to 36 % (2023: 37 %), and there is still a lot to be done. We are aiming for a balanced gender ratio at management level within the next five years. For the Supervisory Board and the Executive Board, this means at least one female member. To achieve this goal across all levels, including Supervisory Board and Executive Board, we launched a leadership training programme in the autumn designed to consciously promote young talents from within the Company's own ranks.

## HEALTH MANAGEMENT AT FRoSTA

We attach great importance to health. Preventive health-care plays an important role in this. FRoSTA therefore introduced a full health check-up „from top to toe“ for all employees in 2024. At a single appointment, all employees over the age of 40 can receive a simple and comprehensive check-up. We also support our employees financially in their efforts to stay fit, and we are proud to report that the sickness rate improved slightly from 6.3 % in the previous year to 6.1 % in the reporting year.

## FRoSTA IS GOING MORE DIGITAL

FRoSTA has made significant progress towards digitalisation in recent years. We know that digital transformation is crucial to remaining competitive in the future. Key milestones in this regard were early adoption of SAP S/4 and Microsoft 365 in 2019, along with extensive use of the cloud. Important next steps are to make day-to-day workflows more efficient and improve the communication of information to support decision-making. One example of this is the comprehensive go-live of SAP IBP and PPDS in January 2024. This fully integrated planning system makes it possible to access simulations and forecasts of

quantities, sales and contribution margins on demand, thus shortening strategic decision-making time.

In another project, a digital shift plan was introduced. FRoSTA has given all production employees at the pilot site a mobile phone which they can use to digitally plan their shifts and absences themselves at the touch of a button, without any paperwork or bureaucracy.

One major investment in the reporting year was the seamless rollout of new mobile devices for all FRoSTA users. This has not only made us faster and more secure, but also more agile in our day-to-day communication, wherever we happen to be.

## INTERNAL COMMUNICATION AT FRoSTA

Good and clear communication is the key to our success. If thoughts are not put into words, the words will not be heard, and what is heard is not asked or properly implemented. This principle applies to our daily interactions, to our employees' individual development and to the joint achievement of strategic goals. To this end, we launched a leadership training programme in 2024, which will be continued in 2025.

On a twice yearly basis, we require and encourage the conduct of development reviews between managers and employees with the aim to gain a clear understanding of each employee's development and future potential.

Providing feedback means praising work well done and looking for ways to improve. A prime example of this are the daily shop floor meetings held in our factories. Each morning, all staff from the relevant departments meet for just 15 minutes per production line. During these meetings, they document downtimes and monitor corrective actions taken. This process fosters the necessary trust and provides an incentive to constantly strive for improvement.

Additionally, members of the Executive Board regularly visit the factories and production lines in order to build proximity, understanding and trust. Furthermore, virtual information exchanges and Q&As with the Board are held several times a year.

A satisfaction survey was launched in December 2024. With the help of 12 standardised questions, this gives all

employees the possibility to evaluate their situation at FRoSTA twice a year and, of course, anonymously provide individual feedback. We intend to use the time between surveys to jointly develop improvement measures.

We can also communicate with each other at FRoSTA through sport. Every year, a large number of employees from all of our plants come together at one of our sites for the FRoSTA Olympics and have fun in a wide range of disciplines. We believe that people who do sports and enjoy social events together also work better together on a day-to-day basis and share feedback more easily.

And speaking of feedback: we would like to take this opportunity to thank the entire workforce and the Works Council for being such a great team! Without your tireless contribution, it would not have been possible to achieve such outstanding results once again.

## MORE FRoSTA EMPLOYEES BECOME SHAREHOLDERS

„FRoSTA is for everyone“. In 2024, we therefore again offered our employees the option to purchase FRoSTA shares acquired within the scope of a share buy-back, which we then sell on to them at preferential conditions. In 2024, 578 employees (2023: 509) participated in our employee share programme. A total of 29,884 shares were bought, which was significantly higher than in the prior period (2023: 24,102). The introductory offer, limited to a maximum of 50 shares with an issue price of EUR 16.90 per share, proved the most popular with 24,366 shares purchased (2023: 20,619). Under Proposal II (limited to a maximum of 950 shares depending on seniority), 5,518 shares were acquired at an issue price of EUR 46.90 per share (2023: 3,483). Due to the high participation rate, total costs for the programme amounted to EUR 1.3m (2023: EUR 1.1m), which were recognised in personnel expenses.

## THE FRoSTA SHARE AND APPROPRIATION OF NET PROFIT

Since March 2017, the FRoSTA share has been traded in the Open Market segment of the Frankfurt Stock Exchange (WKN 606900; ISIN DE0006069008; nominal value EUR 2.56) and in the reporting period developed as follows:

| Key figures for the FRoSTA share mEUR                  | 2023         | 2024         | Diff. %    |
|--------------------------------------------------------|--------------|--------------|------------|
| Share capital                                          | 17.4         | 17.4         | 0%         |
| Number of shares (in thousands)                        | 6,813        | 6,813        | 0%         |
| Group equity                                           | 232.2        | 261.0        | 12%        |
| <b>Equity per share EUR</b>                            | <b>34.08</b> | <b>38.31</b> | <b>12%</b> |
| Share price at year-end EUR                            | 62.40        | 61.50        | -1%        |
| Year high EUR                                          | 66.00        | 70.80        | 7%         |
| Year low EUR                                           | 53.80        | 57.50        | 7%         |
| Number of traded shares (in thousands)                 | 55.7         | 147.9        | 166%       |
| Net income for the year                                | 34.1         | 42.0         | 23%        |
| P/E ratio (share price at year-end/earnings per share) | 12.49        | 9.98         | -20%       |
| <b>Net profit for the year per share EUR</b>           | <b>5.00</b>  | <b>6.16</b>  | <b>23%</b> |
| <b>Dividend proposal (payout per share) EUR</b>        | <b>2.00</b>  | <b>2.40</b>  | <b>20%</b> |

The Executive Board will propose to the Annual General Meeting to distribute a dividend of EUR 2.40 per share from net retained profits and allocate the remainder to reserves. Based on 6,812,598 no-par value bearer shares, less 1,926 no-par value bearer treasury shares not entitled to a dividend in accordance with Section 71b German Stock Corporation Act (AktG), this results in 6,810,672 no-par value bearer shares entitled to a dividend and a dividend payout of EUR 16.3m.

Relating to disclosures pursuant to Section 160 (1) no. 2 AktG (acquisition of treasury shares), please refer to the Notes to the consolidated financial statements: 4) Notes to the consolidated balance sheet, Equity subheading.

With the proposed gross dividend per share of EUR 2.40, the portion of the net dividend after deduction of capital yield taxes due amounts to 19.8% of the consolidated net income before taxes. The tax portion comes to 37.9%, with 42.3% being retained within the Entity. This will enable independent decisions to continue to be made quickly to ensure good results in the future.



|                                                          | 31/12/2024<br>in kEUR | Share<br>%   |
|----------------------------------------------------------|-----------------------|--------------|
| Current company taxes                                    | 18,671                | 30.8%        |
| Capital yield tax incl. solidarity surcharge on dividend | 4,311                 | 7.1%         |
| <b>Total taxes</b>                                       | <b>22,982</b>         | <b>37.9%</b> |
| Net dividend                                             | 12,034                | 19.8%        |
| Retained by the Company                                  | 25,628                | 42.3%        |
| <b>Pre-tax net income for the financial year</b>         | <b>60,644</b>         | <b>100%</b>  |

## SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

In 2024, we worked intensively on implementing our sustainability strategy → [NACHHALTIGKEITSSTRATEGIE](#). With the investment decision and the submission of the building application for construction of a solar park in Lommatzsch and a wind turbine in Bremerhaven, we made significant progress towards our „Environmental Promise“ („Close to Net Zero by 2030 for Scope 1 and 2 Emissions“). These investments will enable us to generate our own energy in the future.

With completion of the Bioval research project in September 2024, in which we participated as a practice partner, we laid the groundwork for incorporating the dimension of „biodiversity“ when calculating the ecological footprint of all FRoSTA products.

We also made significant progress in 2024 within the scope of our „People Promise“. We reorganised our HR department to give more focus to FRoSTA employer branding, to people and culture and to our systems and processes. With the redesign of the FRoSTA careers website, refreshed communication closely linked to our FRoSTA brand and our first social media campaigns, we notched up initial successes in the increasingly competitive labour market. Parallel to this, we have been honing our structures to ensure fair remuneration and appropriate development programmes at every level.

We measure the success of our People Promise by the rate of unfilled positions at FRoSTA, with the aim to fill job vacancies within the Company with suitable candidates even in a tight labour market. To achieve this, we want to keep the number of vacancies below 2% of the total number of employees. In 2024, we successfully reduced this rate from 2.7% in 2023 to 1.5% in 2024.

Another aspect of our People Promise is FRoSTA's commitment to improving the situation of disadvantaged people through donations. Many of these donations flow into a wide range of initiatives with welfare institutions in the immediate vicinity of our production sites. We are pleased to report that in the reporting year we were able to donate products worth kEUR 417 to people in Ukraine.

In preparation for the Corporate Sustainability Reporting Directive (CSRD), which will become mandatory for us from the 2025 reporting year, we carried out a dual materiality analysis in autumn 2024. In a first step, we conducted a stakeholder analysis and survey involving internal and external stakeholders in order to shed light on the sustainability topics from an independent perspective, validate internal perspectives and objectivise the process by involving a larger number of people. The results of the survey were subsequently discussed and revised during an internal workshop involving the Executive Board and the first-tier management level, and a materiality matrix was drawn up. This will serve as the basis for our reporting under the CSRD next year.

## REPORT ON OPPORTUNITIES AND RISKS

### INTERNAL CONTROL SYSTEM

FRoSTA AG's internal control and monitoring system is enforced by the Group's Financial Controlling department in coordination with all other relevant departments.

The most important financial KPIs are sales revenue and profitability. These performance figures and their respective drivers are examined, analysed and discussed in the relevant departments on the basis of management accounting reports drawn up in daily, weekly and monthly cycles. In 2024, we succeeded in making many reports available in real time in the SAP Analytics Cloud.

The separation of executive, accounting and approval functions reduces the risk of fraudulent actions.

The risk management officers from the various departments assess the risks and opportunities on an ongoing basis – if necessary drawing on the advice of external consultants – and initiate appropriate measures for leveraging the opportunities and minimising the risks. All regular meetings, such as the monthly Board meetings, sales and marketing meetings, S&OP meetings, plant manager meetings or cash meetings flow into this.

In principle, risks are assessed based on the probabilities of occurrence and the potential extent of damage.

| Probability of occurrence/ Frequency of occurrence | Risk evaluation                |                  |          |        |                |                                           |                |
|----------------------------------------------------|--------------------------------|------------------|----------|--------|----------------|-------------------------------------------|----------------|
|                                                    | very probable<br>very frequent | E                | high     | high   | not acceptable | not acceptable                            | not acceptable |
|                                                    | probable<br>frequent           | D                | medium   | high   | high           | not acceptable                            | not acceptable |
|                                                    | possible<br>infrequent         | C                | low      | medium | high           | high                                      | not acceptable |
|                                                    | low<br>rare                    | B                | low      | medium | medium         | high                                      | not acceptable |
|                                                    | very improbable<br>very rare   | A                | low      | low    | low            | medium                                    | not acceptable |
|                                                    |                                |                  | I        | II     | III            | IV                                        | V              |
|                                                    |                                | low              | moderate | high   | critical       | poses a threat to the Company's existence |                |
|                                                    |                                | Extent of losses |          |        |                |                                           |                |

Individual risks are initially assessed through an annual evaluation of the underlying gross risk within a risk class and the respective individual risks. Based on the regular

evaluation of available countermeasures, the respective risk class officer estimates the net risks, as shown in the following table.

| Risk class                       | Net probability of occurrence | Net extent of losses | Net risk |
|----------------------------------|-------------------------------|----------------------|----------|
| Strategic risks and risk culture | low                           | high                 | medium   |
| Personnel risks                  | probable                      | minimal              | medium   |
| Product risks                    | low                           | moderate             | medium   |
| Supply chain risks               | probable                      | minimal              | medium   |
| Business interruption risks      | low                           | high                 | medium   |
| Cyber risks                      | possible                      | moderate             | medium   |
| Environmental and energy risks   | possible                      | moderate             | medium   |
| Compliance risks                 | possible                      | moderate             | medium   |
| Financial & commercial risks     | possible                      | moderate             | medium   |

The respective countermeasures for managing the individual risk classes are described below.

another, towards business partners, in connection with handling data, as well as towards the environment.

## STRATEGIC RISKS & RISK CULTURE AT FRoSTA

Market-related business risks are borne by the Company itself. These include, for example, risks from the development and marketing of new products, sales performance in the various distribution channels and the quality level of our products.

As far as is meaningful, we transfer any risks not stemming from the Group's core areas of activity, such as liability and property damage risks, to third parties.

As a general principle, we aim to address risks openly in order to promote and implement an understanding of the respective issues and suitable countermeasures. For this purpose, a corporate risk manager, in collaboration with the risk class managers, regularly assesses current and future risks and defines and monitors risk management measures.

In addition, FRoSTA implements a Code of Conduct for all employees, which is aimed at raising awareness among the workforce for responsible conduct towards one

## PERSONNEL RISKS

As the labour market increasingly shifts from a supply to a demand market, positioning FRoSTA as the employer of choice becomes ever more important. Comparably fair remuneration schemes and excellent advancement opportunities are just as important in this regard as a motivating work environment. When filling vacant positions on the market, speed and commitment are key success factors in the hiring process. We place particular focus on in-house initial and advanced training, as well as on facilitating locational transfers also across international sites, to enable us to take better advantage of different labour market situations in the future.

## PRODUCT RISKS

Quality and production reliability have the highest priority for us. We are therefore continuously striving to improve food safety and our food safety culture. The quality of the raw materials is monitored by audits at our suppliers' facilities and by checking goods as they arrive at our plants. Despite all due care, quality checks cannot provide a fail-safe guarantee of the quality of raw materials since the



thresholds for contamination are becoming ever lower and the checks are only carried out on a random basis.

We also purchase raw materials from BSCI (Business Social Compliance Initiative) risk countries. We thus bear our share of responsibility for the working conditions at our suppliers, as well as for the respecting of human rights. Since 2020, we have therefore required all suppliers from BSCI risk countries to be certified in accordance with an internationally recognised social standard (SA 8000, SMETA or similar).

We therefore had our internal value chain processes successfully certified at all FRoSTA locations to IFS (International Food Standard) in 2024 and at the Bremerhaven and Bydgoszcz sites additionally to BRC (British Retail Consortium) standards.

## SUPPLY CHAIN RISKS

The production of frozen food necessitates the use of a large number of renewable raw materials from over 30 countries, the procurement of which can be subject to wide-ranging fluctuations. In the case of supplies of raw fish, for example, increased demand coupled with dwindling fish stocks repeatedly results in bottlenecks. The picture is similar for climate-related crop failures that can affect the procurement of fruit and vegetables. This can result in considerable price fluctuations for raw materials which, depending on the competitive and contract situation, we cannot always pass on directly to our customers.

We attempt to smooth out these fluctuations and avoid dependencies by collaborating with strategic suppliers.

In the case of critical raw materials, it is additionally important to establish several suppliers in different regions. Our own vegetable production also helps us to be independent and at the same time acquire valuable agricultural expertise.

As long-term storage is often not possible, the setting of selling prices is subject to fundamental risks and opportunities. Price agreements with customers over a period of more than six months increase the uncertainty. For that reason, we try to avoid such supply agreements. Alternatively, price escalator clauses for certain raw materials can

be included in the price agreements. However, depending on the competitive situation, both are not always possible.

In the fourth quarter of 2024, we had an external auditor assess the implementation status of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG) within the scope of an internal audit. The results indicated that the implementation of the LkSG is a central focus for FRoSTA. Key processes and measures, such as appointing a contact person for human rights, drawing up a policy statement and establishing a whistleblower system, have already been initiated. Given the current level of maturity of LkSG compliance, no significant long-term issues were identified. Nevertheless, it is important to continue working on operational implementation and to make use of the takeaways from the audit.

## BUSINESS INTERRUPTION RISKS

The availability of production facilities and plants is crucial for assuring the supply of goods to retailers. We counter the risk of natural disasters and fires by collaborating closely with local authorities and fire services, including regular joint assessments to improve general hazard prevention measures. For instance, all factories have been equipped with modern sprinkler systems to quickly and effectively combat the source of a fire before any major damage occurs.

Technical risks and machinery downtimes are addressed through regular preventive maintenance and by training employees on the lines.

In principle, we are able to produce certain product groups in parallel at different locations, to separate individual production halls or to involve suppliers if necessary. This enables us to effectively mitigate the risk of long-term staff absences due to illness or pandemics, as well as strikes.

## CYBER RISKS

We counter cyber risks with the help of modern IT architecture that uses cloud services. In conjunction with regular internal and external audits and penetration tests,

we routinely review the status quo in order to continuously reappraise the risk situation. A major risk continues to lie with the respective user and how they react to email attacks. Regular online courses and simulated phishing tests with subsequent training help us create targeted awareness for dealing appropriately with such risks.

## ENVIRONMENTAL AND ENERGY RISKS

The war in Ukraine has also led to growing uncertainties over energy security in Europe, accompanied by sharply rising prices. FRoSTA counters the risk of rising energy prices through structured energy procurement in the form of fixed price agreements with suppliers. An alternative use of oil and gas in production creates flexibility to bridge price and supply risks. Logistical risks in long-distance coverage and/or diesel price development are reduced through alternative use of the rail network. In order to reduce dependencies over the medium term, we are accelerating development of a renewable energy supply both within FRoSTA and in collaboration with local partners.

## COMPLIANCE AND LEGAL RISKS

Regulations, industry standards and internal policy guidelines for preventing unethical or illegal behaviour are becoming increasingly complex. These include, but are not limited to, the ever more important issue of data protection with increasing digitalisation, financial integrity and compliance with occupational safety and environmental standards.

The same applies generally to the conclusion of contracts in our supply and retailer relationships, well as in labour and corporate law.

Non-compliance with regulations and contracts can have significant consequences, ranging from financial penalties and legal action to serious reputational damage that can undermine the trust of stakeholders. In severe cases, regulatory authorities may impose operational restrictions, revoke licenses, or, in extreme instances, shut down a business.

Ideally, compliance risk management should be integrated into all aspects of the Company's operations. Therefore, we have established corresponding representative

functions within the organisation for the respective compliance areas. These functions are closely involved in the activities and work efficiently to develop clear, effective internal controls and audits, as well as training programmes. The aim is to establish a compliance culture in which we not only respond to regulatory changes but also work proactively to minimise potential liability risks.

The Code of Conduct → [COMPLIANCE - FRoSTA AG](#) introduced at FRoSTA serves as a guide for daily activities and helps to safeguard ethical and legal standards within the organisation.

## FINANCIAL & COMMERCIAL RISKS

The frozen food market is fundamentally subject to constant change. Our competitors might respond to product trends more quickly or gain technological leads. We conduct intensive research to identify market trends. This enables us to produce innovative product concepts in response to changes or even to initiate changes ourselves within the market.

The FRoSTA brand offers the opportunity for further sustainable growth based on the Purity Promise, an innovative portfolio and its positive image. It is therefore important to be particularly proactive in countering all events that could have a negative impact on the brand's reputation and thus on business development.

The increasing concentration of the retail sector is leading to risks arising from the potential loss of bulk contracts. Our contracts with our customers normally include listing and price agreements but do not guarantee fixed volumes; this means that the risks or opportunities of fluctuating consumption by end customers also lie with FRoSTA. FRoSTA's presence in different domestic and foreign markets with the respective distribution channels: brand, private label as well as the supply of Home Delivery services, caterers and industry customers guarantees general independence from individual customers.

We limit the risk of defaults on outstanding receivables with the help of a strict reminder system and internal credit limits. We counter political and protectionist risks by assessing the opportunities and risks associated with a given market and, where appropriate, involving distribution and/or production partners.

Exchange rate-related fluctuations in the prices of raw materials have a significant influence on the production costs of our products. Exchange rate fluctuations can therefore negatively impact the gross profit margin and the consolidated net income for the year. FRoSTA purchases many of its raw materials from international markets. Most of these goods are invoiced in US dollars. We make use of regular currency forwards to hedge exchange rate fluctuations. The aim of currency hedging transactions is to hedge specific contracts or negotiated annual talks for the respective period. In addition, a blanket rolling hedge mechanism smooths out short-term fluctuations. As a basic principle, the hedging of exchange rate risks can only compensate to a limited extent for the risk of persistently rising US dollar exchange rates. Correspondingly, declining US dollar exchange rates may give rise to opportunities.

Regular calculation of product costs relating to materials, production and logistics, along with a contribution margin analysis of the respective net selling prices, enables us together with our retail partners to respond to cost developments promptly and in an informed manner, thereby taking account of any resulting risks and opportunities.

Our financing capability depends on our creditworthiness. By continuously improving our earnings and balance sheet strength, we want to focus on equity financing. In doing so, we are opening up additional borrowing potential on the market, which thanks to long-standing partnerships with banks is usually available to us at very short notice. The availability of credit lines enables us to create additional flexibility in short-term financing. Using long-term loans for long-term financing allows us to smooth out the interest rate risk. Overall, we are generally subject to the interest rate risk on the capital market, which has currently increased again, which is why we prefer to consider long-term financing in conjunction with investment grants and favour equity financing.

## OPPORTUNITIES MANAGEMENT

At FRoSTA, risk management processes are also used to identify opportunities at an early stage.

We consider the development of our employees and of a proactive, open culture at FRoSTA as a great opportunity. We encourage support for good ideas at all levels. During the four Supervisory Board meetings held each year, the Executive Board reports to the Supervisory Board on new concepts and lessons learned from their implementation. The same applies to the monthly coordination committee with the Executive Board and Directors, as well as the respective division meetings. We are particularly proud that employees can take advantage of the shop floor meetings held on the production lines during the day to easily and digitally make and track suggestions for improvement. A corresponding ideas management system allows idea providers to participate in the success in a non-bureaucratic way.

We also embrace new ideas at all levels through regular personal contact with employees, business partners, consultants and other companies, as well as by attending trade fairs and other events.

At FRoSTA, we love challenges and frequently derive new ideas and opportunities for improvement from emerging risks or problems.

We see another great opportunity in the qualitative, innovative and regional development of our FRoSTA brand with the Purity Promise, with the aim to attract even more consumers.

## CRITICAL APPRAISAL OF RISKS AND OPPORTUNITIES

As part of the risk management process, the opportunities and risks for FRoSTA are also monitored regularly during the year, as above all the risk of changing costs could significantly impact the consolidated year-end results and, in the event of a negative development, only be passed on to the retail sector over time via higher selling prices.

In assessing the overall risk situation of the FRoSTA Group, we can state that, based on the information known today, there are no risks identifiable at present or



in the foreseeable future that could jeopardise the continued existence of the Group as a going concern.

## REPORT ON EXPECTED DEVELOPMENTS

The prevailing economic conditions in Europe, and in Germany in particular, remain uncertain. While inflation has been successfully brought under control, escalating geopolitical tensions and the call for protectionism are having a dampening effect on the economy. It is therefore particularly important to win back trust in politics, investment and consumption in order to successfully meet the major challenges of climate, technological and demographic change. Against this backdrop, it remains difficult to predict the economic situation in the 2025 financial year.

Even in these difficult times, we first and foremost want to remain consumer-oriented. We also need to take advantage of the opportunities available to continue investing in our products, employees, environment and in our brand with the Purity Promise. In doing so, we rely on our good, partnership-based relationships with suppliers and customers to successfully overcome future supply chain uncertainties together.

We believe we are well positioned for the new financial year 2025 and look forward to making it another successful one. We are expecting to achieve sales growth for the Group of 3% to 9% and an increase in consolidated net income for the year of between 6% and 8% of sales.

Bremerhaven, 10 February 2025

The Executive Board

## OVERVIEW OF FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

in kEUR

|                                                                                                                   | 31/12/2023     | 31/12/2024     | Change        |
|-------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>Sales</b>                                                                                                      | <b>639,480</b> | <b>638,052</b> | <b>-0,2 %</b> |
| Consolidated net profit<br>in % of sales                                                                          | 34,050<br>5.3% | 41,974<br>6.6% | 23.3 %        |
| <b>Balance sheet total</b>                                                                                        | <b>433,342</b> | <b>460,599</b> | <b>6.3%</b>   |
| Current Ratio / Liquidity III (inventories + trade receivables<br>+ cash-in-hand) / (provisions + trade payables) | 176.6 %        | 196.7 %        | 20.0 %        |
| <b>Equity ratio</b>                                                                                               | <b>53.6 %</b>  | <b>56.7 %</b>  | <b>3.1%</b>   |
| <b>Return on Investment (ROI)</b>                                                                                 | <b>17.0%</b>   | <b>22.9%</b>   | <b>5.9%</b>   |

# ANNUAL FINANCIAL STATEMENTS OF THE FRoSTA GROUP

|                                                                              |    |
|------------------------------------------------------------------------------|----|
| CONSOLIDATED INCOME STATEMENT OF FRoSTA AG                                   | 29 |
| CONSOLIDATED BALANCE SHEET OF FRoSTA AG                                      | 30 |
| CONSOLIDATED STATEMENT OF CASH FLOWS OF FRoSTA AG                            | 32 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF FRoSTA AG                     | 33 |
| CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS                      | 34 |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT<br>FOR THE 2024 FINANCIAL YEAR | 37 |
| ACCOUNTING POLICIES AND PRINCIPLES                                           | 37 |
| CONSOLIDATION                                                                | 37 |
| NOTES TO THE ACCOUNTING POLICIES AND MEASUREMENT METHODS                     | 39 |
| NOTES TO THE CONSOLIDATED BALANCE SHEET                                      | 44 |
| NOTES TO THE INCOME STATEMENT                                                | 47 |
| OTHER DISCLOSURES                                                            | 48 |
| INDEPENDENT AUDITORS' REPORT                                                 | 50 |

## CONSOLIDATED INCOME STATEMENT OF FRoSTA AG

FOR THE FINANCIAL YEAR FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

### Consolidated Income Statement of FRoSTA AG (in kEUR)

|                                                                                                                                | 2023            | 2024            | Change            |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------|
| <b>1. Sales</b>                                                                                                                | <b>639,480</b>  | <b>638,052</b>  | <b>-0.2%</b>      |
| 2. Decrease in stock of finished goods and work in progress                                                                    | -4,836          | -159            | -96.7%            |
| 3. Other operating income<br>– of which from currency translation: kEUR 4,378<br>(2023: kEUR 8,459)                            | 16,501          | 7,897           | -52.1%            |
| <b>Gross operating revenue</b>                                                                                                 | <b>651,145</b>  | <b>645,790</b>  | <b>-0.8%</b>      |
| 4. Cost of materials                                                                                                           |                 |                 |                   |
| a) Cost of raw materials, consumables and supplies and of<br>purchased merchandise                                             | -337,363        | -314,555        | -6.8%             |
| b) Cost of purchased services                                                                                                  | -28,712         | -15,649         | -45.5%            |
|                                                                                                                                | <b>-366,075</b> | <b>-330,204</b> | <b>-9.8%</b>      |
| <b>Gross profit</b>                                                                                                            | <b>285,069</b>  | <b>315,586</b>  | <b>10.7%</b>      |
| 5. Personnel expenses                                                                                                          |                 |                 |                   |
| a) Wages and salaries                                                                                                          | -70,669         | -80,224         | 13.5%             |
| b) Social security, post-employment and other employee benefit<br>costs<br>– of which post-employment: kEUR 98 (2023: kEUR 55) | -13,415         | -14,986         | 11.7%             |
|                                                                                                                                | <b>-84,084</b>  | <b>-95,210</b>  | <b>13.2%</b>      |
| 6. Amortisation and write-downs of intangible fixed assets,<br>depreciation and write-downs of tangible fixed assets           | -20,479         | -20,407         | -0.4%             |
| 7. Other operating expenses<br>– of which from currency translation: kEUR 4,568<br>(2023: kEUR 7,673)                          | -132,431        | -141,056        | 6.5%              |
| <b>8. Operating profit</b>                                                                                                     | <b>48,075</b>   | <b>58,913</b>   | <b>22.5%</b>      |
| 9. Write-downs of long-term financial assets and securities classified as<br>current assets                                    | -132            | 0               | -100.0%           |
| 10. Other interest and similar income                                                                                          | 728             | 2,736           | > 100.0%          |
| 11. Interest and similar expenses<br>– of which from unwinding the discount: kEUR 62<br>(2023: kEUR 39)                        | -1,125          | -1,005          | -10.8%            |
| <b>12. Financial result</b>                                                                                                    | <b>-529</b>     | <b>1,731</b>    | <b>&gt; -100%</b> |
| <b>13. Result from ordinary activities</b>                                                                                     | <b>47,546</b>   | <b>60,644</b>   | <b>27.5%</b>      |
| 14. Taxes on income<br>– of which deferred taxes: kEUR -766 (2023: kEUR 266)                                                   | -13,022         | -18,149         | 39.4%             |
| <b>15. Earnings after taxes</b>                                                                                                | <b>34,524</b>   | <b>42,495</b>   | <b>23.1%</b>      |
| 16. Other taxes                                                                                                                | -475            | -521            | 9.7%              |
| <b>17. Consolidated net income for the year /<br/>consolidated net retained profits</b>                                        | <b>34,050</b>   | <b>41,974</b>   | <b>23.3%</b>      |



## CONSOLIDATED BALANCE SHEET OF FRoSTA AG – ASSETS

AS AT 31 DECEMBER 2024

### Consolidated Balance sheet of FRoSTA AG — Assets (in kEUR)

|                                                                                                         | 2023           | 2024           | Change        |
|---------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>A. FIXED ASSETS</b>                                                                                  |                |                |               |
| I. Intangible fixed assets                                                                              |                |                |               |
| Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets | 9,861          | 8,372          | -15.1%        |
| II. Tangible fixed assets                                                                               |                |                |               |
| 1. Land, land rights and buildings                                                                      | 34,133         | 32,633         | -4.4%         |
| 2. Technical equipment and machinery                                                                    | 62,469         | 57,904         | -7.3%         |
| 3. Other equipment, operating and office equipment                                                      | 13,999         | 13,647         | -2.5%         |
| 4. Prepayments and assets under construction                                                            | 2,137          | 3,014          | 41.0%         |
|                                                                                                         | <b>112,738</b> | <b>107,198</b> | <b>-4.9%</b>  |
| III. Long-term financial assets                                                                         |                |                |               |
| 1. Shares in affiliated companies                                                                       | 30             | 30             | 0.0%          |
| 2. Long-term securities and shares in cooperatives                                                      | 6              | 6              | 0.0%          |
|                                                                                                         | <b>36</b>      | <b>36</b>      |               |
|                                                                                                         | <b>122,634</b> | <b>115,606</b> | <b>-5.7%</b>  |
| <b>B. CURRENT ASSETS</b>                                                                                |                |                |               |
| I. Inventories                                                                                          |                |                |               |
| 1. Raw materials, consumables and supplies                                                              | 81,039         | 78,507         | -3.1%         |
| 2. Work in progress                                                                                     | 22,239         | 19,866         | -10.7%        |
| 3. Finished goods and merchandise                                                                       | 44,477         | 43,895         | -1.3%         |
|                                                                                                         | <b>147,754</b> | <b>142,268</b> | <b>-3.7%</b>  |
| II. Receivables and other assets                                                                        |                |                |               |
| 1. Trade receivables                                                                                    | 81,717         | 84,719         | 3.7%          |
| 2. Other assets                                                                                         | 13,132         | 6,752          | -48.6%        |
|                                                                                                         | <b>94,849</b>  | <b>91,471</b>  | <b>-3.6%</b>  |
| III. Cash-in-hand, bank balances                                                                        | <b>67,083</b>  | <b>110,736</b> | <b>65.1%</b>  |
|                                                                                                         | <b>309,687</b> | <b>344,474</b> | <b>11.2%</b>  |
| <b>C. PREPAID EXPENSES</b>                                                                              | <b>1,021</b>   | <b>519</b>     | <b>-49.1%</b> |
| <b>TOTAL ASSETS</b>                                                                                     | <b>433,342</b> | <b>460,599</b> | <b>6.3%</b>   |

## CONSOLIDATED BALANCE SHEET OF FRoSTA AG – – EQUITY AND LIABILITIES

AS AT 31 DECEMBER 2024

### Balance sheet of FRoSTA AG – Equity and Liabilities (in kEUR)

|                                                                       | 2023           | 2024           | Change         |
|-----------------------------------------------------------------------|----------------|----------------|----------------|
| <b>A. EQUITY</b>                                                      |                |                |                |
| I. Issued capital                                                     |                |                |                |
| 1. Subscribed capital                                                 | 17,440         | 17,440         |                |
| 2. Treasury shares                                                    | -15            | -5             | -67.4%         |
|                                                                       | <b>17,425</b>  | <b>17,435</b>  | <b>0.1%</b>    |
| II. Capital reserves                                                  | <b>11,447</b>  | <b>11,447</b>  |                |
| III. Revenue reserves                                                 |                |                |                |
| 1. Legal reserve                                                      | 220            | 220            |                |
| 2. Other revenue reserves                                             | 171,012        | 191,707        | 12.1%          |
| 3. Currency translation difference recognised in equity               | -1,976         | -1,735         | -12.2%         |
|                                                                       | <b>169,256</b> | <b>190,192</b> | <b>12.4%</b>   |
| IV. Consolidated net retained profits                                 | <b>34,050</b>  | <b>41,974</b>  | <b>23.3%</b>   |
|                                                                       | <b>232,178</b> | <b>261,048</b> | <b>12.4%</b>   |
| <b>B. PROVISIONS</b>                                                  |                |                |                |
| 1. Provisions for pensions and similar obligations                    | 1,280          | 1,496          | 16.9%          |
| 2. Provisions for taxes                                               | 9,107          | 15,007         | 64.8%          |
| 3. Other provisions                                                   | 52,615         | 53,599         | 1.9%           |
|                                                                       | <b>63,002</b>  | <b>70,102</b>  | <b>11.3%</b>   |
| <b>C. LIABILITIES</b>                                                 |                |                |                |
| 1. Liabilities to banks                                               | 20,842         | 16,056         | -23.0%         |
| 2. Trade payables                                                     | 106,184        | 103,119        | -2.9%          |
| 3. Other liabilities<br>– of which taxes: kEUR 1,179 (2023: kEUR 741) | 10,337         | 10,274         | -0.6%          |
|                                                                       | <b>137,363</b> | <b>129,449</b> | <b>-5.8%</b>   |
| <b>D. DEFERRED TAXES</b>                                              | <b>799</b>     | <b>0</b>       | <b>-100.0%</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | <b>433,342</b> | <b>460,599</b> | <b>6.3%</b>    |

## CONSOLIDATED STATEMENT OF CASH FLOWS OF FRoSTA AG

FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

### Consolidated statement of cash flows FRoSTA AG (in kEUR)

|                                                                                              | 2023           | 2024           |
|----------------------------------------------------------------------------------------------|----------------|----------------|
| Consolidated net income for the financial year                                               | 34,050         | 41,974         |
| Depreciation, amortisation and write-downs of fixed assets                                   | 20,479         | 20,407         |
| Increase in provisions                                                                       | 522            | 1,156          |
| Other non-cash expenses                                                                      | 1,743          | 0              |
| Gains/losses on disposal of fixed assets                                                     | -42            | -13            |
| Result from non-cash interest income and interest expense                                    | 397            | -1,731         |
| Income tax expense                                                                           | 13,022         | 18,915         |
| Income tax payments                                                                          | -9,119         | -9,260         |
| <b>Cash flow before change in working capital</b>                                            | <b>61,052</b>  | <b>71,448</b>  |
| Decrease in inventories and trade receivables                                                | 18,576         | 2,485          |
| Increase/decrease in trade payables                                                          | 28,132         | -3,064         |
| <b>Change in working capital</b>                                                             | <b>46,708</b>  | <b>-579</b>    |
| Increase/decrease in other assets not attributable to investing or financing activities      | -410           | 2,877          |
| Increase/decrease in other liabilities not attributable to investing or financing activities | 10,924         | -670           |
| <b>Change in other balance sheet items relating to operating activities</b>                  | <b>10,514</b>  | <b>2,206</b>   |
| <b>Cash flow from operating activities</b>                                                   | <b>118,274</b> | <b>73,075</b>  |
| Payments to acquire intangible assets                                                        | -1,790         | -1,879         |
| Proceeds from disposal of fixed assets                                                       | 5              | 7              |
| Payments to acquire tangible fixed assets                                                    | -17,767        | -11,353        |
| Proceeds from grants/subsidies received                                                      | 187            | 158            |
| Interest received                                                                            | 624            | 2,670          |
| <b>Cash flow from investing activities</b>                                                   | <b>-18,741</b> | <b>-10,397</b> |
| Payments to acquire treasury shares                                                          | -1,595         | -1,981         |
| Proceeds from disposal of treasury shares                                                    | 1,656          | 2,236          |
| Dividends to shareholders                                                                    | -10,884        | -13,600        |
| Payments for redemption of borrowings                                                        | -4,995         | -4,787         |
| Interest paid                                                                                | -1,115         | -943           |
| <b>Cash flow from financing activities</b>                                                   | <b>-16,933</b> | <b>-19,075</b> |
| Net change in cash funds                                                                     | 82,600         | 43,603         |
| Effect on cash funds of exchange rate movements                                              | 62             | 50             |
| Cash funds at the beginning of period                                                        | -15,579        | 67,083         |
| <b>Cash funds at the end of period</b>                                                       | <b>67,083</b>  | <b>110,736</b> |

The first-time application of GAS 21 in full resulted in changes in the classification of the consolidated cash flow statement compared to the previous year. This had no impact on the Company's results.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF FRoSTA AG

### Consolidated statement of changes in equity FRoSTA AG (in kEUR)

|                                                           | Sub-<br>scribed<br>capital | Treasury<br>shares | Capital<br>reserves | Currency<br>translation<br>differences | Legal<br>reserve | Other<br>revenue<br>reserves | Consoli-<br>dated net<br>retained<br>profits | Equity         |
|-----------------------------------------------------------|----------------------------|--------------------|---------------------|----------------------------------------|------------------|------------------------------|----------------------------------------------|----------------|
| <b>As at 1 January<br/>2023</b>                           | <b>17,440</b>              | <b>-16</b>         | <b>11,447</b>       | <b>-5,689</b>                          | <b>235</b>       | <b>157,534</b>               | <b>24,304</b>                                | <b>205,255</b> |
| Dividends paid                                            |                            |                    |                     |                                        |                  |                              | -10,884                                      | -10,884        |
| Acquisition of<br>treasury shares                         |                            | -64                |                     |                                        |                  | -1,499                       |                                              | -1,563         |
| Employee share<br>programme                               |                            | 65                 |                     |                                        |                  | 1,558                        |                                              | 1,623          |
| Appropriation to /<br>withdrawal from<br>revenue reserves |                            |                    |                     |                                        | -15              | 13,419                       | -13,419                                      | -15            |
| Currency translation<br>differences                       |                            |                    |                     | 3,713                                  |                  |                              |                                              | 3,713          |
| Consolidated net<br>income for the<br>financial year      |                            |                    |                     |                                        |                  |                              | 34,050                                       | 34,050         |
| <b>As at 31 December<br/>2023</b>                         | <b>17,440</b>              | <b>-15</b>         | <b>11,447</b>       | <b>-1,976</b>                          | <b>220</b>       | <b>171,012</b>               | <b>34,050</b>                                | <b>232,178</b> |
| <b>As at 1 January<br/>2024</b>                           | <b>17,440</b>              | <b>-15</b>         | <b>11,447</b>       | <b>-1,976</b>                          | <b>220</b>       | <b>171,012</b>               | <b>34,050</b>                                | <b>232,178</b> |
| Dividends paid                                            |                            |                    |                     |                                        |                  |                              | -13,600                                      | -13,600        |
| Acquisition of<br>treasury shares                         |                            | -77                |                     |                                        |                  | -1,904                       |                                              | -1,981         |
| Employee share<br>programme                               |                            | 87                 |                     |                                        |                  | 2,149                        |                                              | 2,236          |
| Appropriation to /<br>withdrawal from<br>revenue reserves |                            |                    |                     |                                        |                  | 20,450                       | 20,450                                       | 0              |
| Currency translation<br>differences                       |                            |                    |                     | 241                                    |                  |                              |                                              | 241            |
| Consolidated net<br>income for the<br>financial year      |                            |                    |                     |                                        |                  |                              | 41,974                                       | 41,974         |
| <b>As at 31 December<br/>2024</b>                         | <b>17,440</b>              | <b>-5</b>          | <b>11,447</b>       | <b>-1,735</b>                          | <b>220</b>       | <b>191,707</b>               | <b>41,974</b>                                | <b>261,048</b> |



## CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS 2023/2024

### Consolidated statement of changes in non-current assets 2023 (in kEUR)

|                                                                                                         | Purchase and production costs |                                        |                |              |                        | as at<br>31/12/2023 |
|---------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------|----------------|--------------|------------------------|---------------------|
|                                                                                                         | as at<br>01/01/2023           | Currency<br>translation<br>differences | Addi-<br>tions | Disposals    | Reclassi-<br>fications |                     |
| <b>I. Intangible fixed assets</b>                                                                       |                               |                                        |                |              |                        |                     |
| Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets | 33,718                        | 37                                     | 1,790          | 41           | 1,306                  | 36,810              |
|                                                                                                         | <b>33,718</b>                 | <b>37</b>                              | <b>1,790</b>   | <b>41</b>    | <b>1,306</b>           | <b>36,810</b>       |
| <b>II. Tangible fixed assets</b>                                                                        |                               |                                        |                |              |                        |                     |
| 1. Land, land rights and buildings                                                                      | 105,237                       | 1,352                                  | 2,510          | 203          | 198                    | 109,094             |
| 2. Technical equipment and machinery                                                                    | 223,881                       | 2,944                                  | 11,812         | 1,831        | 4,131                  | 240,937             |
| 3. Other equipment, operating and office equipment                                                      | 67,505                        | 353                                    | 1,780          | 285          | 27                     | 69,380              |
| 4. Prepayments and assets under construction                                                            | 6,250                         | 66                                     | 1,483          | 0            | -5,662                 | 2,137               |
|                                                                                                         | <b>402,873</b>                | <b>4,715</b>                           | <b>17,585</b>  | <b>2,319</b> | <b>-1,306</b>          | <b>421,548</b>      |
| <b>III. Long-term financial assets</b>                                                                  |                               |                                        |                |              |                        |                     |
| 1. Shares in affiliated companies                                                                       |                               | 0                                      | 0              | 18           | 0                      | 375                 |
| 2. Other long-term equity investments                                                                   |                               | 0                                      | 0              | 0            | 0                      | 176                 |
| 3. Long-term securities and shares in cooperatives                                                      | 28                            | 0                                      | 0              | 22           | 0                      | 6                   |
|                                                                                                         | <b>597</b>                    | <b>0</b>                               | <b>0</b>       | <b>40</b>    | <b>0</b>               | <b>557</b>          |
|                                                                                                         | <b>437,188</b>                | <b>4,752</b>                           | <b>19,375</b>  | <b>2,400</b> | <b>0</b>               | <b>458,915</b>      |

### Consolidated statement of changes in non-current assets 2024 (in kEUR)

|                                                                                                         | Purchase and production costs |                                        |                |                        |                        | as at<br>31/12/2024 |
|---------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------|----------------|------------------------|------------------------|---------------------|
|                                                                                                         | as at<br>01/01/2024           | Currency<br>translation<br>differences | Addi-<br>tions | Reclassi-<br>fications | Reclassi-<br>fications |                     |
| <b>I. Intangible fixed assets</b>                                                                       |                               |                                        |                |                        |                        |                     |
| Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets | 36,810                        | 7                                      | 1,842          | 8                      | 46                     | 38,697              |
|                                                                                                         | <b>36,810</b>                 | <b>7</b>                               | <b>1,842</b>   | <b>8</b>               | <b>46</b>              | <b>38,697</b>       |
| <b>II. Tangible fixed assets</b>                                                                        |                               |                                        |                |                        |                        |                     |
| 1. Land, land rights and buildings                                                                      | 109,094                       | 308                                    | 660            | 16                     | 42                     | 110,088             |
| 2. Technical equipment and machinery                                                                    | 240,937                       | 672                                    | 5,485          | 247                    | 1,220                  | 248,067             |
| 3. Other equipment, operating and office equipment                                                      | 69,380                        | 85                                     | 2,777          | 353                    | 94                     | 71,983              |
| 4. Prepayments and assets under construction                                                            | 2,137                         | 12                                     | 2,267          | 0                      | -1,402                 | 3,014               |
|                                                                                                         | <b>421,548</b>                | <b>1,077</b>                           | <b>11,189</b>  | <b>616</b>             | <b>-46</b>             | <b>433,152</b>      |
| <b>III. Long-term financial assets</b>                                                                  |                               |                                        |                |                        |                        |                     |
| 1. Shares in affiliated companies                                                                       | 375                           | 0                                      | 0              | 132                    | 0                      | 243                 |
| 2. Other long-term equity investments                                                                   | 176                           | 0                                      | 0              | 0                      | 0                      | 176                 |
| 3. Long-term securities and shares in cooperatives                                                      | 6                             | 0                                      | 0              | 0                      | 0                      | 6                   |
|                                                                                                         | <b>557</b>                    | <b>0</b>                               | <b>0</b>       | <b>132</b>             | <b>0</b>               | <b>425</b>          |
|                                                                                                         | <b>458,915</b>                | <b>1,084</b>                           | <b>13,031</b>  | <b>756</b>             | <b>0</b>               | <b>472,274</b>      |

| Cumulative depreciation, amortisation and write-downs |                                        |               |              |                     | Net carrying amount |                     |
|-------------------------------------------------------|----------------------------------------|---------------|--------------|---------------------|---------------------|---------------------|
| as at<br>01/01/2023                                   | Currency<br>translation<br>differences | Additions     | Disposals    | as at<br>31/12/2023 | as at<br>31/12/2023 | as at<br>31/12/2022 |
| 24,086                                                | 24                                     | 2,875         | 36           | 26,949              | 9,861               | 9,632               |
| <b>24,086</b>                                         | <b>24</b>                              | <b>2,875</b>  | <b>36</b>    | <b>26,949</b>       | <b>9,861</b>        | <b>9,632</b>        |
| 72,213                                                | 568                                    | 2,353         | 173          | 74,961              | 34,133              | 33,024              |
| 166,701                                               | 1,951                                  | 11,642        | 1,826        | 178,468             | 62,469              | 57,180              |
| 51,856                                                | 189                                    | 3,609         | 273          | 55,381              | 13,999              | 15,649              |
| 0                                                     | 0                                      | 0             | 0            | 0                   | 2,137               | 6,250               |
| <b>290,770</b>                                        | <b>2,708</b>                           | <b>17,604</b> | <b>2,272</b> | <b>308,810</b>      | <b>112,738</b>      | <b>112,103</b>      |
| 213                                                   | 0                                      | 132           | 0            | 345                 | 30                  | 180                 |
| 176                                                   | 0                                      | 0             | 0            | 176                 | 0                   | 0                   |
| 22                                                    | 0                                      | 0             | 22           | 0                   | 6                   | 6                   |
| <b>411</b>                                            | <b>0</b>                               | <b>132</b>    | <b>22</b>    | <b>521</b>          | <b>36</b>           | <b>186</b>          |
| <b>315,267</b>                                        | <b>2,732</b>                           | <b>20,611</b> | <b>2,330</b> | <b>336,280</b>      | <b>122,635</b>      | <b>121,921</b>      |
| Cumulative depreciation, amortisation and write-downs |                                        |               |              |                     | Net carrying amount |                     |
| as at<br>01/01/2024                                   | Currency<br>translation<br>differences | Additions     | Disposals    | as at<br>31/12/2024 | as at<br>31/12/2024 | as at<br>31/12/2023 |
| 26,949                                                | 6                                      | 3,374         | 4            | 30,325              | 8,372               | 9,861               |
| <b>26,949</b>                                         | <b>6</b>                               | <b>3,374</b>  | <b>4</b>     | <b>30,325</b>       | <b>8,372</b>        | <b>9,861</b>        |
| 74,961                                                | 145                                    | 2,360         | 11           | 77,455              | 32,633              | 34,133              |
| 178,468                                               | 512                                    | 11,426        | 243          | 190,163             | 57,904              | 62,469              |
| 55,381                                                | 55                                     | 3,247         | 347          | 58,336              | 13,647              | 13,999              |
| 0                                                     | 0                                      | 0             | 0            | 0                   | 3,014               | 2,137               |
| <b>308,810</b>                                        | <b>712</b>                             | <b>17,033</b> | <b>601</b>   | <b>325,954</b>      | <b>107,198</b>      | <b>112,738</b>      |
| 345                                                   | 0                                      | 0             | 132          | 213                 | 30                  | 30                  |
| 176                                                   | 0                                      | 0             | 0            | 176                 | 0                   | 0                   |
| 0                                                     | 0                                      | 0             | 0            | 0                   | 6                   | 6                   |
| <b>521</b>                                            | <b>0</b>                               | <b>0</b>      | <b>132</b>   | <b>389</b>          | <b>36</b>           | <b>36</b>           |
| <b>336,280</b>                                        | <b>718</b>                             | <b>20,407</b> | <b>737</b>   | <b>356,668</b>      | <b>115,606</b>      | <b>122,635</b>      |

# Mit Bäm. Ohne Bäh.

100% frei von Zusätzen.



ist für alle da

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2024 FINANCIAL YEAR

FRoSTA AKTIENGESELLSCHAFT, BREMERHAVEN  
REGISTERED IN THE COMMERCIAL REGISTER OF THE DISTRICT COURT OF BREMEN  
REGISTER NO.: HRB 1100 BHV

FRoSTA Aktiengesellschaft (in the following FRoSTA AG) is a public limited company under German law listed in the Open Market segment of the Frankfurt Stock Exchange. FRoSTA AG as parent company and its subsidiaries develop, produce and market frozen food products in Germany and Europe. The products are sold under their FRoSTA, Elbtal and TIKO own brand labels and as private labels. The Group's registered seat is in 27572 Bremerhaven, Germany, Am Lunedeich 116.

The consolidated financial statements were prepared in euros. Unless stated otherwise, all amounts are shown in thousands of euros (kEUR).

## (1) ACCOUNTING POLICIES AND PRINCIPLES

The consolidated financial statements of FRoSTA Aktiengesellschaft (in the following FRoSTA AG) as at 31 December 2024 have been prepared in accordance with the regulations for corporations included in the German Commercial Code (HGB), taking into account the additional provisions of the German Stock Corporation Act (AktG).

The consolidated financial statements have been prepared on the basis of the going concern assumption. Comparative figures from 2023 are stated for all line items of the consolidated financial statements.

The single-entity financial statements of FRoSTA AG and its subsidiaries are included in the consolidated financial statements using uniform recognition and measurement principles applicable to the Group as a whole.

The consolidated income statement is presented using the total cost (nature of expense) format.

## CONSOLIDATION

(2)

### CONSOLIDATION DATE

The reporting date (31 December) for the consolidated financial statements corresponds to the balance sheet date of the annual financial statements of the parent company and all entities to be consolidated..

### CONSOLIDATION PRINCIPLES

The financial statements of all entities included in the consolidated financial statements are drawn up according to uniform accounting principles. Insofar as the financial statements of entities included in the consolidation deviate from the uniform accounting policies and measurement methods, the adjustments are stated in single-entity financial statements adjusted to comply with uniform group accounting policies (Handelsbilanz II).

On first-time inclusion of subsidiaries in the consolidated financial statements, the acquisition cost of the investment is eliminated against the Group's share in the carrying amount of the equity of the respective entity.

The difference between the acquisition cost of the investment and the proportionate equity is initially allocated to the assets and liabilities of the subsidiary corresponding to the Group's share in the equity insofar as their fair values differ from the carrying amounts. Any excess of costs over



net assets acquired shall be recognised as goodwill on the assets side of the consolidated balance sheet.

The consolidation methods remained unchanged compared with the previous year.

Expenses and income as well as receivables and liabilities between consolidated entities are eliminated. Intercompany profits and losses from transactions between consolidated entities are eliminated through profit or loss.

## GROUP REPORTING ENTITY

All subsidiaries under the legal and/or factual control of FRoSTA AG are included in the consolidated financial statements.

### Fully consolidated subsidiaries

| Name of entity                       | Registered seat of entity | Share of capital held in 2023 (%) | Share of capital held in 2024 (%) |
|--------------------------------------|---------------------------|-----------------------------------|-----------------------------------|
| Copack Tiefkühlkost-Produktions GmbH | Bremerhaven               | 100.00                            | 100.00                            |
| FRoSTA Tiefkühlkost GmbH             | Bremerhaven               | 100.00                            | 100.00                            |
| FRoSTA Foodservice GmbH              | Bremerhaven               | 100.00                            | 100.00                            |
| FRoSTA CR s.r.o.                     | Prague/Czech Republic     | 100.00                            | 100.00                            |
| FRoSTA Sp. z o.o.                    | Bydgoszcz/Poland          | 100.00                            | 100.00                            |
| Tiko Vertriebsgesellschaft mbH       | Bremerhaven               | 100.00                            | 100.00                            |
| FRoSTA S.r.l.                        | Rome/Italy                | 100.00                            | 100.00                            |
| Copack S.r.l.                        | Rome/Italy                | 100.00                            | 100.00                            |

The consolidated financial statements for the financial year do not include the following entities whose effect on

the Group's financial position, financial performance and cash flows is not material:

### Companies not included in the consolidated financial statements

| Name of entity         | Registered seat of entity | Share of capital held in 2023 (%) | Share of capital held in 2024 (%) | Equity (in kEUR) | Net profit/loss for 2024 (in kEUR) |
|------------------------|---------------------------|-----------------------------------|-----------------------------------|------------------|------------------------------------|
| FRoSTA Romania S.R.L.  | Bucharest/Romania         | 100.00                            | 100.00                            | 0                | 0                                  |
| NORDSTERN America Inc. | Seattle/USA               | 100.00                            | 100.00                            | <sup>1</sup>     | <sup>1</sup>                       |
| FRoSTA Hungary Kft.    | Esztergom/Hungary         | 100.00                            | 100.00                            | 105              | 9                                  |

<sup>1</sup> The entity is no longer in business, there are no data available.

The OOO FRoSTA, Moscow/Russia entity was liquidated in the reporting year.

### (3) NOTES TO THE ACCOUNTING POLICIES AND MEASUREMENT METHODS

#### INCOME STATEMENT

Only product sales resulting from ordinary Group operating activities are disclosed as sales revenue. FRoSTA recognises sales revenue for product sales when the goods are handed over to the freight forwarder or, alternatively, upon proof that the delivery has been carried out and the risk has been transferred to the customer.

FRoSTA exclusively recognises sales revenue from fixed-price contracts with customers at a point in time when control of the goods or services passes to the customer. Since they are deducted from the agreed service charge by the customer and there is no separate performance obligation, advertising cost allowances are recognised under sales allowances.

Operating expenses are recognised in profit or loss at the point in time when the service in question is rendered or the expenses are incurred. Expenses and income for the financial year are included in the consolidated financial statements regardless of the dates of the corresponding payments. All foreseeable risks and losses that have arisen up to the reporting date are taken into account. Gains are only taken into account to the extent that they have been realised at the reporting date.

Expense-related grants and subsidies are recognised as income in the financial year in which the related costs were incurred that they are intended to compensate.

#### BALANCE SHEET

#### INTANGIBLE FIXED ASSETS

Intangible fixed assets are recognised at cost at the time of transfer of economic or legal ownership, and amortised on a straight line basis over their expected useful life and, if necessary, written down.

From the 2021 financial year, the trademark rights for La Valle degli Orti have been amortised over their expected residual useful life of 10 years.

#### TANGIBLE FIXED ASSETS

Tangible fixed assets are recognised at cost at the time of transfer of economic or legal ownership, reduced, where finite-lived, by use-related straight-line depreciation and, if necessary, write-downs.

Purchase or production cost includes the purchase price plus any costs directly attributable to bringing the asset to the required location and working condition.

The production cost of self-generated tangible fixed assets includes all direct costs and an appropriate share of indirect materials costs, indirect labour costs and depreciation of the assets. The Group does not exercise the option pursuant to Section 255 (3) sentence 2 HGB to recognise interest on borrowings.

Depreciation is carried out uniformly throughout the Group over the following useful lives.

#### Depreciation period of property, plant and equipment

|                                      | Useful life<br>in years |
|--------------------------------------|-------------------------|
| Buildings                            | 25 – 40                 |
| Other constructions                  | 10 – 19                 |
| Technical equipment and machinery    | 7 – 15                  |
| IT equipment                         | 3 – 7                   |
| Other operating and office equipment | 5 – 13                  |

Write-downs are recognised where impairments are expected to be permanent. If the reasons for the write-down no longer apply, the write-down is reversed, whereby the maximum amount of any reversal may not

exceed the amount that would have been recognised as amortised cost.

Low-value assets with a purchase or production cost of up to EUR 800 are written down in full in the year of acquisition and their disposal is assumed.

A fixed value is recognised for transport pallets.

Investment grants and investment subsidies are recognised if there is reasonable assurance that these grants will actually be received and the requirements attached to them will be fulfilled. They result in a reduction of the purchase or production cost of the subsidised assets.

Costs incurred for repairs of items of tangible fixed assets are always expensed. They are only capitalised if the costs result in an enhancement or significant improvement of the asset.

Gains or losses from the disposal of fixed assets are shown in other operating income or expenses.

## LONG-TERM FINANCIAL ASSETS

Long-term financial assets are recognised at cost at the time of transfer of economic or legal ownership and, where the impairment is expected to be permanent, carried at cost less write-downs to fair value at the reporting date.

## WRITE-DOWNS OF INTANGIBLE FIXED ASSETS, TANGIBLE FIXED ASSETS AND LONG-TERM FINANCIAL ASSETS

FRoSTA AG examines the carrying amounts of fixed assets to assess the need to recognise write-downs as soon as events occur or circumstances change implying that permanent impairment has occurred.

A write-down is recognised when the fair value is lower than the asset's respective carrying amount. The fair value

is determined on the basis of the expected future cash flow from the use of the asset based on the discounted cash flow method. Write-downs are charged directly to profit or loss.

If the reasons for the write-down no longer apply, the write-down is reversed, whereby the maximum amount of any reversal may not exceed the amount that would have been recognised as amortised cost.

## INVENTORIES

Inventories are measured at cost. Write-downs to fair value are charged if the market price is lower than the original purchase or production cost.

The purchase cost of raw materials, supplies and goods is based on the purchase prices plus transaction costs less purchase price reductions.

The production cost of finished goods and work in progress includes direct production costs as well as an appropriate share of indirect labour and materials costs.

Furthermore, depreciation and amortisation of fixed assets may be included in production costs to the extent that they are attributable to the production process.

General and administrative costs, expenses for social amenities of the Company, the costs of voluntary social benefits and of occupational pensions are not included in production cost.

Write-downs are recognised to anticipate identifiable expected losses and for inventory risks arising from excessive storage times or reduced usability. Allowances for finished goods as at the end of the reporting period amounted to kEUR 1,539 (2023: kEUR 1,107) as well as kEUR 1,228 (2023: kEUR 2,298) for raw materials, consumables and supplies, and for unfinished goods.

## RECEIVABLES AND OTHER ASSETS

Receivables and other assets are carried at nominal value. Identifiable individual risks relating to doubtful debts are taken into account through corresponding specific valuation allowances.

## CASH AND CASH EQUIVALENTS

The cash holdings and credit balances at banks are recognised at their nominal value.

## PREPAID EXPENSES

Prepaid expenses relate to expenses incurred prior to the reporting date of the financial statements which represent an expenditure allocable to future periods.

## DEFERRED TAXES

The calculation of deferred taxes is based on the temporary differences between the carrying amounts of balance sheet items from an accounting and a tax perspective in accordance with Section 274 HGB. The option to recognise only the surplus of deferred tax liabilities is generally exercised. The calculation is made on the basis of the future tax rates applicable at the balance sheet date.

## EXCESS OF PLAN ASSETS OVER POST-EMPLOYMENT BENEFIT LIABILITY

Partial retirement benefit obligations are hedged by pension liability claims from life insurance policies. These assets are exempt from attachment by all other creditors and serve exclusively to settle liabilities from partial retirement benefit obligations. Accordingly, they are offset against the settlement amount of the hedged obligation. If the fair value of the assets (plan assets) is higher than the amount of the obligations from partial retirement, the assets are recognised with the carrying amount of the corresponding pension liability claims from life insurance policies so that there is no excess of plan assets over post-employment benefit liability as at the reporting date.

## PENSION OBLIGATIONS

Pension obligations are measured in accordance with the principles of the projected unit credit method. The amount of the provision is defined as the actuarial present value of the pension obligation earned by employees up to that date in accordance with the pension formula and vesting rules based on their length of past service. The biometric actuarial assumptions are based on the "Richttafeln 2018 G" mortality tables issued by Dr Klaus Heubeck in the version of October 2018 (Heubeck Richttafeln 201 8G). The discount rate used is the average market interest rate of the past 10 years of 1.90% p.a. calculated by the Deutsche Bundesbank as at the balance sheet date, which results from a basic assumption of a residual term of 15 years. A salary trend of 2.0% and a pension trend of 2.3% p.a. were assumed. Fluctuation is taken into account by applying age- and gender-dependent sector-specific probabilities of fluctuation.

The carrying amount pursuant to Section 253 (2) HGB applying the 10-year average interest rate of 1.90% (2023: 1.83%) was kEUR 1,496 in the financial year 2024 (2023: kEUR 1,280).

Applying the 7-year average interest rate pursuant to Section 253 (6) HGB of 1.97% (2023: 1.76%) would similarly have produced a carrying amount of kEUR 1,496 (2023: kEUR 1,281).

## OTHER PROVISIONS

Other provisions take into account all identifiable legal and de facto obligations a corporation has towards third parties, where settlement is likely and the level of settlement can be reliably estimated. Provisions are recognised as a liability in the amount deemed necessary by applying prudent business judgement to meet the future obligations. For provisions with a residual term of more than one year, future price and cost increases are taken into account in the amount of the general inflation rate and discounted to the balance sheet date. The average market interest rates of the past 7 financial years corresponding to the



residual terms of the provisions are used as the discount rate, as determined and announced monthly by the Deutsche Bundesbank in accordance with the Regulation on the Discounting of Provisions.

Long-term employee benefits include jubilee benefits and partial retirement benefit obligations. Jubilee benefits are measured in accordance with the principles of the projected unit credit method (PUC method). The amount of the provision in accordance with the PUC method is defined as the actuarial present value of the jubilee benefits earned pro rata temporis up to the reporting date. The amount of the provision shall be determined taking into account trend assumptions regarding the future development of entitlements as well as any probabilities of fluctuation. The biometric actuarial assumptions are based on the "Richttafeln 2018 G" mortality tables issued by Dr Klaus Heubeck. The settlement amount of the jubilee provisions as at 31 December 2024, taking into account an interest rate of 1.97% p.a. and a salary trend of 2.00% p.a., was kEUR 4,255 (2023: kEUR 3,858).

Provisions for partial retirement benefits include expenses for wage and salary payments to employees in the release phase as well as top-up payments. Potential beneficiaries are included in the provisions in the current financial year. The measurement is carried out in accordance with statement IDW-RS HFA 3 of 19 June 2013 issued by the Institute of Public Auditors in Germany (IDW).

Insofar as biometric influencing factors are to be taken into account, the "Richttafeln 2018 G" mortality tables issued by Dr Klaus Heubeck are used. The following additional assumptions were used:

|                             |       |
|-----------------------------|-------|
| Assumed interest rate p.a.: | 1.97% |
| Salary trend p.a.:          | 2.00% |

Partial retirement benefit obligations are hedged by pension liability claims from life insurance policies. These assets are exempt from attachment by all other creditors and serve exclusively to settle liabilities from partial retirement benefit obligations. Accordingly, they are offset against the settlement amount of the hedged obligation.

The provisions for partial retirement were recognised with a settlement amount of kEUR 274. This was determined

based on an interest rate of 1.97% (Section 253 (2) sentence 1 HGB). The fair value of assets invested amounted to kEUR 320. The partial retirement benefit obligations were therefore measured at the carrying amount of the corresponding pension liability claim.

In the previous year, the settlement amount of partial retirement benefit provisions was kEUR 360. The fair value of assets invested amounted to kEUR 313. After offsetting the plan assets against the underlying partial retirement benefit obligation, the amount of the provision was kEUR 47.

No return was earned on plan assets in 2024, thus rendering offsetting against expenses unnecessary.

Provisions for restructuring are only taken into account if at the end of the reporting period the intended measures have become sufficiently concrete and have been communicated.

## LIABILITIES

Liabilities are recognised with their respective settlement amounts at the balance sheet date.

## DERIVATIVE FINANCIAL INSTRUMENTS

Currency forwards are the only derivative financial instruments currently used. These are only concluded with banks which have an excellent credit rating. Such transactions are used strictly in line with FRoSTA's own internal procedures and are subject to stringent internal controls. These transactions are concluded with the sole aim to safeguard the operating business and the financing transactions associated with it. Hedging mainly concerns US dollar requirements. These occur because FRoSTA purchases some of the required raw materials in this currency without reporting any US dollar income.

Interest hedging instruments are used as required to provide variable financing on a medium- and long-term basis.

Derivative financial instruments are accounted for at cost at the transaction date. They are subsequently recognised at their fair value. The banks establish the fair values based on market quotations.

All derivative financial instruments are treated as stand-alone derivatives, i.e. all realised and unrealised gains and

losses resulting from the development of the fair values are recognised directly in profit or loss.

### Scope and fair values of the derivatives (in kEUR)

| Financial instrument | Type          | 31/12/2023     |            | 31/12/2024     |            |
|----------------------|---------------|----------------|------------|----------------|------------|
|                      |               | Nominal amount | Fair value | Nominal amount | Fair value |
| Currency forward     | Purchase kUSD | 43,034         | -430       | 16,866         | -5         |

The fair value is the amount that would have to be paid or would be received on the reporting date assuming termination of the hedging transactions. As the hedging transactions at the time of acquisition only concerned arm's length transactions, the fair value was established on the basis of market quotations. Hedge accounting was not applied.

As the underlying contracts have been agreed with banks with sound credit ratings, no credit risks exist for these financial instruments.

### CURRENCY TRANSLATION

The consolidated financial statements are prepared in euros, the reporting currency of the Group. Each entity within the Group determines its own functional currency. Items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially translated to the functional currency at the applicable spot rate on the date the transaction occurred.

Trade receivables and payables as well as receivables and liabilities from/to affiliated companies in foreign currencies with a residual term of up to one year are generally measured at the middle spot rate at the balance sheet date. Unrealised gains as well as losses are recognised. Derivative financial instruments, in contrast, are recognised in accordance with the imparity principle, i.e. provisions are recognised for unrealised losses, whereas unrealised gains (profits) may not be recognised.

The assets and liabilities of foreign subsidiaries are subsequently translated to euros at the applicable exchange rate at the balance sheet date. Income and expenses are translated at average monthly exchange rates, because due to minor exchange rate fluctuations in the given period, this is an accurate reflection of the exchange rates on the day the transactions occurred. The exchange rate differences that occur from translation are presented as currency translation difference recognised in equity.

Currency translation differences from consolidation of intercompany balances and consolidation of intercompany profits (losses) are presented directly in Group equity under currency translation difference recognised in equity.

The following exchange rates were taken into account when preparing the consolidated financial statements and the consolidated income statement (equivalent value for EUR 1):

### Development of the exchange rates of the most important currencies

|              | Average rate |          | Closing rate on 31/12 |          |
|--------------|--------------|----------|-----------------------|----------|
|              | 2023         | 2024     | 2023                  | 2024     |
| Polish złoty | 4.54412      | 4.30574  | 4.34204               | 4.27100  |
| Czech koruna | 24.00776     | 25.11892 | 24.70601              | 25.18500 |

## (4) NOTES TO THE CONSOLIDATED BALANCE SHEET

### FIXED ASSETS

The development of the individual items of fixed assets as well as the development of depreciation, amortisation and write-downs in the financial year is presented in the consolidated statement of changes in fixed assets attached as an appendix to these Notes.

The share of foreign subsidiaries in the net carrying amount of intangible fixed assets as at 31 December 2024 amounted to kEUR 693 (2023: kEUR 647).

The share of tangible fixed assets located abroad, primarily in Poland, in the net carrying amount as at 31 December 2024 amounted to kEUR 22,604 (2023: kEUR 24,162).

Investment grants and subsidies received in the financial year reduced the net carrying amounts by kEUR 1,538 (2023: kEUR 1,340).

The reversal of investment grants and subsidies of kEUR 117 (2023: kEUR 99) directly reduced gross depreciation/amortisation.

Transport pallets were recognised at a fixed rate of kEUR 871 (2023: kEUR 871).

In the reporting year no borrowing costs were capitalised.

### INVENTORIES

Inventories shown in the consolidated balance sheet can be broken down as follows:

| Inventories (in kEUR)                   |                |                |
|-----------------------------------------|----------------|----------------|
|                                         | 31/12/2023     | 31/12/2024     |
| Raw materials, consumables and supplies | 81,039         | 78,507         |
| Unfinished goods                        | 22,238         | 19,866         |
| Finished goods and merchandise          | 44,477         | 43,895         |
| <b>Inventories</b>                      | <b>147,754</b> | <b>142,268</b> |

### Receivables and other assets (in kEUR)

|                                                            | 31/12/2024                 | residual term more than 1 year |
|------------------------------------------------------------|----------------------------|--------------------------------|
| Trade receivables (previous year)                          | 84,719<br>(81,717)         | 0<br>(0)                       |
| Miscellaneous receivables and other assets (previous year) | 6,752<br>(13,132)          | 0<br>(0)                       |
| <b>Receivables and other assets (previous year)</b>        | <b>91,471<br/>(94,849)</b> | <b>0<br/>(0)</b>               |

### DEFERRED TAX ASSETS / DEFERRED TAX LIABILITIES

Pursuant to Section 274 (1) HGB, deferred taxes shall be recognised on temporary differences between the accounting and tax carrying amounts of assets, liabilities, prepaid expenses and deferred income. Deferred taxes

were calculated using a combined tax rate of corporation tax plus solidarity surcharge and trade tax applicable for the financial year of 31.10 % (2023: 31.17 %). The items under Section 306 HGB were combined with the items under Section 274 HGB.

### Deferred tax assets and liabilities (in kEUR)

|                           | 31/12/2023             |                             | 31/12/2024             |                             |
|---------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|                           | Deferred<br>tax assets | Deferred<br>tax liabilities | Deferred<br>tax assets | Deferred<br>tax liabilities |
| Intangible fixed assets   | 5                      | 1,705                       | 4                      | 1,122                       |
| Tangible fixed assets     | 498                    | 1,429                       | 514                    | 1,212                       |
| Inventories               | 0                      | 185                         | 41                     | 0                           |
| Trade receivables         | 22                     | 0                           | 36                     | 0                           |
| Provisions for pensions   | 70                     | 0                           | 5                      | 0                           |
| Other provisions          | 2,049                  | 0                           | 1,840                  | 0                           |
| Trade payables            | 63                     | 187                         | 485                    | 0                           |
| Miscellaneous liabilities | 0                      | 0                           | 0                      | 0                           |
| <b>Total</b>              | <b>2,707</b>           | <b>3,506</b>                | <b>2,925</b>           | <b>2,334</b>                |
| Netting                   | -2,707                 | -2,707                      | -2,925                 | -2,334                      |
| <b>Balance</b>            | <b>0</b>               | <b>799</b>                  | <b>0</b>               | <b>0</b>                    |

A resulting theoretical tax benefit was not recognised in accordance with the option as set forth in Section 274 HGB.

### EQUITY

Changes in Group equity are shown in the statement of changes in equity.

An equity ratio is aimed at that safeguards the entity's economic independence. This should be achieved through self-financing.

At 31 December 2024, the subscribed capital of the parent entity amounted to EUR 17,440,250.88 and was divided into 6,812,598 no-par value bearer shares with an accounting par value each of EUR 2.56.

In accordance with a resolution passed at the Annual General Meeting on 11 April 2024, an amount of EUR 12,723,589.83 was appropriated to other revenue reserves from the recognised net retained profits of EUR 26,323,405.83. Revenue reserves include profits generated in prior periods to the extent that they were not distributed.

A total of 1,926 FRoSTA AG no-par value bearer shares held as treasury shares with a nominal value of EUR 4,930.56, or 0.03% of the share capital, were offset against equity. The purchase cost amount of EUR 117,616.44 exceeding the nominal value was recognised as a reduction in the revenue reserves.

These 1,926 no-par value bearer treasury shares resulted from the following purchase and sales transactions:



In the context of a share buyback in the period between 27 February 2024 and 1 August 2024, FRoSTA AG reacquired 30,142 treasury shares, corresponding to a nominal amount of EUR 77,163.52, or 0.44% of the share capital. This cost EUR 1,981,207.00, which equates to a weighted average price of EUR 65.73 per share.

FRoSTA AG subsequently sold 29,884 no-par value bearer treasury shares under an employee share programme. This corresponds to a nominal amount of EUR 76,503.04, or 0.44% of the share capital as at 31 December 2024. For these shares, FRoSTA AG received a total of EUR 670,579.60 to be used as it deems fit. As part of a bonus scheme, the parent entity issued 4,231 shares to employees at first-tier management level below the Executive Board.

The share buybacks were determined on the basis of the shares sold in the previous year within the scope of the share-based remuneration scheme and employee share programme. Under Section 71b of the German Stock Corporation Act (AktG), the no-par value bearer shares held as treasury shares are not entitled to any rights. Apart from this, there is authorised capital, as yet unused, for a fixed period until 26 April 2028, amounting to EUR 1,000,000.00 for the issuing of shares to employees of the parent entity and its affiliated companies.

## OTHER PROVISIONS

| Other provisions (in kEUR)                                                      | 31/12/2024    |
|---------------------------------------------------------------------------------|---------------|
| Provision for jubilee benefits                                                  | 4,255         |
| Provision for partial retirement benefit obligations                            | 0             |
| Provision for restructuring                                                     | 705           |
| Provision for bonuses                                                           | 7,057         |
| Provision for unused vacation time                                              | 2,208         |
| Provision for flexitime, annual working hours and shift leave                   | 2,916         |
| Provision for profit-sharing                                                    | 557           |
| Provision for outstanding invoices                                              | 8,750         |
| Provision for payment differences                                               | 434           |
| Provision for obligations from sales-related agreements on terms and conditions | 24,548        |
| Provision for debt collection commissions                                       | 1,026         |
| Provision for tax consultancy                                                   | 249           |
| Provision for period-end closing costs                                          | 153           |
| Provision for remuneration of the Supervisory Board                             | 204           |
| Provision for expected losses from purchase and sale contracts                  | 68            |
| Miscellaneous provisions                                                        | 469           |
| <b>Total</b>                                                                    | <b>53,599</b> |

## Liabilities (in kEUR)

|                      | Total amount | of which due within |                  |                            |
|----------------------|--------------|---------------------|------------------|----------------------------|
|                      |              | up to 1 year        | more than 1 year | of which more than 5 years |
| Liabilities to banks | 16,056       | 3,928               | 12,127           | 2,105                      |
| (previous year)      | (20,842)     | (4,786)             | (16,056)         | (3,899)                    |
| Trade payables       | 103,119      | 103,119             | 0                | 0                          |
| (previous year)      | (106,184)    | (106,184)           | (0)              | (0)                        |
| Other liabilities    | 10,274       | 10,274              | 0                | 0                          |
| (previous year)      | (10,337)     | (10,337)            | (0)              | (0)                        |

The liabilities to banks were guaranteed by mortgages amounting to kEUR 972 (2023: kEUR 1,528). Customary retentions of title apply to trade payables.

## (5) NOTES TO THE CONSOLIDATED INCOME STATEMENT

### SALES

Sales concerns the sale of goods and can be broken down as follows:

#### Sales by region (in kEUR)

|                 | 2023           | 2024           | Change %    |
|-----------------|----------------|----------------|-------------|
| Germany         | 401,850        | 395,550        | -1.6        |
| Outside Germany | 237,630        | 242,502        | 2.0         |
| <b>Sales</b>    | <b>639,480</b> | <b>638,052</b> | <b>-0.2</b> |

#### Sales by product groups (in kEUR)

|                                | 2023           | 2024           | Change %    |
|--------------------------------|----------------|----------------|-------------|
| Fish                           | 293,704        | 288,367        | -1.8        |
| Fruit and vegetables           | 141,058        | 132,306        | -6.2        |
| Ready meals and other products | 204,718        | 217,379        | 6.2         |
| <b>Sales</b>                   | <b>639,480</b> | <b>638,052</b> | <b>-0.2</b> |

### INCOME AND EXPENSES OF EXCEPTIONAL SCALE OR SIGNIFICANCE

In the financial year 2024, no income of exceptional scale or exceptional significance was recognised (2023: kEUR 3,926).

### OTHER OPERATING INCOME

Other operating income included prior-period income amounting to kEUR 1,622 (2023: kEUR 1,084) as well as income from currency translation amounting to

kEUR 4,378 (2023: kEUR 8,459). Prior-period income mainly related to the reversal of personnel provisions and other provisions.

### Personnel expenses (in kEUR)

|                               | 2023          | 2024          |
|-------------------------------|---------------|---------------|
| Wages and salaries            | 69,589        | 78,934        |
| Social security contributions | 13,360        | 14,888        |
| Post-employment benefit costs | 55            | 98            |
| Costs of share-based payments | 1,080         | 1,290         |
| <b>Personnel expenses</b>     | <b>84,084</b> | <b>95,210</b> |

The interest component included in personnel expenses is shown in the financial result.

### OTHER OPERATING EXPENSES

Other operating expenses included prior-period expenses amounting to kEUR 630 (2023: kEUR 711) as well as expenses from currency translation amounting to kEUR 4,568 (2023: kEUR 7,673). Prior-period expenses mainly related to subsequently calculated bonuses and retrospective invoicing.

### INTEREST AND SIMILAR EXPENSES

The interest cost of provisions for pensions and jubilee benefits amounted to kEUR 50 in the 2024 financial year (2023: kEUR 37). No return was earned on plan assets in 2024, thus rendering offsetting against expenses unnecessary.

### TAXES ON INCOME AND DEFERRED TAXES

Taxes on income are made up of trade tax, corporation tax, solidarity surcharge and the applicable foreign taxes.

**Tax expense by origin (in kEUR)**

|                                             | 2023          | 2024          |
|---------------------------------------------|---------------|---------------|
| Current taxes Germany                       | 10,895        | 13,990        |
| Current foreign taxes                       | 3,070         | 4,247         |
| <b>Current taxes for the financial year</b> | <b>13,965</b> | <b>18,237</b> |
| Taxes for prior periods                     | -1,209        | 679           |
| <b>Taxes on income</b>                      | <b>12,756</b> | <b>18,916</b> |
| Deferred taxes Germany                      | 659           | -1,257        |
| Deferred foreign taxes                      | -393          | 491           |
| <b>Deferred taxes</b>                       | <b>266</b>    | <b>-766</b>   |
| <b>Tax expense</b>                          | <b>13,022</b> | <b>18,150</b> |

**CASH FUNDS**

Cash funds is made up of cash and cash equivalents of the Group.

**(6) OTHER DISCLOSURES****DISCLOSURES ON THE GOVERNING BODIES**

During the financial year, the parent entity's business was conducted by the following persons:

- Felix Ahlers, businessman, Hamburg, Chairman
- Hinnerk Ehlers, businessman, Hamburg, Executive Board Member Marketing, Sales
- Maik Busse, businessman, Bremerhaven, Executive Board Member Finances, Financial Controlling, IT, Operations & HR

During the financial year, the following persons were members of the Supervisory Board:

- Volker Kuhn, businessman, Geneva, Chairman of the Supervisory Board, President Hygiene, Reckitt Benckiser (From 1 April 2025 Executive Vice President Europe, Mondelez)
- Dirk Ahlers, businessman, Hamburg, Vice Chairman
- Torsten Richter, Lommatzsch, employee of FRoSTA AG, Lommatzsch (until 24 May 2024).
- Frank Brede, Bremerhaven, employee of FRoSTA AG, Bremerhaven (from 25 May 2024)

**TOTAL REMUNERATION FOR MEMBERS OF THE GOVERNING BODIES (SECTION 314 (1) NO. 6 HGB)**

The members of the Executive Board receive remuneration made up of the following components:

- a fixed basic annual salary
- a variable remuneration component for the purchase of FRoSTA shares
- a variable remuneration component dependent on consolidated pre-tax profit
- a long-term bonus component oriented towards the 3-year average return on investment (ROI) of FRoSTA AG.

The total remuneration of the Executive Board of FRoSTA AG in the 2024 financial year amounted to kEUR 4,362 (2023: kEUR 3,361). Of this, the fixed remuneration came to kEUR 987 (2023: kEUR 937) and variable remuneration to kEUR 3,375 (2023: kEUR 2,424).

The members of the Supervisory Board receive remuneration made up of the following components:

- a fixed basic annual salary paid once a year
- a performance bonus related to earnings per share, which is also paid once a year

The remuneration of the Supervisory Board amounted to kEUR 204 (2023: kEUR 192), of which kEUR 102 (2023: kEUR 83) was variable remuneration and kEUR 102 (2023: kEUR 109) was fixed remuneration.

**Number of employees (Annual average)**

|                                                                  | 2023         | 2024         |
|------------------------------------------------------------------|--------------|--------------|
| Wage earners                                                     | 1,073        | 1,146        |
| Salaried staff                                                   | 574          | 589          |
| of whom trainees                                                 | 2            | 4            |
| <b>Number of employees pursuant to Section 314 (1) no. 4 HGB</b> | <b>1,647</b> | <b>1,735</b> |
| Apprentices                                                      | 18           | 25           |
| <b>Number of employees</b>                                       | <b>1,665</b> | <b>1,760</b> |

**OTHER FINANCIAL OBLIGATIONS**

Other financial obligations not recognised in the balance sheet exist as follows:

### Other financial obligations (in kEUR)

|                                                            | 31/12/2023    | 31/12/2024    |
|------------------------------------------------------------|---------------|---------------|
| Obligations arising from current lease agreements          | 1,420         | 2,988         |
| Obligations under current rental and maintenance contracts | 4,783         | 6,127         |
| Purchase commitments from expansion investments            | 2,437         | 6,596         |
| Consignment agreements                                     | 2,698         | 1,654         |
| <b>Other financial obligations</b>                         | <b>11,338</b> | <b>17,365</b> |

Obligations arising from current lease agreements resulted mostly from the leasing of cars and industrial trucks and exclusively take the form of operating lease agreements. Obligations under current rental contracts concerned rent for office space, software and communications systems.

As a result of contract extensions for the SAP cloud and industrial trucks, financial obligations for the new residual contract term have increased.

On the balance sheet date, other financial obligations had the following residual terms:

### Due dates for other financial obligations (in kEUR)

|                                                               | < 1 year     | 1–5 year     | > 5 year   |
|---------------------------------------------------------------|--------------|--------------|------------|
| Future payments from current lease agreements                 | 994          | 1,966        | 27         |
| Future payments from current rental and maintenance contracts | 4,454        | 1,363        | 311        |
| <b>Total</b>                                                  | <b>5,448</b> | <b>3,329</b> | <b>338</b> |

Total expenditure from rental and lease agreements amounted to kEUR 6,047 (2023: kEUR 4,946).

### CONTINGENT LIABILITIES

The FRoSTA Group believes there are no contingent liabilities.

### TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties on a non-arm's length basis in the 2024 financial year.

### AUDITORS' FEES

#### Auditors' fees (in kEUR)

|                          |            |
|--------------------------|------------|
| Auditing services        | 129        |
| Other assurance services | 51         |
| <b>Total</b>             | <b>180</b> |

### REPORT ON POST-BALANCE SHEET DATE EVENTS

No significant events having a material impact on the financial position, financial performance and cash flows as at 31 December 2024 occurred after the balance sheet date.

### APPROPRIATION OF NET PROFIT OF THE PARENT ENTITY

Based on 6,812,598 no-par value bearer shares, less 1,926 no-par value bearer treasury shares not entitled to a dividend in accordance with Section 71b of the German Stock Corporation Act (AktG), the number of no-par value bearer shares entitled to a dividend came to 6,810,672.

At the Annual General Meeting, we will be proposing a dividend payment of EUR 2.40 per share corresponding to a total dividend payment of EUR 16,345,612.80. This payment will be taken from the net income for the year as at 31 December 2024 of EUR 27,380,241.85. The remaining EUR 11,034,629.05 will be allocated to other revenue reserves.

Bremerhaven, 10 February 2025

The Executive Board



Felix Ahlers



Maik Busse



Hinnerk Ehlers



## INDEPENDENT AUDITORS' REPORT

TO FRoSTA AKTIENGESELLSCHAFT, BREMERHAVEN

### AUDIT OPINIONS

We have audited the consolidated financial statements of FRoSTA Aktiengesellschaft, Bremerhaven, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2024 to 31 December 2024, and the notes to the consolidated financial statements, including the presentation of the significant accounting and measurement policies presented therein.

In addition, we have audited the Group management report of FRoSTA Aktiengesellschaft for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the elements of the Group management report included in the OTHER INFORMATION section of the Group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German Legally Required Accounting Principles, and

- the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, the Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the Group management report does not cover the content of the elements in the OTHER INFORMATION section of the Group management report referred to above.

Pursuant to Section 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the Group management report.

### BASIS FOR OUR OPINIONS

We conducted our audit of the consolidated financial statements and the Group management report in accordance with Section 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT section of our auditors' report. We are independent of the Group in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our [audit] opinions on the consolidated financial statements and on the Group management report.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

## OTHER INFORMATION

The executive directors and/or the Supervisory Board are responsible for the other information.

The other information comprises

- voluntary disclosures for which no audit requirement exists included in the Group management report. These comprise disclosures included in the sections “FRoSTA IS FOR EVERYONE – ALSO IN THE FUTURE”, “HEALTH MANAGEMENT AT FRoSTA”, “FRoSTA IS GOING MORE DIGITAL”, “INTERNAL COMMUNICATION AT FRoSTA”, “SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY”.
- the remaining parts of the annual report with the exception of the audited consolidated financial statements and Group management report and our auditors’ report.

Our opinions on the consolidated financial statements and on the Group management report do not cover the other information and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our Group audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, the Group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the provisions of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting manipulation or asset misappropriation) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group’s

position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditors' report that includes our opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 these consolidated financial statements and this Group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the Group management report, 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 opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group management report 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 these internal controls or these arrangements and measures of the Group.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness

of accounting estimates and related disclosures made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Plan and perform the Group audit in order to obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business operations within the Group to express opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and oversight of the auditing activities relevant to the Group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Bremen, 10 February 2025

BDO AG  
Wirtschaftsprüfungsgesellschaft

signed Zypress  
Auditor

signed Kunze  
Auditor







# MANAGEMENT REPORT

## 2024

### OVERVIEW

|                                                                                   |           |
|-----------------------------------------------------------------------------------|-----------|
| <b>FUNDAMENTAL INFORMATION ABOUT FRoSTA AG</b>                                    | <b>56</b> |
| BUSINESS MODEL                                                                    | 56        |
| BRANCH OFFICES                                                                    | 56        |
| MANAGEMENT SYSTEM                                                                 | 56        |
| <b>BUSINESS ENVIRONMENT</b>                                                       | <b>57</b> |
| GENERAL MARKET AND INDUSTRY CONDITIONS                                            | 57        |
| BUSINESS DEVELOPMENT, FINANCIAL PERFORMANCE,<br>FINANCIAL POSITION AND CASH FLOWS | 57        |
| THE FRoSTA SHARED AND APPROPRIATION OF NET PROFIT                                 | 60        |
| <b>SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL<br/>RESPONSIBILITY</b>        | <b>60</b> |
| <b>REPORT ON OPPORTUNITIES AND RISKS</b>                                          | <b>61</b> |
| INTERNAL CONTROL SYSTEM                                                           | 61        |
| RISK MANAGEMENT                                                                   | 61        |
| <b>REPORT ON EXPECTED DEVELOPMENTS</b>                                            | <b>67</b> |



# MANAGEMENT REPORT OF FRoSTA AKTIENGESELLSCHAFT, BREMERHAVEN

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

## FUNDAMENTAL INFORMATION ABOUT FRoSTA AG

### BUSINESS MODEL

At FRoSTA AG, we produce deep-frozen products from fresh with 1,077 employees at our three plants in Germany. The FRoSTA brand is a successful provider of frozen fish, vegetables and ready meals in Germany and Austria.

We have a long-standing commitment to sustainability. With our Purity Promise, we have gone without adding any colourings, flavourings, flavour enhancers, stabilisers, emulsifiers or other additives to any of our branded products since 2003. This enables FRoSTA to guarantee the quality, taste, and naturalness of its extensive product range to an exceptionally high standard.

FRoSTA products are available from supermarkets and, in addition to traditional dishes such as Bami Goreng and Paella, include a range of vegetarian and vegan choices as well as vegetables, fish, fruit and herbs.

In 2013, FRoSTA was the first frozen food brand to start publishing the countries of origin of all ingredients on the Internet and, since 2015, it has also done so on product

packaging. In 2019, FRoSTA made the switch to paper packaging in the freezer aisle. A plant-based alternative to fish was also introduced in 2020.

In addition, we develop and produce high-quality private labels for the food retail and wholesale sectors, for the most part using our retail partners' own brands. We also offer a wide range of frozen products as a production partner to industry and its out-of-home customers (supplying restaurant chains and wholesalers).

### BRANCH OFFICES

Production is organised across the following branch offices:

- FRoSTA AG Werk Bremerhaven
- FRoSTA AG Werk Bobenheim-Roxheim
- FRoSTA AG Werk Lommatzsch

### MANAGEMENT SYSTEM

FRoSTA AG manages its business operations based on the financial key performance indicators sales and net income for the year.

## BUSINESS ENVIRONMENT

### GENERAL MARKET AND INDUSTRY CONDITIONS

#### MACROECONOMIC FACTORS

Europe, and Germany in particular, faced a difficult economic situation in 2024.

The German economy continued to tread water, with a 0.1% decline in the price-adjusted gross national product. The prime causes of this were the rise in interest rates to combat high inflation and the resulting loss of purchasing power. Coupled with growing geopolitical uncertainties, this had a significant dampening effect both on corporate investment and private households' appetite for consumption. Additionally, the lack of structural changes in terms of digitalisation, decarbonisation and demographics also had a sustained impact on the economy (Source: Ifo Economic Forecast Winter 2024).

Overall, the business environment for FRoSTA AG remained challenging.

#### THE FROZEN FOOD MARKET IN 2024

Retail sales in the frozen food market for the product groups fish, vegetables and ready meals in Germany declined in terms of volume by -1.4%. By contrast, FRoSTA brand business saw a year-on-year increase in consumer sales volume of 16.1% across all product groups and as much as 21.5% for ready meals.

The FRoSTA brand with its Purity Promise was thus once again a clear and positive growth driver across the whole category (Sources: YTD Dec. 2024 AC Nielsen Germany Food Retail Sector).

### BUSINESS DEVELOPMENT, FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

#### DEVELOPMENT OF SALES

The strong growth of the FRoSTA brand (+12.7%) contributed very positively to the overall sales development.

Nevertheless, the sales forecast at the beginning of the year, which projected sales growth of between 3% and 5%, was not confirmed. In particular, the private label segment contributed disproportionately to this due to the generally downward market trend and the non-extension of unprofitable supply contracts.

Foreign sales, with a share of 30%, mainly relate to inter-company business with the Group's foreign entities and fell sharply by 11.1% because significantly less fish raw material was supplied from Bremerhaven compared to the prior-year balance sheet date.

#### FINANCIAL PERFORMANCE

Despite a significant decline in sales, net income for the year increased by 4% year on year, reaching EUR 27.4m and, at 4.8% of sales, was in line with the forecast. The main driver of this positive development was the portfolio mix between brand and private label business. Material costs continued to be very volatile and remained at a high level. Energy costs fell sharply compared to the previous year, but remained well above the situation prior to 2022. The high inflation-driven wage increases were reflected in the Group's wage costs as well as in purchased merchandise and services. We also used the year to continue our intensive efforts to improve product quality, hire new talents, develop our employees and drive digital transformation. The further increase in advertising expenditures provided the basis for future growth in the brand business across all markets.

### FINANCIAL POSITION, CASH FLOWS AND INVESTMENTS

FRoSTA AG's financial situation developed positively in the reporting year. One important factor contributing to this was the positive net income for the year in the AG, as well as in the Group's foreign subsidiaries. Cash pooling at FRoSTA AG resulted in particular in liabilities to affiliated companies and significantly increased cash and cash equivalents. Investments of EUR 10.7m were made in the financial year, focusing on quality, efficiency increases and data security. Cash funds at the end of the financial year had increased to EUR 101.4m, thus establishing the desired independence for future investment decisions.

At 49%, the equity ratio remained at the previous year's level. Measured in terms of the "current ratio/liquidity III", liquidity increased significantly by 27.6 percentage points to 214.8%. The Company was at all times in a position to fulfil its payment obligations, and was able in 2024 to reduce the approved but unused credit lines from EUR 40m to EUR 28m.

We are very satisfied with the strong business performance and the corresponding development of the financial position, financial performance and cash flows.

## PEOPLE & CULTURE

### FRoSTA'S GROWTH IS REFLECTED IN THE WORKFORCE

The average number of employees increased to 1,077 in the 2024 financial year. On the back of the positive development of brand business and the corresponding expansion of production shifts at all plants, as well as the significant increase in qualified junior staff, a total of 69 new employees were hired. Thus in the reporting year we continued to pave the way for the Company's profitable growth in the future.

#### Annual mean number of employees

|                                       | 2023         | 2024         | Diff.     |
|---------------------------------------|--------------|--------------|-----------|
| <b>Total employees</b>                | <b>1.008</b> | <b>1.077</b> | <b>69</b> |
| of which permanent                    | 917          | 982          | 65        |
| of which temporary                    | 91           | 95           | 4         |
| <b>FRoSTA head office</b>             | <b>218</b>   | <b>225</b>   | <b>7</b>  |
| of which Administration               | 140          | 145          | 5         |
| of which Sales                        | 78           | 80           | 2         |
| <b>Production facilities</b>          | <b>790</b>   | <b>852</b>   | <b>62</b> |
| of which production Bremerhaven       | 469          | 486          | 17        |
| of which production Lommatzsch        | 183          | 220          | 37        |
| of which production Bobenheim-Roxheim | 138          | 146          | 8         |

### FRoSTA IS FOR EVERYONE – ALSO IN THE FUTURE

FRoSTA is getting younger. At the end of the reporting year, the average age of our workforce was 43.8 years, down from 44.9 years in the previous year. We are pleased to report that 60 young employees (aged 30 and younger) joined the FRoSTA team in 2024.

We employ people from a diverse range of cultures. This internationality is a valuable asset not only when developing our recipes; it also plays a role in shaping our future, both when it comes to attracting new employees and accessing new markets. We are therefore particularly proud of the fact that FRoSTA meanwhile employs people of 42 different nationalities.

In the reporting year, we were also able to increase the number of women employed at FRoSTA to a total of 629 (+16 compared to the previous year). Of these, 324 work in Administration and Sales, where the proportion of women is evenly balanced at 54% in line with our target. This was also 8 women more than in the previous year. There are still no women on the Supervisory Board or the Executive Board. At first-tier management level below the Executive Board, women accounted for a share of 25% (2023: 31%), at second-tier management level for 41% (2023: 42%). This means that despite the increase in absolute figures, the proportion of women employed fell to 36% (2023: 37%), and there is still a lot to be done. We are aiming for a balanced gender ratio at management level within the next five years. For the Supervisory Board and the Executive Board, this means at least one female member. To achieve this goal across all levels, we launched a leadership training programme in autumn designed to consciously promote young talents from within the Company's own ranks.

### HEALTH MANAGEMENT AT FRoSTA

We attach great importance to health. Preventive health-care plays an important role in this. FRoSTA therefore introduced a full health check-up "from top to toe" for all employees in 2024. At a single appointment, all employees over the age of 40 can receive a simple and comprehensive check-up. We also support our employees financially in their efforts to stay fit, and we are proud to report that the sickness rate improved slightly from 9.2% in the previous year to 8.7% in the reporting year.



## FRoSTA IS GOING MORE DIGITAL

FRoSTA has made significant progress towards digitalisation in recent years. We know that digital transformation is crucial to remaining competitive in the future. Key milestones in this regard were early adoption of SAP S/4 and Microsoft 365 in 2019, along with extensive use of the cloud. Important next steps are to make day-to-day workflows more efficient and improve the communication of information to support decision-making. One example of this is the comprehensive go-live of SAP IBP and PPDS in January 2024. This fully integrated planning system makes it possible to access simulations and forecasts of quantities, sales and contribution margins on demand, thus shortening strategic decision-making time.

In another project, a digital shift plan was introduced. FRoSTA has given all production employees at the pilot site a mobile phone which they can use to digitally plan their shifts and absences themselves at the touch of a button, without any paperwork or bureaucracy.

One major investment in the reporting year was the seamless rollout of new mobile devices for all FRoSTA users. This has not only made us faster and more secure, but also more agile in our day-to-day communication, wherever we happen to be.

## INTERNAL COMMUNICATION AT FRoSTA

Good and clear communication is the key to our success. If thoughts are not put into words, the words will not be heard, and what is heard is not asked or properly implemented. This principle applies to our daily interactions, to our employees' individual development and to the joint achievement of strategic goals. To this end, we launched a leadership training programme in 2024, which will be continued in 2025.

On a twice yearly basis, we require and encourage the conduct of development reviews between managers and employees with the aim to gain a clear understanding of each employee's development and future potential.

Providing feedback means praising work well done and looking for ways to improve. A prime example of this are the daily shop floor meetings held in our factories. Each morning, all staff from the relevant departments meet for just 15 minutes per production line. During these meetings, they document downtimes and monitor corrective

actions taken. This process fosters the necessary trust and provides an incentive to constantly strive for improvement.

Additionally, members of the Executive Board regularly visit the factories and production lines in order to build proximity, understanding and trust. Furthermore, virtual information exchanges and Q&As with the Board are held several times a year.

A satisfaction survey was launched in December 2024. With the help of 12 standardised questions, this gives all employees the possibility to evaluate their situation at FRoSTA twice a year and, of course, anonymously provide individual feedback. We intend to use the time between surveys to jointly develop improvement measures.

We can also communicate with each other at FRoSTA through sport. Every year, a large number of employees from all of our plants come together at one of our sites for the FRoSTA Olympics and have fun in a wide range of disciplines. We believe that people who do sports and enjoy social events together also work better together on a day-to-day basis and share feedback more easily.

And speaking of feedback: we would like to take this opportunity to thank the entire workforce and the Works Council for being such a great team! Without your tireless contribution, it would not have been possible to achieve such outstanding results once again.

## MORE FRoSTA EMPLOYEES BECOME SHAREHOLDERS

"FRoSTA IS FOR EVERYONE". In 2024, we therefore again offered our employees the option to purchase FRoSTA shares acquired within the scope of a share buy-back, which we then sell on to them at preferential conditions. In 2024, 578 employees (2023: 509) participated in our employee share programme. A total of 29,884 shares were bought, which was significantly higher than in the prior period (2023: 24,102). The introductory offer, limited to a maximum of 50 shares with an issue price of EUR 16.90 per share, proved the most popular with 24,366 shares purchased (2023: 20,619). Under Proposal II (limited to a maximum of 950 shares depending on seniority), 5,518 shares were acquired at an issue price of EUR 46.90 per share (2023: 3,483). Due to the high participation rate, total costs for the programme amounted to EUR 1.3m (2023: EUR 1.1m), which were recognised in personnel expenses.

## THE FRoSTA SHARE AND APPROPRIATION OF NET PROFIT

Since March 2017, the FRoSTA share has been traded in the Open Market segment of the Frankfurt Stock Exchange (WKN 606900; ISIN DE0006069008; nominal value EUR 2.56). For more information about the FRoSTA share as at 31/12 respectively, please see the Group management report 2024.

The Executive Board will propose to the Annual General Meeting to distribute a dividend of EUR 2.40 per share

from net retained profits and allocate the remainder to reserves. Based on 6,812,598 no-par value bearer shares, less 1,926 no-par value bearer treasury shares not entitled to a dividend in accordance with Section 71b German Stock Corporation Act (AktG), this results in 6,810,672 no-par value bearer shares entitled to a dividend and a dividend payout of EUR 16.3m.

Relating to disclosures pursuant to Section 160 (1) no. 2 AktG (acquisition of treasury shares), please refer to the Notes to the consolidated financial statements: 4) Notes to the consolidated balance sheet, Equity subheading.

|                                                          | 31/12/2024<br>in kEUR | Percentage   |
|----------------------------------------------------------|-----------------------|--------------|
| Current company taxes                                    | 13,278                | 32.7%        |
| Capital yield tax incl. solidarity surcharge on dividend | 3,587                 | 8.8%         |
| <b>Total taxes</b>                                       | <b>16,865</b>         | <b>41.5%</b> |
| Net dividend                                             | 10,013                | 24.6%        |
| Retained by the company                                  | 13,700                | 33.9%        |
| <b>Pre-tax net income for the financial year</b>         | <b>40,658</b>         | <b>100%</b>  |

From the pre-tax net income for the year of FRoSTA AG, 41.5% will be paid as taxes and 24.6% will be distributed as a net dividend, with 33.9% being retained within the Company.

## SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

In 2024, we worked intensively on implementing our sustainability strategy → [NACHHALTIGKEITSSTRATEGIE](#). With the investment decision and the submission of the building application for construction of a solar park in Lommatzsch and a wind turbine in Bremerhaven, we made significant progress towards our "Environmental Promise" ("Close to Net Zero by 2030 for Scope 1 and 2 Emissions"). These investments will enable us to generate our own energy in the future.

With completion of the Bioval research project in September 2024, in which we participated as a practice partner, we laid the groundwork for incorporating the dimension of "biodiversity" when calculating the ecological footprint of all FRoSTA products.

We also made significant progress in 2024 within the scope of our "People Promise". We reorganised our HR department to give more focus to FRoSTA employer branding, to people and culture and to our systems and processes. With the redesign of the FRoSTA careers website, refreshed communication closely linked to our FRoSTA brand and our first social media campaigns, we notched up initial successes in the increasingly competitive labour market. Parallel to this, we have been honing our structures to ensure fair remuneration and appropriate development programmes at every level. We measure the success of our People Promise by the rate of unfilled positions at FRoSTA, with the aim to fill job vacancies within the Company with suitable candidates even in a tight labour market. To achieve this, we want to keep the number of vacancies below 2% of the total number of

employees. In 2024, we successfully reduced this rate from 2.7% in 2023 to 1.5% in 2024.

Another aspect of our People Promise is FRoSTA's commitment to improving the situation of disadvantaged people through donations. Many of these donations flow into a wide range of initiatives with welfare institutions in the immediate vicinity of our production sites. We are pleased to report that in the reporting year we were able to donate products worth kEUR 417 to people in Ukraine.

In preparation for the Corporate Sustainability Reporting Directive (CSRD), which will become mandatory for us from the 2025 reporting year, we carried out a dual materiality analysis in autumn 2024. In a first step, we conducted a stakeholder analysis and survey involving internal and external stakeholders in order to shed light on the sustainability topics from an independent perspective, validate internal perspectives and objectivise the process by involving a larger number of people. The results of the survey were subsequently discussed and revised during an internal workshop involving the Executive Board and the first-tier management level, and a materiality matrix was drawn up. This will serve as the basis for our reporting under the CSRD next year.

## REPORT ON OPPORTUNITIES AND RISKS

### INTERNAL CONTROL SYSTEM

FRoSTA AG's internal control and monitoring system is enforced by the Group's Financial Controlling department in coordination with all other relevant departments.

The most important financial KPIs are sales revenue and profitability. These performance figures and their respective drivers are examined, analysed and discussed in the relevant departments on the basis of management accounting reports drawn up in daily, weekly and monthly cycles. In 2024, we succeeded in making many reports available in real time in the SAP Analytics Cloud.

The objective remains to continuously work on improving the results and at the same time to introduce early measures to counter potential negative developments.

Within the scope of the monthly Sales & Operations Planning Cycle, rolling forecasts are used to react to

future market changes and capitalise on opportunities as they arise, while mitigating risks with appropriate countermeasures.

The correctness and reliability of our accounting and financial reporting are guaranteed by adherence to the rules of procedure in the QM manual and the uniform reporting system in SAP, which apply to all relevant Group entities.

The rules of procedure in the QM manual also stipulate the material and formal requirements concerning the preparation of the financial statements. Nevertheless, risks can still arise, for example when concluding extraordinary transactions.

We support the compliance or adaptation of our processes through internal audits conducted by our quality management officers, coupled with internal auditing projects.

The separation of executive, accounting and approval functions reduces the risk of fraudulent actions.

## RISK MANAGEMENT

FRoSTA's risk management system is intended to ensure that risks can be quickly identified and assessed at an early stage.

In the 2024 reporting year, an internal audit was conducted with an external auditor to assess the maturity level of our risk management system. The results indicated an average quality of the implemented risk management. Consequently, the risk management guidelines were revised, responsibilities redefined, a new risk inventory drawn up, and reporting and monitoring processes improved. To this end, the entire risk management system was transferred to a digital action tracking system incorporating workflow.

The risk management officers from the various departments assess the risks and opportunities on an ongoing basis – if necessary drawing on the advice of external consultants – and initiate appropriate measures for leveraging the opportunities and minimising the risks. All regular meetings, such as the monthly Board meetings, sales and marketing meetings, S&OP meetings, plant manager meetings or cash meetings flow into this.

## QUANTIFIED RISK ASSESSMENT

In principle, risks are assessed based on the probabilities of occurrence and the potential extent of damage.

| Probability of occurrence/<br>Frequency of occurrence | Risk evaluation                |   |                  |          |                |                                           |
|-------------------------------------------------------|--------------------------------|---|------------------|----------|----------------|-------------------------------------------|
|                                                       | very probable<br>very frequent | E | high             | high     | not acceptable | not acceptable                            |
|                                                       | probable<br>frequent           | D | medium           | high     | high           | not acceptable                            |
|                                                       | possible<br>infrequent         | C | low              | medium   | high           | high                                      |
|                                                       | low<br>rare                    | B | low              | medium   | medium         | high                                      |
|                                                       | very improbable<br>very rare   | A | low              | low      | low            | medium                                    |
|                                                       |                                |   | I                | II       | III            | IV                                        |
|                                                       |                                |   | low              | moderate | high           | critical                                  |
|                                                       |                                |   |                  |          |                | poses a threat to the Company's existence |
|                                                       |                                |   | Extent of losses |          |                |                                           |
|                                                       |                                |   |                  |          |                |                                           |

Individual risks are initially assessed through an annual evaluation of the underlying gross risk within a risk class and the respective individual risks. Based on the regular

evaluation of available countermeasures, the respective risk class officer estimates the net risks, as shown in the following table.

| Risk class                       | Net probability of occurrence | Net extent of losses | Net risk |
|----------------------------------|-------------------------------|----------------------|----------|
| Strategic risks and risk culture | low                           | high                 | medium   |
| Personnel risks                  | probable                      | minimal              | medium   |
| Product risks                    | low                           | moderate             | medium   |
| Supply chain risks               | probable                      | minimal              | medium   |
| Business interruption risks      | low                           | high                 | medium   |
| Cyber risks                      | possible                      | moderate             | medium   |
| Environmental and energy risks   | possible                      | moderate             | medium   |
| Compliance risks                 | possible                      | moderate             | medium   |
| Financial & commercial risks     | possible                      | moderate             | medium   |

The respective countermeasures for managing the individual risk classes are described below.



## STRATEGIC RISKS & RISK CULTURE AT FRoSTA

Market-related business risks are borne by the Company itself. These include, for example, risks from the development and marketing of new products, sales performance in the various distribution channels and the quality level of our products.

As far as is meaningful, we transfer any risks not stemming from the Group's core areas of activity, such as liability and property damage risks, to third parties.

As a general principle, we aim to address risks openly in order to promote and implement an understanding of the respective issues and suitable countermeasures. For this purpose, a corporate risk manager, in collaboration with the risk class managers, regularly assesses current and future risks and defines and monitors risk management measures.

In addition, FRoSTA implements a Code of Conduct for all employees, which is aimed at raising awareness among the workforce for responsible conduct towards one another, towards business partners, in connection with handling data, as well as towards the environment.

## PERSONNEL RISKS

As the labour market increasingly shifts from a supply to a demand market, positioning FRoSTA as the employer of choice becomes ever more important. Comparably fair remuneration schemes and excellent advancement opportunities are just as important in this regard as a motivating work environment. When filling vacant positions on the market, speed and commitment are key success factors in the hiring process. We place particular focus on in-house initial and advanced training, as well as on facilitating locational transfers also across international sites, to enable us to take better advantage of different labour market situations in the future.

## PRODUCT RISKS

Quality and production reliability have the highest priority for us. We are therefore continuously striving to improve food safety and our food safety culture. The quality of the raw materials is monitored by audits at our suppliers' facilities and by checking goods as they arrive at our plants. Despite all due care, quality checks cannot provide a fail-safe guarantee of the quality of raw materials since the thresholds for contamination are becoming ever lower and the checks are only carried out on a random basis.

We also purchase raw materials from BSCI (Business Social Compliance Initiative) risk countries. We thus bear our share of responsibility for the working conditions at our suppliers, as well as for the respecting of human rights. Since 2020, we have therefore required all suppliers from BSCI risk countries to be certified in accordance with an internationally recognised social standard (SA 8000, SMETA or similar).

We therefore had our internal value chain processes successfully certified at all FRoSTA locations to IFS (International Food Standard) in 2024 and at the Bremerhaven and Bydgoszcz sites additionally to BRC (British Retail Consortium) standards.

## SUPPLY CHAIN RISKS

The production of frozen food necessitates the use of a large number of renewable raw materials from over 30 countries, the procurement of which can be subject to wide-ranging fluctuations. In the case of supplies of raw fish, for example, increased demand coupled with dwindling fish stocks repeatedly results in bottlenecks. The picture is similar for climate-related crop failures that can affect the procurement of fruit and vegetables. This can result in considerable price fluctuations for raw materials which, depending on the competitive and contract situation, we cannot always pass on directly to our customers.

We attempt to smooth out these fluctuations and avoid dependencies by collaborating with strategic suppliers.

In the case of critical raw materials, it is additionally important to establish several suppliers in different regions. Our own vegetable production also helps us to be independent and at the same time acquire valuable agricultural expertise.

As long-term storage is often not possible, the setting of selling prices is subject to fundamental risks and opportunities. Price agreements with customers over a period of more than six months increase the uncertainty. For that reason, we try to avoid such supply agreements. Alternatively, price escalator clauses for certain raw materials can be included in the price agreements. However, depending on the competitive situation, both are not always possible.

In the fourth quarter of 2024, we had an external auditor assess the implementation status of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG) within the scope of an internal audit. The results indicated that the implementation of the LkSG is a central focus for FRoSTA. Key processes and measures, such as appointing a contact person for human rights, drawing up a policy statement and establishing a whistleblower system, have already been initiated. Given the current level of maturity of LkSG compliance, no significant long-term issues were identified. Nevertheless, it is important to continue working on operational implementation and to make use of the takeaways from the audit.

### BUSINESS INTERRUPTION RISKS

The availability of production facilities and plants is crucial for assuring the supply of goods to retailers. We counter the risk of natural disasters and fires by collaborating closely with local authorities and fire services, including regular joint assessments to improve general hazard prevention measures. For instance, all factories have been equipped with modern sprinkler systems to quickly and

effectively combat the source of a fire before any major damage occurs.

Technical risks and machinery downtimes are addressed through regular preventive maintenance and by training employees on the lines.

In principle, we are able to produce certain product groups in parallel at different locations, to separate individual production halls or to involve suppliers if necessary. This enables us to effectively mitigate the risk of long-term staff absences due to illness or pandemics, as well as strikes.

### CYBER RISKS

We counter cyber risks with the help of modern IT architecture that uses cloud services. In conjunction with regular internal and external audits and penetration tests, we routinely review the status quo in order to continuously reappraise the risk situation. A major risk continues to lie with the respective user and how they react to email attacks. Regular online courses and simulated phishing tests with subsequent training help us create targeted awareness for dealing appropriately with such risks.

### ENVIRONMENTAL AND ENERGY RISKS

The war in Ukraine has also led to growing uncertainties over energy security in Europe, accompanied by sharply rising prices. FRoSTA counters the risk of rising energy prices through structured energy procurement in the form of fixed price agreements with suppliers. An alternative use of oil and gas in production creates flexibility to bridge price and supply risks. Logistical risks in long-distance coverage and/or diesel price development are reduced through alternative use of the rail network. In order to reduce dependencies over the medium term, we are accelerating development of a renewable energy supply both within FRoSTA and in collaboration with local partners.

## COMPLIANCE AND LEGAL RISKS

Regulations, industry standards and internal policy guidelines for preventing unethical or illegal behaviour are becoming increasingly complex. These include, but are not limited to, the ever more important issue of data protection with increasing digitalisation, financial integrity and compliance with occupational safety and environmental standards.

The same applies generally to the conclusion of contracts in our supply and retailer relationships, well as in labour and corporate law.

Non-compliance with regulations and contracts can have significant consequences, ranging from financial penalties and legal action to serious reputational damage that can undermine the trust of stakeholders. In severe cases, regulatory authorities may impose operational restrictions, revoke licenses, or, in extreme instances, shut down a business.

Ideally, compliance risk management should be integrated into all aspects of the Company's operations. Therefore, we have established corresponding representative functions within the organisation for the respective compliance areas. These functions are closely involved in the activities and work efficiently to develop clear, effective internal controls and audits, as well as training programmes. The aim is to establish a compliance culture in which we not only respond to regulatory changes but also work proactively to minimise potential liability risks.

The Code of Conduct → [COMPLIANCE – FRoSTA AG](#) introduced at FRoSTA serves as a guide for daily activities and helps to safeguard ethical and legal standards within the organisation.

## FINANCIAL & COMMERCIAL RISKS

The frozen food market is fundamentally subject to constant change. Our competitors might respond to product trends more quickly or gain technological leads. We conduct intensive research to identify market trends. This

enables us to produce innovative product concepts in response to changes or even to initiate changes ourselves within the market.

The FRoSTA brand offers the opportunity for further sustainable growth based on the Purity Promise, an innovative portfolio and its positive image. It is therefore important to be particularly proactive in countering all events that could have a negative impact on the brand's reputation and thus on business development.

The increasing concentration of the retail sector is leading to risks arising from the potential loss of bulk contracts. Our contracts with our customers normally include listing and price agreements but do not guarantee fixed volumes; this means that the risks or opportunities of fluctuating consumption by end customers also lie with FRoSTA. FRoSTA's presence in different domestic and foreign markets with the respective distribution channels: brand, private label as well as the supply of Home Delivery services, caterers and industry customers guarantees general independence from individual customers.

We limit the risk of defaults on outstanding receivables with the help of a strict reminder system and internal credit limits. We counter political and protectionist risks by assessing the opportunities and risks associated with a given market and, where appropriate, involving distribution and/or production partners.

Exchange rate-related fluctuations in the prices of raw materials have a significant influence on the production costs of our products. Exchange rate fluctuations can therefore negatively impact the gross profit margin and the consolidated net income for the year. FRoSTA purchases many of its raw materials from international markets. Most of these goods are invoiced in US dollars. We make use of regular currency forwards to hedge exchange rate fluctuations. The aim of currency hedging transactions is to hedge specific contracts or negotiated annual talks for the respective period. In addition, a blanket rolling hedge mechanism smooths out

short-term fluctuations. As a basic principle, the hedging of exchange rate risks can only compensate to a limited extent for the risk of persistently rising US dollar exchange rates. Correspondingly, declining US dollar exchange rates may give rise to opportunities.

Regular calculation of product costs relating to materials, production and logistics, along with a contribution margin analysis of the respective net selling prices, enables us together with our retail partners to respond to cost developments promptly and in an informed manner, thereby taking account of any resulting risks and opportunities.

Our financing capability depends on our creditworthiness. By continuously improving our earnings and balance sheet strength, we want to focus on equity financing. In doing so, we are opening up additional borrowing potential on the market, which thanks to long-standing partnerships with banks is usually available to us at very short notice. The availability of credit lines enables us to create additional flexibility in short-term financing. Using long-term loans for long-term financing allows us to smooth out the interest rate risk. Overall, we are generally subject to the interest rate risk on the capital market, which has currently increased again, which is why we prefer to consider long-term financing in conjunction with investment grants and favour equity financing.

## OPPORTUNITIES MANAGEMENT

At FRoSTA, risk management processes are also used to identify opportunities at an early stage.

We consider the development of our employees and of a proactive, open culture at FRoSTA as a great opportunity. We encourage support for good ideas at all levels. During the four Supervisory Board meetings held each year, the Executive Board reports to the Supervisory Board on new concepts and lessons learned from their implementation.

The same applies to the monthly coordination committee with the Executive Board and Directors, as well as the respective division meetings. We are particularly proud that employees can take advantage of the shop floor meetings held on the production lines during the day to easily and digitally make and track suggestions for improvement. A corresponding ideas management system allows idea providers to participate in the success in a non-bureaucratic way.

We also embrace new ideas at all levels through regular personal contact with employees, business partners, consultants and other companies, as well as by attending trade fairs and other events.

At FRoSTA, we love challenges and frequently derive new ideas and opportunities for improvement from emerging risks or problems.

We see another great opportunity in the qualitative, innovative and regional development of our FRoSTA brand with the Purity Promise, with the aim to attract even more consumer.

## CRITICAL APPRAISAL OF RISKS AND OPPORTUNITIES

As part of the risk management process, the opportunities and risks for FRoSTA are also monitored regularly during the year, as above all the risk of changing costs could significantly impact the consolidated year-end results and, in the event of a negative development, only be passed on to the retail sector over time via higher selling prices.

In assessing the overall risk situation of the FRoSTA Group, we can state that, based on the information known today, there are no risks identifiable at present or in the foreseeable future that could jeopardise the continued existence of the Group as a going concern.



## REPORT ON EXPECTED DEVELOPMENTS

The prevailing economic conditions in Europe, and in Germany in particular, remain uncertain. While inflation has been successfully brought under control, escalating geopolitical tensions and the call for protectionism are having a dampening effect on the economy. It is therefore particularly important to win back trust in politics, investment and consumption in order to successfully meet the major challenges of climate, technological and demographic change. Against this backdrop, it remains difficult to predict the economic situation in the 2025 financial year.

Even in these difficult times, we first and foremost want to remain consumer-oriented. We also need to take

advantage of the opportunities available to continue investing in our products, employees, environment and in our brand with the Purity Promise. In doing so, we rely on our good, partnership-based relationships with suppliers and customers to successfully overcome future supply chain uncertainties together.

We believe we are well positioned for the new financial year 2025 and look forward to making it another successful one. We are expecting to achieve sales growth for FRoSTA AG of 3% to 9% and an increase in net income for the year of between 6% and 8% of sales.

Bremerhaven, 10 February 2025

The Executive Board

## OVERVIEW OF FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

in kEUR

|                                                                                                                   | 31/12/2023      | 31/12/2024      | Change        |
|-------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---------------|
| <b>Sales</b>                                                                                                      | <b>598,411</b>  | <b>571,222</b>  | <b>-4.5 %</b> |
| Net retained profits<br>in % of sales                                                                             | 26,323<br>4.4 % | 27,380<br>4.8 % | 4.0 %         |
| <b>Balance sheet total</b>                                                                                        | <b>367,396</b>  | <b>400,116</b>  | <b>8.9 %</b>  |
| Current Ratio / Liquidity III (inventories + trade receivables<br>+ cash-in-hand) / (provisions + trade payables) | 187.2 %         | 214.8 %         | 27.6 %        |
| <b>Equity ratio</b>                                                                                               | <b>49.1 %</b>   | <b>48.6 %</b>   | <b>-0.5 %</b> |

# ANNUAL FINANCIAL STATEMENTS OF FRoSTA AG

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| INCOME STATEMENT OF FRoSTA AG                                           | 69 |
| BALANCE SHEET OF FRoSTA AG                                              | 70 |
| STATEMENT OF CHANGES IN FIXED ASSETS OF FRoSTA AG                       | 72 |
| NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR<br>THE 2024 FINANCIAL YEAR | 74 |
| BASIS FOR PREPARATION                                                   | 74 |
| ACCOUNTING POLICIES AND MEASUREMENT METHODS                             | 74 |
| NOTES TO THE BALANCE SHEET                                              | 71 |
| NOTES TO THE INCOME STATEMENT                                           | 77 |
| OTHER DISCLOSURES                                                       | 80 |
| INDEPENDENT AUDITORS' REPORT                                            | 84 |

## INCOME STATEMENT OF FRoSTA AG

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2024

### Income statement of FRoSTA AG (in kEUR)

|                                                                                                                                                                         | 2023            | 2024            | Change            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------|
| <b>1. Sales</b>                                                                                                                                                         | <b>598,411</b>  | <b>571,222</b>  | <b>-4.5%</b>      |
| 2. Decrease in stock of finished goods and work in progress                                                                                                             | -4,344          | -1,619          | -62.7%            |
| 3. Other operating income<br>– of which from currency translation: kEUR 1,939<br>(2023: kEUR 2,416)                                                                     | 18,660          | 8,650           | -53.6%            |
| <b>Gross operating revenue</b>                                                                                                                                          | <b>612,727</b>  | <b>578,253</b>  | <b>-5.6%</b>      |
| 4. Cost of materials                                                                                                                                                    |                 |                 |                   |
| a) Cost of raw materials, consumables and supplies and of purchased merchandise                                                                                         | -370,093        | -332,594        | -10.1%            |
| b) Cost of purchased services                                                                                                                                           | -24,790         | -12,594         | -49.2%            |
|                                                                                                                                                                         | <b>-394,883</b> | <b>-345,188</b> | <b>-12.6%</b>     |
| <b>Gross profit</b>                                                                                                                                                     | <b>217,844</b>  | <b>233,065</b>  | <b>7.0%</b>       |
| 5. Personnel expenses                                                                                                                                                   |                 |                 |                   |
| a) Wages and salaries                                                                                                                                                   | -55,298         | -62,354         | 12.8%             |
| b) Social security, post-employment and other employee benefit costs<br>– of which post-employment: kEUR -5 (2023: kEUR -1)                                             | -9,969          | -11,158         | 11.9%             |
|                                                                                                                                                                         | <b>-65,267</b>  | <b>-73,512</b>  | <b>12.6%</b>      |
| 6. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets                                                       | -15,698         | -16,257         | 3.6%              |
| 7. Other operating expenses<br>– of which from currency translation: kEUR 2,008<br>(2023: kEUR 1,780)                                                                   | -99,348         | -103,421        | 4.1%              |
| <b>8. Operating Profit</b>                                                                                                                                              | <b>37,530</b>   | <b>39,875</b>   | <b>6.2%</b>       |
| 9. Write-downs of long-term financial assets and securities classified as current assets<br>– of which from affiliated companies: kEUR 0 (2023: kEUR -132)              | -132            | 0               | -100.0%           |
| 10. Other interest and similar income<br>– of which from affiliated companies: kEUR 14 (2023: kEUR 84)                                                                  | 732             | 2,644           | >100%             |
| 11. Interest and similar expenses<br>– of which from affiliated companies: kEUR 874 (2023: kEUR 252)<br>– of which from unwinding the discount: kEUR 62 (2023: kEUR 39) | -1,347          | -1,861          | 38.1%             |
| <b>12. Financial result</b>                                                                                                                                             | <b>-747</b>     | <b>783</b>      | <b>&gt; -100%</b> |
| <b>13. Result from ordinary activities</b>                                                                                                                              | <b>36,784</b>   | <b>40,658</b>   | <b>10.5%</b>      |
| 14. Taxes on income<br>– of which deferred taxes: kEUR -1,257 (2023: kEUR 499)                                                                                          | -10,279         | -13,097         | 27.4%             |
| <b>15. Earnings after taxes</b>                                                                                                                                         | <b>26,504</b>   | <b>27,561</b>   | <b>4.0%</b>       |
| 16. Other taxes                                                                                                                                                         | -181            | -181            |                   |
| <b>17. Net income for the year / net retained profits</b>                                                                                                               | <b>26,323</b>   | <b>27,380</b>   | <b>4.0%</b>       |

## BALANCE SHEET OF FRoSTA AG – ASSETS

AS AT 31 DECEMBER 2024

### Balance sheet of FRoSTA AG — Assets (in kEUR)

|                                                                                                         | 2023           | 2024           | Change        |
|---------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>A. FIXED ASSETS</b>                                                                                  |                |                |               |
| I. Intangible fixed assets                                                                              |                |                |               |
| Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets | 9,214          | 7,679          | -16.7%        |
| II. Tangible fixed assets                                                                               |                |                |               |
| 1. Land, land rights and buildings                                                                      | 23,975         | 22,726         | -5.2%         |
| 2. Technical equipment and machinery                                                                    | 51,262         | 48,284         | -5.8%         |
| 3. Other equipment, operating and office equipment                                                      | 11,910         | 11,734         | -1.5%         |
| 4. Prepayments and assets under construction                                                            | 1,430          | 1,849          | 29.3%         |
|                                                                                                         | <b>88,576</b>  | <b>84,593</b>  | <b>-4.5%</b>  |
| III. Long-term financial assets                                                                         |                |                |               |
| 1. Shares in affiliated companies                                                                       | 11,017         | 11,017         |               |
| 2. Long-term securities and shares in cooperatives                                                      | 6              | 6              |               |
|                                                                                                         | <b>11,023</b>  | <b>11,023</b>  |               |
| <b>TOTAL FIXED ASSETS</b>                                                                               | <b>108,812</b> | <b>103,295</b> | <b>-5.1%</b>  |
| <b>B. CURRENT ASSETS</b>                                                                                |                |                |               |
| I. Inventories                                                                                          |                |                |               |
| 1. Raw materials, consumables and supplies                                                              | 65,435         | 68,044         | 4.0%          |
| 2. Work in progress                                                                                     | 21,314         | 18,866         | -11.5%        |
| 3. Finished goods and merchandise                                                                       | 27,760         | 26,540         | -4.4%         |
|                                                                                                         | <b>114,509</b> | <b>113,450</b> | <b>-0.9%</b>  |
| II. Receivables and other assets                                                                        |                |                |               |
| 1. Trade receivables                                                                                    | 48,472         | 50,036         | 3.2%          |
| 2. Receivables from affiliated companies                                                                | 23,740         | 28,344         | 19.4%         |
| 3. Other assets                                                                                         | 6,986          | 3,094          | -55.7%        |
|                                                                                                         | <b>79,197</b>  | <b>81,474</b>  | <b>2.9%</b>   |
| III. Cash-in-hand, bank balances                                                                        | <b>63,875</b>  | <b>101,426</b> | <b>58.8%</b>  |
| <b>TOTAL CURRENT ASSETS</b>                                                                             | <b>257,582</b> | <b>296,350</b> | <b>15.1%</b>  |
| <b>C. PREPAID EXPENSES</b>                                                                              | <b>1,002</b>   | <b>471</b>     | <b>-53.0%</b> |
| <b>TOTAL ASSETS</b>                                                                                     | <b>367,396</b> | <b>400,116</b> | <b>8.9%</b>   |



## BALANCE SHEET OF FRoSTA AG – EQUITY AND LIABILITIES

AS AT 31 DECEMBER 2024

### Balance sheet of FRoSTA AG — Equity and liabilities (in kEUR)

|                                                    | 2023           | 2024           | Veränderung   |
|----------------------------------------------------|----------------|----------------|---------------|
| <b>A. EQUITY</b>                                   |                |                |               |
| <b>I. Issued capital</b>                           |                |                |               |
| 1. Subscribed capital                              | 17,440         | 17,440         |               |
| 2. Treasury shares                                 | -15            | -5             | -67.4%        |
|                                                    | <b>17,425</b>  | <b>17,435</b>  | <b>0.1%</b>   |
| <b>II. Capital reserves</b>                        | <b>11,447</b>  | <b>11,447</b>  |               |
| <b>III. Revenue reserves</b>                       |                |                |               |
| 1. Legal reserve                                   | 200            | 200            |               |
| 2. Other revenue reserves                          | 124,876        | 137,844        | 10.4%         |
|                                                    | <b>125,076</b> | <b>138,044</b> | <b>10.4%</b>  |
| <b>IV. Net retained profits</b>                    | <b>26,323</b>  | <b>27,380</b>  | <b>4.0%</b>   |
|                                                    | <b>180,272</b> | <b>194,307</b> | <b>7.8%</b>   |
| <b>B. PROVISIONS</b>                               |                |                |               |
| 1. Provisions for pensions and similar obligations | 60             | 50             | -17.7%        |
| 2. Provisions for taxes                            | 7,942          | 13,110         | 65.1%         |
| 3. Other provisions                                | 39,682         | 40,491         | 2.0%          |
|                                                    | <b>47,685</b>  | <b>53,651</b>  | <b>12.5%</b>  |
| <b>C. LIABILITIES</b>                              |                |                |               |
| 1. Liabilities to banks                            | 20,842         | 16,056         | -23.0%        |
| 2. Trade payables                                  | 86,254         | 82,908         | -3.9%         |
| 3. Liabilities to affiliated companies             | 26,175         | 48,109         | 83.8%         |
| 4. Other liabilities                               | 3,523          | 3,697          | 4.9%          |
| – of which taxes: kEUR 908 (2023: kEUR 545)        |                |                |               |
|                                                    | <b>136,794</b> | <b>150,770</b> | <b>10.2%</b>  |
| <b>D. DEFERRED TAXES</b>                           | <b>2,645</b>   | <b>1,388</b>   | <b>-47.5%</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                | <b>367,396</b> | <b>400,116</b> | <b>8.9%</b>   |

## STATEMENT OF CHANGES IN FIXED ASSETS OF FRoSTA AG 2024

### Statement of changes in fixed assets in kEUR

|                                                                                                         | Purchase and production costs |                |            |                        | as at<br>31/12/2024 |
|---------------------------------------------------------------------------------------------------------|-------------------------------|----------------|------------|------------------------|---------------------|
|                                                                                                         | as at<br>01/01/2024           | Addi-<br>tions | Disposals  | Reclassifi-<br>cations |                     |
| <b>I. Intangible fixed assets</b>                                                                       |                               |                |            |                        |                     |
| Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets | 35,325                        | 1,651          | 0          | 46                     | 37,022              |
|                                                                                                         | <b>35,325</b>                 | <b>1,651</b>   | <b>0</b>   | <b>46</b>              | <b>37,022</b>       |
| <b>II. Tangible fixed assets</b>                                                                        |                               |                |            |                        |                     |
| 1. Land, land rights and buildings                                                                      |                               | 293            | 0          | 37                     | 90,880              |
| 2. Technical equipment and machinery                                                                    |                               | 4,989          | 122        | 745                    | 204,342             |
| 3. Other equipment, operating and office equipment                                                      |                               | 2,466          | 238        | 92                     | 66,281              |
| 4. Prepayments and assets under construction                                                            |                               | 1,338          | 0          | -919                   | 1,849               |
|                                                                                                         | <b>354,671</b>                | <b>9,086</b>   | <b>360</b> | <b>-45</b>             | <b>363,352</b>      |
| <b>III. Long-term financial assets</b>                                                                  |                               |                |            |                        |                     |
| 1. Shares in affiliated companies                                                                       |                               | 0              | 0          | 0                      | 11,601              |
| 2. Loans to affiliated companies                                                                        |                               | 0              | 0          | 0                      | 301                 |
| 3. Other long-term equity investments                                                                   |                               | 0              | 0          | 0                      | 176                 |
| 4. Long-term securities and shares in cooperatives                                                      | 6                             | 0              | 0          | 0                      | 6                   |
| 5. Other loans                                                                                          | 0                             | 0              | 0          | 0                      | 0                   |
|                                                                                                         | <b>12,084</b>                 | <b>0</b>       | <b>0</b>   | <b>0</b>               | <b>12,084</b>       |
|                                                                                                         | <b>402,080</b>                | <b>10,737</b>  | <b>360</b> | <b>1</b>               | <b>412,458</b>      |

| Cumulative depreciation, amortisation and write-downs |               |            |                     | Net carrying amount |                     |
|-------------------------------------------------------|---------------|------------|---------------------|---------------------|---------------------|
| as at<br>01/01/2024                                   | Additions     | Disposals  | as at<br>31/12/2024 | as at<br>31/12/2024 | as at<br>31/12/2023 |
| 26,111                                                | 3,232         | 0          | 29,343              | 7,679               | 9,214               |
| <b>26,111</b>                                         | <b>3,232</b>  | <b>0</b>   | <b>29,343</b>       | <b>7,679</b>        | <b>9,214</b>        |
| 66,576                                                | 1,578         | 0          | 68,154              | 22,726              | 23,974              |
| 147,468                                               | 8,712         | 122        | 156,058             | 48,284              | 51,262              |
| 52,051                                                | 2,735         | 239        | 54,547              | 11,734              | 11,910              |
| 0                                                     | 0             | 0          | 0                   | 1,849               | 1,430               |
| <b>266,095</b>                                        | <b>13,025</b> | <b>361</b> | <b>278,759</b>      | <b>84,593</b>       | <b>88,576</b>       |
| 584                                                   | 0             | 0          | 584                 | 11,017              | 11,017              |
| 301                                                   | 0             | 0          | 301                 | 0                   | 0                   |
| 176                                                   | 0             | 0          | 176                 | 0                   | 0                   |
| 0                                                     | 0             | 0          | 0                   | 6                   | 6                   |
| 0                                                     | 0             | 0          | 0                   | 0                   | 0                   |
| <b>1,061</b>                                          | <b>0</b>      | <b>0</b>   | <b>1,061</b>        | <b>11,023</b>       | <b>11,023</b>       |
| <b>293,267</b>                                        | <b>16,257</b> | <b>361</b> | <b>309,163</b>      | <b>103,295</b>      | <b>108,813</b>      |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE 2024 FINANCIAL YEAR

FRoSTA AKTIENGESELLSCHAFT, BREMERHAVEN

REGISTERED IN THE COMMERCIAL REGISTER OF THE DISTRICT COURT OF BREMEN, REGISTER NO.: HRB 1100 BHV

## (1) BASIS FOR PREPARATION

The single-entity financial statements of FRoSTA Aktiengesellschaft (in the following FRoSTA AG) have been prepared in accordance with the regulations for large corporations included in the German Commercial Code (HGB), taking into account the additional provisions of the German Stock Corporation Act (AktG); all figures are specified in thousands of euros (kEUR).

### GENERAL

FRoSTA AG prepares its income statement using the total cost (nature of expense) method.

The classification of the income statement has been modified to include the line items gross operating revenue, gross profit/loss, operating profit/loss, financial result and result from ordinary activities. This provides a better insight into the financial performance of the Company.

The single-entity annual financial statements have been prepared on the basis of the going concern assumption.

FRoSTA AG also prepares consolidated financial statements, which are published in the Company Register. The consolidated financial statements include the largest and the smallest consolidated entity.

## ACCOUNTING POLICIES

(2)

### FIXED ASSETS

Intangible fixed assets are shown at cost less amortisation. Amortisation is calculated on a straight-line basis over the assets' average useful life, starting from the date on which they are made available. The useful life for software and licences is four years. The option to capitalise internally generated intangible assets was not exercised. Costs for research and development were therefore expensed in full. Purchased trademark rights are capitalised at cost and amortised over a useful life of 10 years. They are tested annually against their recoverable amount, and written down as required.

Tangible fixed assets are recognised at cost, less depreciation in the case of assets with a finite useful life. The production cost of self-generated tangible fixed assets includes all direct costs and an appropriate share of indirect materials costs, indirect labour costs and depreciation of the assets.

Depreciation of tangible fixed assets is calculated using the straight line method on the basis of the average useful life of the assets concerned.

**Depreciation period of tangible assets**

|                                      | Useful life in years |
|--------------------------------------|----------------------|
| Buildings                            | 25 – 40              |
| Other constructions                  | 10 – 19              |
| Technical equipment and machinery    | 7 – 15               |
| IT equipment                         | 3 – 7                |
| Other operating and office equipment | 5 – 13               |

Write-downs are recognised where impairments are expected to be permanent.

Low-value assets with a purchase cost of up to EUR 250.00 are recorded as expenditure in the year in which they are acquired. In the case of a purchase cost between EUR 250.01 and EUR 800.00, low-value assets are fully depreciated and shown as disposals in the statement of changes in fixed assets.

A fixed value is recognised for transport pallets.

Investment grants and subsidies received or requested lower the purchase or production cost of the subsidised assets.

Where impairment is deemed to be permanent, long-term financial assets are recognised at cost less any write-downs to fair value.

**CURRENT ASSETS**

Inventories are measured at cost unless a lower measurement is required in accordance with the lower of cost or market principle. The present market value is used to measure the lower of cost or market value. The purchase cost of raw materials, supplies and goods is based on the purchase prices plus transaction costs less purchase price reductions.

In addition to direct costs, production cost also includes an appropriate share of the indirect labour and materials costs and depreciation and amortisation of the assets. General and administrative costs, expenses for social amenities of the Company, the costs of voluntary social benefits and of occupational pensions are not capitalised. Write-downs are recognised to anticipate identifiable expected losses and for inventory risks arising from excessive storage times or reduced usability.

Allowances for finished goods as at the balance sheet date amounted to kEUR 1,255 (2023: kEUR 1,024) as well as kEUR 1,209 (2023: kEUR 2,115) for raw materials, consumables and supplies, and for unfinished goods.

Receivables and other assets are carried at nominal value.

Default and credit risks are accounted for by specific valuation allowances.

Cash and cash equivalents are reported at nominal value at the balance sheet date.

**PREPAID EXPENSES**

Prepaid expenses relate to expenses incurred prior to the reporting date of the financial statements which represent expenditure allocable to future periods.

**DEFERRED TAXES**

Deferred taxes on temporary differences between the accounting and tax carrying amounts of assets, liabilities, prepaid expenses and deferred income are shown on a net basis. In the event of an excess of deferred tax assets over deferred tax liabilities, the option not to recognise them was used. The calculation is made on the basis of the future tax rates applicable at the balance sheet date.



## OFFSETTING OF ASSETS AND LIABILITIES, INCOME AND EXPENSES

Assets that are exempt from attachment by all other creditors and that serve exclusively to settle liabilities from partial retirement benefit obligations are measured at their fair value.

The related income and expenses are offset against the income from discounting and recognised in the financial result. Furthermore, these assets are offset against the underlying obligation. Any excess of obligations over expected benefits is recognised in the provisions.

## PENSIONS AND SIMILAR OBLIGATIONS

Pension obligations are measured in accordance with recognised actuarial principles using the projected unit credit method. The amount of the provisions is determined by including expected trends with respect to future pension developments as well as any probabilities of fluctuation. The biometric actuarial assumptions are based on the "Richttafeln 2018 G" mortality tables issued by Dr Klaus Heubeck.

The following additional assumptions were used:

|                             |                                          |
|-----------------------------|------------------------------------------|
| Assumed interest rate p.a.: | 1.90% (2023: 1.83%)<br>(10-year average) |
| Pension trend p.a.:         | 2.30% (2023: 2.30%)                      |

Since 1 January 2010, the average interest rate used for discounting has been the rate published by the Deutsche Bundesbank for a residual term of 15 years. Interest expense is recognised in the financial result.

Provisions for widow's benefit entitlements are determined using the collective method, according to which the probability of marriage is used as the underlying basis for the actuarial assumptions applied.

## OTHER PROVISIONS

In this account, the Company has set aside appropriate and adequate provisions for all identifiable risks and contingent liabilities and for expected losses from executory contracts. Provisions are recognised in the amount deemed necessary by applying prudent business judgment to meet the future obligations.

Partial retirement benefit obligations are measured in accordance with actuarial principles using the "Richttafeln 2018 G" mortality tables issued by Dr Klaus Heubeck based on the block model or part-time model. The calculations were based on an assumed interest rate of 1.97% (2023: 1.76%) and an expected rise in income of 2.0% (2023: 2.0%). Interest expense is recognised in the financial result.

Time account pension liability insurance has been taken out to cover partial retirement benefit commitments. The only value that the pension liability claim from these insurance policies has for FRoSTA AG is that in pure asset terms it is discharged from the obligation in the amount of the insurance benefits paid. In the event of an asset surplus, the partial retirement benefit commitments are therefore measured at the (higher) carrying amount of the corresponding pension liability claim, so that no excess of plan assets over post-employment benefit liability is recognised. Any excess of obligations over expected benefits is recognised in the provisions.

Jubilee obligations are measured in accordance with recognised actuarial principles using the projected unit credit method. Any increases of salaries and pensions to be expected for the future are taken into account in determining the present value. Since 1 January 2010, the interest rate published by the Deutsche Bundesbank has been used for discounting. Interest expense is recognised in the financial result.

## LIABILITIES

Liabilities are recognised at the balance sheet date with their settlement amount.

## CURRENCY TRANSLATION

Foreign currency transactions are initially translated to euros at the applicable spot rate on the date the transaction occurred.

Trade receivables and payables in foreign currencies with a residual term of up to one year are generally measured at the middle spot rate at the balance sheet date. Unrealised gains as well as losses are recognised. Derivative financial instruments, in contrast, are recognised in accordance with the impairment principle, i.e. provisions are recognised for unrealised losses, whereas unrealised gains (profits) may not be recognised.

### (3) NOTES TO THE BALANCE SHEET

#### FIXED ASSETS

An overview of the fixed assets based on total cost is attached to these Notes.

Transport pallets were recognised at a fixed rate of kEUR 871 (2023: kEUR 871).

The reduction in the cost of subsidised assets to which investment grants and subsidies relate as at 31 December 2024 amounted to kEUR 517 (2023: kEUR 373). The reversal of investment grants and subsidies of kEUR 69 (2023: kEUR 55) directly reduced gross depreciation/amortisation. Investment grants amounting to kEUR 214 (2023: kEUR 187) were received in the reporting year, which directly reduced acquisition costs.

#### Long-term equity investments (in kEUR)

| Name of entity                                       | Share of capital in % | Subscribed capital | Equity | Net profit/loss for 2023 | Net profit/loss for 2024 |
|------------------------------------------------------|-----------------------|--------------------|--------|--------------------------|--------------------------|
| 1. COPACK Tiefkühlkost-Produktions GmbH, Bremerhaven | 100,00                | 256                | 243    | 7                        | 8                        |
| 2. FRoSTA Tiefkühlkost GmbH, Bremerhaven             | 100,00                | 255                | 283    | 7                        | 8                        |
| 3. FRoSTA Foodservice GmbH, Bremerhaven              | 100,00                | 256                | 287    | 7                        | 8                        |
| 4. TIKO Vertriebsgesellschaft mbH, Bremerhaven       | 100,00                | 256                | 293    | 7                        | 7                        |
| 5. FRoSTA Sp. z o.o., Bydgoszcz/Poland               | 100,00                | 8,195              | 66,646 | 5,386                    | 12,020                   |
| 6. FRoSTA CR s.r.o., Prague/Czech Republic           | 100,00                | 40                 | 294    | 18                       | 53                       |
| 7. FRoSTA Hungary Kft., Esztergom/Hungary            | 100,00                | 16                 | 105    | 8                        | 9                        |
| 8. FRoSTA S.r.l. Rome/Italy                          | 100,00                | 500                | 8,027  | 1,795                    | 1,997                    |

In addition, there are three other equity investments, the disclosure of which is omitted in the overview with reference to Section 286 (3) no. 1 HGB.

Of the receivables from affiliated companies, kEUR 417 (2023: kEUR 972) had a residual term of more than one year.

The euro amounts from financial statements that have been prepared in foreign currencies are determined using the exchange rate on the balance sheet date.

#### RECEIVABLES AND OTHER ASSETS

Receivables from affiliated companies included receivables from intercompany deliveries and services amounting to kEUR 27,372 (2023: kEUR 22,212). Other assets were recognised in the amount of kEUR 972 (2023: kEUR 1,528).

#### EQUITY

At 31 December 2024, share capital amounted to EUR 17,440,250.88 and was divided into 6,812,598 no-par value shares (accounting par value EUR 2.56) classified as ordinary shares. The shares are made out to the bearer.

In accordance with a resolution passed at the Annual General Meeting on 11 April 2024, an amount of EUR 12,723,589.83 was appropriated to other revenue

reserves from the recognised net retained profits of EUR 26,323,405.83. Revenue reserves include profits generated in prior periods to the extent that they were not distributed.

A total of 1,926 FRoSTA AG no-par value bearer shares held as treasury shares with a nominal value of EUR 4,930.56, or 0.03% of the share capital, were offset against equity. The purchase cost amount of EUR 117,616.44 exceeding the nominal value was reported as a reduction of revenue reserves.

These 1,926 no-par value bearer shares resulted from the following purchase and sales transactions:

In the context of a share buyback in the period between 27 February 2024 and 1 August 2024, FRoSTA AG reacquired 30,142 treasury shares. This corresponds to a nominal amount of EUR 77,163.52, or 0.44% of the share capital. This cost EUR 1,981,207.00, which equates to a weighted average price of EUR 65.73 per share.

Under an employee share programme, FRoSTA AG sold 29,884 no-par value bearer treasury shares. This corresponds to a nominal amount of EUR 76,503.04, or 0.44% of the share capital as at 31 December 2024. For these shares, FRoSTA AG received a total of EUR 670,579.60 to be used as it deems fit. As part of a bonus scheme, the Company issued 4,231 shares to employees at first-tier management level below the Executive Board.

The share buybacks were determined on the basis of the shares sold in the previous year within the scope of the share-based remuneration scheme and employee share programme. Under Section 71b of the German Stock Corporation Act (AktG), the no-par value bearer shares held as treasury shares are not entitled to any rights.

Apart from this, there is authorised capital, as yet unused, for a fixed period until 26 April 2028, amounting to EUR 1,000,000.00 for the issuing of shares to employees of the Company and its affiliated companies.

## PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The settlement value of pension provisions relates exclusively to retirees already receiving a pension. The carrying amount pursuant to Section 253 (2) HGB applying the 10-year average interest rate of 1.90% was kEUR 50 in the financial year 2024. In the previous year, the 10-year average interest rate was 1.83%, resulting in a carrying amount pursuant to Section 253 (2) HGB of kEUR 60. Applying the 7-year average interest rate pursuant to Section 253 (6) HGB of 1.97% would have produced a carrying amount of kEUR 49 for the 2024 financial year. The 7-year average interest rate pursuant to Section 253 (6) HGB in the previous year was 1.76%, which would have corresponded to a carrying amount of kEUR 61.

## OTHER PROVISIONS

Other provisions comprised provisions for personnel expenses amounting to kEUR 14,834. This included provisions for jubilee benefits with a settlement amount of kEUR 3,050. The discount rate on which this is based was 1.97%, assuming a residual term of 15 years.

Provisions for partial retirement were recognised with a settlement amount of kEUR 274. This was determined based on an interest rate of 1.97% (Section 253 (2) sentence 1 HGB). The fair value of assets invested amounted to kEUR 320. The partial retirement benefit commitments were recognised with the carrying amount of the corresponding post-employment benefit liability claim.

Additional provisions were recognised for outstanding invoices amounting to kEUR 5,652. Other provisions also related to obligations arising from sales-related agreements on terms and conditions totalling kEUR 17,812.

## LIABILITIES

### Liabilities (in kEUR)

|                                                        | Total amount                 | of which due within          |                            |                          |
|--------------------------------------------------------|------------------------------|------------------------------|----------------------------|--------------------------|
|                                                        |                              | up to 1 year                 | more than 1 year           | more than 5 years        |
| Liabilities to banks<br>(previous year)                | 16,056<br>(20,842)           | 3,929<br>(4,786)             | 12,127<br>(16,056)         | 2,105<br>(3,899)         |
| Trade payables<br>(previous year)                      | 82,908<br>(86,254)           | 82,908<br>(86,254)           | 0<br>(0)                   | 0<br>(0)                 |
| Liabilities to affiliated companies<br>(previous year) | 48,109<br>(26,175)           | 48,109<br>(26,175)           | 0<br>(0)                   | 0<br>(0)                 |
| Other liabilities<br>(previous year)                   | 3,697<br>(3,523)             | 3,697<br>(3,523)             | 0<br>(0)                   | 0<br>(0)                 |
| <b>Total<br/>(previous year)</b>                       | <b>150,770<br/>(136,794)</b> | <b>138,643<br/>(120,738)</b> | <b>12,127<br/>(16,056)</b> | <b>2,105<br/>(3,899)</b> |

The liabilities to banks were guaranteed by mortgages amounting to kEUR 972 (2023: kEUR 1,528).

Trade payables were subject to customary retention of title.

Liabilities to affiliated companies resulted from intercompany deliveries and services amounting to kEUR 13,118 (2023: kEUR 13,974) and in an amount of kEUR 34,992 (2023: kEUR 12,201) from other liabilities.

### Sales by product groups (in mEUR)

|                                | 2023       | 2024       | Change %    |
|--------------------------------|------------|------------|-------------|
| Fish                           | 267        | 236        | -11.3       |
| Fruit and vegetables           | 131        | 120        | -9.1        |
| Ready meals and other products | 200        | 214        | 7.0         |
| Services                       | 0          | 1          | 100.0       |
|                                | <b>598</b> | <b>571</b> | <b>-4.5</b> |

## (4) NOTES TO THE INCOME STATEMENT

### SALES

#### Sales by region in mEUR (in mEUR)

|                  | 2023       | 2024       | Change %     |
|------------------|------------|------------|--------------|
| Germany          | 486        | 480        | -1.2         |
| Sales allowances | 84         | 83         | -1.2         |
|                  | <b>402</b> | <b>397</b> | <b>-1.2</b>  |
| Outside Germany  | 198        | 176        | -11.1        |
| Sales allowances | 2          | 2          | 0.0          |
|                  | <b>196</b> | <b>174</b> | <b>-11.2</b> |
|                  | <b>598</b> | <b>571</b> | <b>-4.5</b>  |

In the 2024 financial year, a portion of the sales revenue relating to the fish product group that was reported in the previous year under the product group ready meals and other products was instead allocated to the fish product group. To ensure year-on-year comparability of sales revenue, the respective previous year's figures in the breakdown of sales by product groups were adjusted by EUR 85m. This adjustment did not affect the Company's overall results.

### PRIOR-PERIOD INCOME AND EXPENSES AS WELL AS EXPENSES AND INCOME OF EXCEPTIONAL SIGNIFICANCE

The income statement of FRoSTA AG included income relating to prior accounting periods of kEUR 2,162 (2023: kEUR 1,305) and expenses relating to prior accounting periods in the amount of kEUR 454 (2023: kEUR 586). Prior-period income mainly related to the reversal of personnel provisions and other provisions. In the financial year

2024, no expenses of exceptional scale or exceptional significance were incurred (2023: kEUR 3,926).

## OFFSETTING OF INCOME AND EXPENSES

No return was earned on plan assets in 2024, thus rendering offsetting against expenses unnecessary.

## TAXES ON INCOME

Deferred taxes on temporary differences between the accounting and tax carrying amounts of assets, liabilities, prepaid expenses and deferred income were determined as follows:

### Deferred tax assets and liabilities (in kEUR)

|                         | 31/12/2023          |                          | 31/12/2024          |                          |
|-------------------------|---------------------|--------------------------|---------------------|--------------------------|
|                         | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Intangible fixed assets | 0                   | 1.705                    | 0                   | 1,122                    |
| Tangible fixed assets   | 0                   | 1.429                    | 0                   | 1,212                    |
| Provisions for pensions | 6                   | 0                        | 5                   | 0                        |
| Other provisions        | 670                 | 0                        | 566                 | 0                        |
| Trade payables          | 0                   | 187                      | 375                 | 0                        |
| <b>Total</b>            | <b>676</b>          | <b>3,321</b>             | <b>946</b>          | <b>2,334</b>             |
| Netting                 | -676                | -676                     | -946                | -946                     |
| <b>Balance</b>          | <b>0</b>            | <b>2.645</b>             | <b>0</b>            | <b>1,388</b>             |

The temporary differences were measured based on the combined tax rate of corporation tax and trade tax of 31.10 % (2023: 31.17%).

A resulting theoretical tax benefit was not recognised in accordance with the option as set forth in Section 274 HGB.

## (5) OTHER DISCLOSURES

### OTHER FINANCIAL OBLIGATIONS

#### Other financial obligations (in kEUR)

|                                                            | 31/12/2023   | 31/12/2024    |
|------------------------------------------------------------|--------------|---------------|
| Obligations arising from current lease agreements          | 1,100        | 2,525         |
| Obligations under current rental and maintenance contracts | 3,898        | 4,878         |
| Purchase commitments from expansion investments            | 2,270        | 5,692         |
| Consignment agreements                                     | 2,698        | 1,654         |
| <b>Total</b>                                               | <b>9,966</b> | <b>14,749</b> |



**Remaining maturities of rental, maintenance and lease agreements as at 31 December 2024 (in kEUR)**

|                                                               | < 1 year      | 1 – 5 year   | > 5 year  |
|---------------------------------------------------------------|---------------|--------------|-----------|
| Future payments from current lease agreements                 | 742           | 1,756        | 27        |
| Future payments from current rental and maintenance contracts | 4,241         | 634          | 3         |
| Purchase commitments from expansion investments               | 5,692         | 0            | 0         |
| Consignment agreements                                        | 1,654         | 0            | 0         |
| <b>Total</b>                                                  | <b>12,329</b> | <b>2,390</b> | <b>30</b> |

As a result of contract extensions for the SAP cloud and industrial trucks, other financial obligations for the new residual contract term have increased.

## HEDGING TRANSACTIONS/ DERIVATIVES

Currency hedging is used to hedge outgoing payments in USD. Derivative financial instruments are accounted for at cost at the transaction date. The banks determine the

fair values as at the balance sheet date on the basis of market quotations. Hedging transactions are measured in accordance with the impairment principle, i.e. provisions for contingent losses are recognised for unrealised losses, whereas unrealised gains may not be recognised. These are reported under other provisions.

The following table shows the individual financial instruments. The fair values were determined on the basis of the individual closing rate.

**Hedging transactions/derivatives**

| Financial instrument | Type          | Period              | Underlying transaction | Scope in kEUR | Fair value in kEUR |
|----------------------|---------------|---------------------|------------------------|---------------|--------------------|
|                      |               | 06/01/2025<br>until |                        |               |                    |
| Currency forwards    | Purchase kUSD | 20/02/2025          | 17,850                 | 16,866        | -5                 |

## AUDITORS' FEES AND SERVICES

The total fees invoiced by the auditors, BDO AG Wirtschaftsprüfungsgesellschaft, for the financial year are included in the relevant section of the Notes to the consolidated financial statements.

## NUMBER OF EMPLOYEES

**Employees (annual average)**

|                  | 2023 | 2024 |
|------------------|------|------|
| Wage earners     | 664  | 717  |
| Salaried staff   | 326  | 335  |
| of whom trainees | 2    | 4    |

**Number of employees pursuant to Section 285 no. 7 HGB**

|              | 990          | 1.052        |
|--------------|--------------|--------------|
| Apprentices  | 18           | 25           |
| <b>Total</b> | <b>1.008</b> | <b>1.077</b> |

## EXECUTIVE BOARD

The following persons were members of the Executive Board of FRoSTA AG in the financial year 2024:

- Felix Ahlers, businessman, Hamburg, Chairman, as at 31 December 2024: 2,296,510 FRoSTA shares = 33.7%.
- Hinnerk Ehlers, businessman, Hamburg, Executive Board Member Marketing, Sales
- Maik Busse, businessman, Bremerhaven, Executive Board Member Finances, Financial Controlling, IT, Operations & HR

The total number of FRoSTA shares owned by the Executive Board as at 31 December 2024 was 2,316,717 shares = 34.0%.

## SUPERVISORY BOARD

The following persons were members of the Supervisory Board of FRoSTA AG in the financial year 2024:

- Volker Kuhn, businessman, Geneva, Chairman of the Supervisory Board, President Hygiene, Reckitt Benckiser (from 1 April 2025 Executive Vice President Europe, Mondelez)
- Dirk Ahlers, businessman, Hamburg, Chairman of the Supervisory Board, as at 31 December 2024: 681,159 FRoSTA shares = 10.0%.
- Torsten Richter, Lommatzsch, employee of FRoSTA AG, Lommatzsch (until 24 May 2024)
- Frank Brede, Bremerhaven, employee of FRoSTA AG, Bremerhaven (from 25 May 2024)

The total number of FRoSTA AG shares owned by the Supervisory Board as at 31 December 2024 was 682,479 shares = 10.0%.

### REMUNERATION PURSUANT TO SECTION 285 NO. 9 HGB

The members of the Executive Board receive remuneration made up of the following components:

- a fixed basic annual salary
- a variable remuneration component for the purchase of FRoSTA shares
- a variable remuneration component dependent on consolidated pre-tax profit
- a long-term bonus component oriented towards the 3-year average return on investment (ROI) of FRoSTA AG.

The paid out total remuneration of the Executive Board of FRoSTA AG in the 2024 financial year amounted to kEUR 4,362 (2023: kEUR 3,361). Of this, the fixed remuneration came to kEUR 987 (2023: kEUR 937) and variable remuneration to kEUR 3,375 (2023: kEUR 2,424).

The members of the Supervisory Board receive remuneration made up of the following components:

- a fixed basic annual salary paid once a year
- a performance bonus related to earnings per share, which is also paid once a year

The remuneration of the Supervisory Board amounted to kEUR 204 (2023: kEUR 192), of which kEUR 102

(2023: kEUR 83) was variable remuneration and kEUR 102 (2023: kEUR 109) was fixed remuneration.

### REPORT ON POST-BALANCE SHEET EVENTS

No significant events having a material impact on the financial position, financial performance and cash flows as at 31 December 2024 occurred after the balance sheet date.

### OTHER

On 22 December 2015, Mr Dirk Ahlers notified the Company that his shareholding had fallen below 25%.

On 22 December 2015, Ms Friederike Ahlers notified the Company that her shareholding had exceeded 25%.

On 22 December 2015, Mr Felix Ahlers notified the Company that his shareholding had exceeded 25%.

### APPROPRIATION OF NET PROFIT

Based on 6,812,598 no-par value bearer shares less 1,926 no-par value bearer shares held as treasury shares, which under Section 71b of the German Stock Corporation Act (AktG) are not entitled to any rights, the number of no-par bearer shares entitled to a dividend came to 6,810,672.

At the Annual General Meeting, we will be proposing a dividend payment of EUR 2.40 per share corresponding to a total dividend payment of EUR 16,345,612.80. This payment will be taken from the net income for the year as at 31 December 2024 of EUR 27,380,241.85. The remaining EUR 11,034,629.05 will be allocated to other revenue reserves.

Bremerhaven, 10 February 2025

The Executive Board



Felix Ahlers



Maik Busse



Hinnerk Ehlers

## INDEPENDENT AUDITORS' REPORT

TO FRoSTA AKTIENGESELLSCHAFT, BREMERHAVEN

### AUDIT OPINIONS

We have audited the annual financial statements of FRoSTA Aktiengesellschaft, Bremerhaven – comprising the balance sheet as at 31 December 2024 and the income statement for the financial year from 1 January 2024 to 31 December 2024, and the notes to the annual financial statements, including the recognition and measurement principles presented therein.

In addition, we have audited the management report of FRoSTA Aktiengesellschaft for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the elements of the management report included in the OTHER INFORMATION section of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In

all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the elements in the OTHER INFORMATION section of the management report referred to above.

Pursuant to Section 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

### BASIS FOR OUR OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT section of our auditors' report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

## OTHER INFORMATION

The executive directors and/or the Supervisory Board are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to Section 289f (4) HGB (disclosures on the quota for women on executive boards) included in the section "FRoSTA IS FOR EVERYONE – ALSO IN THE FUTURE",
- voluntary disclosures for which no audit requirement exists included in the sections "HEALTH MANAGEMENT AT FRoSTA", "FRoSTA IS GOING MORE DIGITAL", "INTERNAL COMMUNICATION AT FRoSTA", "SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY",
- the remaining parts of the annual report with the exception of the audited annual financial statements and management report and our auditors' report.

Our opinions on the annual financial statements and on the management report do not cover the other information, and we therefore do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. accounting manipulation or asset misappropriation) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditors' report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

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 these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report 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 these internal controls or these arrangements and measures of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting 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 the auditors' report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Bremen, 10 February 2025

BDO AG  
Wirtschaftsprüfungsgesellschaft

signed Zypress  
Auditor

signed Kunze  
Auditor

# Lecker Grün. Kein Zeug.

100 % frei von Zusätzen.



ist für alle da

# TEN-YEAR OVERVIEW FOR THE FRoSTA GROUP

## Ten-year overview for the FRoSTA Group

|                            |        | 2024                | 2023      | 2022      |
|----------------------------|--------|---------------------|-----------|-----------|
| Employees (average)        | number | 1.760               | 1.665     | 1.712     |
| Revenue                    | mEUR   | 638                 | 639       | 579       |
| EBITDA                     | mEUR   | 79.3                | 68.6      | 54.8      |
| Consolidated profit/loss   | mEUR   | 42.0                | 34.1      | 24.3      |
| Capital expenditure        | mEUR   | 13.2                | 19.4      | 21.0      |
| Shares                     | number | 6.812.598           | 6.812.598 | 6.812.598 |
| Total dividend             | kEUR   | 16.346 <sup>2</sup> | 13.600    | 10.900    |
| Dividend per share         | EUR    | 2.40 <sup>2</sup>   | 2.00      | 1.60      |
| Earnings per share         | EUR    | 6.16                | 5.00      | 3.57      |
| Non-current assets         | mEUR   | 115.6               | 122.6     | 121.9     |
| Current assets             | mEUR   | 344.5               | 309.7     | 258.8     |
| Equity                     | mEUR   | 261.0               | 232.2     | 205.3     |
| Equity ratio               |        | 56.7%               | 53.6%     | 53.6%     |
| Liabilities to banks       | mEUR   | 16.1                | 20.8      | 42.5      |
| Return on Investment (ROI) |        | 22.9%               | 17.0%     | 12.8%     |

<sup>1</sup> In 2018, the employees of the small sales offices in Eastern Europe were included in the calculation for the first time and the allocation of administration – previously partly included in the plant in Bydgoszcz – was adjusted, so that the comparative figure for 2017 was also adjusted accordingly.

<sup>2</sup> subject to approval by the General Meeting

|  | HGB ←     | → IFRS    |           |                    |           |           |           |
|--|-----------|-----------|-----------|--------------------|-----------|-----------|-----------|
|  | 2021      | 2020      | 2019      | 2018               | 2017      | 2016      | 2015      |
|  | 1.757     | 1.778     | 1.852     | 1.778 <sup>1</sup> | 1.709     | 1.665     | 1.631     |
|  | 527       | 552       | 523       | 509                | 501       | 466       | 440       |
|  | 57.0      | 55.8      | 28.8      | 46.6               | 49.3      | 43.8      | 38.3      |
|  | 28.6      | 25.1      | 12.4      | 20.0               | 23.4      | 21.6      | 18.2      |
|  | 15.0      | 15.2      | 19.7      | 37.3               | 31.6      | 26.0      | 14.1      |
|  | 6.812.598 | 6.812.598 | 6.812.598 | 6.812.598          | 6.812.598 | 6.812.598 | 6.812.598 |
|  | 10.900    | 10.900    | 10.900    | 10.900             | 10.900    | 10.203    | 9.265     |
|  | 1.60      | 1.60      | 1.60      | 1.60               | 1.60      | 1.50      | 1.36      |
|  | 4.20      | 3.68      | 1.82      | 2.93               | 3.43      | 3.17      | 2.67      |
|  | 121.3     | 125.5     | 130.9     | 135.1              | 115.3     | 89.7      | 76.5      |
|  | 202.6     | 181.6     | 189.7     | 193.5              | 194.8     | 181.8     | 168.2     |
|  | 193.0     | 175.9     | 165.1     | 169.5              | 161.9     | 145.7     | 134.7     |
|  | 59.3%     | 57.7%     | 51.4%     | 51.6%              | 52.2%     | 53.7%     | 55.1%     |
|  | 14.0      | 28.8      | 55.7      | 42.2               | 44.6      | 27.6      | 33.2      |
|  | 15.8%     | 14.7%     | 6.9%      | 11.2%              | 15.2%     | 14.1%     | 12.7%     |

# REPORT OF THE SUPERVISORY BOARD FOR THE 2024 FINANCIAL YEAR

Dear Shareholders,

In the 2024 financial year, the Supervisory Board carried out the duties incumbent upon it under the law and the Company's Articles of Association and its own Rules of Procedure. The Supervisory Board advised the Executive Board on the running of the Company and continually supported and monitored all executive business activities. In doing so, the Supervisory Board also satisfied itself of the legality and appropriateness of the measures taken. Within the scope of this close collaboration, the members of the Supervisory Board were briefed by the Executive Board in a regular, timely and comprehensive manner in writing, by telephone and in personal conversations on the situation of the Company and the Group, the principles of the business policy, the Company's profitability, as well as on important business transactions. Furthermore, between official meetings the Supervisory Board Chairman held regular personal meetings with the Executive Board and informed himself about the development of business. The Supervisory Board was informed and consulted in a direct and timely manner on all decisions of consequence for the Company or for which its approval is required in accordance with the law and the Company's Articles of Association or its own Rules of Procedure. Thanks to the regular, timely and detailed information received from the Executive Board, the Supervisory Board was able to completely fulfil its monitoring and consulting duties.

## MEETINGS AND FOCUS OF CONSULTATIONS

The 2024 financial year was clearly characterised by high inflation and the associated changes in consumer behaviour.

Against this background, the Supervisory Board intensively advised the Executive Board regarding the future structure of the FRoSTA Group. The most important focus was once again the further expansion of the FRoSTA brand business (growth across all countries 13.5% in 2024 vs. 18.7% in 2023).

The Supervisory Board convened four ordinary meetings in 2024: on 14/02/2024, 11/04/2024, 19/09/2024 and 19/12/2024, which were attended by all members. At these ordinary meetings, the Supervisory Board received reports from the Executive Board.

In addition to the areas mentioned above, the Supervisory Board also dealt in particular with the following topics at its individual meetings:

On 14 February 2024 with the review and approval of the 2023 annual financial statements. Other topics of discussion were succession planning at senior management level and gender diversity.

On 11 April 2024 with preparations for the virtual Annual General Meeting being held the same day and afterwards a discussion on the current development of brand business.

On 19 September 2024, the main topics of discussion were production capacities and service levels at the production plants, as well as sustainability initiatives.

On 19 December 2024 with the presentation, discussion and approval of the annual planning for the 2025 financial year. Frank Brede, employee representative on the Supervisory Board, also reported on developments at the production plants.

## SINGLE-ENTITY AND CONSOLIDATED FINANCIAL STATEMENTS

The 2024 single-entity and consolidated financial statements and the management reports for FRoSTA AG and for the Group prepared by the Executive Board were audited by BDO AG Wirtschaftsprüfungsgesellschaft, Bremen, as mandated by the Annual General Meeting. BDO AG Wirtschaftsprüfungsgesellschaft, Bremen, examined both the single-entity and the consolidated financial statements and issued both with unqualified auditors' reports.



The management reports of FRoSTA AG and of the Group were also issued unqualified auditors' reports.

The audit reports were submitted to the members of the Supervisory Board in good time. They were duly reviewed and discussed in detail by the Supervisory Board at its meeting on 12 February 2025. For its part, the Supervisory Board thoroughly reviewed the single-entity financial statements, the consolidated financial statements, the management reports of FRoSTA AG and the Group as well as the proposal on the appropriation of net retained profits.

The Supervisory Board determined that, having completed its review, it had no objections either to the single-entity financial statements as at 31 December 2024 or to the consolidated financial statements as at 31 December 2024, nor to the management reports of FRoSTA AG and the Group as at 31 December 2024. The Supervisory Board therefore unanimously approved the single-entity and consolidated financial statements prepared by the Executive Board. The annual financial statements were thereby adopted.

The Supervisory Board also approved the proposal of the Executive Board on the appropriation of net retained profits.

## COMPOSITION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

In the reporting period, the composition of the Executive Board remained unchanged with Felix Ahlers (Chairman), Maik Busse and Hinnerk Ehlers.

The members of the Supervisory Board in 2024 were Volker Kuhn (Chairman) and Dirk Ahlers (Vice Chairman). The employee representative was elected on a rotational basis, so that Torsten Richter was a member of the Supervisory Board until 24 May 2024, followed by Frank Brede from 25 May 2024.

## COMMITTEES

The Finance and Personnel Committee, composed of Volker Kuhn and Dirk Ahlers, met prior to each Supervisory Board meeting and discussed in advance by phone the submitted detailed monthly earnings figures. The Supervisory Board has not formed any other committees. The topic of

the Committee meeting on 14 February 2024 was performance-related remuneration of the Executive Board.

## WORD OF THANKS

FRoSTA AG overcame the numerous challenges in 2024 and developed satisfactorily. The Supervisory Board would like to express its thanks to all employees and to the Executive Board for the good work done and for their unswerving commitment. Special thanks are due to Torsten Richter for his many years of valuable service on the Supervisory Board.

Bremerhaven, 12 February 2025

For the Supervisory Board  
Volker Kuhn

## MANAGEMENT BODIES

### SUPERVISORY BOARD

#### **Volker Kuhn**

Geneva/Switzerland, Businessman, Chairman

#### **Dirk Ahlers**

Hamburg, Businessman, Vice Chairman

#### **Torsten Richter**

Lommatzsch, Master electrical engineer  
(until May 24, 2024)

#### **Frank Brede**

Bremerhaven, Car mechanic  
(as of May 25, 2024)

## VORSTAND

#### **Felix Ahlers**

Hamburg, Chairman

#### **Maik Busse**

Bremerhaven

#### **Hinnerk Ehlers**

Hamburg

# GROUP STRUCTURE AND ADDRESSES

**V** Sales      **P** Production

## FRoSTA AKTIENGESELLSCHAFT

Am Lunedeich 116  
27572 Bremerhaven  
Phone: +49-471-9736-0  
Fax: +49-471-75163  
E-mail: [moin@frosta.com](mailto:moin@frosta.com)

## LOCATIONS IN GERMANY – SALES

**V** FRoSTA TIEFKÜHLKOST GMBH  
Friesenweg 4  
22763 Hamburg  
Phone: +49-40-854140-60  
Fax: +49-40-854140-88  
E-mail: [moin@frosta.com](mailto:moin@frosta.com)

**V** COPACK TIEFKÜHLKOST  
PRODUKTIONS GMBH  
Am Lunedeich 116  
27572 Bremerhaven  
Phone: +49-471-9736-190  
Fax: +49-471-72076  
E-mail: [info@copack.com](mailto:info@copack.com)

**V** FRoSTA FOODSERVICE GMBH  
Am Lunedeich 116  
27572 Bremerhaven  
Phone: +49-471-9736-0  
Fax: +49-471-9736-445  
E-mail: [foodservice@frosta.com](mailto:foodservice@frosta.com)

**V** TIKO VERTRIEBSGES. MBH  
Am Lunedeich 116  
27572 Bremerhaven  
Phone: +49-471-9736-198  
Fax: +49-471-72076

---

## LOCATIONS IN GERMANY – PRODUCTION

---

---

**P**

---

**FRoSTA AG**  
**WERK BREMERHAVEN**  
Am Lunedeich 116  
27572 Bremerhaven  
Phone: +49-471-9736-0  
Fax: +49-471-74349  
E-mail: bremerhaven@frosta.com

---

**P**

---

**FRoSTA AG**  
**WERK LOMMATZSCH**  
Messaer Straße 3 – 5  
01623 Loammatzsch  
Phone: +49-35241-59-0  
Fax: +49-35241-59-193  
E-mail: lommatzsch@frosta.com

---

**P**

---

**FRoSTA AG**  
**WERK BOBENHEIM-ROXHEIM**  
Industriestraße 4  
67240 Bobenheim-Roxheim  
Phone: +49-6239-807-0  
Fax: +49-6239-807-163  
E-mail: bobenheim@frosta.com

---

## LOCATIONS ABROAD

---

---

**P**

---

**FRoSTA SP. Z O.O.**  
ul. Witebska 63  
85-778 Bydgoszcz  
Poland  
Phone: +48-52-36 06 700  
Fax.: +48-52-34 34 746  
E-mail: info@frosta.pl

---

**V**

---

**FRoSTA HUNGARY KFT.**  
Szent Tamás u. 1  
2500 Esztergom  
Hungary  
Phone: + 36-33-500 350  
Fax.: + 36-33-500 351  
E-mail: info@frosta.hu

---

**V**

---

**FRoSTA S.R.L.**  
Via Ludovico di Savoia 4a-6b  
00185 Rome  
Italy  
Phone: + 39-06-687 1749  
Fax.: + 39-06-687 3197  
E-mail: info@frostitalia.it

---

**V**

---

**FRoSTA ČR S.R.O.**  
U Nikolajky 833/5  
158 00 Prague 5  
Czech Republic  
Phone: +42 02 51 56 07 35  
Fax.: +42 02 51 56 07 39  
E-mail: info@frosta.cz

---

**V**

---

**FRoSTA ROMANIA**  
2 Ciresilor Street  
Mogosoia, jud. Ilfov  
Romania  
Phone: +40-722-366555  
E-mail: info@frosta.pl