



Annual Report 2023



A word from the CEO

Ready for tomorrow's opportunities

We look back on a time many of us have referred to as extraordinary. A year that will certainly be described in the history books of the future. Marked by challenges but also impressive efforts, collaboration and strong results.

"In a crisis situation, neither schools, hospitals, nursing homes, roads, culture nor anything else tops my list – just food. Without food, everything else becomes insignificant." That's what 12-year-old Aksel Stenersen Fagerhus wrote when he submitted his article entitled ["Norway needs domestically produced food"](#) to a Norwegian newspaper this year. When we see war and crisis, we realise that food security is at stake, which causes more people to understand the importance of having food production throughout the country. It provides benefits to society that we all enjoy: a secure food supply, good animal welfare, open cultural landscapes, jobs and a rural population throughout Norway.

At TINE, together with our employees and owners, we create these valuable aspects of society that Norway needs. That's why I'm so pleased that we continue to deliver. Thanks to dedication and effort, we turn challenges into opportunities and can look back on a strong year with solid results for our Group.

We have put the consumer in the driver's seat, with customers as our guide and a new commercial strategy for TINE SA as the foundation. The only way to create value is to succeed in the market. We aim to take a larger share of the food and beverage market,

continue to stabilise our development in key categories and realise new, exciting growth areas. Despite both high prices and changed consumption patterns, we have succeeded in launching products that have already become popular in 2023. Both Diplom-Is and Fjordland have gained stronger market positions, and there is no doubt that consumer insight develops strong brands at TINE. Meeting consumers' needs throughout the day with taste, quality, innovation and sustainability in focus is the key to success.

We are also making our mark beyond Norway's borders. This year, we have sold products equivalent to three million litres of Norwegian milk in the Nordic market – well-assisted by our subsidiary Wernersson Ost. Our plant in Ireland is producing more cheese, and in the future, all Jarlsberg for the international market will be made in Ireland and in the United States. A total of 17 per cent of the Group's revenue comes from our international operations, and our ambitions remain unchanged.

At the same time, the valuable work of reducing costs throughout the Group continues. Since 2019, we have cut more than NOK 1.5 billion. In the last year, we have also made important decisions for the future of

TINE Group, which entail both necessary changes in TINE's plant structure and a new method of distribution for Diplom-Is. Stagnation is regression, they say. We must therefore dare to make hard decisions, change with the times and anticipate tomorrow's opportunities.

To ensure that we are ready for tomorrow, we must continue to strengthen our framework conditions. It is good news that the government has decided to adjust some of the competition policy subsidies to our competitors, so we can compete on more equitable terms. The changes will boost the competitiveness of Norwegian milk and benefit not only stakeholders in dairies but also consumers and Norwegian dairy farmers.

Because there is no doubt: when finances are tight for farmers, it is very demanding for our owners. This year, TINE is paying more than NOK 1 billion in subsequent payments to our owners. This provides essential income for farmers – at the same time as they create valuable aspects of Norwegian society that we all enjoy: jobs, a rural population and a vibrant Norway from north to south.

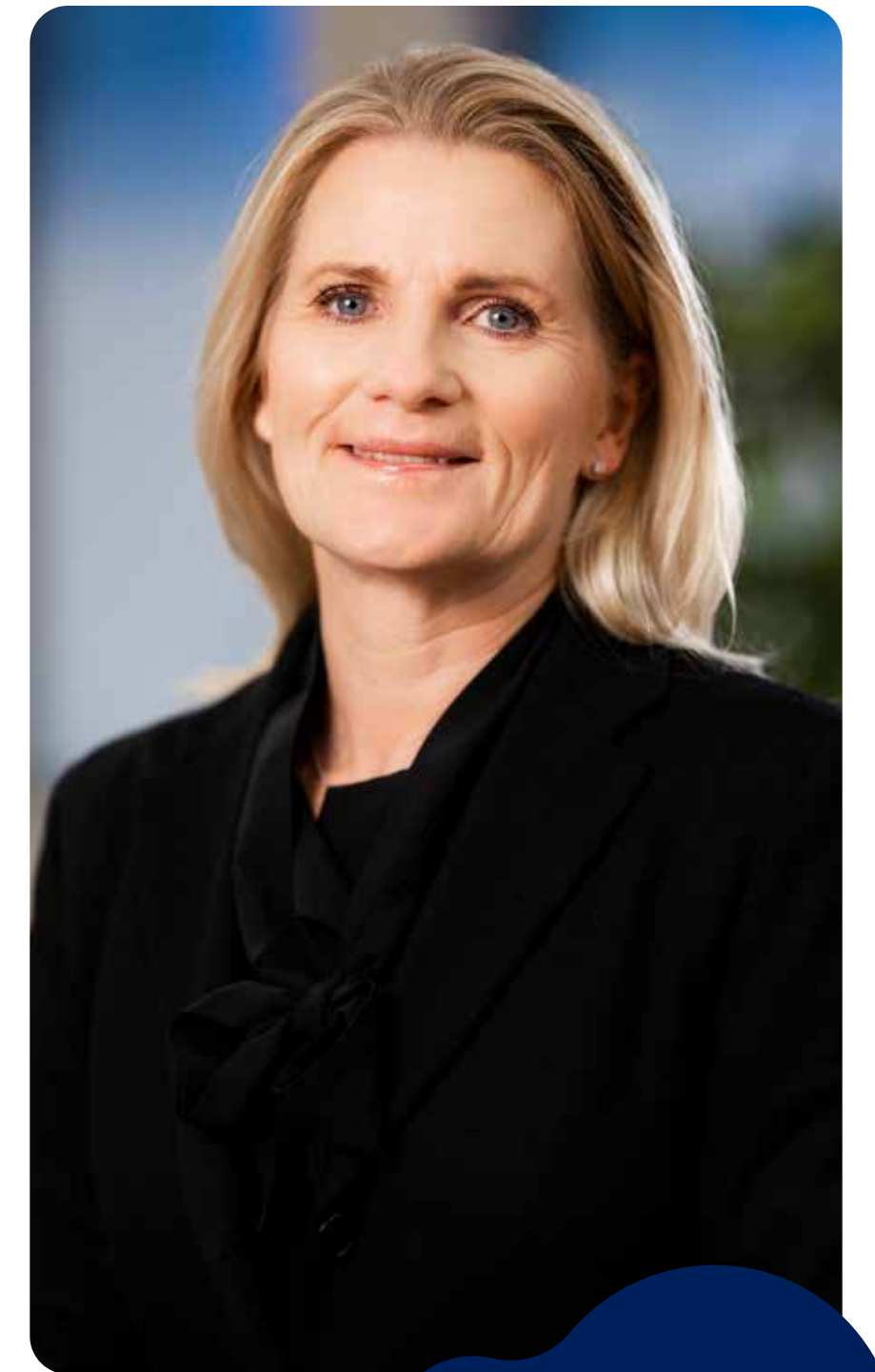
We are continuing to take big steps forward in sustainability. The latest figures from the

climate calculator created by Landbrukets Klimaselskap SA show that emissions from Norwegian milk production are even lower than expected: we can boast 1.04 kg of CO₂ equivalents per litre of milk, while the global average is over double that. This proves how important it is that we document and set clear goals for how we will continue to reduce our emissions across the value chain. And this work is bearing fruit: Diplom-Is was selected as the Eco-Lighthouse of the Year for its sustainability work in 2023.

I look forward to using the power we have together to guide TINE in the right direction for 2024. We are already working on developing a Group-wide strategy that will set a clearer course for our entire Group towards 2030.

Tomorrow's opportunities will build on our successes, experiences and expertise. Together, we will take initiative, take responsibility and take care of each other as we continue to develop Norway's strongest brands, which are part of your everyday life, at all meals – for your whole life.

Because, as we all know, at TINE, there is only one way to do things. Properly.



Ann-Beth Freuchen
CEO

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OUR RESULTS

The TINE Group produces and distributes high-quality Norwegian products throughout Norway and abroad. Norway is our largest and most important market, while we also have international ambitions.



TRENDS THAT DRIVE GROWTH

We are seeing a trend where protein-rich products, such as TINE Cottage Cheese and YT, have high demand in the market. This is reflected in our results, with an impressive growth of 56 per cent in volume and 58 per cent in value for YT in 2023.



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A word from the Chair of the Board

Unity remains our strength

TINE has left behind an eventful year – in every sense of the word. The year 2023 brought structural changes and a milk shortage, but also increased sales of Norwegian dairy products, World Championship medals – and strong results in a challenging market. The strength that carries us through both ups and downs remains unity.

We have delivered strong results despite the expensive times that are forcing many families to make hard choices regarding their financial priorities. Accordingly, the Board has also decided on one of the highest subsequent payments since the formation of the Group over 20 years ago. Subsequent payments are an important contribution to our producers. The value that TINE creates should be invested in our common future, while the farmer's economy must be secured here and now, with all the positive ripple effects this has for local communities and food security throughout the country.

For all of us who take pride in producing Norwegian food with Norwegian resources, few things hurt us more than when we must rely on imports to cover a milk shortage. It doesn't help that it's only 1 per cent. It's a painful 1 per cent. The supply challenges were due to several factors: greater demand than forecasts indicated, too little and poor feed after an unstable summer, and tight finances for farmers, which did not allow for more milk production. Regardless, we must be able to handle larger market fluctuations in a more predictable way in the future. We can be better. And we must be better.

If we are to ensure sufficient production in the years ahead, it must become more

profitable to produce milk. The price of milk must increase, the political costs borne by milk must be reduced, and national budgets must prioritise milk production. We live in a time where food security and self-sufficiency are again on the political agenda. We dairy farmers, with our important value chain throughout the country, should see the results of this in the agricultural settlement.

We must also have a production structure adapted to the market and demand. In 2023, the difficult but necessary decision was made to close our facilities in Kristiansand and Sem, as well as to make operational changes at our facilities in Frya, Sola, Jæren, and Lom and Skjåk. This will result in efficiency gains in the order of NOK 100 million per year from 2026.

We have talked about supply challenges. And that's because there is increased demand for Norwegian milk. In an increasingly tough market, we have succeeded in promoting the properties of milk, whether the focus is taste and quality or sustainability and nutrition. At this year's Cheese World Championship in Trondheim, TINE won a total of 15 medals, five of which were gold. In addition, Gangstad Gårdysteri won the gold medal for the world's best cheese. Norway is at the top of the cheese world, and TINE has become a world-class producer.

Our opportunity lies in the strong brands that accompany us throughout life. TINE Milk, Norvegia, Jarlsberg, G35 – yes, and Østavisind, which in a few short years has succeeded in becoming a very popular cheese, as well as YT and Go'morgen. The list goes on.

It is also the case that TINE and agriculture in general are increasingly being challenged on the sustainability front. For us, this debate represents an opportunity to help define what sustainable milk production is all about. It is fundamentally sustainable that we produce our own food with the resources Norway has. New figures from the climate calculator created by Landbrukets Klimaselskap SA also show that emissions from Norwegian milk production are less than half the international average. We have implemented methane inhibitors and increased the quality of Norwegian grass silage. We can also document progress on the animal welfare side. We work with nature. Not against it.

Internationally, we see many of the same trends as in Norway. High interest rates and inflation negatively affect volumes. At the same time, it is gratifying to see that we are now producing more cheese in Ireland after a few challenging start-up years. A market has opened up in Sweden, our nearest neighbour, through our subsidiary

Wernersson Ost. The numbers are still modest, but international growth requires patience.

TINE has a strong foundation. And, despite individual issues we could do without, we have a solid reputation. Norwegian society's trust in the TINE brand is strong. But it is only together – and with cooperative values at the core – that we can maintain this trust. Unity remains our strength.



Marit Haugen
Chair of the Board



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Year in review



New commercial strategy

TINE SA launches a new commercial strategy with the goal of gaining a larger share of the food and beverage market, stabilising development in certain categories and realising identified growth areas.



Northern Sámi on milk in Troms and Finnmark

With agriculture stretching from north to south in Norway, TINE launches milk with both Norwegian and Northern Sámi on the carton in Troms and Finnmark.



Consumers want more environmentally friendly packaging

TINE takes action and launches yogurt in cartons with 85 per cent less plastic in the packaging compared with large yogurt containers.



International efforts

TINE establishes local representation in Hong Kong, Seoul, Tokyo and Manila. The goal is to build the brand and develop new markets for growth.



Most sustainable food industry player

Once again, TINE is recognised as the most sustainable food industry player in Norway in the annual survey conducted by the Sustainable Brand Index.



TINE takes social responsibility seriously

TINE has a strong focus on community, inclusion and healthy activity. Annually, more than 70,000 children and young people participate in 450 football schools across the country. Additionally, more than 100,000 young people participate in the TINEstafetten relay race at 300 sports arenas throughout Norway.



Nordic ambitions

TINE has ambitions to create growth in the dairy category in neighbouring countries in the Nordic region. Thanks to collaboration with Wernersson Ost, several of TINE's products are now established in the Swedish market.



TINE consolidates commodity management

TINE merges the departments Tank Transport, Fleet, Norwegian Milk Supplies, TINE Advisory Services and Membership Services into a single unit under the name Norwegian Milk Supplies. The goal is clearer commodity management, improved collaboration and simplification.



TINE leads research on feed and methane inhibitors

The launch of TINE Fremtidsmelk (Future Milk) marks the beginning of the next four years, during which the agricultural sector, led by TINE, aims to reduce methane emissions from Norwegian milk and meat production by 30 per cent.



Renewable energy by 2030

TINE's dairy in Jæren is transitioning to bioenergy from woodchips instead of natural gas, with ambitions to reduce emissions by up to 7,000 tonnes of CO₂ equivalents annually. Meanwhile, our fleet of biogas vehicles continues to grow, and we now have a total of 38 such vehicles.



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Ann-Beth Freuchen becomes new CEO of TINE

Ann-Beth comes from the position of Deputy CEO at TINE with commercial responsibilities and has previously gained 25 years of leadership experience at Orkla.



TINE makes changes to its plant structure

The Board of Directors at TINE decides to shut down the dairy plants in Sem and Kristiansand. At the same time, production changes are being implemented at the plants in Frya, Sola, Jæren, and Lom and Skjåk to ensure competitiveness and position the company for the future.



Diplom-Is changes distribution method

TINE's subsidiary, the ice cream producer Diplom-Is, decides to shift from direct delivery to wholesale distribution. The planned change is expected to take effect towards the end of 2025.



Five gold medals for TINE at Cheese World Championships

TINE wins a total of 15 medals at this year's Cheese World Championships in Trondheim. Selbu Blå Original, TINE Geitost (brown goat's cheese), TINE Gudbrandsdalsost, TINE Fløtemysost and Snøfrisk Cream Cheese Wild Mushroom all received gold medals.



TINE on podium in reputation survey

Once again, TINE is on the winners' podium in the country's largest reputation survey of Norwegian companies, with a strong third place, behind Vinmonopolet and NRK in Ipsos' survey.



Norwegian Farmers honoured

134 TINE farmers receive the Sølvтина and Mjølkespannet honorary awards for flawless milk production for 15 and 25 years respectively.



Lower CO₂ emissions from Norwegian milk production

While the previous estimate was 1.2 kg of CO₂ equivalents per litre of delivered milk, new figures show that actual emissions are 1.04 kg of CO₂ equivalents. The global average is 2.6.



Diplom-Is wins Eco-Lighthouse of the Year

Diplom-Is wins this award for, among other things, its efforts to reduce food waste, plastic use and greenhouse gas emissions, as well as optimisation of production and its commitment to sustainability – extending beyond its own operations.



Trends that drive growth

TINE Cottage Cheese and YT are selling far better than forecast. TINE Cottage Cheese achieved a volume growth of 13.9 per cent and a value growth of 26.3 per cent. YT has grown in volume by 56 per cent, with a 58 per cent increase in value.



At TINE, there is only one way to do things: properly.

At the end of the year, TINE launches a new communication concept. The new concept is based on the essence of the company and the TINE brand, with the aim of strengthening competitiveness and preference for TINE.



What the numbers say

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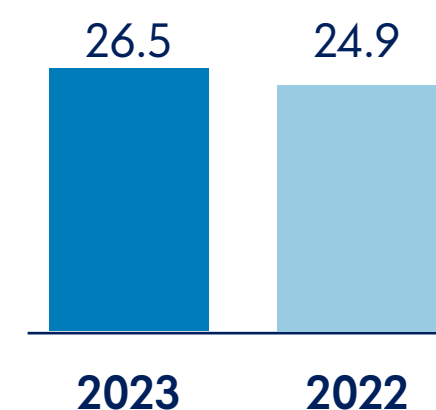
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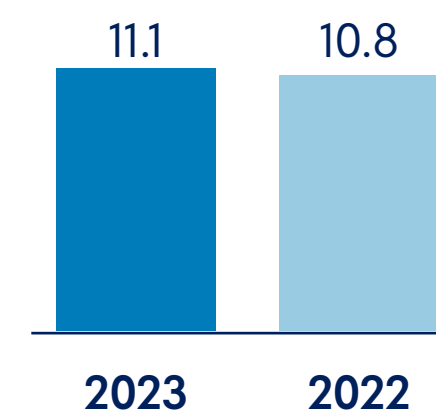
26.5

SALES REVENUE
NOK BILLION



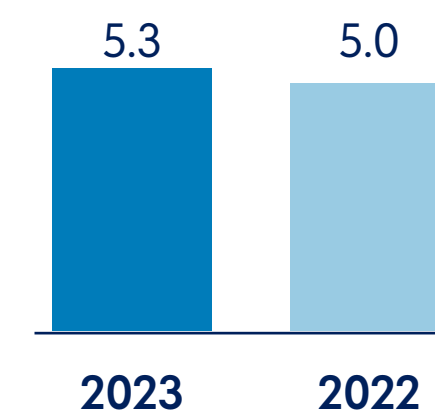
11.1%

EBITDA
PER CENT



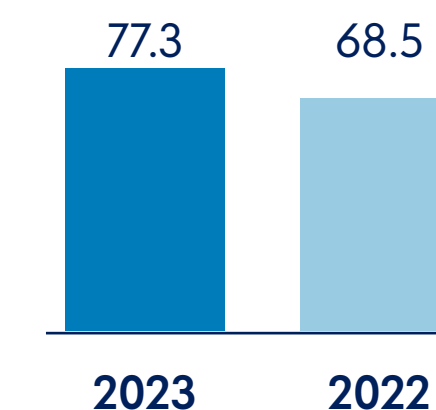
5.3%

EBIT
PER CENT



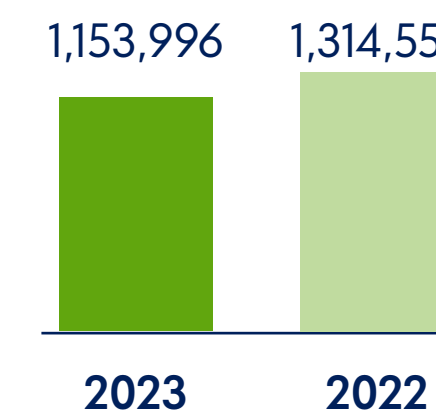
77.3

SUBSEQUENT PAYMENTS
ØRE/LITRE

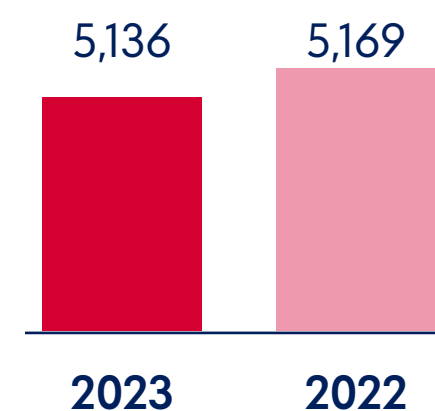


1,153,996

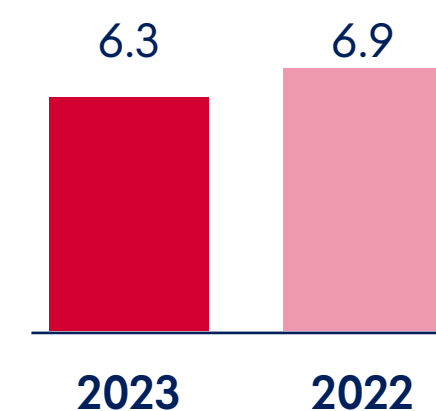
TOTAL GREENHOUSE GAS EMISSIONS
TONNES OF CO₂E



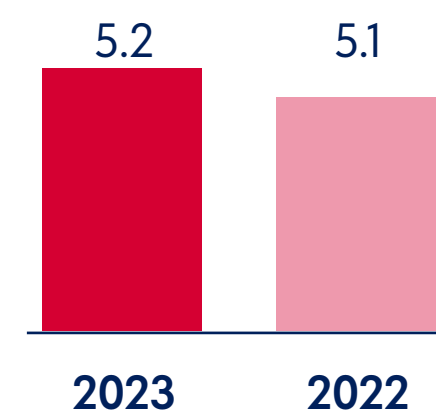
NO. OF EMPLOYEES



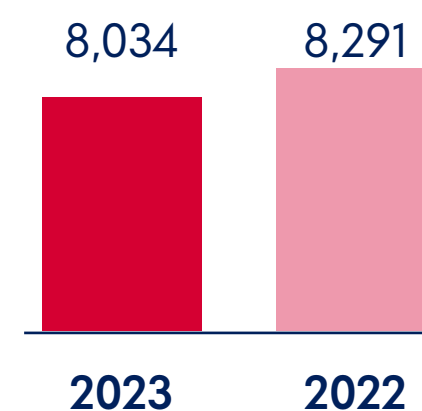
SICKNESS ABSENCE RATE
PER CENT



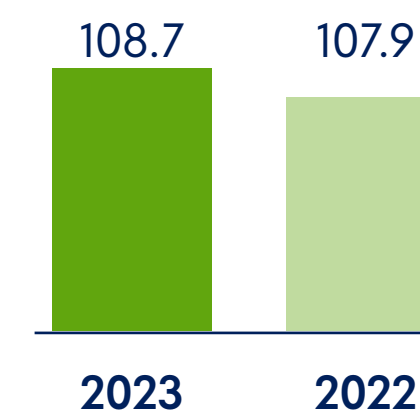
H₁ INDICATOR (LTIFR)



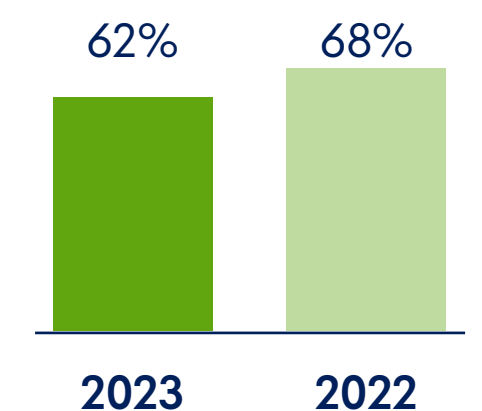
NO. OF OWNERS



ANIMAL WELFARE
INDICATOR



PERCENTAGE OF
RENEWABLE ENERGY
PER CENT



Delivered to TINE in 2023 (2022)

1,291.5

COW'S MILK (1,351.1)
MILLION LITRES

17.8

GOAT'S MILK (18.4)
MILLION LITRES

6.24

TARGET PRICE (5.91)
NOK/LITRE





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Increased revenue and stable margins for the TINE Group

The volume in the Norwegian market weakened against 2022, and sales outside Norway decreased by nearly 5 per cent. Increased sales revenue from pricing and currency was counteracted by rising costs due to price and wage growth both domestically and internationally.

SALES REVENUE

26.5

NOK billion

2022: 24.9

The TINE Group's sales revenue for 2023 amounted to NOK 26.5 billion, reflecting a 6.6 per cent increase compared with 2022. Adjusted for currency effects, the growth was 4.8 per cent.

New investments in operating assets in 2023 amounted to NOK 855 million, compared with NOK 1,035 million in 2022, primarily associated with activities in Norway.

Structural changes were decided upon in 2023, including the future closure of fresh milk plants in South Norway and a transition to wholesale distribution for Diplom-Is.

EBITDA %

11.1%

2022: 10.8

The market witnessed a shift towards low-priced products, private label brands and increased promotional activities due to inflation and more price-conscious consumers.

EBIT %

5.3%

2022: 5.0

Higher costs from wage and price increases, coupled with elevated expenses for marketing and operations, were partially mitigated by TINE's ongoing efforts to enhance competitiveness.

Both the EBITDA margin and EBIT margin showed a slight increase from 2022. The operating profit (EBIT) for 2023 reached NOK 1,425 million.



Alternative performance measures

Alternative performance measures are used with the intention of enhancing the understanding of the TINE Group's development and results. EBITDA margin (%) is defined as operating profit before depreciation and impairment, divided by total operating revenue. EBIT margin (%) is defined as operating profit divided by total operating revenue.

	Sales revenue NOK billion			EBITDA %		EBIT %	
	2023	2022	PercentageΔ	2023	2022	2023	2022
TINE SA	19.4	18.3	6.2%	13.2%	13.2%	7.7%	7.1%
TINE International	4.7	4.4	8.2%	2.8%	0.9%	-3.5%	-2.7%
Norwegian subsidiaries	3.4	3.2	6.2%	5.3%	5.7%	1.4%	1.0%
Other / eliminations	-1	-1	5.7%	0.0%	-0.2%	0.0%	-0.2%
TINE Group	26.5	24.9	6.6%	11.1%	10.8%	5.3%	5.0%

The TINE Group's business areas

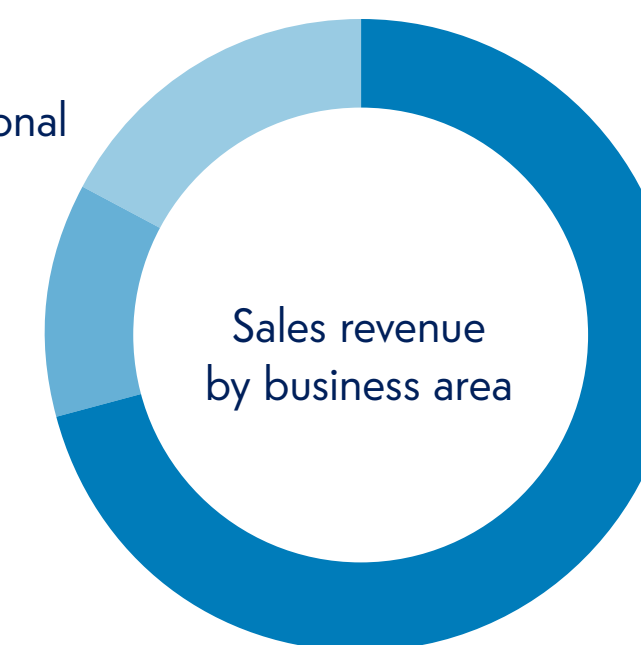
The Group's business areas are TINE SA, TINE International and Norwegian subsidiaries. Exports from Norway are reported as part of TINE International. TINE International consists of the subsidiaries Norseland Inc. (US), Norseland Ltd (UK), Wernersson Ost AB (Sweden) and Wernersson Ost Danmark A/S, TINE Ireland Ltd and the Cheese Export department. Norwegian subsidiaries consist mainly of Fjordland AS, Diplom-Is AS and MIMIRO.

17%

TINE International

12%

Norwegian
subsidiaries



71%
TINE SA

Nature and place of business

TINE is a foodstuffs company, with its parent company, TINE SA, being a cooperative owned by dairy farmers who supply milk to the company. In this way, TINE generates value through a close interaction between Norwegian nature, agriculture and the market. As a commercial brand supplier, TINE delivers products throughout Norway every day.

TINE's operations are present across Norway, with the main focus of international sales activities taking place in the United States, Sweden, Denmark and the United Kingdom. Additionally, Jarlsberg cheese is produced in Ireland and Ohio, USA.



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Volume and EBITDA margin in line with 2022 for TINE SA

TINE SA's sales revenue for 2023 was NOK 19.4 billion, representing a 6.2 per cent increase from 2022. This growth was primarily driven by price and product mix. TINE SA maintained a volume level similar to 2022 in the sales channels of grocery stores and industry, while the "out of home" segment, catering to kiosks/petrol stations, the catering market and schools, experienced a slight decline.

The volume development in the dairy product segment in the grocery store market in 2023 remained at the same level as in 2022.¹

SALES REVENUE

19.4
NOK billion

2022: 18.3

EBITDA %

13.2%

2022: 13.2

EBIT %

7.7%

2022: 7.1

For TINE SA, the volume share stabilised compared with 2022 and stands at 57.8 per cent. The company gained market share in yogurt, cooking products and juice, while experiencing a decline in volume share in the largest categories of fresh milk and cheese.¹

The overall value development in the grocery store market for dairy products has increased by 7.9 per cent from 2022. TINE SA achieved a value growth of 7.3 per cent in 2023.¹

Increased costs for raw materials, input factors, personnel and other operating costs were somewhat offset by lower energy prices and cost reductions, resulting in an EBITDA margin at the same level as 2022.

The EBIT margin was strengthened slightly due to lower impairments compared with 2022.

¹) Source: NielsenIQ ScanTrack, Market: Grocery Total, Product: Tine AS Totalbase (customer-specific classification) Period: 2023, Facts: Sales (KG/L), Sales (KG/L) Chg YA, Sales (KG/L) % Chg YA, Share of Sales (KG/L), (KG/L) Shr BPS Chg YA, Sales Value, Sales Value Chg YA, Sales Value % Chg YA, Share of Sales Value, Value Shr BPS Chg YA

VOLUME SHARE %

57.8

DOWN 0.2%

VALUE SHARE %

55.3

DOWN 0.3%

TINE's shares in the grocery store market for dairy products in 2023 vs 2022.¹

Working environment, diversity and inclusion

TINE aims to have a working environment that is characterised by wellbeing, inclusion, trust and engagement. We do not accept any form of inappropriate behaviour, bullying, harassment or discrimination. All our employees have the right and the opportunity to develop their abilities regardless of gender, beliefs, skin colour, nationality or ethnic origin, sexual orientation, disability or age. You can find more information about TINE's duty to issue a statement on equality efforts [here](#).

Updated Code of Conduct

TINE strives to be an open, honest and responsible enterprise. That is why we have devised a Code of Conduct that clarifies the attitudes and conduct we expect from our employees. TINE's Code of Conduct was revised in 2022 in order to meet new requirements in the Norwegian Transparency Act. The Code of Conduct is now more holistic and value-based and includes fundamental human and labour rights, as well as key aspects of responsible business practices. The Code of Conduct is available [here](#).

The Norwegian Transparency Act

The Norwegian Transparency Act, which came into force on 1 July 2022, has resulted in greater emphasis on openness and transparency in the business community, including at TINE. Our initiatives have included efforts to standardise our due diligence procedures so that we have as much control as possible over the risk profile in our value chain. TINE's report on its work in relation to the Norwegian Transparency Act is available [here](#).

Impact on external environment

For an overview of the TINE Group's impact on the external environment, the company's outlook and future environmental requirements that may affect its operations, please refer to the chapter on sustainability.



Norwegian Milk Supplies

In 2023, TINE Råvare changed its name to Norsk melkeråvare (Norwegian Milk Supplies). Norwegian Milk Supplies is an administratively and economically separate entity within TINE SA, with its own accounts and auditing, responsible for commodity management in the dairy sector. The company's tasks include milk collection from dairy farmers, quality control and settlement to dairy farmers for the milk they produce. The milk is sold to participants in the market scheme for milk. Norwegian Milk Supplies covers costs related to commodity management, including milk transport, farm tanks and advisory services. Activities, organisation and accounts are regulated through an agreement between the Norwegian Agriculture Agency and TINE. In July 2023, the target price for milk increased by NOK 0.33 per litre, from NOK 5.91 to NOK 6.24. Norwegian Milk Supplies' annual report is published [here](#).



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Lower volume and strengthened EBITDA margin for TINE International

SALES REVENUE

4.7
NOK billion

2022: 4.4

EBITDA %

2.8%

2022: 0.9

EBIT %

-3.5%

2022: -2.7

TINE International's sales revenue amounted to NOK 4.7 billion, reflecting an 8.2 per cent increase compared with 2022. Adjusted for currency effects, the growth in sales revenue is down 1 per cent, with the volume decreasing by just under 5 per cent.

The reduction in volume is attributed to lower demand in the United States and the phasing out of low-profit products in the UK. The volume for the Swedish and Danish markets remained at the 2022 level.

Jarlsberg stands out as TINE's

largest international brand, with total sales reaching 15,000 tonnes in 2023. In comparison, TINE sold 8,700 tonnes of Jarlsberg in Norway. The overall international volume of Jarlsberg declined by 4 per cent in 2023 compared with 2022, a consequence of increased prices in a period when consumers are more price-sensitive than before.

Of the total international Jarlsberg sales in 2023, 40 per cent of the cheese was produced in the United States, 50 per cent in Ireland and 10 per cent in Norway.

The plant in Ireland has increased its cheese production, and going forward, all Jarlsberg production for the international market will take place in Ireland and the United States. During 2023, the milk price in Ireland decreased by approximately 30 per cent to below EUR 0.40.

The strengthened EBITDA margin was driven by the discontinuation of unprofitable products in the UK, higher production volumes, improved quality of Irish cheese and currency effects.

TINE International's operating profit and operating margin are negatively impacted by the impairment of production equipment no longer in use and the impairment of patent rights for the product "ostewrap". Ostewrap, developed by Lotito and launched in the US market in 2019, initially experienced good growth and profitability but has gradually weakened its position in fierce competition with wraps based on other ingredients.



Norseland
INCORPORATED

SALES REVENUE

262

USD million

2022: 278

EBITDA %

2.9%

2022: 2.7

EBIT %

-4.0%

2022: 0.0



Norseland
innovative cheese specialists

SALES REVENUE

52

GBP million

2022: 52

EBITDA %

4.8%

2022: 2.4

EBIT %

3.1%

2022: 0.8



Wernersson
OSTMÄSTARE
SEDAN 1930

SALES REVENUE

1,042

SEK million

2022: 925

EBITDA %

2.1%

2022: 2.4

EBIT %

1.5%

2022: 1.7



TINE TINE Ireland and
Osteeksport Norge

SALES REVENUE

828

NOK million

2022: 688

EBITDA %

-2.7%

2022: -12.2

EBIT %

-11.4%

2022: -21.3



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Stable results from Norwegian subsidiaries

SALES REVENUE

3.4
NOK billion
2022: 3.2

EBITDA %

5.3%
2022: 5.7

EBIT %

1.4%
2022: 1.0



Sales revenue increased by 6.2 per cent to NOK 3.4 billion compared with 2022, driven by both price and product mix.

The volume of Diplom-Is remained at the same level as the previous year, and the company gained market share in the overall ice cream category, which expanded in the grocery sector throughout 2023.¹ Despite experiencing a slight decrease in volume compared with 2022, Fjordland strengthened its position in the grocery sector, particularly in the segments of ready-made meals and butter/margarine.² However, the sales of yogurt experienced a weaker development compared with 2022.

The impact of price and wage growth in 2023 was partially offset by ongoing efforts to reduce costs. Additionally, the margin for Diplom-Is is influenced by restructuring costs associated with the decision to transition to wholesale distribution by the end of 2025.

1) Source: NielsenIQ Discover, Grocery, Kiosk, Gasoline, Diplom-Is, Value Sales '000, Value % Shares, Value % Chg. W 2023 52 (Copyright © NielsenIQ)
2) Source: NielsenIQ ScanTrack, Total Norway Grocery Sector, Fjordland ready-made meals, Butter/Margarine, MAT TY, MAT YA, Share of Sales – Product, Last refresh: 13 Jan 2024 (Copyright © NielsenIQ)



SALES REVENUE

1,267
NOK million
2022: 1,201

EBITDA %

2.3%
2022: 3.8

EBIT %

-3.6%
2022: -3.9



SALES REVENUE

2,137
NOK million
2022: 2,006

EBITDA %

6.7%
2022: 6.6

EBIT %

6.3%
2022: 6.1



OPERATING REVENUE

52
NOK million
2022: 44

EBITDA %

18.7%
2022: 21.3

EBIT %

-91.5%
2022: -105.8



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Financial performance, risks and opportunities

The Group is affected by the trends in financial markets. High inflation, rising interest rates and a weakened Norwegian krone throughout 2023 impact financial expenses. However, active management of financial risks helps mitigate fluctuations in the financial results. TINE maintains a stable financial position, with strong credit ratios.

ASSETS

20,049

NOK million

2022: 19,643



Financial expenses, taxes and income statement for the TINE Group

Net financial expenses for the TINE Group amounted to NOK 76 million in 2022, an increase of NOK 16 million on 2022. Increased net interest expenses and currency losses were counteracted by an income of a total of NOK 129 million from investments in associates.

The tax expense in 2023 amounted to NOK 136 million, equivalent to an effective tax rate of 10.1 per cent (5.7 per cent in 2022). The effective tax rate is lower than the standard tax rate, mainly due to a high deductible subsequent payment to the owners.

Net profits reached NOK 1,214 million, which is an increase of NOK 84 million compared with 2022.

	NOK million	
Net profit/loss for the year TINE Group	2023	2022
Operating profit	1,425	1,257
Total financial income and expenses	-76	-60
Profit before tax	1,350	1,197
Tax expense	136	68
Net profit for the year	1,214	1,130
Minority share of equity	22	29
Majority share of equity	1,192	1,101

Balance sheet and liquidity

Non-current assets were reduced by NOK 647 million in 2023, due to depreciation and impairment of property, plant and equipment. Current assets increased by NOK 1,054 million, mainly driven by an increase in bank deposits, cash and money market securities of NOK 1,006 million.

The TINE Group is in a stable financial position with a stable equity ratio of 50.5 per cent. This provides sufficient flexibility against the lower limit of the equity ratio, which is 45 per cent internally and 40 per cent in financial agreements.

Net interest-bearing debt as at 31 December 2023 for TINE Group amounted to NOK 2,249 million, representing a reduction of NOK 1,016 million since the end of 2022. The interest coverage ratio measured by NIBD/EBITDA showed a positive development in 2023 due to reduced net interest-bearing liabilities and increased EBITDA from 2022. The ratio of 0.76 is well within the target of a maximum of 2.0

and significantly lower than for most comparable companies.

Cash flow

Bank deposits, cash and money market securities increased from NOK 647 million to NOK 1,654 million in 2023. The change is attributable to the following cash flows:

- Net cash flow from operating activities amounted to NOK 2,689 million
- Net cash flow for investment activities was NOK 847 million
- Net cash flow for financing activities amounted to NOK 840 million

The difference between operating profit and cash flow from operating activities for 2023, beyond depreciation and impairment, is mainly driven by a reduction in working capital totalling NOK 200 million.

Subsequent payments to dairy farmers for the 2022 financial year came in at NOK 940 million and were disbursed in 2023, a reduction of NOK 470 million from the 2022 payment. Cash flow for financing activities, beyond subsequent payments, amounted to NOK 99 million, which is NOK 519 million lower than in 2022.

The TINE Group's liquidity is deemed to be good. Please refer to notes 12 and 24 for an assessment of financial risk and financing structure.



NET PROFIT FOR THE YEAR

1,214 NOK million

An increase of NOK 84 million compared with 2022



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SUBSEQUENT PAYMENT FROM TINE SA

77.3 (Øre/Litre)

2022: 68.5

Allocation

TINE's Board of Directors has adopted a subsequent payment policy where the aim is for between 50 and 85 per cent of the Group's annual net income to be allocated for subsequent payment to owners. The annual allocation is affected by future investment level, financial key figures and tax position. The requirement for at least 45 per cent equity should take priority over the subsequent payment policy.



Allocation of profit

	NOK million	
	2023	2022
Subsequent payment to owners	1,014	940
Transferred from/to subsequent payment fund	-30	-117
Transferred to other equity	273	245
Total allocated	1,257	1,068

Price of milk

	NOK/litre				
	2023	2022	2021	2020	2019
Milk price from Norwegian Milk Supplies	5.73	5.40	5.28	5.19	5.16
Subsequent payment from TINE SA	0.77	0.69	0.98	0.76	0.43
Total milk price	6.50	6.08	6.26	5.95	5.59

For 2023, NOK 1,014 million has been set aside for subsequent payments to the owners and is allocated by TINE SA. This allocation is considered prudent due to the company's stable financial position and strong key figures.

The subsequent payment for 2023, including the allocation from the subsequent payment fund, amounted to NOK 0.773 per litre of settled raw cow's and goat's milk, totalling 85 per cent of the result adjusted for minority interests.

In 2023, the average delivery of milk to TINE SA was approximately 201,000 litres. In 2022, that figure was 202,000 litres. The average producer thus receives a subsequent payment of approximately NOK 156,000 for 2023, compared with NOK 138,000 in 2022.

Sustainability and financial performance

Sustainability is important in all areas of TINE and will influence dialogue and pricing with regard to financing to an even greater extent in the future.

In 2021, TINE SA implemented three sustainability KPIs in its credit facilities with Danske Bank and DNB. In 2022, a green framework was established to finance sustainable investments by issuing green bonds. The first green bond, amounting to NOK 500 million, was issued in 2023. For more information on allocation of funds, please refer to the report on tine.no.

Financial risk in the TINE Group

The TINE Group is exposed to financial risk to such an extent that it is important to actively manage risk in order to reduce uncertainty and fluctuations in profits. TINE has Board-approved guidelines ensuring that financial risk is managed. These guidelines are updated annually.

Financial risk is defined as interest rate risk, currency risk, financing risk, liquidity risk, credit risk and commodity risk. TINE's risk approach involves hedging some of the future cash flows and balance sheet items in order to reduce future uncertainty and ensure stability.

TINE uses financial instruments to hedge exposure to interest rates, foreign currency and energy costs. TINE SA enters into interest rate and foreign exchange contracts, mainly in the form of forward contracts and interest rate and currency swaps in order to limit the Group's interest and currency risk. Financial risk in the Group is described in detail in Note 12.

Commodity risk

The TINE Group is vulnerable to changes in energy prices for production and transport. Energy and fuel prices fell throughout 2023, after an extraordinary increase in 2022. This has contributed to stabilise the development of operating costs.

TINE is indirectly exposed to market prices for raw materials used to produce packaging, particularly plastic and fibre. Market prices for packaging stabilised in 2023, and TINE expects this trend to continue in 2024.

TINE is also exposed to prices for other input factors for production such as fruit, coffee, sugar, and orange and apple concentrates. The prices of these commodities increased significantly in 2023, driven by poorer harvests and high demand. Increased prices for commodities and input factors contributed to a rise in the cost of goods sold in 2023.

Credit risk, customers

TINE works actively to continually monitor the credit status of all its customers. Their ability to pay is considered good, as is apparent from the low level of losses on receivables over many years. There was an increase in defaults throughout 2023, particularly with regard to the foodservice market, which we see in the market in general, but bad debt losses remain relatively low. Credit risk within the Group is described further in Note 12.

Climate risk

TINE aims to be Norway's most sustainable food producer, with ambitious goals for optimal resource utilisation, as described under "Sustainability at TINE". However, TINE is exposed to climate risk throughout the value chain. Significant climate risks are outlined in Note 12.

Going concern assumption and events after the balance sheet date

The annual financial statements for 2023 have been prepared under the going concern assumption. It is hereby confirmed that the going concern assumption is met. There have been no events of importance for an assessment of the financial statements since the end of the accounting year.



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Milk – from farm to table

TINE ensures high quality and sustainable development throughout the entire value chain,
from the cow on the farm to your home.





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How we create value

At TINE, we create value that Norway needs. With plants throughout the country, we produce some of Norway's strongest brands, new innovations and traditional favourites. Simultaneously, we contribute to employment and a rural population from north to south, ensuring a secure Norwegian food supply in a tumultuous world.

It starts with the farmers

TINE is a cooperative owned by over 8,000 dairy farmers throughout the country. TINE contributes to healthy and locally produced food, a secure and essential food supply, open cultural landscapes, good animal welfare and jobs nationwide.

Together with Norwegian dairy farmers, we create value that Norway needs. In fact,

TINE's dairy producers generate 2.5 full-time equivalents outside their own farms – and TINE generates significant ripple effects in communities across the country.

In Norway, we have some of the world's healthiest cows. New surveys from the Norwegian Veterinary Institute show that Norwegian dairy farmers are among those

using the least antibiotics worldwide. This is good news for public health, as high antibiotic use increases the prevalence of resistant bacteria, which is a global public health issue.

At the same time, TINE aims to further develop tomorrow's climate-friendly farms. Through the Agricultural Climate Agreement, TINE has committed to contributing to reducing greenhouse gas emissions from agriculture by four to six million tonnes of CO₂ by 2030. Preserving and increasing carbon storage in soil will also be crucial

to meeting the agreement and other agricultural policies.

Challenging economy and growing season

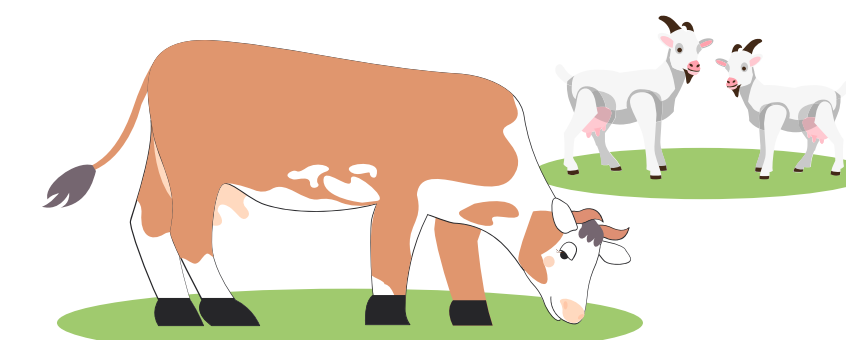
The past year presented challenges throughout both the growing season and the indoor feeding season, with lower quantities and poorer quality of grass silage than usual. Such unpredictability testifies that Norwegian farmers are facing a situation with challenging finances and liquidity. Climate unpredictability, with droughts, floods and extreme weather, has not made the situation any easier in 2023.

Norwegians are consuming less milk than before.¹ However, the market situation for cow's milk has changed, and there is a need for more milk. In 2023, milk intake was lower than expected, and demand in the market was somewhat higher. Inventories, especially for cheese and powder, are low, and we expect there to be a shortage of milk in 2024. More details on this are described on page 22 under Outlook.



Dairy farmers from Olderdalen in the municipality of Stryn.

Read more about sustainability on dairy farms and TINE's social accounts in the chapter on sustainability.





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Producer associations form the backbone of TINE's ownership organisation

The 160 producer associations consist of TINE's owners and constitute TINE's local organisational units. Their main purpose is to engage and involve all owners, serving as the link between the owners and TINE's other bodies. The producer associations collectively elect 125 delegates to join the Board of Directors and council at the Annual General Meeting, which forms the highest authority within TINE.

At TINE, there is only a short distance between the Chair of the Board and the producer associations. After each Board meeting, all elected representatives are invited to meetings where information from the Board meetings and other important matters is shared. This contributes to a closer dialogue between the Board of Directors and the producer associations.

Audit and sustainability and compensation committees

The Norwegian Corporate Governance Board (NUES) issues the Norwegian recommendation on corporate governance to clarify responsibility and authority in larger companies. TINE has previously decided to follow the recommendation to the extent it suits the company's form and ownership. In line with the recommendation from NUES, the Board of Directors has an audit and sustainability committee and a compensation committee. The audit and sustainability committee is a preparatory and advisory body for the Board's work in controlling the company's reporting and control systems. The compensation committee is a preparatory and advisory body for the Board of Directors in matters of employment and terms of employment for the CEO of TINE SA, as well as the main principles for compensation.



TINE's ownership organisation



Control committee

The control committee is subject to the Annual General Meeting and is tasked with overseeing TINE's operations, in accordance with the current instructions adopted by the Annual General Meeting. It is TINE's Annual General Meeting that selects the members of the control committee. The control committee is required to submit a written report to the Annual General Meeting, providing an account of its activities and assessments.

Insurance

TINE SA holds directors' and officers' liability insurance. This insurance covers liability for loss of assets for claims made against insured parties during the term of the insurance as a result of a liable act or omission by insured parties in the capacity of the general manager, Board member, member of the executive or equivalent governing body of the Group. The policy does not cover injuries to people or damage to property. The maturity date of the insurance contract is 1 July, and it runs for 12 months. TINE confirms that the company has directors' and officers' liability insurance with a cap typical for the industry, appropriate for TINE's size and turnover.



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From farm to table

TINE's supply chain continues to reduce costs, showcasing positive outcomes both in its own operations and in collaboration with the commercial unit through savings beyond set targets, in both the operational and structural aspects of the business.

Among the measures that have had the most significant impact are the closure of the plant in Voss and the quality improvement of cheese produced at the plant in Ireland. Additionally, all plants have achieved significant synergies through cross-functional collaboration in the past year. Production at TINE in Ireland is well in line with volume targets.

Clear objectives

TINE's supply chain aims to ensure food safety and a good working environment with a continuous focus on simplification, standardisation and digitalisation. This involves translating commercial needs into clear, actionable plans. At the same time, the company must equip itself for the future.

To secure the livelihood of dairy farmers across the country, TINE must continually ensure an optimal production structure adapted to the market. As a consequence of the intense competition in the dairy market, increased imports and declining milk consumption, in addition to significant overcapacity at several of TINE's plants, the Group's Board of Directors has decided to close the dairy plants in Sem and Kristiansand by the end of 2025. Simultaneously, production changes are being made at the plants in Frya, Sola, Jæren, and Lom and Skjåk.

The ambition is to achieve more efficient utilisation of the capacity at the plants and a sustainable, flexible value chain with the customer and consumer in focus. Looking ahead, TINE is examining the cheese factory structure and more efficient utilisation of goods transport, namely the pallet solution.





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In the Norwegian market

At the beginning of 2023, TINE SA launched a new commercial strategy, setting the direction for the company's success in creating growth – with the consumer at the centre.

A new aspect of the commercial strategy is to look at the entire day's meals across channels. The goal is to capture a larger share of the food and beverage market, stabilise development in certain categories and realise identified growth areas.

Trends that drive growth

Aligned with the memorandum of understanding for facilitating a healthier diet, TINE aims to make it easier for consumers to choose low-fat products. This effort has been effective, as seen in the increased market share of the low-fat cheese Norvegia Lett. At the same time, there is a trend for customers and consumers increasingly to opt for whole milk.

Read more about how TINE has been working systematically over time to reduce fat and sugar, and to increase the use of environmentally friendly packaging, in the chapter on sustainability.

Consumers are increasingly interested in simple solutions, which is reflected in the strong growth in grated cheese, with price being the most significant driver of choice.¹ The launch of TINE Ekte Revet Ost Økonomiforpakning (TINE Real Grated Cheese Economy Pack) focuses on the differences between genuine and so-called

substitute cheese, meeting consumer demand for real grated cheese at a reasonable price. This launch contributed to strong market share development for TINE throughout the autumn of 2023.

7.5%

In 2023, low-fat cheese accounted for 7.5 per cent of TINE SA's total medium-hard white cheese sales, compared to 6.5 per cent in 2022.²

More consumers are choosing products without additives, particularly the stabiliser carrageenan. Since the autumn of 2022, TINE has systematically worked to remove carrageenan from its products. There is also a protein trend driving substantial growth for both YT and TINE Cottage Cheese. In 2023, YT experienced a 56 per cent increase in volume and a 58 per cent increase in value.³ Meanwhile, TINE Cottage Cheese achieved a volume growth of 13.9 per cent and a value growth of 26.3 per cent.²

Flavour is also a pivotal consideration when consumers are deciding what products to buy. Flavoured milk, such as chocolate milk and iced coffee, has seen a volume increase of 74 per cent in the last ten years.⁴ The launch of Litago Dobbel Sjokolade (Litago Double Chocolate) has positively contributed to this trend. Alongside a new communication concept and design for the Litago portfolio, the innovation aims to



further boost growth in the category. In the last three months of 2023, Litago Dobbel Sjokolade accounted for an average of 17.9 per cent of Litago's total sales volume.²

Sustainability in expensive times

We know that consumers prioritise sustainability, but they are also price-conscious.⁵ Most consumers expect companies to facilitate sustainable choices.⁶

The introduction of TINE Yoghurt cartons is contributing to the growth of large formats within yogurt, surpassing general large-format growth.² The carton packaging also reduces environmental impact thanks to using 85 per cent less plastic than large plastic tubs.

Insights indicate a consistently positive repurchase rate.⁷ TINE Yoghurt cartons combine sustainable packaging with economy-size packaging, effectively meeting consumers' needs.

1) Source: Opinion 2020

2) Source: NielsenIQ ScanTrack, Market: Grocery Total, Product: Tine AS Totalbase (customer-specific classification) Period: 2023, Facts: Sales (KG/L), Sales (KG/L) Chg YA, Sales (KG/L) % Chg YA, Share of Sales (KG/L), (KG/L) Shr BPS Chg YA, Sales Value, Sales Value Chg YA, Sales Value % Chg YA, Share of Sales Value, Value Shr BPS Chg YA

3) Source: NielsenIQ ScanTrack, Total Norway Grocery Sector, Tine YT, Refrigerated goods and oils/Yoghurt. Melk, 2023, Value Sales '000, 13 Jan 2024

4) Source: melk.no

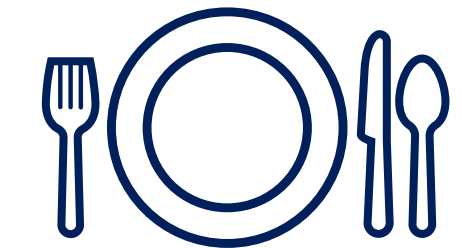
5) Source: Aller Media & Kantar, 2023

6) Opinion Bærekraftsrapport (Sustainability Report) 2023 and Ipsos Spisefakta (Food Facts) 2022

7) Source: Dunnhumby, 2023 A

COMMERCIAL STRATEGY:

Flavour is also a pivotal consideration when consumers are deciding what products to buy.



Mealtimes in focus:

- Breakfast
- Lunch
- Snacks
- Dinner

Across channels:

	In stores
	In cafeterias
	In restaurants



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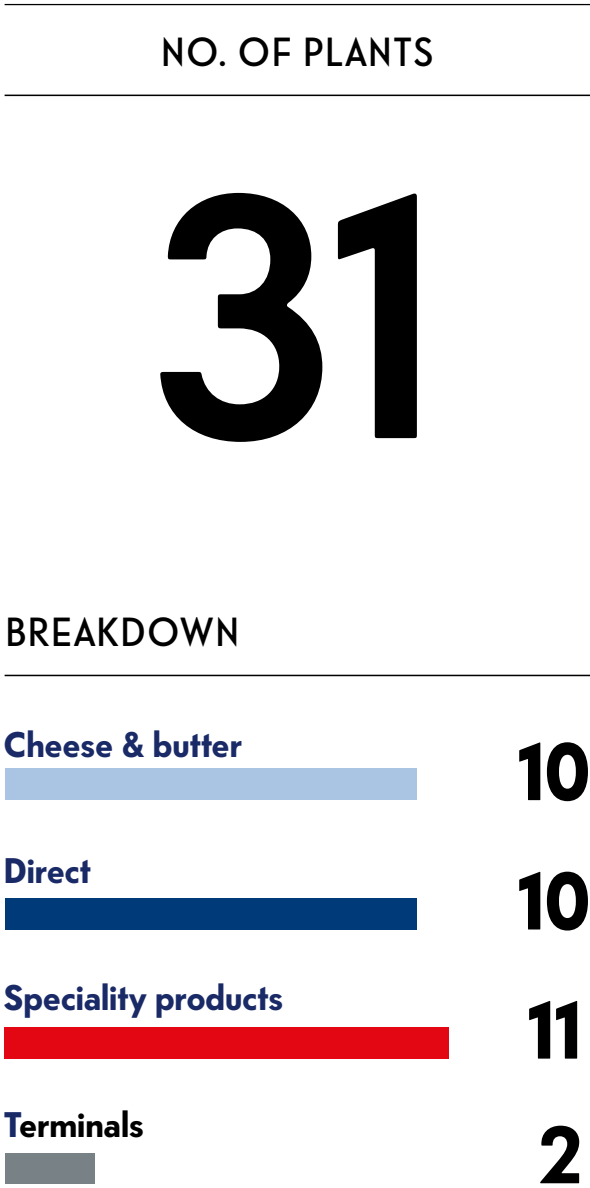
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TINE SA plant map

As at 01.01.2024



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The TINE 2025 strategy sets the direction that will enable us to navigate TINE through challenging times. The TINE Group aims to deliver profitable growth to ensure returns to our owners and secure the future through sufficient investment capacity.

Norway is our largest and most important market

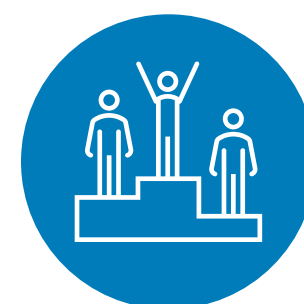
Well-known Norwegian brands from TINE, Diplom-Is and Fjordland are an important part of Norwegians' food and beverage consumption. We offer a wide range of products for a healthy and balanced diet, and we strive to develop our portfolio in collaboration with customers in a way that ensures sustainable growth.

One of TINE's key sustainability goals is to reduce the amount of saturated fat and added sugar, while still providing the nutritional value of milk across our various product categories. By the end of 2030, TINE aims for all packaging to be made from renewable or recycled materials. At the same time, we plan to reduce food waste within our value chain by 50 per cent compared with 2015.

Strategy focus areas:



Sales growth



Competitiveness



Stable milk use

International ambitions for Norwegian milk

In 2023, Wernersson Ost in Sweden introduced several Norwegian dairy products to the Swedish market. We are still in the early stages, and we are therefore approaching the task of establishing ourselves in a new market with humility. Our long-term goal is to create viable alternatives for the sale of Norwegian dairy products beyond Norway's borders.

Additionally, we are aiming for international success with Jarlsberg. Through companies like Norseland Ltd., Norseland Inc. and other partners, we are well-positioned for further growth in Europe, the Americas and Australia. Furthermore, we are exploring new premium markets for Norwegian dairy products abroad, with a particular focus on developing insights into and a local presence in selected Asian markets.



Sustainable value creation

At TINE, we take our corporate social responsibility and society's expectations seriously. Sustainability also means making the right choices for the TINE Group in the short and long term, and doing what we can to reduce any negative impact for future generations. TINE aims to have the most efficient and sustainable dairy value chain in Norway.

Lifting our gaze

We are currently building on the direction set in the current strategic period and starting the revision of TINE's Group strategy in the first half of 2024. In line with global developments, sustainability is becoming an even more critical strategic area – especially how we systematically develop the TINE Group in line with both our own expectations and those of our stakeholders.

8,034

Owners

TINE is owned by 8,034 dairy farmers, who have an average of 31.2 dairy cows. The average goat farmer owns 138.3 dairy goats.

1,309.2

Milk collection

Nationwide, TINE collects 1,309.2 million litres of cow's and goat's milk each year.

6,434

Production and innovation

TINE processes milk from 6,434 farms.¹

1) In addition, TINE collects milk from 122 collective summer operations and 417 mountain farms



Photo: Øystein Haara



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Outlook

TINE's main goal continues to be the safe production and distribution of dairy products. It is expected that the high inflation level will gradually decrease in 2024, and fiscal policy will be less contractionary but still restrictive. High inflation and elevated interest rates continue to affect TINE's owners, customers and consumers, as well as the company itself. Ongoing high geopolitical uncertainty increases the risk of imbalances in the supply of and demand for goods and services.

Supply of raw milk

The supply of raw milk is still regulated through state-set production quotas. In 2023, quota fillings were lower than expected, leading to a shortage of milk at the beginning of 2024. Reduced quota fillings will require increased attention to ensure sufficient supply of raw milk going forward. Measures are being considered based on updated supply-and-demand forecasts.

Competition in the dairy market

Special subsidies through the price equalisation scheme for TINE's national competitors still affect competition in the dairy market. The government has decided to end the distribution subsidy for drinking milk from 1 July 2024. TINE is the only Norwegian actor in the category that has not received the subsidy. Seen on its own, the discontinuation of the subsidy will, therefore, strengthen TINE's competitive position in this segment. Other schemes are mostly being continued, and TINE's competitors will still receive around NOK 150 million annually in special subsidies.

After many years of continuous import growth, there was a flattening of imports in 2022. This trend continued in 2023, with several categories experiencing a decline in imports. Further development will depend

on the relationship between national and international price developments, currency trends and demand for dairy products in Norway.

Price and wage growth

Relatively high price and wage growth is expected in 2024.

Changed consumption patterns

Inflation and price increases lead to tighter finances and changes in consumer preferences, resulting in a shift towards value brands, promotions and private label brands. In addition, reduced activity in the foodservice market is contributing to increased activity in the grocery market.

International conditions going forward

The development in international milk prices, due to imbalances in supply and demand, remains a risk related to TINE's international cheese efforts. The Irish milk price was below EUR 0.40 at the end of 2023.

Sustainability affects financial performance

Climate, the environment, public health, nutrition and social conditions increasingly influence society. This will have implications for agricultural framework conditions, influence consumers when choosing their

goods and services, and thus also affect TINE's financial performance. TINE is actively working to meet these changes and ensure the ability to deliver long-term profitability to its owners. The level of investment in the future will likely be influenced by efforts to achieve TINE's sustainability goals.

Financial performance

The TINE Group is considered to be in a stable financial position to cover future capital needs. The Board of Directors points out that significant uncertainty is normally associated with consideration of future conditions.

Oslo, 13 February 2024


Helge Arne Espeland

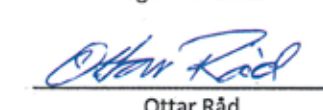

Anne Berit Løset

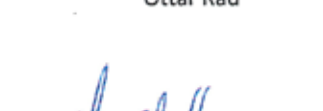

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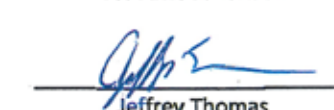

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Key figures

TINE GROUP

	2023	2022	2021	2020 ¹⁾	2019
From income statement:					
Operating revenue	26,926	25,293	24,479	24,708	23,812
Cost of materials and changes in inventory	15,114	14,028	13,538	13,714	13,434
Payroll expenses	4,724	4,513	4,401	4,321	4,313
Depreciation and impairment	1,553	1,476	1,405	1,382	1,223
Other operating expenses	4,110	4,019	3,410	3,299	3,654
Total operating expenses	25,500	24,036	22,755	22,716	22,623
Operating profit	1,425	1,257	1,725	1,992	1,189
Financial income and expenses	-76	-60	-43	-57	-86
Profit before tax	1,350	1,197	1,682	1,935	1,103
Tax expense	136	68	125	163	123
Net profit for the year	1,214	1,130	1,557	1,772	980
From balance sheet:					
Intangible assets	595	773	829	727	628
Property, plant and equipment	8,811	9,274	9,378	9,874	9,929
Non-current financial assets	3,069	3,074	3,034	3,144	2,919
Inventory	3,374	3,388	3,005	2,580	2,594
Current receivables	2,547	2,486	2,100	2,078	1,933
Bank deposits, cash, money market securities	1,654	647	1,496	1,710	654
Total assets	20,049	19,643	19,843	20,113	18,657

Amounts in NOK million

	2023	2022	2021	2020 ¹⁾	2019
Equity	10,127	9,946	9,736	9,596	8,920
Non-current interest-bearing liabilities	2,650	3,233	3,548	4,548	4,456
Provisions for liabilities	989	1,046	1,126	1,171	1,092
Accounts payable	2,335	2,114	1,969	1,871	1,819
Current interest-bearing liabilities	1,253	679	484	197	201
Other current liabilities	2,696	2,625	2,979	2,730	2,169
Total equity and liabilities	20,049	19,643	19,843	20,114	18,657
From net cash flow:					
From operating activities	2,688	1,950	2,541	2,916	2,194
To investment activities	847	-983	-958	-1,249	-2,426
To/from financing activities	840	-1,829	-1,798	-600	-501
Net change in bank deposits, cash and money market securities	1,001	-863	-215	1,067	-733
Notes disclosures:					
Average number of employees calculated as full-time equivalents	4,982	5,155	4,946	4,834 ²⁾	5,347
Allocated for subsequent payments from TINE SA	1,014	940	1,410	1,083	608

¹⁾ 2020 included a positive non-recurring effect from profit from the sale of a plant at Minde, Bergen. Amounts to NOK 217 million for the TINE Group²⁾ The number of full-time equivalents has been updated in accordance with the Annual Report for 2020



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				Amounts in NOK '000	
TINE GROUP				TINE SA	
2023	2022	Note		2023	2022
OPERATING REVENUE					
24,719,578	23,331,051	1,2	Sales revenue, ready-made products	18,414,687	17,361,514
1,779,607	1,535,402	1	Sales revenue, commodities	1,779,607	1,535,402
426,476	426,546	3	Other operating revenue	675,291	658,566
26,925,661	25,292,999		Total operating revenue	20,869,585	19,555,482
OPERATING EXPENSES					
15,113,802	14,027,606	6	Cost of materials and changes in inventory	11,562,124	10,650,835
4,723,832	4,513,406	7,8,26	Payroll expenses	3,491,719	3,398,092
1,394,301	1,369,990	14,15	Depreciation of intangible assets and property, plant and equipment	1,066,055	1,072,903
158,680	106,020	14,15	Impairment of intangible assets and property, plant and equipment	51,873	90,893
4,109,573	4,018,845	9,10	Other operating expenses	3,272,076	3,184,734
25,500,188	24,035,867		Total operating expenses	19,443,847	18,397,457
1,425,473	1,257,132		Operating profit	1,425,738	1,158,025
FINANCIAL INCOME AND EXPENSES					
-	-	16	Income from investments in subsidiaries	40,089	34,790
129,121	11,976	16	Income from investments in joint ventures and associates	137,843	4,226
-147,415	-86,078	12	Net interest income and expenses	-107,552	-72,854
-54,090	28,893	12	Net realised and unrealised gains and losses on FX	-125,460	-23,023
-3,359	-14,520	11	Net other financial income and expenses	-3,391	-3,923
-75,743	-59,729		Total financial income and expenses	-58,471	-60,784
1,349,730	1,197,403		Profit before tax	1,367,267	1,097,241
135,889	67,874	13	Tax expense	110,373	29,692
1,213,841	1,129,529		Net profit for the year	1,256,894	1,067,549
22,136	28,613	21	Minority share of equity		
1,191,705	1,100,916	21	Majority share of equity		
Transfers:					
		21	Subsequent payment to dairy farmers	-1,013,679	-939,762
		21	Subsequent payment transferred to/from subsequent payment fund	30,000	117,000
		21	Transferred to other equity	-273,214	-244,788
			Total transfers	-1,256,894	-1,067,549
			Net Group contributions to subsidiaries	-	18



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AT TINE

Balance sheet

				Amounts in NOK '000	
TINE GROUP				TINE SA	
31.12.2023	31.12.2022	Note		31.12.2023	31.12.2022
			ASSETS		
			NON-CURRENT ASSETS		
			Intangible assets		
32,748	42,090	13	Deferred tax assets	-	-
101,741	122,323	14	Goodwill	-	-
460,440	608,803	14	Other intangible assets	278,013	327,186
594,929	773,216		Total intangible assets	278,013	327,186
			Property, plant and equipment		
4,411,968	4,582,278	15	Land, buildings and other property	3,432,755	3,596,301
4,398,550	4,691,530	15	Machinery, equipment and vehicles	3,519,160	3,725,091
8,810,518	9,273,808		Total property, plant and equipment	6,951,915	7,321,392
			Non-current financial assets		
-	-	16	Investments in subsidiaries	2,221,502	2,213,083
98,600	107,874	16	Investments in joint ventures and associates	12,612	12,662
676	1,275		Investments in equities and securities	601	1,201
2,812,858	2,784,221	8	Pension assets	2,647,331	2,613,465
156,402	180,975	12	Other non-current receivables	124,717	165,984
3,068,536	3,074,345		Total non-current financial assets	5,006,763	5,006,395
12,473,983	13,121,369		Total non-current assets	12,236,691	12,654,973
			CURRENT ASSETS		
3,374,121	3,387,962	17	Inventory	2,385,558	2,377,730
			Current receivables		
2,321,137	2,286,958	18	Accounts receivable	1,723,687	1,657,765
-	-	19	Current receivables due from Group companies	799,825	944,745
226,330	199,069	19,27	Other current receivables	174,963	168,018
2,547,467	2,486,027		Total current receivables	2,698,475	2,770,528
1,653,533	647,142	20	Bank deposits, cash and money market securities	1,545,850	556,725
7,575,121	6,521,131		Total current assets	6,629,883	5,704,983
20,049,104	19,642,500		Total assets	18,866,574	18,359,956



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AT TINE

Balance sheet cont.

Amounts in NOK '000

TINE GROUP				TINE SA	
31.12.2023	31.12.2022	Note		31.12.2023	31.12.2022
			LIABILITIES AND EQUITY		
			EQUITY		
			Paid-in equity		
4,754	4,895	21	Share capital	4,754	4,895
4,754	4,895		Total paid-in equity	4,754	4,895
			Retained earnings		
30,000	60,000	21	Subsequent payment fund	30,000	60,000
9,808,520	9,565,460	12,21	Other equity	9,477,790	9,226,044
9,838,520	9,625,460		Total retained earnings	9,507,790	9,286,044
283,570	315,369	21	Minority share of equity	-	-
10,126,844	9,945,724		Total equity	9,512,544	9,290,939
			NON-CURRENT LIABILITIES		
			Provisions for liabilities		
298,139	289,277	8	Pension liabilities	239,494	235,369
16,372	13,558		Other provisions for liabilities	11,386	1,889
674,086	743,079	13	Deferred tax liabilities	638,642	665,145
988,597	1,045,914		Total provisions for liabilities	889,522	902,403
			Other non-current liabilities		
1,355,000	1,755,000		Bond loans	1,355,000	1,755,000
1,055,749	1,230,401		Non-current debt to credit institutions	1,038,577	1,206,545
239,310	247,472		Miscellaneous non-current liabilities	60,031	59,422
2,650,059	3,232,873	24	Total other non-current liabilities	2,453,608	3,020,967
3,638,656	4,278,787		Total long-term liabilities	3,343,130	3,923,370



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AT TINE

Balance sheet cont.

Amounts in NOK '000


TINE GROUP				TINE SA	
31.12.2023	31.12.2022	Note		31.12.2023	31.12.2022
			CURRENT LIABILITIES		
			Accounts payable		
823,035	731,276		Liabilities to dairy farmers	823,035	731,276
-	-	19	Accounts payable due to Group companies	786,286	699,673
1,511,522	1,382,706	19	Accounts payable	991,354	897,341
2,334,557	2,113,982		Total accounts payable	2,600,675	2,328,290
			Other current liabilities		
1,252,574	678,916	22	Current interest-bearing liabilities	1,035,939	450,000
1,013,679	939,762	21	Provision for subsequent payments to dairy farmers	1,013,679	939,762
137,485	106,445	13	Tax payable	107,522	81,782
185,789	211,248		Public duties payable	189,696	179,037
-	-	19	Other current liabilities due to Group companies	23,175	10,731
1,359,520	1,367,636	23	Other current liabilities	1,040,214	1,156,045
3,949,047	3,304,007		Total other current liabilities	3,410,225	2,817,357
6,283,604	5,417,989		Total current liabilities	6,010,900	5,145,647
20,049,104	19,642,500		Total equity and liabilities	18,866,574	18,359,956


Oslo, 13 February 2024


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SUSTAINABILITY AT TINE

Statement of cash flows

Amounts in NOK '000

TINE GROUP			TINE SA	
2023	2022		2023	2022
		Cash flow from operating activities		
1,349,730	1,197,404	Profit before tax	1,367,267	1,097,241
-129,078	-136,538	Tax paid in the period	-105,108	-106,603
-28,292	-36,374	Profit (-) and loss on sale of property, plant and equipment	-26,273	-34,625
1,552,981	1,476,010	Depreciation, amortisation and impairment	1,117,928	1,163,796
-4,500	240	Profit (-) and loss on sale of non-current financial assets	651	240
-169,709	15,747	Unrealised change in value of financial items	-106,861	68,860
-	-	Dividends received from subsidiaries	-40,089	-34,790
-19,775	-10,388	Difference between recognised pension cost and contributions/payments in pension schemes	-29,741	-163
8,722	-7,750	Difference between recognised and received dividends from joint ventures and associates	-	-
32,580	-66,093	Effect of exchange rate fluctuations and unrealised foreign exchange gains (agio)	-	-
13,840	-383,276	Change in inventories	-7,828	-227,248
-52,364	-385,589	Change in trade and other current receivables	-72,867	-301,302
220,576	144,504	Change in accounts payable	185,773	19,796
-85,807	141,995	Change in other current liabilities	-122,219	175,790
-	-	Change in intragroup balances related to operating activities	244,293	-38,987
2,688,487	1,949,892	Net cash flow from operating activities	2,404,926	1,782,005
		Cash flows to investment activities		
37,909	66,539	Proceeds from sale of property, plant and equipment	35,634	54,997
-854,753	-1,034,862	Payments for the purchase of property, plant and equipment	-708,638	-857,761
-9,016	29,800	Change in non-current receivables and liabilities	14,584	40,410
-	-	Payments for the purchase of non-current financial assets	-8,419	-41,874
-21,483	-44,876	Payments for the purchase of subsidiaries	-	-
-	-	Cash flow to/from intragroup non-current receivables	40,089	34,778
-847,343	-983,399	Net cash flow to investment activities	-626,750	-769,450



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AT TINE

Statement of cash flows cont.			Amounts in NOK '000	
TINE GROUP			TINE SA	
2023	2022		2023	2022
		Cash flow to/from financing activities		
-450,226	-534,898	Repayment of non-current liabilities	-434,770	-544,609
585,939	110,000	New current liabilities	585,939	110,000
-23,927	-79,499	Payment to minorities	-	-
-12,281	85,256	Net change in overdraft facility	-	-
-141	-145	Payments and disbursements of share capital	-141	-145
-	-	Change in intragroup balances related to Group contributions	-316	4,386
-939,762	-1,410,107	Subsequent payment to dairy farmers	-939,762	-1,410,107
-840,398	-1,829,393	Net cash flow to/from financing activities	-789,050	-1,840,475
1,000,746	-862,900	Net change in bank deposits, cash and money market securities	989,126	-827,920
647,142	1,496,492	Bank deposits, cash and money market securities 01.01	556,725	1,384,645
5,645	13,550	Currency effect on cash and cash equivalents	-	-
1,653,533	647,142	Bank deposits, cash and money market securities 31.12	1,545,850	556,725

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AT TINE

Accounting principles

Accounting principles

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway for other enterprises.

Presentation currency

All amounts are in NOK thousands unless otherwise stated. The functional currency of the parent company TINE SA and the Group's presentation currency is NOK.

Modification of accounting principles and comparative figures

Comparative figures have been prepared using the same principles as for the figures in the current accounting period.

New accounting standards

No new accounting standards have been adopted in 2023 that are of consequence to TINE.

Subtotals and totals in some of the tables may not necessarily equal the sum of the amounts shown due to rounding.

Consolidation principles

The consolidated financial statements present the overall financial position, the results from the year's operations and cash flow for the parent company, TINE SA, and subsidiaries. Subsidiaries include those companies where TINE SA has a direct or indirect controlling influence, through either legal or actual control. Controlling interest normally exists when the Group owns more than 50 per cent of the shares in the company, and can exercise actual control over the company. This is done through representation on the Board. Uniform accounting principles are applied to all companies in the Group. Subsidiaries are consolidated from the time

at which control is achieved in the Group to the time when control ceases. Outstanding accounts and transactions with consolidated companies, as well as unrealised internal profits, have been eliminated in the consolidated financial statements.

Ownership interests in subsidiaries are included in the consolidated financial statements according to the acquisition method. The difference between the cost price of the ownership interests and the book value of net assets at the time of acquisition is analysed and posted to the individual balance sheet items according to fair value. Cost prices that exceed the fair value of net identifiable assets are capitalised as goodwill and amortised in the income statement in line with any underlying conditions and anticipated economic life. See separate section on goodwill.

Minority interests are entered in the balance sheet as the minority's share of net ownership interests and liabilities, and the minority share is included in the Group's equity. No gain or loss is recognised in the consolidated financial statements.

A joint venture is a company where TINE has joint control with one or more owners and where the share is of a long-term strategic nature. Joint control is normally applicable when the Group holds an ownership interest of 50 per cent. Joint control nevertheless means unanimity is required between stakeholders in decision-making.

Associates are companies where the Group has significant influence, but not control, and where the share is of a long-term strategic nature. Significant influence normally exists when the Group holds an ownership interest of between 20 and 50 per cent.

Joint ventures and associates are included in the consolidated financial statements using the equity method. Cost prices exceeding the acquired share of book equity are entered in the balance sheet as added value and amortised in line with the underlying conditions and anticipated economic life. The Group's profit is made up of the share of profit for the year after tax in its associated and joint venture entities less any amortisation of added value, elimination of proportional internal profit/loss, associated deferred tax as well as any gain and loss from realisation of ownership shares. The share of profit is presented in the income statement as part of the financial result. Ownership interests in joint ventures and associates are classified in the balance sheet as non-current financial assets. A share in a deficit is not entered in the income statement if this results in the balance sheet value of the investment being negative, unless the Group has assumed an obligation or given a guarantee for that company.

When including investments in subsidiaries, joint ventures and associates, where the annual financial statements are prepared in a foreign currency, the balance sheet items are translated into Norwegian kroner using the exchange rate at the balance sheet date. Income statement items are translated into Norwegian kroner using the average exchange rate for the period. Any translation difference occurring due to the company's incoming equity and annual profit being translated at a rate other than that used for outgoing equity is included in the equity for the Group.



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Accounting principles cont.

Assessments and principles for classification

Operating revenue

Operating revenue and other income are measured at fair value of the transaction, net of VAT, any returns, discounts or other public duties. Income from the sale of goods is entered in the income statement when the products have been delivered to the customer and there are no unfulfilled obligations that may affect the customer's acceptance of the delivery. Delivery is not deemed to have been made until the products have been shipped to the agreed location and the risk of loss or obsolescence has been transferred to the customer. The earned income principle is used as a basis for estimating and entering provisions for volume discounts and goods returns at the time of sale. Services are recognised in income as they are performed.

Operating expenses

Expenses are entered in the income statement in the same period as related income.

Assets and liabilities

Assets intended for permanent ownership or use are classified as non-current assets. Receivables due for repayment within one year, together with other assets linked to the goods cycle, are classified as current assets. Current and non-current liabilities are classified using similar criteria. Current assets are valued at the lower of cost or fair value. Non-current assets are valued at cost less accumulated depreciation and impairment. Current and non-current liabilities are assessed at nominal value.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is listed with both majority and minority share, i.e. 100 per cent. Goodwill is then calculated

as the difference between the sum of acquisition cost and fair value of the minority interests (cf. NRS 17.6.1.10) and fair value of acquired identified net assets measured at the time of acquisition.

Goodwill in connection with the acquisition of subsidiaries is classified as an intangible asset. Goodwill from the purchase of a share in a joint venture or associate is included in the balance sheet value of the investment. Goodwill is tested for impairment in value and entered in the balance sheet at cost less accumulated amortisation and impairment. The amortisation period for goodwill is five years unless a longer period is justified.

Deferred tax on added value is calculated. Goodwill is entered as a net figure after tax. Added value is entered as a gross figure with provision for deferred tax on added value.

The subsidiary's balance sheet and income statement items are fully included in the consolidated financial statements according to the unit principle, depending on whether the subsidiary is wholly owned or partly owned. Any change in ownership interest in a subsidiary is therefore, whatever form it takes, deemed an equity transaction for the Group. No gain or loss is recognised in the consolidated financial statements.

In the event of an increase in the majority ownership interest in a subsidiary, this is entered as an equity transaction. The difference between cost price of the new ownership share and the purchased minority share's recorded value is entered against the majority's equity (other equity).

If the majority ownership interest in a subsidiary is reduced, compensation that exceeds the majority share of net assets in the subsidiary will accrue directly to the majority's equity. A reduced ownership interest does not cause any change to goodwill. This means that the minority gains a proportionate share of goodwill and amortisation is thereby subsequently applied.

Other intangible assets

Expenses for other intangible assets in the form of patents, trademarks, customers, software and other rights are entered in the balance sheet to the extent that a future economic benefit relating to development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise, this type of expense is entered as it is incurred. Intangible assets with a limited economic life are amortised according to plan. Intangible assets are written down to fair value if the recoverable amount is less than the sum of the balance sheet value and any remaining manufacturing costs.

Research and product development costs

Expenses relating to the company's own research and development are entered as they are incurred.

Non-current assets

Property, plant and equipment

Investments in tangible assets in the form of land, buildings/property, machinery/equipment and means of transport are measured at cost less accumulated depreciation and impairment. Interest relating to the construction period for significant tangible assets under construction is entered in the balance sheet as part of the cost price. The acquisition cost of tangible assets with a limited economic life is depreciated on a straight-line basis over the economic life of the asset. Costs relating to normal maintenance and repairs are expensed as they are incurred. Costs for major improvements and upgrades that significantly increase the useful life of tangible assets are capitalised and depreciated in line with the useful life of the asset. If the recoverable amount for the tangible asset is lower than the balance sheet value and the impairment in value is not expected to be temporary, then the asset is written down to the recoverable amount. The recoverable amount is the higher of net sales value and value in use. Value in use is the present value of the future cash flow expected to be generated by the asset. Capitalised spare parts are included as non-current assets.



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Lease agreements

Lease agreements are classified as either financial or operating leases after a thorough assessment of each individual agreement. Lease agreements relating to assets that are leased under specific terms where TINE SA essentially holds the financial risk and ownership control are classified as financial lease agreements. Tangible assets under financial lease agreements are entered in the balance sheet, and associated lease commitments are included in the balance sheet item for other non-current liabilities at the present value of the lease payments. The asset is depreciated according to plan, and the commitment is reduced by the rent paid less calculated interest expense.

Lease agreements where a material portion of the risk and return associated with ownership remains with the lessor are classified as operating lease agreements. Rental amounts relating to operating lease agreements are expensed using the straight-line method over the lease period.

Shares and ownership interests in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are valued in the financial statements using the cost method. The investments are valued at acquisition cost less any impairment. Impairment to fair value is implemented if the impairment in value is not temporary. Impairment is reversed to the extent that the basis for impairment is no longer present. Dividends and Group contributions received from subsidiaries which represent a return for the ownership period are entered as other financial income. Group contributions from subsidiaries are entered in the same year as the subsidiary allocates the amount. Dividend income from subsidiaries and other investments is entered when the dividend is approved.

Other shares and ownership interests classified as non-current assets

Investments in non-current shares and ownership interests where the company has no significant influence are entered in the balance sheet at cost. The investments are written down to fair value if the impairment in value is not expected

to be temporary. Dividends received from companies which represent a return for the ownership period are entered as other financial income when the dividend is approved.

Non-current receivables

Non-current receivables are listed at nominal value after deductions for expected losses. Provisions for bad debts are made on the basis of individual assessments. Interest income is entered as it is earned.

Current assets

Inventories

Inventory is valued at the lower of acquisition cost and fair value in accordance with the lowest value principle.

The acquisition cost for self-manufactured goods, goods in production and goods for resale is the full production cost/standard cost, consisting of direct material costs, direct variable production costs, direct fixed production costs and indirect fixed production costs. Cost of goods sold is incurred in line with sold goods based on the latest applicable production cost/standard cost.

Raw materials are assessed at the lower of average acquisition cost and fair value. Cost of goods sold is incurred in line with sold goods based on the latest applicable average acquisition cost.

Spare parts

Purchased spare parts classified as inventories include maintenance equipment included in the production of goods, including spare parts for machinery and equipment, as well as spare parts for farm tanks. Spare parts are expensed on withdrawal.

Receivables

Trade and other receivables are listed at nominal value after deduction for expected losses. Provisions for bad debts are made on the basis of an individual assessment of each receivable.

Bank deposits, cash and money market securities

The accounting item for bank deposits, cash and money market securities includes cash, bank deposits and other means of payment that have a maturity of less than three months from the date of acquisition.

Other financial instruments

Other financial instruments primarily include interest-bearing funds and are assessed at the lower of acquisition cost and fair value on the balance sheet date.

Equity

Share capital

The share capital in TINE SA is the sum of the shares held by the members of TINE SA. Each member owns one share with a nominal value of NOK 500. Membership of TINE SA is open to dairy farmers who have a milk quota.

Allocated subsequent payment to dairy farmers

Allocation of subsequent payments is regulated by Section 27 of the Norwegian Cooperatives Act. Subsequent payments are decided upon and allocated by the Annual General Meeting, based on the TINE Group's net profit for the year. Payments are distributed on the basis of the quantity of milk supplied during the calendar year. Payments cannot exceed what is consistent with good and prudent business practice.

The subsequent payment is treated as an allocation of profits (equity transaction) in the accounts, with the proposed subsequent payment being allocated as a liability in the corresponding financial year. The tax effect from the subsequent payment is included in the company's tax expense in the income statement.

Subsequent payment fund

Upon the recommendation of the Board and within an overall limit proposed by the Board, profit can be allocated to the subsequent payment fund and as subsequent payment for milk delivered during the year. The Annual General Meeting



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votes on any distribution from the subsequent payment fund. Payments are distributed to members at the time of the decision and are based on the quantity of milk delivered in the previous calendar year.

Liabilities

Non-current liabilities

Non-current liabilities are entered in the balance sheet as a nominal sum. Transaction costs are expensed at the time of establishing new liabilities.

Contingent liabilities

Contingent liabilities are recognised if settlement is more likely than not. Settlement value is calculated based on best estimate.

Provision for restructuring

When any decision is made regarding adaptation or restructuring, provision is made for any anticipated expenses relating to implementation. This provision is based on best estimate and is reassessed at the end of each period. Expenses incurred during the restructuring process are entered on an ongoing basis against this provision, with corrections for any differences relative to the original provision.

Pension

The TINE Group has pension schemes, both defined benefit plans and defined contribution plans, that entitle employees to agreed future pension benefits. Fund-based defined benefit plans are funded through payments and returns in the MP Pensjon pension fund. Defined benefit plans and defined benefit multi-company schemes (AFP) that are funded directly through operations do not have earmarked special assets for financing and hedging the pension liabilities (uncovered scheme through operations).

Defined benefit plans

A defined benefit plan is a pension scheme that defines the pension benefit to be received by an employee upon retirement. Pension payments are normally dependent on

several factors such as age, number of years' service with the company and salary. The pension liability is calculated on an annual basis by an independent actuary using a linear earnings method. The calculation is performed using demographic assumptions about mortality, voluntary redundancy and disability tariff. The calculation is also carried out using financial assumptions about the discount rate, expected pay regulation, pension regulation, expected adjustment in the National Insurance Scheme's Basic Amount (G) and the expected return on pension funds.

The liability entered in the balance sheet relating to fund-based defined benefit plans is the present value of the defined benefits on the balance sheet date less the fair value of the pension funds. There is overfunding if the value of the pension assets exceeds the present value of the accrued pension liabilities. In order to recognise the overfunding as an asset in the balance sheet, in whole or in part, any future financial benefit of the excess pension funds must be substantiated. If it is not possible to substantiate future use of overfunding, the asset recognised in the balance sheet must be reduced accordingly. The overfunding is limited to the present value of the expected net pension contributions over the next decade or the estimated assets available from the premium fund to cover future pension contributions, whichever is the lower.

Net pension liabilities from underfunded defined benefit schemes and defined benefit schemes funded through operations are entered in the balance sheet as non-current financial liabilities, while net pension assets from overfunded defined benefit schemes are entered in the balance sheet as non-current financial assets.

The cumulative effect of estimate changes and changes in financial and actuarial assumptions (actuarial gains and losses) of less than 10 per cent of the pension liabilities and pension assets at the beginning of the year, whichever is the greater, is not recognised. When the cumulative impact is above the 10 per cent limit at the beginning of the year, the excess

above the estimated average remaining earning time is entered in the income statement.

Changes to liabilities due to changes to the pension plan are expensed immediately if the changes to the plan are unconditional at the time of change. Any changes to the plan that are contingent on future employment are amortised using the straight-line method over the period until the benefit is unconditional.

The cost of pension entitlements for the period is recognised as payroll expenses. This cost includes the increase in the pension liability as a result of earnings in the current year, changes, curtailment and settlement. The net interest expense is calculated by applying the discount rate to the net pension liability and the fair value of the pension assets. The net pension cost for the period is classified as payroll expenses.

Performance-based multi-company schemes

The Contractual Early Retirement Pension scheme (AFP) is a defined benefit multi-company scheme. There is insufficient information to treat the AFP scheme as a defined benefit scheme with the associated calculation of liabilities in the balance sheet. The scheme is therefore treated as a defined contribution scheme with the recognition of pension premiums when they are incurred.

Defined contribution plan

A defined contribution pension scheme is a pension plan into which TINE pays an annual pension contribution for each member. The pension contribution is paid to a fund manager and TINE has no liabilities to the scheme once the contribution has been paid. Consequently, it is difficult to determine in advance the size of future pension benefits. No liabilities or assets are entered in the balance sheet for defined contribution plans. Annual contributions to defined contribution pension schemes are expensed as payroll expenses as incurred.



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Disability pension

The disability scheme is a risk-based scheme where members have full disability cover irrespective of their length of service.

Taxes

The tax expense consists of tax payable on taxable income, capital and any changes to deferred tax. The tax expense is based on the result on ordinary operations before tax. Tax relating to equity transactions, including the tax effect of subsequent payments, is entered against equity. Deferred tax is calculated on the basis of temporary differences between accounting and tax-written-down values at the end of the financial year, as well as any tax loss to carry forward. The nominal tax rate is used in the calculation. Positive and negative differences that reverse in the same period are offset. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet. The Group presents deferred tax as net of the tax position of companies that are part of the same tax group. Deferred tax assets arise if there are temporary differences that give rise to tax deductions in the future. Deferred tax assets are only entered in the balance sheet to the extent that it is likely there will be a future taxable profit that is large enough to make use of the tax asset, either by the unit having shown a recent profit or by means of identified assets with added value.

Foreign currency

Transactions denoted in foreign currencies are translated at the exchange rate in effect on the transaction date. Any monetary items in foreign currency that are not included in hedging arrangements are valued at the daily exchange rate. Realised and unrealised gains and losses on currency are presented as a net value in the income statement as a financial item.

Financial derivatives and hedging

In accordance with established financial guidelines, TINE uses financial derivatives to mitigate the impact of fluctuations in foreign exchange rates, market interest rates and electricity prices. The derivatives are designated as hedging instruments and are accounted for in accordance with the principles of

cash flow hedging or hedging the net investment in foreign operations.

Net investment in foreign operations

TINE has chosen to hedge investments in foreign subsidiaries. The hedging instrument, i.e. the net investment, is translated at the exchange rate on the balance sheet date, resulting in a translation difference recorded in the Group's equity. Investments in currency hedging instruments neutralise the net impact of exchange rate fluctuations on the Group's equity. In the parent company, the hedging instruments are recognised at fair value, and changes in value are classified as a financial expense. In the Group, realised and unrealised changes in value are entered directly against equity until the foreign operation is sold or the hedging relationship is terminated.

Cash flow hedging

TINE utilises forward contracts to hedge the risk of fluctuations in electricity prices. The forward contracts are accounted for in accordance with the principles of cash flow hedging and are recognised at fair value in the balance sheet. Unrealised gains and losses are recorded against equity. Gains or losses arising at maturity are recognised as part of the electricity cost.

To reduce the risk associated with future interest payments due to market interest rate fluctuations, TINE employs interest rate swap agreements. The interest rate swap agreements are accounted for in accordance with the principles of cash flow hedging and are recognised at fair value in the balance sheet. Unrealised gains and losses are recorded against equity. The ongoing payment of fixed interest and receipt of floating interest are presented net as financial expense/income. Terminated interest rate swap agreements are recorded in equity at the value of the consideration at the transaction date and amortised as a financial expense over the original term of the agreement.

TINE hedges a portion of the company's purchases and sales in foreign currency through the use of forward contracts.

These transactions are treated as accounting hedges in the financial statements. Unrealised gains and losses are recorded in equity instead of the income statement. The forward contracts are accounted for in accordance with the principles of cash flow hedging and are recognised at fair value in the balance sheet. Gains or losses arising at maturity are recognised as part of the hedged risk, either as sales revenue or cost of goods sold.

Use of estimates and information on significant estimates

The accounting principles described mean that the management of TINE has used estimates and assumptions that affect items in the income statement and balance sheet. These estimates are based on experience and an assessment of underlying factors. Future events and changes in framework conditions may cause estimates and assumptions to change. Changes in accounting estimates are entered in the income statement in the period the estimates are changed, unless deferred recognition in the income statement follows from good accounting practice. Assessments, estimates and assumptions that have a material effect on the accounts are summarised below.

Depreciation/amortisation

Depreciation/amortisation of tangible and intangible assets is based on their estimated useful life. Any changes in market conditions and future investment decisions will affect existing production capacity and expected useful life. This may give rise to changed depreciation/amortisation profiles, which will impact future results.

Impairment

TINE holds significant investments in tangible assets, intangible assets including goodwill, subsidiaries, joint ventures and associates. These non-current assets are tested for impairment when there are indicators of possible impairment in value. Such indicators may include changes

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Accounting principles cont.

in market prices, agreement structures, adverse events or other operating conditions. When calculating the recoverable amount, a number of estimates have to be made regarding future cash flows, for which price, sales volume and useful life are the most important factors.

Pensions

Calculation of the fair value of pension liabilities is based on several economic and demographic assumptions and estimates. Any change in the assumptions applied will affect the calculated value of the liability. Refer to Note 8 for a more detailed description of the assumptions applied and the composition of the pension assets.

Fair value of financial instruments

The principles for estimating fair value are based on market prices and various valuation methods. The fair value of forward exchange contracts is determined using the exchange rate at the balance sheet date. The fair value of currency swaps is calculated at the present value of future cash flows. The fair value of interest rate derivatives is calculated as the present value of estimated future cash flow based on observable market interest rate curve. For all the aforementioned derivatives, fair value is confirmed by the financial institution with which the company has entered into the agreements. The fair value of forward contracts on energy is determined by using the system price for the relevant hedging period on the balance sheet date.

Provisions

For certain income statement items in the financial statements, provision is made for anticipated future costs based on estimates and information available at the time the financial statements are presented. These provisions may differ from actual future costs. Provisions relate to, for example, losses on customers, discounts, obsolescence of goods, provisions for restructuring, adaptation and contingent losses that are likely and quantifiable, including disputes and legal proceedings.

Segments

Sales revenue, operating income and capital employed are specified per business area. Sales revenue is specified per geographical market. Business areas are defined based on TINE's natural focus areas.

Operating segments are reported in the same way as internal reporting to the company's key decision-makers. The company's key decision-makers, who are responsible for allocating resources and assessing earnings in the operating segments, are defined as the Group executive.

Statement of cash flows

The statement of cash flow has been prepared in accordance with the indirect method. Cash and cash equivalents comprise cash, bank deposits and money market securities.





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Note 1 Segment information

Amounts in NOK '000

	2023					2022				
	TINE SA*	TINE International	Norwegian subsidiaries	Other activities and eliminations	TINE Group	TINE SA*	TINE International	Norwegian subsidiaries	Other activities and eliminations	TINE Group
Sales revenue	17,634,359	4,713,268	3,408,056	-1,036,104	24,719,578	16,745,914	4,355,581	3,209,442	-979,886	23,331,051
Sales revenue, commodities	1,779,607	-	-	-	1,779,607	1,535,402	-	-	-	1,535,402
Other income	657,502	4,986	124,623	-360,636	426,475	638,422	2,522	114,405	-328,802	426,546
Operating revenue	20,071,468	4,718,255	3,532,679	-1,396,740	26,925,661	18,919,738	4,358,103	3,323,847	-1,308,688	25,292,999
Cost of goods sold	-10,712,034	-3,483,688	-1,954,184	1,036,104	-15,113,802	-9,904,199	-3,308,742	-1,797,274	982,609	-14,027,606
Personnel costs	-3,486,017	-591,040	-646,775	-	-4,723,832	-3,388,451	-520,302	-604,653	-	-4,513,406
Other operating expenses	-3,214,996	-511,281	-743,516	360,220	-4,109,572	-3,123,997	-491,984	-731,374	328,509	-4,018,845
Operating profit/loss before depreciation and impairment (EBITDA)	2,658,421	132,246	188,204	-416	2,978,454	2,503,091	37,075	190,547	2,429	2,733,141
EBITDA%	13.2%	2.8%	5.3%	0.0%	11.1%	13.2%	0.9%	5.7%	-0.2%	10.8%
Depreciation and impairment	-1,117,928	-297,055	-137,998	-	-1,552,981	-1,163,796	-155,509	-156,705	-	-1,476,010
Operating profit/loss (EBIT)	1,540,492	-164,809	50,206	-416	1,425,473	1,339,295	-118,434	33,842	2,429	1,257,132
EBIT%	7.7%	-3.5%	1.4%	0.0%	5.3%	7.1%	-2.7%	1.0%	-0.2%	5.0%

Description of segments: The TINE SA* segment consists of TINE SA excluding the cheese export departments at TINE SA. TINE International consists of the sub-groups Wernersson Ost AB (Sweden), Norseland Inc. (US), Norseland Ltd (UK) and TINE Holding Ireland Ltd, and the cheese export departments at TINE SA. Norwegian subsidiaries consist of the sub-groups Diplom-Is AS and Fjordland AS, along with the other subsidiaries of MIMIRO AS and TINE SA (see Note 16). TINE Holding AB is included in Other activities and eliminations.

Sales revenue, commodities: Sales revenue from commodities consists of sales of raw milk from Norwegian Milk Supplies to other stakeholders.

Note 2 Sales revenue for ready-made products, by geographical area

Amounts in NOK '000

TINE GROUP			TINE SA	
2023	2022	Geographical area	2023	2022
19,695,631	18,795,501	Norway	17,249,027	16,128,055
2,084,656	1,761,002	Rest of Europe	548,882	749,300
2,764,985	2,667,857	Americas	442,471	377,468
10,971	6,190	Asia	10,971	6,190
163,337	100,501	Oceania	163,337	100,501
24,719,578	23,331,051	Total sales revenue, ready-made products	18,414,687	17,361,514



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NOTE 3 Other operating revenue

Amounts in NOK '000

TINE GROUP			TINE SA	
2023	2022	Income groups	2023	2022
109,360	118,484	Transport income	144,445	151,639
75,608	69,597	Analysis and consultancy income	76,553	70,732
26,036	32,988	Rental income	11,117	11,273
27,420	54,860	Sale of plants	25,402	53,095
100,586	81,133	Market regulation activities ¹⁾	100,586	81,133
43,407	18,833	Other state and municipal subsidies ²⁾	33,973	13,644
-	-	Other intragroup revenue ³⁾	254,602	248,636
44,059	50,651	Other income	28,613	28,414
426,476	426,546	Total other operating revenue	675,291	658,566

1) Please see Note 29 regarding Market regulation activities

2) Please see Note 4, Public subsidies

3) Other intragroup revenue consists of joint costs, royalties and internal services

Note 4 Public subsidies

Amounts in NOK '000

The table below lists funding received through the SkatteFUNN R&D tax incentive scheme and other state and municipal subsidies. Market regulation activities are not included in the subsidies.

In 2023, TINE SA had three active SkatteFUNN projects. Other state and municipal subsidies consist of NOK 25 million in funding from the Norwegian Agriculture Agency, NOK 5.7 million from the Research Council of Norway and NOK 3.2 million from other state and municipal organisations.

TINE GROUP			TINE SA	
2023	2022	Type of income	2023	2022
2,832	3,091	SkatteFUNN tax incentive	181	549
43,407	18,833	Other state and municipal subsidies	33,973	13,644
46,239	21,924	Total public subsidies	34,154	14,193

Note 5 Significant individual transactions

Amounts in NOK '000

TINE GROUP			TINE SA	
2023	2022	Income statement items	2023	2022
125,090	-	Income from investments in associates	136,400	-
-74,345	-	Impairment of intangible assets	-	-
Balance sheet				
21,483	44,876	Acquisition of Lotito Foods Holding LLC	-	-

Dividend from Skala Gruppen AS

TINE SA has received a dividend of NOK 136.4 million from Skala Gruppen AS in connection with the sale of a subsidiary. Skala Gruppen AS is an associate that is accounted for using the cost method in TINE SA and the equity method in TINE Group. TINE Group's share of the profit in Skala Gruppen AS, including the gain from the sale of a subsidiary, was NOK 125 million in 2023.

Impairment of intangible assets in Norseland Inc. Group (US)

Norseland Inc. Group (US) has recognised in the balance sheet an impairment of patent rights for ostewraps amounting to NOK 75 million. This is due to the value associated with the patent rights no longer being justifiable as a result of weak sales development.

Acquisition of Lotito Foods Holding LLC in 2023 and 2022

In 2022, Norseland Inc. increased its ownership interest in Lotito Foods Holding LLC by 7 per cent, from 80 per cent to 87 per cent, for USD 5,049,812 (NOK 45 million). In January 2023, the ownership interest was further increased from 87 per cent to 90 per cent by acquiring an additional 3 per cent ownership for USD 2,159,135 (NOK 21 million). These incremental purchases represent changes in majority and minority ownership. Norseland Inc. had the option to acquire the remaining 10 per cent in 2023, which was not exercised.

Note 6 Cost of materials and changes in inventory

Amounts in NOK '000

TINE GROUP			TINE SA	
2023	2022	Type of cost	2023	2022
15,109,549	14,248,777	Consumption of commodities and purchased goods for resale	11,539,034	10,801,854
79,476	-221,171	Change in inventory of work in progress and ready-made products	23,090	-151,019
15,113,802	14,027,606	Total cost of materials and changes in inventory	11,562,124	10,650,835



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Note 7 Payroll costs and key personnel

Amounts in NOK '000

TINE GROUP			TINE SA	
2023	2022	Type of cost	2023	2022
3,831,335	3,678,464	Pay, holiday pay and costs for temporary employees	2,848,674	2,785,675
495,455	466,927	Employers' National Insurance contributions	383,086	366,082
159,396	141,054	Pensions costs including employers' National Insurance contributions, ref. Note 8	111,204	103,786
237,646	226,961	Other benefits	148,755	142,549
4,723,832	4,513,406	Total payroll costs	3,491,719	3,398,092
4,982	5,155	Average number of employees calculated as full-time equivalents	3,724	3,794

Remuneration paid to senior executives

Introduction

The Board, council, control committee, CEO and Group executive are defined as senior executives in the TINE Group.

Decision-making authority

The Annual General Meeting determines the remuneration for the Board, the council, the control committee and other representatives based on the recommendation of the nomination committee. The Annual General Meeting determines the remuneration for the nomination committee based on the recommendation of the Chair of the AGM.

The Board determines remuneration for the CEO. The CEO determines remuneration for the Group executive.

Remuneration paid to the Board of Directors

Board members receive annual directors' fees. Separate remuneration is determined for the Chair and Deputy Chair of the Board of Directors. Remuneration paid to the Board of Directors must reflect the directors' responsibilities, expertise and time spent, as well as the complexity of the business. Remuneration paid to the Board of Directors is not dependent on results. Board members, or companies with which they are affiliated, must not take on specific tasks for TINE in addition to their board duties. Any tasks in addition to board duties and remuneration must be approved by the Board of Directors.

REMUNERATION PAID TO SENIOR EXECUTIVES

Board of Directors	Role	Directors' fees	Other remuneration
Marit Haugen	Chair	612	594
Rolf Øyvind Thune	Deputy Chair	306	147
Bjørnar Gjerde	Board member	214	124
Helge Arne Espeland	Board member	214	119
Solveig Bratteng Rønning	Board member	214	127
Asgeir Pollestad	Board member	214	125
Anne Berit Løset	Board member	214	86
Elin Johanne Aarvik	Board member elected by employees	214	-
Tor Arne Johansen	Board member elected by employees	214	-
Ottar Råd	Board member elected by employees	214	-
Jeffrey Elliot Thomas	Board member elected by employees	214	-

Deputy member	Role	Fees	Other remuneration
Hans Olav Minsås	Deputy member	148	53
Elise Unander Mjølhus	Deputy member	69	9
Hans Mathias Ulberg	Deputy member	75	61
Randi Einarsen	Deputy member elected by employees	22	-
Dag Rune Herting	Deputy member elected by employees	22	-
Kurt I. Haukeland	Deputy member elected by employees	22	-
Lars Olav Iversen	Deputy member elected by employees	-	-

Annual General Meeting and council meeting	Role	Fees	Other remuneration
Eivind Mehl ¹⁾	Chair	148	130
Nina Vangen Ranøien ²⁾	Chair	130	86

Control committee	Role	Fees	Other remuneration
Petter Arne Ekroll	Chair	77	12
Bjørn Lende	Deputy Chair	53	-
Solveig Ballo ³⁾		36	-
Sigrun Bakken Lerhol ⁴⁾		16	11

1) Left 18.08.2023

2) Deputy Chair until 18.08.2023. Took over role of Chair on 18.08.2023; no Deputy Chair from this date

3) Joined 29.03.2023

4) Left 29.03.2023



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Note 7 cont.

CEO 01.01.2023–01.10.2023	2023	2022
Salary	3,148	4,049
Directors' fees from subsidiaries	-	86
Pension (earned, not paid)	999	1,605
Benefits in kind/Other remuneration	133	168
CEO 01.10.2023–31.12.2023	2023	
Salary	1,375	
Pension (earned, not paid)	445	
Benefits in kind/Other remuneration	41	

CEO

Ann-Beth Freuchen took over as CEO from Gunnar Hovland on 1 October 2023.

Remuneration to the CEO should be competitive, without being market-leading, and follows the same guidelines as for other employees.

Remuneration to the CEO is not dependent on performance. The CEO has no variable pay elements and is not entitled to other profit sharing.

Basic pay is to be determined on the basis of job content, level of responsibility and expertise.

The CEO is part of the current company car scheme and the scheme for coverage of newspaper subscriptions, mobile phone and broadband.

The CEO is a member and part of the Group's current collective pension and insurance schemes.

The CEO is also included in the Group's occupational pension scheme for employees with salaries in excess of 12 G. The pension benefit in this scheme constitutes 66 per cent of pay in excess of 12 G and comes into effect from the age of 67.

The mutual notice period is six months, and the CEO has the right to receive severance pay for 18 months if the employment is terminated by TINE SA. For the last 12 months, severance pay is curtailed for all other income accumulated by the CEO during this period.

No loans or collateral have been provided in favour of the CEO.

Amounts in NOK '000

Other Group executive	2023	2022
Salary	17,034	15,298
Variable pay	1,299	1,713
Directors' fees from subsidiaries	-	53
Pension (earned, not paid)	5,753	6,992
Benefits in kind/Other remuneration	1,102	1,627

The Group executive was made up of eight members at the end of 2023 and six members at the end of 2022.

Other Group executive

Remuneration to senior executives should be competitive, without being market-leading, and follows the same guidelines as for other employees.

Basic pay is to be determined on the basis of job content, level of responsibility and expertise. Some members of the Group executive have a variable pay element in addition to their fixed pay that is paid at the time of disbursement. Members of the Group executive are not entitled to other profit sharing.

Members of the Group executive are part of the current company car scheme and the scheme for coverage of newspaper subscriptions, mobile phone and broadband.

Members of the Group executive are members and part of the Group's current collective pension and insurance schemes.

Members of the Group executive are also included in the Group's occupational pension scheme for employees with salaries in excess of 12 G. The pension benefit in this scheme constitutes 66 per cent of pay in excess of 12 G and comes into effect from the age of 67.

No loans or collateral have been provided in favour of other members of the Group executive.



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Note 8 Pensions and pension liabilities

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TINE SA and its Norwegian subsidiaries have a group pension scheme with MP Pensjon in accordance with the Norwegian Mandatory Occupational Pensions Act. The scheme satisfies the regulations for mandatory occupational pension (OTP). The group pension scheme is a defined benefit scheme and is included in the accounts as a defined benefit plan. The benefits are mainly dependent on the number of years of service and salary level upon reaching retirement age. The occupational pension is in addition to the National Insurance scheme and is independent of benefits from the National Insurance scheme. The Group's subsidiaries outside Norway have established pension schemes in accordance with local legislation.

MP Pensjon is an independent foundation that covers employees of TINE SA and its Norwegian Sub-sidiaries. The purpose of MP Pensjon is to provide retirement and disability pensions to members and dependent's pensions to surviving spouses, registered partners, cohabitants and children. MP Pensjon's assets are kept separate from the company's assets. MP Pensjon is under the supervision of the Financial Supervisory Authority of Norway and has a licence to operate as a pension fund.

The pension scheme under MP Pensjon provides the following benefits in the case of full pensionable service (30 years or more):

Pension	Basis of calculation	Pension benefit
Retirement pension	Up to 6 G	16% of final salary.
	From 6 G to 12 G	44% of final salary.
Dependent's pension – spouse/cohabitant	Calculated retirement pension	55% of calculated retirement pension.
Dependent's pension – child	Final salary	50% of the calculated retirement pension for the youngest child and 25% for other children under the age of 21. The total child's pension is divided equally between the children.
Disability pension	Current salary	3% of pay up to 12 G. Additional 25% of G, limited to 6% of salary. Additional 66% of salary between 6 G and 12 G. Saved entitlements from private and public occupational pensions are deducted from the calculation.

In addition to the group pension scheme, TINE SA and its Norwegian subsidiaries have an occupational pension scheme for employees with salaries in excess of 12 G. The pension benefit in this scheme constitutes 66 per cent of pay in excess of 12 G and comes into effect from the age of 67.

TINE SA and most of its Norwegian subsidiaries are subject to the agreement between the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO). Based on this, the employees of the companies have the opportunity to apply for the early retirement scheme (AFP) from the age of 62. The current AFP scheme is a defined benefit multi-company scheme. The companies covered by the LO-NHO agreement have a real financial liability as a result of the agreement regarding AFP. There is insufficient information to treat the AFP scheme as a defined benefit scheme with the associated calculation of liabilities in the

balance sheet. The scheme is therefore recognised as a defined contribution scheme and funded through annual premiums.

For the TINE Group and TINE SA, the various schemes covered the following number of people as at 31.12.2023:

TINE GROUP			TINE SA	
Employees	Pensioners	Type of cost	Employees	Pensioners
5,253	4,005	Defined benefit schemes from MP Pensjon	4,538	3,667
62	30	Uninsured schemes ¹⁾	53	27
854	-	Defined contribution schemes ²⁾	-	-
5,013	-	AFP	4,625	-

¹⁾ Uninsured schemes are mainly occupational pensions for employees with salaries above 12 G and gratuity pensions for employees who have previously fallen outside the group pension scheme with MP Pensjon

²⁾ Defined contribution schemes are established in foreign subsidiaries and some Norwegian subsidiaries. Norwegian subsidiaries have 139 employees with a defined contribution scheme

TINE GROUP			TINE SA	
2023	2022	Pension costs	2023	2022
383,889	436,833	Present value of accrued pension entitlements for the year	334,428	378,750
494,089	247,502	Interest expense on pension liabilities	461,115	230,738
-777,586	-581,615	Net return on pension assets	-715,678	-536,005
-6,731	-943	Recognised estimate differences	-3,375	1,981
-	-18,052	Curtailment/settlement	-	-860
-59,186	-56,637	Employee contributions	-51,674	-50,178
18,843	14,669	Accrued employers' National Insurance contributions	17,267	11,515
106,077	99,296	Other pension costs (including AFP premiums and defined contribution schemes)	69,121	67,845
159,396	141,054	Net pension costs	111,204	103,786

Reconciliation of the pension schemes' financial status as at 31.12 against the amount in balance sheet:

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Pension liabilities and assets	31.12.2023	31.12.2022
-14,890,427	-15,482,505	Accrued pension liabilities	-13,923,216	-14,472,348
17,214,750	18,002,210	Pension assets	15,938,154	16,712,984
2,324,323	2,519,705	Net pension assets excluding employer's National Insurance contributions and estimate differences	2,014,938	2,240,636
488,535	264,516	Unrecognised effect of estimate differences (pension accrual)	632,393	372,829
2,812,858	2,784,221	Net pension assets, overfunded scheme	2,647,331	2,613,465



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TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Pension liabilities and assets	31.12.2023	31.12.2022
-172,374	-182,643	Accrued pension liabilities	-136,442	-150,160
-	-	Pension assets	-	-
-172,374	-182,643	Net pension liabilities excluding employer's National Insurance contributions and estimate differences	-136,442	-150,160
-101,461	-80,881	Unrecognised effect of estimate differences (pension accrual)	-83,814	-64,036
-24,305	-25,753	Employers' National Insurance contributions	-19,238	-21,173
-298,139	-289,277	Net pension liabilities, underfunded scheme	-239,494	-235,369

The following assumptions have been applied in Norway for the TINE Group and TINE SA:

Economic assumptions	31.12.2023	31.12.2022
Discount rate	3.70%	3.20%
Expected wage growth	3.75%	3.75%
Expected adjustment to National Insurance Scheme's basic amount (G)	3.50%	3.50%
Expected pension adjustment	3.50%	3.50%
Expected return on pension assets	5.40%	4.90%
Demographic assumptions		
Mortality table applied	K2013	K2013
Disability tariff applied	Enhanced KU	Enhanced KU
Voluntary redundancy (all ages)	Average 3–5% per year	Average 3–5% per year

The economic and demographic assumptions used for calculating and accounting for pensions are based on expectations regarding actual membership, matters regarding the MP Pensjon pension scheme and TINE's assumptions regarding future economic development.

The occupational pension scheme that the TINE Group has in MP Pensjon is overfunded, as the value of the pension assets exceeds the present value of the accrued pension liabilities. In order to recognise the overfunding as an asset in the balance sheet, in whole or in part, any future financial benefit of the excess pension funds must be substantiated. If it is not possible to substantiate future use of overfunding, the asset recognised in the balance sheet must be reduced accordingly. The overfunding is limited to the present value of the expected net pension contributions over the next decade or the estimated assets available from the premium fund to cover future pension contributions, whichever is the lower.

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Pension assets	31.12.2023	31.12.2022
27,364,286	25,016,474	Pension assets (at market value)	25,526,714	23,334,447
-10,149,536	-7,014,264	Unrecognised pension assets	-9,588,560	-6,621,462
17,214,750	18,002,210	Pension assets used in the calculation	15,938,154	16,712,984

TINE GROUP			TINE SA	
2023	2022	Actual return on combined pension assets	2023	2022
10.7%	-2.6%	Actual return on plan assets in the group pension scheme	10.7%	-2.6%
31.12.2023	31.12.2022	Pension assets in the group pension scheme with MP Pensjon comprise the following	31.12.2023	31.12.2022
48%	47%	Shares	48%	47%
47%	47%	Interest-bearing securities	47%	47%
4%	5%	Real estate	4%	5%
2%	1%	Other assets	2%	1%

Sensitivity analysis for changes in the assumptions

Measurement of defined benefit scheme pension liabilities and pension costs is based on several economic and demographic assumptions. The table below shows estimated sensitivity for the most significant economic assumptions in the TINE Group. Sensitivity specifies the amount-related effect on pension costs and gross pension liabilities relating to the group pension schemes with MP Pensjon as a result of a reasonable increase or reduction in one of the assumptions applied.

	Discount rate		Expected salary adjustment		Expected pension adjustment	
	0.5%	-0.5%	0.5%	-0.5%	0.5%	-0.5%
Change in (NOK million)						
Accrued pension liabilities in the balance sheet	-1,235	1,419	358	-293	1,166	-1 039
Expensed present value of accrued entitlements for the year	-35	41	33	-27	19	-17

The most significant demographic assumption is the mortality table. A one-year increase in life expectancy will result in an increase in gross pension liabilities of NOK 679 million as at 31.12.2023.

The analysis specified above was carried out by an actuary and is based on circumstances as at 31.12.2023. The calculations are based on the assumption that all other assumptions remain unchanged. Keeping the other assumptions unchanged represents a limitation to the analysis, as there may be a correlation between some of the changes.



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NOTE 9 Auditor’s fees

Amounts in NOK ’000

TINE GROUP			TINE SA	
2023	2022	Fees to elected auditor – Ernst & Young AS	2023	2022
10,403	13,297	Statutory auditing services	5,921	4,355
2,003	1,441	Fees for attestation services	1,850	1,277
38	356	Fees for tax advice	-	-
54	1,153	Fees for other services	157	1,108
12,498	16,247	Total fees to elected auditor – Ernst & Young AS	7,928	6,740

The table shows expensed fees for the auditor, excluding VAT. Fees for attestation services mainly relate to attestation services required by the Norwegian Agriculture Agency, the SkatteFUNN R&D tax incentive scheme and certification of sustainability reporting.

TINE GROUP			TINE SA	
2023	2022	Fees to other auditors	2023	2022
3,483	1,106	Statutory auditing services		
-	-	Fees for attestation services		
439	649	Fees for tax advice		
2,075	1,976	Fees for other services		
5,997	3,731	Total fees to other auditors		

Fees to other auditors relates to the companies Norseland Inc., Alpine Dairy LLC and Lotito Foods Holding LLC.

Note 10 Other operating expenses

Amounts in NOK ’000

TINE GROUP			TINE SA	
2023	2022	Type of cost	2023	2022
1,603,366	1,675,597	Indirect costs associated with production and operations	1,296,166	1,352,372
1,344,731	1,280,520	Transport costs	1,212,231	1,146,447
-456,206	-448,488	Freight revenue (freight and distribution surcharge) ¹⁾	-456,206	-448,488
1,617,682	1,511,216	Sales, marketing and other operating expenses	1,219,885	1,134,403
4,109,573	4,018,845	Total other operating expenses	3,272,076	3,184,734

¹⁾ Reimbursement from the price equalisation scheme for transport costs for raw milk for transport from the dairy farmer to the delivery point

Note 11 Net other financial income and expenses

Amounts in NOK ’000

TINE GROUP			TINE SA	
2023	2022		2023	2022
-608	-240	Impairment of investments in other companies	-608	-240
-	1,889	Change in value of market-based financial current assets	-	1,889
8,165	3,441	Other financial income	7,977	2,726
-10,916	-19,610	Other financial expenses	-10,760	-8,298
-3,359	-14,520	Net other financial income and expenses	-3,391	-3,923



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Note 12 Effects on results, interest and currency, hedging instruments and risk

Amounts in NOK '000

TINE SA takes a holistic approach to the Group's financial risks. The overall objective of TINE's financial guidelines is to contribute to stable results. TINE SA uses interest rate and currency derivatives as part of the management of the Group's currency and interest rate exposure. Interest rate derivatives are entered into to achieve the desired interest rate structure for the loan portfolio. Forward exchange contracts, currency options and currency swaps are entered into to hedge cash flows in foreign currency and equity in foreign subsidiaries.

Currency risk

TINE SA is subject to currency risk in the form of profit risk, which is mainly related to the sale of goods and purchase of input factors, as well as investments in and dividends from subsidiaries outside Norway. Balance risk is related to ownership in foreign subsidiaries in Sweden, Denmark, the UK, Ireland and the US, with functional currencies other than NOK.

In order to reduce the risk associated with commercial transactions in foreign currency, TINE SA has entered into forward exchange contracts and currency options for USD and EUR, where TINE SA is subject to the greatest exposure. Currency derivatives are valued in accordance with Section 5-9 of the Norwegian Accounting Act at fair value in the balance sheet. Unrealised changes in fair value are entered against equity.

The TINE Group applies currency hedging of net investment in foreign subsidiaries. TINE SA has implemented currency hedging for most of its net investments in TINE Holding AB, Wernersson Ost AB, Norseland Ltd, TINE Ireland Holding Ltd and Norseland Inc. Currency loans are used as hedging instruments. The changes in value of the hedging instruments are entered against equity in the TINE Group.

TINE GROUP			TINE SA	
2023	2022	Realised and unrealised gains and losses on FX	2023	2022
-52,856	-63,907	Realised gains/losses on FX	-237,793	6,436
-1,234	92,800	Unrealised gains/losses on FX	112,333	-29,459
-54,090	28,893	Net realised and unrealised gains and losses on FX	-125,460	-23,023

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Market value of FX derivatives, excluding accrued interest	31.12.2023	31.12.2022
-12,206	35,037	FX derivatives valued at fair value in the balance sheet FX-forward, options (cash flow hedging)	-12,206	35,037
-	-52,812	FX derivatives valued at fair value in the balance sheet Basis swap (equity hedging)	-	-52,812
-12,206	-17,775	Total market value of FX derivatives ¹⁾	-12,206	-17,775

¹⁾ The total carrying amount of FX derivatives is classified as non-current or current depending on the contractual maturity of the transaction.

Hedge accounting is applied to FX derivatives. Changes in the value of FX derivatives used for hedging of investment in foreign subsidiaries are entered against equity in the TINE Group. FX changes relating to hedging of cash flows are entered against equity in TINE SA.

Market values of FX derivatives are calculated in the treasury system (TS) and recognised based on these values. Market values are checked against the Bloomberg value estimate and the market value reports received from relevant counterparties.

TINE GROUP			TINE SA	
2023	2022	Realised gains/losses on FX derivatives	2023	2022
56,302	-5,383	Realised gains/losses on derivatives – EURNOK	56,302	-5,383
-	7,895	Realised gains/losses on derivatives – USDNOK	-	7,895
4,499	-15,968	Realised gains/losses on derivatives – EURUSD	4,499	-15,968
60,801	-13,456	Net realised gains/losses on FX derivatives ²⁾	60,801	-13,456

²⁾ Unrealised FX effects related to cash flow hedging follow the principles of hedge accounting. Realised FX effects relating to cash flow hedging are recognised in operating profit. Gains and losses related to currency hedging of net investment in foreign subsidiaries are recognised in the income statement for TINE SA, but reversed in the TINE Group.

Interest rate risk

The most significant interest rate risk exposure for TINE SA is linked to its loan portfolio. TINE's financial guidelines for managing interest rate risk aim to ensure that the Group has the most cost-effective financing possible, as well as a certain degree of stability and predictability in financial expenses.

To reduce the risk associated with future interest payments due to market interest rate fluctuations, TINE employs interest rate hedging instruments. In accordance with the financial guidelines, interest rate hedges may have a maximum maturity of up to ten years. The portfolio of interest rate derivatives has an average weighted maturity of 4.3 years as at 31.12.2023.

The degree of hedging varies, but is limited to 50 per cent of expected future net interest-bearing debt. Beyond the use of interest rate hedging instruments, the issuance of fixed rate bonds also helps to reduce interest rate risk exposure.

TINE GROUP			TINE SA	
2023	2022	Interest income and expenses	2023	2022
-	-	Interest income from Group companies	24,681	19,828
2,314	5,992	External interest income	13,494	5,489
-149,729	-92,070	External interest expenses	-145,727	-98,171
-147,415	-86,078	Net interest income and expenses	-107,552	-72,854



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TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Market value of interest rate derivatives, excluding accrued interest	31.12.2023	31.12.2022
31,197	29,661	Interest rate derivatives where changes in value are entered against equity (cash flow hedges)	31,197	29,661
31,197	29,661	Total market value of interest rate derivatives, excluding accrued interest ³⁾	31,197	29,661

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Realised interest rate derivatives	31.12.2023	31.12.2022
-86,224	-102,875	Realised balance sheet values, interest rate derivatives (cash flow hedges)	-86,224	-102,875
-86,224	-102,875	Total market value of interest rate derivatives, excluding accrued interest ⁴⁾	-86,224	-102,875

³⁾ The total carrying amount of interest rate derivatives is included in the balance sheet item Non-current financial liabilities or Other non-current receivables

⁴⁾ The total carrying amount of realised interest rate derivatives is included in the accounting item Other equity

Interest rate derivatives relate to cash flow hedging of future interest payments and changes in value are entered against equity. No new interest rate derivatives were realised in 2023, only a change in maturity of an existing interest rate swap. Interest rate derivatives are included in the cash flow hedging of future interest payments. The realisation amount is included in other equity and is entered in the income statement in line with the interest payments originally hedged by the derivatives. The amount is included in the balance sheet item Other equity for both the TINE Group and TINE SA.

Market values of interest rate derivatives are calculated in the treasury system (TS) and recognised based on these values. Market values are checked against the Bloomberg value estimate and the market value reports received from relevant counterparties.

TINE GROUP			TINE SA		
31.12.23	31.12.22	Change in value ⁵⁾	31.12.23	31.12.22	Change in value
-9,522	23,136		-9,522	23,136	
24,334	27,328		24,334	27,328	
-86,224	-102,875		-86,224	-102,875	
-2,614	-		-2,466	-	
-74,026	-52,411	-21,615	-73,878	-52,411	-21,467

⁵⁾ Entered against Other equity, see Note 21

TINE GROUP			Value of equity hedging after tax
31.12.2023	31.12.2022	Change in value ⁵⁾	
-	-41,193		Market value of basis swaps, equity hedging
-31,392	-76,579		Market value of debt, equity hedging
-204,879	-57,313		Realised equity hedging
-236,271	-175,085	-61,186	Total value of equity hedging after tax

⁵⁾ Entered against Other equity, see Note 21

Hedge accounting of currency and interest rate derivatives is employed, in addition to energy hedging. Changes in the value of currency and interest rate derivatives and debt that are used for hedging of investment in foreign subsidiaries (equity hedging) are entered against equity in the TINE Group. The change in value of currency and interest rate derivatives relating to hedging of cash flows is entered against equity in TINE SA. The table above specifies changes in value of equity and cash flow hedging.

Credit risk

Credit risk is the risk that a party will inflict a financial loss on another party by failing to meet its obligations. The TINE Group assumes counterparty risk for sales of goods, through the operating guarantee scheme for dairy farmers, by investing surplus liquidity and through trading in financial derivatives. Credit risk relating to financial counterparties is limited by clear limits under financial guidelines.

The TINE Group has established procedures for ongoing credit assessment of customers and credit limits are determined in accordance with the company's guidelines. These guidelines include a requirement for terms of settlement that provide a guarantee of payment for the goods delivered. TINE's customers include wholesalers and individual customers within multiple customer segments. Their ability to pay is considered good and losses on receivables have historically been low in the TINE Group. Developments in the Norwegian macroeconomy have led to intensified follow-up of vulnerable customer groups in the TINE Group. There has been an increase in debt collection and bankruptcies in the B2B market throughout 2023. This is also the case among TINE's customers, where there has been an increase in defaults and losses on receivables.



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Financing risk and liquidity risk

Financing risk is the risk that TINE will be unable to obtain financing when required, while liquidity risk is the risk that there will be insufficient liquidity to cover ongoing obligations. Financing risk and liquidity risk are dealt with in TINE's financial guidelines. Regarding financing risk, the Board-approved limits define requirements in terms of duration, spread of debt maturities, outstanding volume of certificate loans, maximum maturity of debt, minimum equity ratio, NIBD/EBITDA and debt/FCF.

The TINE Group manages its liquidity risk by having sufficient liquidity reserves and credit facilities with agreed credit limits with banks and by continuously monitoring future cash flows related to financial assets and debt in the balance sheet. Liquidity for the TINE Group is deemed to be good. As at 31.12.2023 the TINE Group had available limits within loan facilities that would be able to cover short-term refinancing needs, and available limits indicate that the liquidity risk can be considered very low.

Please refer to Note 24 for a more detailed description of the credit facilities and financing structure.

Operational risk

Operational risk is the risk of financial or reputational loss as a result of failures in internal processes, human errors or system failures, or other losses due to external factors that are not a consequence of TINE's financial market risk. Operational risk is reduced by the existence of clear procedures and processes and a clear authorisation structure.

Hedging of energy costs

Portions of future energy costs are hedged by entering into financial contracts at the portfolio level. The value changes of these hedges are entered against equity in TINE SA, similar to other cash flow hedges.

Commodity risk

Purchasing

Commodity risk is the risk of lack of access and/or increased costs for TINE to manufacture products in line with its customers' orders. TINE manages this risk by securing commodity prices going forward, either directly through purchase agreements on commodities or indirectly through purchase agreements on packaging or franchise production. TINE also secures itself by maintaining stock in hand of commodities appropriate for this.

Commodity risk is normally considered predictable. That said, major changes in markets may affect availability, particularly in the event of unforeseen shortages of commodities. Furthermore, large commodity price increases will affect TINE's finances in the short term in that it will take time for the price increase to reach customers.

The international dairy market

Jarlsberg is produced in Ireland and the USA for markets outside Norway. The Irish milk price experienced a significant decline throughout 2023, stabilising at a lower level by the end of the year compared with the extremely high prices in 2022. The future development of milk prices remains a significant risk factor.

Climate risk

Slower-than-expected technological development

TINE relies on ongoing technological advancements to achieve its sustainability goals. Further expansion of charging stations and the development of heavy electric-powered transport vehicles are necessary.

Packaging and food waste

The use of plastic in food packaging is primarily for preservation and to extend shelf life, minimising food waste. By 2030, all packaging should be made of renewable and/or recycled materials and be recyclable. If the development of packaging materials does not meet TINE's stringent requirements for food preservation, achieving goals for packaging and reducing food waste may be challenging. Additionally, there is a high demand for recycled plastic material with limited supply in the market.

Renewable energy

By 2030, TINE aims to use only renewable energy in production and facilities. The anticipated increased demand for renewable energy may result in limited access and higher prices compared with alternative energy sources.

Climate change a serious risk for milk production

If extreme weather conditions due to climate change negatively affect feed and agricultural areas, it may result in both lower milk production and lower-quality milk. This could have a negative impact on prices and profitability.



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Note 13 Taxes

Amounts in NOK ’000

TINE GROUP			TINE SA	
2023	2022	Reconciliation of nominal and actual tax rate	2023	2022
1,349,730	1,197,404	Profit before tax	1,367,266	1,097,241
296,941	263,429	Expected income tax as per nominal tax rate in Norway	300,799	241,393
Tax effect of the following items				
10,111	348	Non-deductible costs	2,687	3,191
-42,071	-2,331	Non-taxable income	-49,043	-8,447
-4,620	-2,806	Foreign tax rate differences	-	-
-188,771	-206,748	Payment to dairy farmers	-188,771	-206,748
645	5,498	Amortisation of goodwill	-	-
16,903	11,188	Effect of change in deferred tax assets	-	-
-	-2,089	Income from joint ventures and associates	-	-
91	-	Impairment of non-current financial assets	-	-
-3,418	1,112	Effect of changed tax rate	-	-
21,308	11,700	Wealth tax	21,308	11,700
22,901	-3,508	Tax for previous years	23,424	-3,508
5,869	-7,919	Other items	-31	-7,889
135,889	67,874	Total tax expense	110,373	29,692
10.1%	5.7%	Effective tax rate	8.1%	2.7%

TINE GROUP			TINE SA	
2023	2022	Deferred tax effect from items entered against equity	2023	2022
-10,800	-23,909	Hedging of future cash flows	-10,751	-23,909
-17,258	-11,685	Hedging of net investment in foreign subsidiaries	-	-
-28,058	-35,594	Deferred tax effect from items entered against equity	-10,751	-23,909

TINE GROUP / NORWAY			TINE GROUP / ABROAD	
2023	2022	Distribution of tax expense in Norway and abroad	2023	2022
158,498	59,054	Tax expense	-22,609	8,820

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Tax payable in the balance sheet	31.12.2023	31.12.2022
116,177	94,745	Income tax	86,214	70,087
-	-	Tax effect of group contribution paid	-	-5
21,308	11,700	Wealth tax	21,308	11,700
137,485	106,445	Tax payable in the balance sheet	107,522	81,782



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Amounts in NOK '000

TINE GROUP			31.12.2022	
31.12.2023				
Receivables	Liabilities	Specification of the tax effect of temporary differences and tax losses to be carried forward	Receivables	Liabilities
-	82,321	Property, plant and equipment	-	157,444
-	8,249	Added value on acquisitions	-	59,559
9,872	-	Non-current liabilities/receivables	-69	-
-	27,640	Financial derivatives	-	43,339
-	612,256	Pension assets	-	622,769
-	43,223	Inventories	-	35,863
4,071	-	Current receivables	66,168	-
43,170	-	Current liabilities	48,707	-
59,025	-	Pension liabilities	74,021	-
-	28,742	Profit and loss account	-	33,609
95,168	-	Tax losses carried forward	67,026	-
211,306	802,431	Total before offsetting	255,853	952,583
-102,565	-102,565	Offset tax assets/liabilities	-179,002	-179,002
108,741	699,866	Deferred tax assets/liabilities	76,851	773,581
-75,993	-25,779	Deferred tax assets/liabilities not entered in the balance sheet	-34,761	-30,502
32,748	674,086	Deferred tax assets/liabilities entered in the balance sheet	42,090	743,079

The Group presents deferred tax as net of the tax position of companies that are part of the same tax group.

Deferred tax assets are recognised on the basis of future income and are expected to be utilisable. Most of the tax assets are related to activities carried out by partly owned subsidiaries in Norway and wholly owned subsidiaries in other countries. Loss carryforwards have no time limitation.

TINE SA			31.12.2022	
31.12.2023				
Receivables	Liabilities	Specification of the tax effect of temporary differences and tax losses to be carried forward	Receivables	Liabilities
-	87,289	Property, plant and equipment	-	125,911
-	27,640	Financial derivatives	-	43,339
-	582,404	Pension assets	-	574,954
-	37,874	Inventories	-	32,655
3,883	-	Current receivables	62,591	-
42,869	-	Current liabilities	-	-
52,689	-	Pension liabilities	51,781	-
-	27,295	Profit and loss account	-	31,800
99,441	762,503	Total before offsetting	114,372	808,659
-99,441	-99,441	Offset tax assets/liabilities	-114,372	-114,372
0	663,062	Deferred tax assets/liabilities	-	694,287
-	-24,420	Deferred tax assets/liabilities not entered in the balance sheet	-	-29,142
0	638,642	Deferred tax assets/liabilities entered in the balance sheet	-	665,145

Deferred tax not recognised in the balance sheet in TINE SA relates to realised interest rate swaps that are accrued in the accounts over the original term.

TINE GROUP			TINE SA	
2023	2022	Specification of tax expense	2023	2022
-78,335	-29,550	Change in deferred tax	-26,503	-14,769
116,177	94,750	Income tax payable	86,214	70,087
21,308	11,700	Wealth tax payable	21,308	11,700
76,739	-9,026	Other effects	29,354	-37,326
135,889	67,874	Total tax expense	110,373	29,692



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Note 14 Intangible assets and goodwill

Amounts in NOK '000

TINE GROUP	Patents	Trade marks	Customers	Software and other rights	Goodwill	Total 2023	Total 2022
Acquisition cost as at 01.01	114,484	55,783	18,500	895,275	376,060	1,460,102	1,295,827
Additions (+) for the year	109	950	-	82,544	-	83,603	119,954
Disposals (-) for the year	-71,614	-	-	-12,294	-	-83,908	-2,272
Currency effects	-	-	-	2,662	5,038	7,700	46,593
Acquisition cost as at 31.12	42,979	56,733	18,500	968,187	381,098	1,467,497	1,460,102
Accumulated depreciation and impairment as at 31.12	-23,805	-37,221	-13,458	-551,473	-279,357	-905,315	-728,976
Book value as at 31.12	19,173	19,512	5,042	416,714	101,741	562,182	731,126
Depreciation for the year	-5,493	-4,026	-1,850	-149,385	-27,305	-188,059	-150,745
Impairments for the year	-75,023	-	-	-3,773	-	-78,796	-50,946
Economic life	20 years – perpetual	10–20 years	10 years	3–10 years	5–10 years		
Depreciation plan	Straight line	Straight line	Straight line	Straight line	Straight line		

Goodwill is associated with:	Economic life	31.12.2023	31.12.2022
Diplom-Is Group	5 years	351	1,679
Fjordland Group	5 years	-	253
Mimiro AS	10 years	34,750	42,900
Norseland Inc. Group	10 years	66,640	77,491
Total goodwill		101,741	122,323

Added value associated with the acquisition of other intangible assets relates to:				
Diplom-Is Group			7,047	9,727
Fjordland Group			1,152	1,632
Norseland Inc. Group			109,479	186,517
Norseland Ltd Group			8,483	9,384
Total added value associated with the acquisition of other intangible assets			126,161	207,260

TINE has made an assessment of the need for impairment of goodwill and other intangible assets. In the event of indications of impairment in value, the recoverable amount is calculated based on discounting of future cash flows. The cash flows are based on budget and other available information at the time of the assessment. In accordance with these assessments, an impairment of capitalised patent rights in Norseland Inc. Group (US) amounting to NOK 75 million has been recognised.

TINE SA	Software	Total 2023	Total 2022
Acquisition cost as at 01.01	530,094	530,094	426,067
Additions (+) for the year	57,055	57,055	104,028
Disposals (-) for the year	-8,395	-8,395	-
Acquisition cost as at 31.12	578,754	578,754	530,095
Accumulated depreciation and impairment as at 31.12	-300,741	-300,741	-202,909
Book value as at 31.12	278,013	278,013	327,186
Depreciation for the year	-106,093	-106,093	-71,524
Impairments for the year	-	-	-50,946
Economic life	3–10 years		
Depreciation plan	Straight line		

TINE GROUP			TINE SA	
2023	2022	Expensed research and product development	2023	2022
34,446	28,561	Research	34,446	28,561
79,637	79,983	Product development	68,180	66,643
114,083	108,544	Total expensed research and product development	102,626	95,204

Significant ongoing research and development work is linked to our focus on the dairy sector, specifically within health and wellbeing.

TINE GROUP			TINE SA	
2023	2022	Intangible assets in preparation	2023	2022
44,504	57,521	Software	10,117	31,200
44,504	57,521	Total intangible assets in preparation	10,117	31,200

Intangible assets in preparation at the TINE Group relate to bespoke software for TINE SA and Mimiro AS.



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Note 15 Property, plant and equipment

Amounts in NOK '000

TINE GROUP	Land	Buildings/property	Machinery/equipment	Means of transport	Total 2023	Total 2022
Acquisition cost as at 01.01	436,471	8,489,302	13,579,221	1,271,610	23,776,604	22,777,516
Additions (+) for the year	8,789	161,222	498,710	102,430	771,151	1,122,299
Disposals (-) for the year	-	-21,731	-417,707	-110,873	-550,311	-243,101
Currency effects	1,933	29,517	37,046	521	69,016	118,538
Acquisition cost as at 31.12	447,192	8,658,310	13,697,270	1,263,688	24,066,460	23,775,252
Accumulated depreciation and impairment as at 31.12	-61,576	-4,631,958	-9,743,236	-819,172	-15,255,942	-14,501,444
Book value as at 31.12	385,616	4,026,352	3,954,034	444,516	8,810,518	9,273,808
Depreciation for the year	-17,499	-361,987	-699,822	-126,934	-1,206,242	-1,219,245
Impairments for the year	-	-	-79,644	-240	-79,884	-55,074
Economic depreciation/amortisation period	10 years – perpetual	20–30 years	3–15 years	5–10 years		
Depreciation plan	Straight line	Straight line	Straight line	Straight line		
Accounting gains (+) / losses (-) on sold operating assets	-	11,975	-5,156	402	7,221	52,137

TINE SA	Land	Buildings/property	Machinery/equipment	Means of transport	Total 2023	Total 2022
Acquisition cost as at 01.01	348,202	7,236,438	11,401,582	1,066,568	20,052,790	19,534,191
Additions (+) for the year	8,789	122,716	427,476	92,602	651,583	753,733
Disposals (-) for the year	-	-21,731	-353,086	-109,834	-484,651	-235,134
Acquisition cost as at 31.12	356,991	7,337,423	11,475,972	1,049,336	20,219,722	20,052,790
Accumulated depreciation and impairment as at 31.12	-60,312	-4,201,347	-8,348,962	-657,186	-13,267,807	-12,731,398
Book value as at 31.12	296,679	3,136,076	3,127,010	392,150	6,951,915	7,321,392
Depreciation for the year	-7,698	-283,227	-564,460	-104,577	-959,962	-1,001,379
Impairments for the year	-	-	-51,633	-240	-51,873	-39,947
Economic depreciation/amortisation period	10 years – perpetual	20–30 years	3–15 years	5–10 years		
Depreciation plan	Straight line	Straight line	Straight line	Straight line		
Accounting gains (+) / losses (-) on sold operating assets	-	11,891	-6,621	-	5,270	50,929

Buildings and other property consist of own production premises, warehouses and administrative buildings for use in the company's dairy operations and for ice-cream production. Renting to external lessees is insignificant. The need for impairment is evaluated where there are indications of impairment in value of property, plant and equipment. Property, plant and equipment are written down to the recoverable amount as a result of decisions on future closure of plants, restructuring of operations and projects that have proved less profitable than anticipated. Capitalised spare parts are included as non-current assets.

The year's impairments of NOK 79.9 million are related to the structural projects "direkte sør" (directly south) and "brunost" (brown cheese) in TINE SA, amounting to NOK 51.9 million, as well as the closure of production facilities in Norseland Inc. Group, amounting to NOK 28 million.

The table below shows the book value of buildings, technical installations and machinery under construction. Facilities under construction are recognised as property, plant and equipment but are not impaired until the asset is put into use.

TINE GROUP			TINE SA	
2023	2022	Facilities under construction	2023	2022
23,914	34,529	Buildings	23,146	31,142
18,940	22,028	Technical installations	12,565	18,965
212,843	243,307	Machinery	205,381	223,938
255,697	299,864	Total facilities under construction	241,092	274,045



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Note 16 Subsidiaries, joint ventures and associates

Amounts in NOK ’000

TINE GROUP	Registered office	Year of acquisition	Parent company TINE SA Ownership/voting share	Sub-group/subsidiary Ownership/voting share	Share of equity in the company 31.12.2023	Book value in TINE SA 31.12.2023	Book value in TINE SA 31.12.2022
Bunes Fryseler AS ¹⁾	Porsgrunn	1975	19%	40%	8,923	95	95
Diplom-Is AS	Nittedal	1991	100%		342,077	491,758	491,758
Norsk Iskrem AS	Nittedal	1989		100%			
Laguna Produkter AS	Holmestrand	2016		100%			
Isdalen AS	Oslo	2016		100%			
Kulinaris AS	Trollåsen	2017		51%			
Plug-in Service AS	Hagan	2019		100%			
Fjordland AS	Oslo	1985	51%		150,050	18,333	18,333
Matvarehuset AS	Bergen	2014		100%			
Safari Næringsmidler AS	Bergen	2016		65%			
Hallheimslien 12 AS	Bergen	2018		100%			
Kukraft AS	Oslo	2018	100%		190	314	314
Mimiro Holding AS	Ås	2018	57%		112,403	118,974	118,974
Mimiro AS	Ås	2018		100%			
Norseland Holdings Ltd	Ilchester, UK	2004	100%		186,718	119,999	119,999
Norseland Ltd	Ilchester, UK	2008		100%			
Phonefood Ltd	Ilchester, UK	2008		100%			
Ridgebrick Ltd	Ilchester, UK	2013		100%			
Norseland Inc.	Stamford, USA	1978	100%		415,244	193,517	193,517
Alpine Dairy LLC	Winesburg, USA	2012		100%			
Lotito Foods Holding LLC	Edison, USA	2019		90%			
Næringsmiddelproduksjon AS	Oslo	2001	100%		1,000	1,103	1,103
GVN 16 AS	Oslo	2022	100%		8,493	50,083	41,664
TINE Holding AB	Ulricehamn, Sweden	2007	100%		991,681	751,395	751,395
Wernersson Glass AB	Ulricehamn, Sweden	2003/04/06		100%			
Wernersson Ost AB	Ulricehamn, Sweden	2007		100%			
Wernersson Ost Danmark A/S	Roskilde, Denmark	2007/08/11		100%			
TINE Holding Ireland Ltd	Dublin, Ireland	2016	100%		465,338	475,930	475,930
TINE Ireland Ltd	Dublin, Ireland	2016		100%			
Total					2,682,117	2,221,502	2,213,083

1) Total ownership interest in Bunes Fryseler AS for TINE Group constitutes 59 per cent (TINE SA 19 per cent og Diplom-Is AS 40 per cent)



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Note 16 cont.

Amounts in NOK ’000

JOINT VENTURES (JV) AND ASSOCIATES (Assoc)					TINE GROUP				TINE SA	
	Registered office	Year of acquisition	Ownership/ voting share	No. of shares/units	Share of profit/ loss 2023	Share of equity 31.12.2023	Share of profit/ loss 2022	Share of equity 31.12.2022	Value in balance sheet 31.12.2023	Value in balance sheet 31.12.2022
Fjordkjøkken AS	Varhaug	1996	23.46%	6,100	4,812	48,841	3,482	44,029	9,700	9,700
Skala Gruppen AS	Oslo	1948	44.00%	11,000	125,315	45,613	7,587	56,923	866	866
Other JV and Assoc					-1,006	4,146	907	6,922	2,046	2,096
Total JV and Assoc					129,121	98,600	11,976	107,874	12,612	12,662

TINE SA has received a dividend of NOK 136.4 million from Skala Gruppen AS in connection with the sale of a subsidiary. TINE Group’s share of the profit in Skala Gruppen AS, including the gain from the sale of a subsidiary, was NOK 125 million in 2023.

INCOME FROM INVESTMENTS IN SUBSIDIARIES

Type of financial income	TINE SA	
	2023	2022
Næringsmiddelproduksjon AS	306	12
Group contributions	306	12
Fjordland AS	39,783	34,492
Bunes Fryselerager AS	-	285
Dividends	39,783	34,777
Total income from investments in subsidiaries	40,089	34,790

COMPANY CHANGES

Changes in ownership interest:

Norseland Inc. increased its ownership interest in Lotito Foods Holding by 3 per cent in January 2023, from 87 per cent to 90 per cent.

Sold businesses

Bondevennen AS has been sold as at 31.12.2023.

Discontinued operations

Den Magiske Fabrikken Jæren AS was discontinued as at 31.12.2023.



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Note 17 Inventories

Amounts in NOK '000

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Specification	31.12.2023	31.12.2022
643,915	621,382	Commodities	440,914	400,794
245,458	336,373	Goods in production	98,766	121,856
2,020,892	1,798,523	Self-manufactured ready-made products	1,655,855	1,672,468
268,508	445,707	Goods for resale	16,173	13,328
195,348	185,977	Spare parts inventory	173,850	169,284
3,374,121	3,387,962	Total inventory	2,385,558	2,377,730

Inventories are recognised at cost. Obsolete goods are written down to fair value (selling price less necessary costs of completion, sale and distribution).

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Valuation	31.12.2023	31.12.2022
3,235,388	3,212,810	Valued at acquisition cost	2,246,825	2,206,637
138,733	175,152	Valued at fair value	138,733	171,093
3,374,121	3,387,962	Total inventory	2,385,558	2,377,730

31.12.2023	31.12.2022	Specification	31.12.2023	31.12.2022
3,250,384	3,240,625	Inventories at nominal value	2,265,900	2,233,263
21,979	61,170	Provision for obsolete inventories	17,900	58,300
101,758	86,167	Provision for obsolete spare parts inventories	101,758	86,167
3,374,121	3,387,962	Total inventories	2,385,558	2,377,730

The Group's inventories were written down by a total of NOK 124 million as at 31.12.2023. The corresponding figure for 2022 was NOK 147 million. This impairment relates mainly to obsolescence.

Note 18 Accounts receivable

Amounts in NOK '000

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Specification	31.12.2023	31.12.2022
2,341,174	2,303,151	Nominal value of accounts receivable	1,742,691	1,672,365
20,037	16,193	Provision for losses on accounts receivable	19,004	14,600
2,321,137	2,286,958	Total accounts receivable	1,723,687	1,657,765

Note 19 Intragroup balances

Amounts in NOK '000

		TINE SA	
Intragroup balances with subsidiaries		31.12.2023	31.12.2022
Current receivables due from Group companies		799,825	944,745
Accounts payable due to Group companies		786,286	699,673
Other current liabilities due to Group companies		23,175	10,731

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Intragroup balances with joint ventures and associates	31.12.2023	31.12.2022
1,662	1,933	Current receivables due from joint ventures and associates	1,662	1,933
53,652	37,544	Accounts payable due to joint ventures and associates	53,094	37,544

Collateral, guarantees and other security for the benefit of Group companies are stated in Notes 27 and 28.

Note 20 Bank deposits, cash and money market securities

Amounts in NOK '000

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Bank deposits, cash and money market securities	31.12.2023	31.12.2022
310,560	95,869	Bank deposits and cash	202,877	5,452
787,862	551,273	Bank deposits, Group cash pooling scheme	787,862	551,273
555,111	-	- Fixed income fund	555,111	-
1,653,533	647,142	Total bank deposits, cash and money market securities	1,545,850	556,725
2,985	2,692	of which: Restricted bank deposits	-	-

Restricted bank deposits consist mainly of tax deduction accounts for TINE SA subsidiaries.

Unused portions of overdraft facilities and credit facilities are stated in Notes 22 and 24.



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Note 21 Equity

Amounts in NOK ’000

TINE GROUP					31.12.2023	31.12.2022				
Share capital	Subsequent payment fund	Other equity	Minority share of equity	Total equity		Share capital	Subsequent payment fund	Other equity	Minority share of equity	Total equity
4,895	60,000	9,565,460	315,369	9,945,724	Equity as at 01.01	5,040	177,000	9,205,111	348,497	9,735,648
Statement of changes in equity										
-	-	1,191,705	22,136	1,213,841	Net income: majority and minority share	-	-	1,100,916	28,613	1,129,529
-	-	-1,013,679	-	-1,013,679	Subsequent payment to dairy farmers	-	-	-939,762	-	-939,762
-	-30,000	30,000	-	-	Transferred to subsequent payment fund	-	-117,000	117,000	-	-
-141	-	-	-	-141	Net payments and disbursements of share capital	-145	-	-	-	-145
-	-	-21,615	-	-21,615	Hedging of future cash flows	-	-	91,804	-	91,804
-	-	-61,187	-	-61,187	Hedging of net investment in foreign subsidiaries	-	-	-41,428	-	-41,428
-	-	-11,123	-12,803	-23,926	Change in minority	-	-	-18,363	-27,229	-45,592
-	-	-	-41,132	-41,132	Minority share of paid dividend	-	-	-	-34,513	-34,513
-	-	132,485	-	132,485	Translation differences	-	-	60,774	-	60,774
-	-	-3,526	-	-3,526	Other items	-	-	-10,592	-	-10,592
4,754	30,000	9,808,520	283,570	10,126,844	Equity as at 31.12	4,895	60,000	9,565,460	315,369	9,945,724

Net payments and disbursements of share capital

The share capital in TINE SA is the sum of the shares held by the members of TINE SA. Each member owns one share with a nominal value of NOK 500. Membership of TINE SA is open to dairy farmers who have a milk quota.

Minorities represent external ownership interests in subsidiaries

The minorities’ share of equity is divided as follows

	TINE GROUP	
	31.12.2023	31.12.2022
Fjordland Group	179,886	162,347
Diplom-Is Group	7,518	6,911
Norseland Inc. Group	43,665	69,592
Mimiro AS	46,293	71,030
Bunes Fryselager AS	6,208	5,489
Total minorities’ share of equity	283,570	315,369

Note 21 cont.



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Note 21 cont.

Amounts in NOK ’000

TINE SA				31.12.2023	31.12.2022			
Share capital	Subsequent payment fund	Other equity	Total equity		Share capital	Subsequent payment fund	Other equity	Total equity
4,895	60,000	9,226,044	9,290,939	Equity as at 01.01	5,040	177,000	8,889,452	9,071,492
				Statement of changes in equity				
-	-	1,256,894	1,256,894	Net profit for the year	-	-	1,067,549	1,067,549
-	-	-1,013,679	-1,013,679	Subsequent payment to dairy farmers	-	-	-939,762	-939,762
-	-30,000	30,000	-	Transferred to subsequent payment fund	-	-117,000	117,000	-
-141	-	-	-141	Net payments and disbursements of share capital	-145	-	-	-145
-	-	-21,467	-21,467	Hedging of future cash flows	-	-	91,804	91,804
4,754	30,000	9,477,790	9,512,544	Equity as at 31.12	4,895	60,000	9,226,044	9,290,939

Subsequent payment to dairy farmers

The profit for the year after tax provides the framework for the subsequent payment, and this payment is decided by the Annual General Meeting. TINE’s Board of Directors has adopted a subsequent payment policy where the aim is for between 50 and 85 per cent of the Group’s annual net income to be set aside for subsequent payment to owners. The annual allocation is affected by future investment level, financial key figures and tax position, and is disbursed from TINE SA. The requirement for at least 45 per cent equity should take priority over the subsequent payment policy.

Payments are distributed on the basis of the quantity of milk supplied during the calendar year. Payments cannot exceed what is consistent with good and prudent business practice.



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Note 22 Current interest-bearing liabilities

Amounts in NOK '000

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Current interest-bearing liabilities	31.12.2023	31.12.2022
900,000	450,000	Bond loans, current	900,000	450,000
135,939	-	Current instalments, bilateral loans	135,939	-
216,635	228,916	Credit, outside Group cash pooling scheme	-	-
1,252,574	678,916	Total current interest-bearing liabilities	1,035,939	450,000
828,209	807,572	Unused portions of overdraft facilities	700,000	700,000

TINE SA has a Group cash pooling scheme with Danske Bank A/S with a total overdraft facility for the entire group of NOK 700 million. The exception is Norseland Inc. and its subsidiaries. This company has a separate bank agreement and overdraft facility with DNB ASA of USD 20 million. Norseland Inc.'s subsidiary Lotito Foods Holding LLC also has an overdraft facility of USD 12.5 million from an American bank, as well as term loans totalling USD 2.6 million, of which USD 1.4 million is a short-term loan as at 31.12.2023.

Note 23 Balance sheet provisions for liabilities

Amounts in NOK '000

The following provisions for liabilities are entered in the balance sheet as liabilities.

TINE GROUP			TINE SA	
31.12.2023	31.12.2022		31.12.2023	31.12.2022
155,245	129,764	Provisions for liabilities	106,413	146,748

Provisions concern costs related to reorganisation measures, severance payments and provisions in accordance with generally accepted accounting practice in TINE SA.

Note 24 Other non-current liabilities

Amounts in NOK million

The table below shows other non-current liabilities.

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Type of loan	31.12.2023	31.12.2022
1,355	1,755	Bond loans	1,355	1,755
336	400	Debt to credit institutions, NOK	336	400
328	442	Debt to credit institutions, EUR	328	442
392	389	Multi-currency revolving credit facility	374	365
1,056	1,230	Non-current debt to credit institutions	1,039	1,207
-	53	Financial derivatives – currency swap	-	53
239	195	Miscellaneous non-current liabilities	60	7
239	247	Other non-current liabilities	60	59
2,650	3,233	Total other non-current liabilities	2,454	3,021

	TINE SA				
	Book value		Fair value*		Currency
Bond loans (current and non-current)	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
Tine SA 21/26 FRN (NO0011151904)	500	500	499	490	NOK
Tine SA 19/29 2.80% (NO0010856768)	150	150	139	135	NOK
Tine SA 19/24 FRN (NO0010856727)	400	400	401	399	NOK
Tine SA 18/28 3.09% (NO0010816838)	205	205	196	191	NOK
Tine SA 17/24 2.50% (NO0010782667)	500	500	500	490	NOK
Tine SA 23/28 FRN (NO0012863788)	500	-	502		NOK
Tine SA 18/23 FRN (NO0010816309)	-	450	-	450	NOK

* Fair value is based on Bloomberg rates as at 31.12



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SUSTAINABILITY AT TINE

Note 24 cont.

Amounts in NOK '000

The table shows maturity and instalments per year for non-current liabilities.

TINE GROUP		Amounts in NOK million			
	Maturity and instalments:				
Type of loan	2024	2025	2026	2027	2028 and later
Bond loans (non-current)	-	-	500	-	855
Non-current debt to credit institutions	-	136	528	136	495
Total maturity and instalments	-	136	1,028	136	1,350

TINE SA		Amounts in NOK million				
	Maturity and instalments:					
Type of loan	2024	2025	2026	2027	2028 and later	
Bond loans (non-current)	-	-	500	-	855	
Non-current debt to credit institutions	-	136	508	136	319	
Total maturity and instalments	-	136	1,008	136	1,174	

The table below shows net interest-bearing liabilities.

TINE GROUP			TINE SA	
31.12.2023	31.12.2022	Type of loan	31.12.2023	31.12.2022
2,650	3,233	Total other non-current liabilities	2,454	3,021
1,253	679	Current interest-bearing liabilities ¹⁾	1,036	450
3,903	3,912	Interest-bearing liabilities	3,490	3,471
-1,654	-647	Bank deposits, cash and money market securities ²⁾	-1,546	-557
2,249	3,265	Net interest-bearing liabilities	1,944	2,914
2,978	2,733	12-month EBITDA	2,544	2,322
0.76	1.19	NIBD/EBITDA	0.76	1.26

¹⁾ Please see Note 22

²⁾ Please see Note 20

Bond loans

TINE SA has six bond loans listed on ABM (Alternative Bond Markets). For all bonds, a loan agreement has been entered into with Norsk Tillitsmann ASA (Nordic Trustee). The loans have a negative pledge clause and are pari passu with other interest-bearing loans.

Non-current debt to credit institutions

TINE SA's debt to credit institutions consists of one loan from KfW IPEX-Bank (principal amount EUR 42 million) and one from Nordic Investment Bank (principal amount NOK 400 million). Amortisation of the loan from KfW commenced in 2021, and as at 31.12.2023, it had a balance of EUR 35.6 million.

TINE SA has agreements with Danske Bank and DNB for a long-term multi-currency revolving credit facility of NOK 1,200 million. The 3+1+1-year credit facility was signed in July 2021 and matures in July 2026. This facility is primarily used as a backstop for short-term financing, with a smaller portion utilised for hedging the net investment in foreign subsidiaries. Please see note 12 for further details. A sustainability element was also introduced to the agreement by adding three KPIs for waste, animal welfare and emissions. The margin on the loan may be modified depending on the extent to which the objectives defined for the contractual period are achieved.

Loan terms

The average interest rate for bond loans and long-term debt to credit institutions has been 4.9 per cent for 2023. This figure is not adjusted for active interest rate swaps. The corresponding average interest rate for 2022 was 2.2 per cent.

The agreements limit the possibility of raising new loans with collateral without the approval of the lenders. Other important loan terms and conditions include the requirement for the TINE Group's equity ratio to be at least 40 per cent, restriction of access to use of financial leasing and that sales of assets that constitute a significant element of the business must be approved by the lenders. TINE SA satisfies all loan terms.

Debt maturity structure

The debt maturity structure is balanced and follows financial guidelines, where maturity over the next 12 months can account for a maximum of 25 per cent of total outstanding debt, excluding commercial papers.



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Note 25 Total lease commitments recognised in the income statement

Amounts in
NOK '000

TINE SA and its subsidiaries in the TINE Group have leases and lease agreements relating to rental of office premises, warehouses, cold storage, production machinery, means of transport, computers and office equipment.

The table below shows annual rent and duration of lease agreements.

TINE GROUP				TINE SA	
2023	2022	Lease	Duration of lease agreement	2023	2022
105,847	102,853	Office premises	3–10 years	63,249	62,166
6,475	20,599	Warehouses and cold storage facilities	1–10 years	-	-
27,549	21,185	Production machinery	3–7 years	4,064	3,993
9,479	9,293	Means of transport	2–5 years	880	1,034
1,907	2,901	Computers and office equipment	3 years	849	744
151,257	156,831	Total recognised lease commitments		69,042	67,937

Note 26 Transactions with related parties

Amounts in NOK '000

	TINE SA	
	2023	2022
Transactions with subsidiaries		
Sales of goods and services	1,921,270	1,793,525
Purchase of goods and services	831,614	529,822
Transactions with joint ventures and associates		
Sales of goods and services	26,450	26,590
Purchase of goods and services	695,722	692,334

We define related parties as our owners, senior executives, all subsidiaries, joint ventures and associates of TINE SA.

For transactions with MP Pensjon, please refer to information on paid pension premiums in Note 8 regarding pensions and pension liabilities. Remuneration paid to senior executives is covered in Note 8.

Intragroup balances are specified on separate lines in the balance sheet and covered in Note 19. Intragroup balances with joint ventures and associates are also covered in Note 19. For TINE SA's ownership interests in subsidiaries, joint ventures and associates, please refer to Note 16.

Goods to subsidiaries, joint ventures and associates are sold at the same prices and under the same terms as applied for external third parties. Services to the same related parties are sold at cost price plus estimated profit under market conditions depending on the type of service.

Note 27 Guarantees

Bank guarantees

The TINE Group has a guarantee limit of NOK 250 million at its disposal with Handelsbanken Norge. The guarantee liability mainly covers tax deduction guarantees and transport licence guarantees for TINE SA and its subsidiaries. As at 31.12.2023, this commitment amounted to NOK 219 million.

Guarantees provided by TINE

TINE SA is jointly and severally liable to Handelsbanken Norge for guarantees provided on behalf of subsidiaries. In other respects, TINE SA covers a maximum of 50 per cent of the current operating credit facilities held by the dairy farmers under the scheme of Short-term credit for agriculture. Please refer also to Note 12, section on credit risk.

Note 28 Pledges

Amounts in NOK '000

	TINE GROUP	
	31.12.2023	31.12.2022
Balance sheet value of debt secured by pledge	141,905	151,429
Balance sheet value of assets pledged as collateral for this debt		
Inventories	219,054	238,180
Accounts receivable	196,643	225,666
Total pledged assets	415,697	463,846

Collateral has been provided for a limited portion of the current liabilities at Group level, as well as for inventories and accounts receivable. Pledges are applicable solely to the Norseland Inc. Group. In the loan agreement with the banks, TINE has committed not to take out new loans with collateral in the Group's assets without the consent of the lenders. These pledges fall within the exceptions outlined in the loan agreement.



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Note 29 Outstanding balances with the Norwegian Agriculture Agency – market regulation and price equalisation scheme

Amounts in NOK '000

The market scheme for milk includes:

1. Market regulation, handled by TINE SA on behalf of all dairy farmers in the country.
2. The price equalisation scheme that balances out differences in use of milk and geographical location of dairy farmers.

The outstanding balances in this Note cover the following schemes:

Market regulation

The Sales and Marketing Council (Omsetningsrådet) is responsible for the regulations that set the premises for implementation of market regulation. Market regulation is funded by sales tax and overproduction tax paid by all dairy farmers in the country through deductions from settlements for milk. Overproduction tax is paid by dairy farmers that have produced more than their allotted quota. This is also paid through deductions from settlements for milk. The Sales and Marketing Council governs the use of the funds. The Norwegian Agriculture Agency is the secretariat for the Sales and Marketing Council and processes applications and proposals from the market regulator and presents recommendations on decisions to the council.

The purpose of market regulation is to implement various measures so that:

- Dairy farmers are guaranteed sales of their output up to the agreed target price.
- Norwegian Milk Supplies can ensure satisfactory supply of raw milk on the same terms to all stakeholders in the market scheme for milk.

Funds allocated for regulatory measures under the direction of TINE SA in 2023 amounted to NOK 105.1 million. Funds used for regulatory measures under the direction of TINE SA in 2023 amounted to NOK 98.5 million. The corresponding figures for 2022 were NOK 88.0 million and NOK 82.4 million respectively.

The data on market regulation and applications for cost recovery are not processed by the Sales and Marketing Council until April of the following year. This means that changes may arise after the turn of the year. Final settlement between the Norwegian Agriculture Agency and TINE SA is therefore undertaken in the following financial year.

FUNDS AVAILABLE FOR MARKET REGULATION	2023	2022
Outstanding balances as at 01.01	5,576	5,218
Correction for previous year	-2,037	1,283
Settled with the Norwegian Agriculture Agency for previous year	-3,538	-6,501
Funds for regulatory measures under the direction of TINE SA	105,133	87,992
Received for specialist measures and information activities	38,312	36,965
Total funds available for market regulation	143,445	124,957

UTILISED MARKET REGULATION FUNDS	2023	2022
Domestic price reduction, excluding school milk	17,167	12,698
School milk scheme	4,733	6,175
Other measures, excluding administration	66,567	54,855
Administration of market regulation scheme at TINE SA	10,082	8,689
Specialist measures and information activities	38,312	36,965
Total utilised market regulation funds	136,861	119,381
Outstanding balances with the Norwegian Agriculture Agency relating to market regulation as at 31.12	6,584	5,576

The rates of sales tax collected from dairy farmers in 2023 were NOK 0.07 per litre. The tax for 2022 was NOK 0.08 per litre in January and NOK 0.03 per litre for the rest of the year. Overproduction tax was NOK 4.90 per litre for both years. In addition, research fees are charged on raw milk delivered to TINE SA and other stakeholders. Norwegian Milk Supplies collects the fees on behalf of the Norwegian Agriculture Agency.

The price equalisation scheme

The price equalisation scheme for milk aims to regulate the price differentiation for milk as a raw ingredient for various uses under the terms of the Agricultural Agreement by ensuring a higher overall level of market uptake and at the same time giving dairy farmers the opportunity for equal milk prices regardless of what the milk is used for and location of production. Another important prerequisite for the scheme is to ensure equal conditions of competition for the stakeholders covered by the scheme. The scheme is based on the Regulations relating to the price equalisation scheme for milk established by the Ministry of Agriculture and Food on 29 June 2007.

Equalisation fees/subsidies	2023	2022
Milk and byproduct use	-676,610	-495,681
Settlement for milk and byproduct use for previous years	6	-2,577
Net equalisation fees and subsidies	-676,604	-498,259
Freight supplement	450,327	442,176
Distribution supplement	5,879	6,312
Total freight and distribution supplements	456,206	448,488
Net fees and subsidies relating to price equalisation scheme	-220,398	-49,771

Milk and byproduct use is charged to cost of goods. Freight supplement and distribution supplement are entered as a cost reduction under Other operating expenses; please refer to [note 10](#).

	31.12.2023	31.12.2022
Outstanding balances with the Norwegian Agriculture Agency relating to the price equalisation scheme	-56,251	-51,246



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Declaration by the Board of Directors and CEO

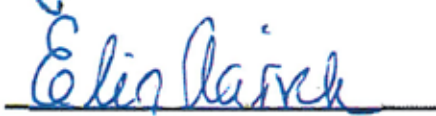
The Board of Directors and the Chief Executive Officer have today reviewed and accepted the annual financial statements for TINE SA and the TINE Group for the period 1 January to 31 December 2023. We confirm that to the best of our knowledge:

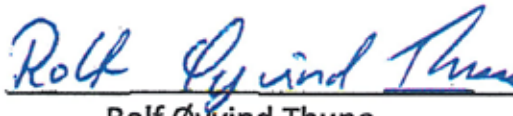
- The financial statements for 2023 have been prepared in accordance with current, applicable accounting standards.
- The information in the financial statements gives a true and fair view of the company's and the Group's assets, debt, financial position and profit or loss as a whole.
- The Annual Report provides a true and fair view of the development, results and position of the company and the Group.
- The Annual Report gives a description of the most important risk and uncertainty factors faced by the company and the Group.

Oslo, 13 February 2024


Helge Arne Espeland


Anne Berit Løset


Elin Aarvik


Rolf Øvind Thune
Nestleder


Solveig Bratteng Rønning

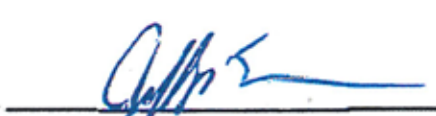

Asgeir Pollestad


Ottar Råd


Marit Haugen
Leder


Bjørnar Gjerde


Tor Arne Johansen


Jeffrey Thomas


Ann-Beth Freuchen
Konsernsjef



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Medlemmer av Den norske Revisorforening

UAVHENGIG REVISORS BERETNING

Til årsmøtet i TINE SA

Konklusjon

Vi har revidert årsregnskapet for TINE SA som består av selskapsregnskapet og konsernregnskapet. Selskapsregnskapet og konsernregnskapet består av balanse per 31. desember 2023, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav og gir et rettviseende bilde av selskapets og konsernets finansielle stilling per 31. desember 2023 og av deres resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet og konsernet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

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Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvike selskapet, konsernet eller virksomheten, eller ikke har noe annet realistisk alternativ.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betyggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets og konsernets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimaten og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets og konsernets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet og konsernet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.
- innhenter vi tilstrekkelig og hensiktsmessig revisjonsbevis vedrørende den finansielle informasjonen til enhetene eller forretningsområdene i konsernet for å kunne gi uttrykk for en mening om konsernregnskapet. Vi er ansvarlige for å fastsette strategien for, samt å følge opp og gjennomføre konsernrevisjonen, og vi har et udeelt ansvar for konklusjonen på revisjonen av konsernregnskapet.

Uavhengig revisors beretning - TINE SA 2023

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Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Oslo, 13. februar 2024
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Finn Ole Edstrøm
statsautorisert revisor

For trykkeriformål

Uavhengig revisors beretning - TINE SA 2023

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SUSTAINABILITY AT TINE

TINE aims to take an active responsibility for our surroundings. Our goal is economic and sustainable value creation where we contribute positively to our environmental and social surroundings.



YOGHURT CARTONS

TINE's recent innovation, yoghurt in cartons, reduces environmental impact thanks to using 85 per cent less plastic than large plastic tubs.



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Climate and the environment

Social conditions

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TINE aims to be Norway's most sustainable food producer. Society and our stakeholders demand that we take responsibility and contribute to sustainable development in the Norwegian food system.

SUSTAINABILITY ON THE DAIRY FARM	Greenhouse gas emissions from agriculture Animal health and welfare Local presence and value creation
OPTIMAL RESOURCE UTILISATION	Greenhouse gas emissions from production and transport Minimal food waste Environmentally friendly packaging
PUBLIC HEALTH AND NUTRITION	Nutrition Food safety
OUR PEOPLE	Safe and secure workplace Our employees' workday Business ethics and anti-corruption The Norwegian Transparency Act and sustainable purchasing



Photo: Lukas Bischoff

Norway's most sustainable food producer
TINE has been working hard on various sustainability aspects for a long time, including sustainable energy sources, animal welfare, nutrition, sustainable procurement of commodities and packaging, waste reduction, green financing and greenhouse gas emissions. Moving forward, we aim to address these strategically important areas even more explicitly for the entire TINE Group.

Authorities, owners, customers, consumers

and employees demand that we focus on sustainability and do our best to reduce any negative impact for future generations. At the same time, through strong collaboration with our owners, customers and employees, we will emphasise opportunities where we can make an even greater difference.

Sustainable development
Sustainable development is about making the right choices for the TINE Group – in both the short and long term. Sustainability must be fully integrated into our strategy and operations, ensuring that goals and effects across the company and value chains are clear. This is a premise for our future business, and for safeguarding TINE for the long term.

Our material sustainability issues – *sustainability on the dairy farm, optimal resource utilisation, public health and nutrition* and *our people* – highlight where TINE's impact, risk and opportunities are greatest in terms of sustainability. These themes were evaluated in 2023 through a double materiality assessment, in line with the EU Corporate Sustainability Reporting Directive (CSRD). Three additional material issues were identified in the analysis: water, pollution and biodiversity.

TINE will report in accordance with the new EU Corporate Sustainability Reporting Directive from the year 2025. We are currently working systematically to ensure that we set goals for, and address and report on, all material areas in line with the guidelines going forward.

How we report
TINE reports according to the GRI Standards. For more information on our management approach and governance of sustainability at TINE, as well as an index of information on our material issues, please see our GRI Content Index, available [here](#).



Our stakeholders influence what we focus on and how we work with sustainability. Owners, customers, consumers, our own employees and the authorities are among the stakeholders who have provided insight into our sustainability issues.

The assessments that underlie our materiality assessment are available [here](#).

Climate and the environment

We all must contribute to cutting greenhouse gas emissions, and these cuts are not happening quickly enough. TINE takes responsibility for reducing emissions associated with our business and contributes to solutions to reduce emissions from agriculture.

Sustainability on the dairy farm

TINE’s milk production, spread across the whole of the country, is a key part of Norway’s food security and self-sufficiency. Our work on sustainability on dairy farms aims to maintain good animal health and welfare, reduce greenhouse gas emissions and preserve biodiversity.



MATERIAL ISSUES	KPI	2023	2022	2021
Greenhouse gas emissions from agriculture*	CO ₂ e/litre milk (from the climate calculator)	1.04 kg CO ₂ e	No data available	No data available
	Total tonnes of CO ₂ e emissions from milk (based on 1.04 kg CO ₂ e)	1,056,978	1,225,062	1,309,800
Animal health and welfare*	Animal welfare indicator	108.7	107.9	107.1
OTHER FIGURES				
Increased Norwegian share of feed*	Percentage of Norwegian share	84.5%	82%	No data available

* Applies to TINE SA, Diplom-Is, Fjordland (74 per cent of production) and Wernersson Ost (68 per cent)

Greenhouse gas emissions from agriculture

The Agricultural Climate Agreement obliges actors in agriculture to reduce their total greenhouse gas emissions annually towards 2030. The agreement provides predictability for the industry and serves as a common platform for TINE’s owners in their further climate work. Of TINE’s total greenhouse gas emissions, 91 per cent come from dairy farms.

Our objective: TINE aims to contribute to the reduction of total greenhouse gas emissions in agriculture by four to six million tonnes of CO₂ equivalents by 2030.

Intermediate goal: Encourage the majority of TINE’s dairy farmers to feed their cows with methane inhibitors.

Long-term goal: Ensure that all of TINE’s dairy farmers feed their cows with methane inhibitors by 2030.

Low emissions from Norwegian agriculture

In 2023, we received the first figures from the climate calculator created

by Landbrukets Klimaselskap SA, showing that the average emissions from Norwegian milk are 1.04 kg of CO₂ equivalents per litre of milk. International research articles indicate global average emissions ranging between 2.6 kg and 3.15 kg of CO₂ equivalents per litre of milk. Despite the strong performance of Norwegian dairy producers, individual farmers are responsible for taking measures to reduce emissions on their own farms, even in Norway.

Agriculture is adaptable and has already found solutions to reduce greenhouse gas emissions from dairy farms by 2030. Among other things, we consider methane inhibitors in animal feed to be a significant contribution, and TINE is leading the MetanHUB project, which was initiated in 2023. Our work and research on grass silage are also highlighted as important focus areas.

TINE introduced a sustainability premium to the price per litre for cow’s milk from 1 January 2023 to encourage dairy producers’ sustainability efforts. The sustainability premium is awarded if the farmer has consented to the use of the

climate calculator and has calculated the animal welfare indicator for their herd. As of 31 December 2023, 80 per cent of TINE’s owners receive the sustainability premium.

In 2023, 467 of TINE’s dairy producers accepted climate advisory services, which included the development of a climate action plan with proposed measures to reduce emissions.

Feed: There is a shared objective in Norwegian agriculture that Norwegian milk and meat should be produced using Norwegian feed. TINE works actively to improve grass silage and grass silage cultivation, and we have established a dedicated laboratory for rapid analysis of grass silage samples to ensure the best possible quality of Norwegian grass silage. In 2023, Norwegian grass silage accounted for 60 per cent of the diet of TINE’s cows, while 40 per cent consisted of feed concentrates. Of the feed concentrate portion, 61.3 per cent was of Norwegian origin. In total, the Norwegian share of feed was 84.5 per cent.



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TINE leads or participates in a number of research projects aimed at reducing greenhouse gas emissions from agriculture. Key research projects include:

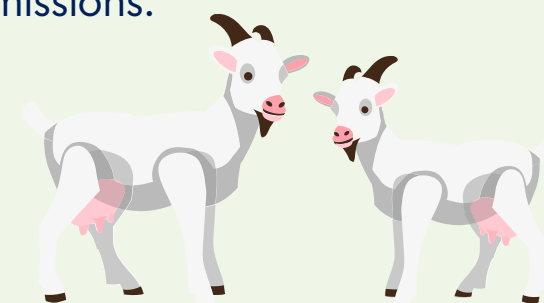


MetanHUB: Knowledge building and dissemination of knowledge on the use of methane inhibitors in animal feed under Norwegian conditions.

Increased Norwegian: The goal of the project is to increase the Norwegian share of animal feed through the improvement of grass silage cultivation.

Climate grass silage: The climate grass silage project aims to investigate which properties of silage have the greatest impact on methane emissions from ruminants in both laboratory and animal experiments. This includes studying the effect that different grass species, harvesting systems and dry matter percentage in the grass have on methane production.

Feed efficiency – Breeding can produce a feed-efficient dairy cow: In this project, research is conducted on the effects of breeding and feed efficiency on reduced greenhouse gas emissions.



Livestock – Sustainable livestock production: The goal is to study sustainable livestock production in Norway from a circular economy perspective, primarily based on local and renewable resources.

SUSCOW – Improved calculations in the climate calculator: The research explores opportunities to incorporate the direct effect of health on greenhouse gas emissions and improve calculations regarding carbon sequestration in grass areas during prolonged grazing.

MetanBeite – Reduction of methane emissions from grazing ruminants versus indoor feeding: Validating the accuracy of GreenFeed methane measurements related to grazing.



Animal health and welfare

TINE's farmers have long worked systematically on measures to ensure good animal health and welfare. The goal is to ensure that the animals have access to enough food, water and proper nutrition. They should be comfortable, have the freedom to express natural behaviour and not be subjected to fear or distress.¹

Our objective: Annual improvement of TINE's animal welfare indicator.

Intermediate goal: Improvements to the sub-indicator for calf health.

Developments in animal welfare

In 2023, we saw an improvement in TINE's animal welfare indicator, primarily due to an increase in the sub-indicator for calf disbudding, where it is likely that more polled calves were born and any disbudding was performed within the six-week deadline. The sub-indicator for milk yield, which shows differences in milk output within age groups in the herd, also improved in 2023. The same is true for the sub-indicator for udder health. Overall, TINE's animal welfare indicator increased by 0.9 points in 2023.

The sub-indicator for calves showed a slight decline of 0.01 points in 2023. The sub-indicators for fertility and young animals also showed a decline in 2023. For the sub-indicators of metabolism and hooves, there were few changes throughout the year. TINE's advisers continuously assess developments on each farm and provide information on possible areas for improvement during farm visits.

All milk entering TINE's plants is checked for antibiotic content. In 2023, there were 44 deliveries (44 cow's milk and 0 goat's milk) with traces of antibiotics (penicillins). This is a decrease from 46 deliveries in 2022. To avoid the transfer of antibiotics to the product, such milk is discarded.

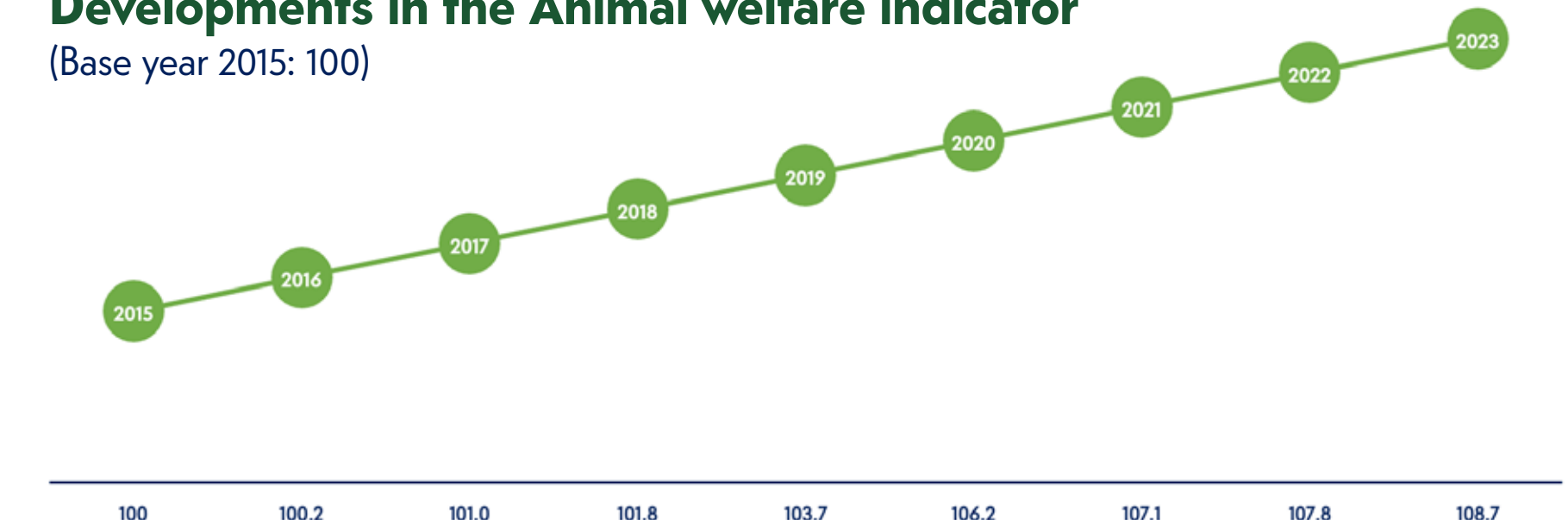
Measures for animal health and welfare

The animal welfare programme for cattle and TINE's advisory services for farmers are our main contributions to assisting farmers in improving animal health and welfare. Kukontrollen (the information system and the data source for the management tools used in Norwegian milk production), the animal welfare indicator and other tools developed by the agriculture industry help keep track of the health of each cow.

¹) The Brambell Committee's "Five freedoms"

Developments in the Animal welfare indicator

(Base year 2015: 100)





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Research projects in which TINE participates contribute crucial knowledge about animal health and well-being in relation to their environment:¹

SUCCEED – Cow/calf interaction:

The goal of this project is to find good solutions for dairy cows to have contact with their calves, both inside the barn and/or while grazing.

Kutrivsel/WelCow: The project aims to investigate animal welfare in Norwegian loose housing barns using international and objective standards for animal welfare. The project will also evaluate TINE's animal welfare indicator (DVI) against results from farm visits to improve the DVI.

Norwegian Airways: The goal of this project is to combat pneumonia in calves and gain knowledge about

prevention, including ultrasound examinations of calf lungs and examining the occurrence of bacteria causing pneumonia.

BoviPar: Research on how pasture parasites affect production and health in cattle.

Diginostics – Discover digital dermatitis: Research on digital dermatitis, a contagious hoof disease in dairy cows.

NAMASTE: Research on how antibiotic use can be reduced without compromising animal health and well-being.

¹) Read more about the research projects [here](#)

22

NOK billion

The total economic footprint from TINE's operations amounted to NOK 22 billion in 2022.

Local presence and value creation

Having a local presence and agriculture that creates value throughout the country are inherent parts of our company vision, and thus an essential part of the entire TINE value chain. At the same time, TINE works to preserve and ensure good framework conditions for our owners, as well as maintain food production and ensure security of food supply nationwide.

Creating a vibrant Norway together

In 2023, TINE engaged Samfunnsøkonomisk analyse AS to perform a social audit of the ripple effects that TINE creates in Norway. We saw a moderate decline in our social impact from 2020 to 2022. The total economic footprint from TINE's operations amounted to NOK 22 billion in 2022, a decrease from NOK 22.6 billion in 2020. Total employment deriving from TINE's activities was 25,400 full-time equivalents in 2022, nearly the same as in 2020. TINE SA purchased goods and services worth NOK 5.7 billion from Norwegian suppliers in 2022 (against NOK 6.1 billion in 2020).

To ensure further implementation and value creation for agriculture across the country, TINE continues to work on strengthening owner democracy, being the voice of the farmer vis-à-vis stakeholders, and advocating for the needs of the industry.

By adopting structural changes at several of our plants, we are enhancing competitiveness and positioning the company for the future. TINE maintains regular and open dialogue with the stakeholders who are being affected by these structural projects. We have internal support functions for those impacted by the structural changes. We will continue this practice in 2024, and we aim to learn from how the processes have functioned and contributed to achieving our vision while considering stakeholder perspectives.

For more information about structural changes, see the chapter on Our results.



Optimal resource utilisation

We have ambitious goals for optimal resource utilisation within the TINE Group. In 2023, we took significant steps in using renewable energy, minimising food waste and implementing environmentally friendly packaging to reduce our footprint on the climate and the environment.



MATERIAL ISSUES	KPI	2023	2022	2021
Greenhouse gas emissions from production and transport and the transition to renewable energy	Total greenhouse gas emissions, Scope 1 (tonnes)***	64,801	61,721	62,308
	Total greenhouse gas emissions, Scope 1, in relation to operating profit/loss (tonnes/NOK million)	45.9	49.1	36.1
	Percentage of renewable energy (production and transport)****	62%	68%	70%
	Gross energy consumption (GWh)***	749	760	794
	Operating revenue in relation to energy consumption (NOK million/GWh)***	35.9	33.3	30.8
	NOx emissions (tonnes)*****	35.6	39.8	41.9
Food waste	Food waste (quality costs NOK million)**	166	183	204
	Food waste (quality costs TINE SA NOK million)*	119	142	158
Environmentally friendly packaging	Packaging consumption – cardboard**	20,923	21,301	20,921
	Packaging consumption – plastic**	6,161	6,197	6,409
	Packaging consumption – other**	205	196	196
	Packaging consumption – total**	27,289	27,694	27,526
	Packaging consumption in relation to operating profit/loss (tonnes/NOK million)*	2.38	2.45	2.27
	Percentage of drink cartons with bioplastic (% of total volume)*	76%	73%	68%

* Figures for TINE SA only, ** Figures for TINE SA and Diplom-Is, *** Figures for the TINE Group, **** US subsidiaries not included, ***** Diplom-Is not included

Greenhouse gas emissions from production and transport

Supplying an entire population with food based on Norwegian ingredients takes a lot of energy. Much of our energy consumption is already renewable, but we still have a way to go before reaching our goals.

Our objective: By 2030, TINE aims for as much as possible of energy consumption in its own production and transport to be from renewable sources.

Intermediate goals: TINE SA’s goal for 2024 is a 20 per cent reduction in total greenhouse gas emissions from its own production and transport. Diplom-Is has set a goal of emissions below 5,000 tonnes (compared to the base year of 2022, with 5,188 tonnes).

Reduction in greenhouse gas emissions

In 2023, we saw a decrease in greenhouse gas emissions from TINE’s plants of approximately 30 per cent.

This is mainly attributable to the completion of the woodchip heating plant at TINE’s dairy in Jæren and the electrification of the drying process at TINE’s dairy in Sandnessjøen.

Additionally, energy costs for electricity have decreased, leading to the phasing out of the extraordinary exception introduced in 2022, involving the use of oil-based heating at several plants.

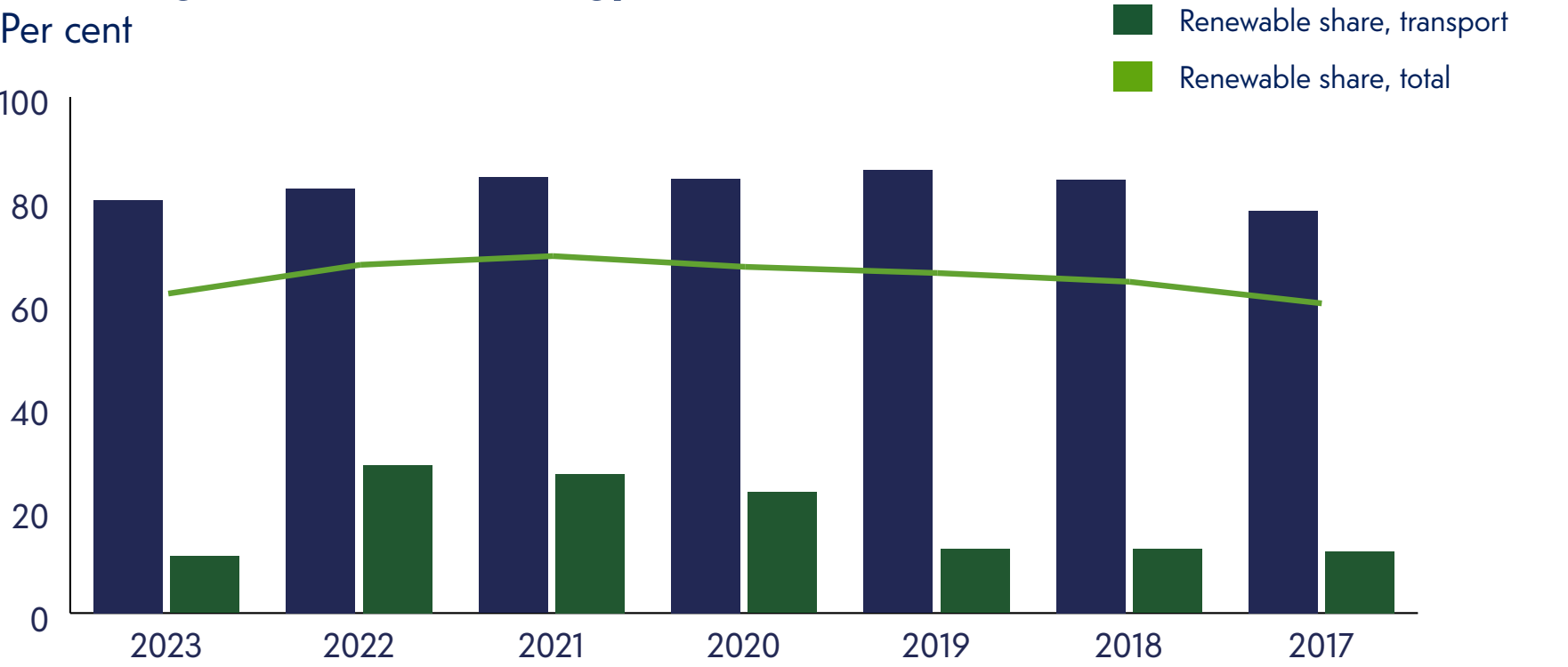
The share of renewable energy in 2023 is 62 per cent, compared with 68 per cent in 2022.

Renewable vehicle fleet

In 2023, we had 38 biogas vehicles, and we also tested electric tankers for the first time. Although there was a minimal decrease in the number of kilometres driven, the reported emissions increased due to a lower blending of biodiesel in purchased diesel in 2023. Starting in 2024, TINE will only purchase fossil-free vehicles for distribution.

In 2023, TINE SA conducted a strategic project for a renewable transport fleet. The project further developed and nuanced TINE’s efforts and goals related to renewable energy in transport, and we confirm our goal of 100 per cent renewable energy in distribution. Furthermore, the assessment is that a shift to fossil-free vehicles in tank transport is premature, as the technology and market are not sufficiently developed.

Percentage of renewable energy





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Minimal food waste

Milk is our most important resource, and in the TINE Group, we work to avoid food waste throughout the value chain. In 2023, we achieved good results in reducing quality costs, which is our goal for waste at TINE. There is still work to be done to contribute to the overall food industry reaching the target for reduced food waste by 2030.

Our objective: TINE SA aims to reduce food waste in its own value chain by 50 per cent (measured in quality costs) by 2030.

Positive trend for waste

Quality costs¹ continue to show a positive trend in 2023, reaching a historically low level. In 2023, quality costs at TINE SA were reduced to NOK 119 million, against NOK 142 million in 2022. Improvement and quality work are yielding good results. Upgrades, new technology, digitalisation, system support and planning are improvements that have a positive impact on both quality and efficiency in production. In addition, two major cheese factories faced challenges that led to particularly high quality costs the previous year. TINE's plants use nonconformities to drive improvement and work to identify root causes and permanently close the nonconformities.

Product shelf life

TINE's efforts to improve shelf life and reduce waste from products that expire are yielding results. There has been a particularly significant reduction in waste/rejects due to shelf life, decreasing by 25 per cent from 2022 to 2023. Rejects of finished products

due to shelf life amounted to approximately NOK 50 million in 2016, and have remained stable around NOK 34 million in recent years. In 2023, these types of quality costs were reduced to NOK 26 million. Furthermore, efforts are underway to extend the shelf life of milk, yogurt and other products, which will also positively impact quality costs.

The TINE Group still has a way to go to reduce the food waste that occurs in households. The key to finding solutions in this regard is collaboration. Food banks also play a crucial role in reducing overall food waste in Norway. In 2023, TINE SA delivered a total of 704 tonnes of food to Matsentralen Norge (Food Banks Norway). This represents a decrease from 2022, where we delivered 809 tonnes of food.

Leverant

Leverant is a newly established department in TINE SA. Its purpose is to contribute to increasing resource utilisation in TINE's value chain – end-to-end – within the business areas of by-products, distribution, contract manufacturing and stakeholder sales.

Leverant aims to reduce food waste, utilise available capacity and create new circular value chains. The vision for their work is "together, we will create a more sustainable future".

In 2023, Leverant began the process of structuring and building a foundation, and through this, they have already succeeded in contributing to revenue growth and improvements for TINE.

Environmentally friendly packaging

To fulfil our strategy for environmentally friendly packaging established last year, the TINE Group continues to work strategically and systematically on measures to reduce the environmental impact of our packaging.

Our objective: By 2030, all packaging should be recyclable, and we should use recycled plastic or packaging from renewable sources as far as possible.

Winner of the "plastic pledge" award in 2023

TINE SA is one of many companies that have made the "plastic pledge" under the auspices of Grønt Punkt (Green Dot Norway). This means that we have committed ourselves to increasing the use of recycled plastic, avoiding unnecessary plastic use and developing packaging for recycling. The yearly plastic pledge awards are given out in various categories, and in 2023, TINE SA won the award for "increased use of recycled plastic" in the containers for TINE Sour Cream and TINE Crème Fraîche, which contain 50 per cent recycled plastic.

50%

TINE SA won the "plastic pledge" award for containers made of 50 per cent recycled plastic.

Yoghurt cartons

In 2023, we launched several of our best-selling yogurts in large cartons. This is better for the environment, as it reduces plastic usage by 85 per cent compared with supplying yogurts in large plastic tubs. For the TINE Group, reducing the overall plastic consumption in our packaging is a strategic priority, and this initiative makes a significant contribution.

Diplom-Is to reduce plastic use

Over the past three years, Diplom-Is has been working diligently to transition to more sustainable packaging across the Royal portfolio. In 2021, they removed the "carbon black" colouring from the 0.9-litre tubs to make them recyclable, resulting in approximately 117 tonnes more recycled plastic annually. In 2022, the company reduced the amount of plastic in the Royal 0.5-litre tubs by over 40 per cent, a measure that minimises unnecessary plastic use. New packaging for Royal small ice creams will be introduced in 2024, reducing the quantity of plastic by 23 per cent and eliminating metallisation for easier recyclability. Overall, the work on the Royal portfolio contributes to an annual reduction of 5.3 tonnes of plastic, an increase in 132 tonnes of recyclable material and a decrease of 305 tonnes of CO₂e. These efforts earned Diplom-Is the title of Eco-Lighthouse of the Year.



¹ Quality costs primarily involve production errors in plants and warehouses, scrapping of expired finished goods and discarding during the decontamination of products.

Social conditions

For TINE, social sustainability involves creating an inclusive, safe and positive working environment for all employees, offering development opportunities for all and room for diversity. At the same time, our products contribute to a safe and nutritious diet.

Public health and nutrition

In a world with limited resources, TINE aims to encourage a diet where the food we consume is safe and provides the nutrients we need, following Norwegian dietary guidelines. Dairy products are a significant source of both iodine and calcium in Norway. However, dairy products also contribute to a higher intake of saturated fat in the diet.



MATERIAL ISSUES	KPI	2023	2022	2021
Nutrition	Total tonnes of saturated fat**	28,149	28,353	30,153
	Total tonnes of added sugar**	6,939	7,207	9,208
	Total tonnes of salt*	853	877	954
	Reduced saturated fat*	-83	-160	-50
	Reduced added sugar*	-173	-264	-277
	Value share of Keyhole symbol*	12.7	12.4	
Food safety	Total recalls***	1	3	5

* Figures for TINE SA only, ** Figures for TINE SA and Diplom-IS, *** Figures for the TINE Group

Nutrition

TINE aims to develop and offer products that contribute to promoting a healthier diet. We have committed to the memorandum of understanding for facilitating a healthier diet, an agreement between the food industry and health authorities with the goal of making it easier for consumers to make healthier choices.

Our objective: We aim to reduce the content of saturated fat and added sugar in our products, while reinforcing the recommendation of consuming three servings of dairy products per day.

Reduction in saturated fat and added sugar

Through collaboration with grocery store chains, TINE SA has achieved an increase in the sales of low-fat cheese, resulting in a reduction of 14 tonnes of saturated fat. A decrease in the amount of fat in major categories such as yogurt, low-fat sour cream, TINE Kremgo’ cream cheese and Norvegia is contributing to a total reduction of 142 tonnes of saturated fat. However, societal trends and consumer preferences have led to an increase in the sales of whole milk, counteracting the effects of these measures.

By making recipe changes to the most popular flavours of TINE fruit yogurt and Kesam, TINE SA has achieved a 96-tonne reduction in sugar. Additionally, we achieve

a reduction of 77 tonnes of sugar as consumers choose low-calorie products within the yogurt and iced tea categories. There is a significant market demand for products with less sugar or no added sugar.

Support for the Keyhole symbol

The Keyhole is an official labelling system designed to make it easier to choose healthier options. There has been a positive development in the sale of products in TINE’s portfolio labelled with the Keyhole symbol in 2023. The key drivers are Norvegia Lett, TINE Cottage Cheese, TINE Junior and YT Protein Milk, and we have increased the number of unique product recipes with the Keyhole symbol. The recipes include everyday products such as low-fat cheese, milk and yogurt. Keyhole-labelled milk and yogurt are also offered through the Skolelyst scheme (a subscription service for food and beverages for school meals).

The TINE Group will continue to support the Keyhole labelling system, which promotes food choices in line with dietary guidelines and contributes to achieving the common goal of reducing saturated fat and increasing support for the Keyhole symbol. Supporting the Keyhole symbol is also a strategy to prepare for a planned common European nutrition labelling system.



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Food safety

With the trust of consumers, customers and the authorities, ensuring the safety of our products is a fundamental principle for the TINE Group.

Our principle: Deliver safe food and product quality that customers and consumers can trust. We aim to avoid producing, selling and distributing products that would require us to recall them from the market.

TINE's Norwegian production plants and subsidiaries are certified according to Global Food Safety Initiative standards (FSSC 22000 or BRC) and undergo regular audits. Inspections and supervision by the Norwegian Food Safety Authority and TINE's internal audits are crucial tools to ensure compliance with our principles and requirements for food safety.

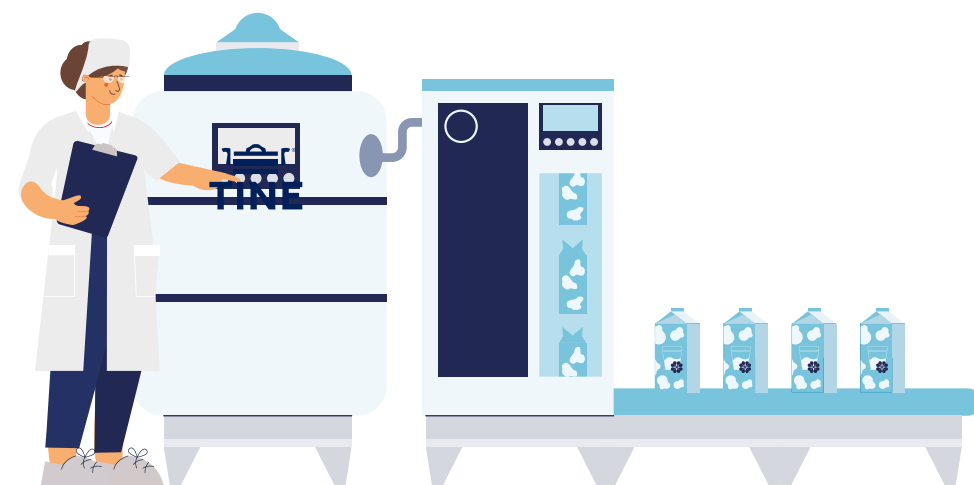


Photo: Øystein Haara



Continued delivery of safe food in 2023

It is a prerequisite from all our stakeholders that we deliver safe, high-quality food. This includes ensuring that labelling, marketing and product documentation comply with applicable regulations, and it means that the TINE Group must be transparent about how we work to ensure food safety.

The critical consequence of not delivering expected quality is the recall of products. In 2023, the TINE Group had only one product recall. It occurred in January 2023 from

Wernersson Ost in Sweden and was due to the detection of *Listeria monocytogenes* in grated cheese. The TINE Group has a well-functioning food safety system. We continually assess the effectiveness of our work and have not identified a need to change in our approach in 2023. TINE's emergency response centre manages any issues for TINE SA and Fjordland. All subsidiaries notify TINE's emergency response department in the event of a critical incident related to food safety.



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Our people

In 2023, we strengthened our efforts in relation to culture, ethical guidelines (Code of Conduct) and reducing sick leave. Our ambition is for everyone who works for TINE to have a safe and secure working environment that is meaningful and motivating. In the TINE Group, we aim to provide equal development opportunities for all our employees.

MATERIAL ISSUES	KPI	2023	2022	2021
Safe and secure workplace**	H1 indicator (LTIFR)**	5.2	5.1	6.4
	Sickness absence rate**	6.3%	6.9%	6.2%
Employees' workday	PULS survey response rate*	91.6	91.5	91.5
Business ethics and anti-corruption	No. of corruption cases***	0	0	0

* Figures for TINE SA only, ** Not including Norseland Inc. Group,

*** Figures for the TINE Group



Safe and secure workplace

Our HSE principle: No one should suffer harm or illness due to their work at the TINE Group. Work must be organised to ensure that individuals are not exposed to adverse physical or mental stress. We aim to have the lowest possible sick leave at all times. Health and safety efforts should contribute to maintaining healthy employees and a stable workforce in a positive working environment.

Developments in the H1 indicator (LTIFR), injuries and HSE

For the TINE Group, the H1 indicator increased by 0.1 to 5.2. This is attributed to an increase in lost-time injuries from 45 in 2022 to 48 in 2023 throughout the Group. Work on personal safety has been a key focus over several years, which has resulted in positive developments for TINE SA in the number of lost-time injuries. In 2023, TINE SA achieved an H1 indicator

of 1.3 compared with 3.5 the previous year. This corresponds to nine lost-time injuries in 2023, compared with 24 similar incidents the previous year. In total, we had 40 injuries in 2023 compared with 101 in 2022. TINE SA has placed a stronger emphasis on the registration of HSE incidents and improvements, resulting in over a 10 per cent increase in the number of registrations. This is preventive work aimed at preventing similar incidents from occurring again.

Sickness absence rate

The TINE Group has experienced positive developments in its sickness absence rate, which ended at 6.3 per cent for the year, an improvement of 0.6 percentage points compared with 2022. In the past year, TINE SA has implemented a sick leave project, which is also expected to have effects in the future. TINE SA had a sick rate of 6.5 per cent in 2023, an improvement of 0.3 percentage points from the previous year. In the last six months, efforts have been made to reduce absences through targeted manager training and by establishing

a collaboration with the Norwegian Labour and Welfare Administration (NAV) for several units ("Health at work").

Our employees' workday

Our objective: The TINE Group aims to provide the right and opportunity for all employees to develop their abilities, regardless of gender, beliefs, skin colour, national or ethnic origin, sexual orientation, disability or age.

TINE Puls

TINE Puls is TINE SA's annual employee survey, measuring areas that affect motivation, engagement and business results. This year's results show that there are good relationships between the company's managers and employees. Employees generally have a clear understanding of their roles and what is expected of each individual in their daily work, and also experience a high level of achievement. They feel good support from colleagues, find their job meaningful, and take pride in the vision, "creating a vibrant Norway together".

Both employees and managers feel that there is a climate for continuous improvement. There is a decrease in the factor measuring health, safety and the environment (HSE) compared with last year, primarily driven by more individuals experiencing unwanted stress in their workday. According to the results, TINE SA could improve collaboration, information sharing and competence sharing across the entire organisation.

Each department follows up on the results of the Puls survey with its employees, addressing specific challenges relevant to them.

Targeted work on culture

One of our important initiatives in 2023 was the launch of new ethical guidelines (Code of Conduct), and 90 per cent of the employees at TINE SA have completed e-learning on this topic. In the autumn of 2023, we also initiated a project involving employees from all business areas to establish new values for the TINE Group. The implementation of new values and the work on a strengthened and shared culture in the TINE Group will continue throughout 2024.

Business ethics and anti-corruption

Our principle: The TINE Group has zero tolerance for all forms of corruption. All employees must understand and adhere to our Code of Conduct, which addresses issues related to corruption and bribery.

In the TINE Group, we are enhancing our anti-corruption efforts. Anti-corruption is defined as a distinct compliance area in our governance model, and we have a dedicated resource responsible for advancing and systematising TINE's defences against corruption. In 2023, we introduced a new, professionalised and external whistleblowing channel, along with a new ombudsman for whistleblowing.

Our Code of Conduct outlines the principles for avoiding involvement in corruption cases. The e-learning conducted in 2023 also covered anti-corruption. In relation to subsidiaries, we have worked on adapting processes that include reporting requirements and follow-up of e-learning related to our Code of Conduct.

In 2023, we did not have any confirmed cases of corruption in the TINE Group. We have also not had any cases of anti-competitive behaviour.



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The Norwegian Transparency Act and sustainable purchasing

In 2023, we continued our efforts to enhance competence in sustainable purchasing. The TINE Group systematically addresses sustainable purchasing in our work with category strategies and procurement projects.



MATERIAL ISSUES	KPI	2023
Sustainable purchasing of commodities and input factors	New suppliers screened against environmental criteria**	20
	New suppliers screened against social criteria**	20

** Applies to TINE SA and Diplom-ls

Our principle: Procurement in the TINE Group should be carried out in a professional, ethical, efficient and systematic manner, ensuring that we always select suppliers with low risk, the best possible competitiveness and value.

Comments on developments in 2023

We have not uncovered any breaches of our Code of Conduct in 2023. We screened 72 suppliers against environmental and social criteria through Ecovadis.

Key measures

In connection with the implementation of the double materiality assessment, we gained increased insight into where in the supply chain we have impacts, risks and opportunities. In 2023, we established a working group for sustainable purchasing with the aim of developing an even deeper, more systematic and strategic approach to our management of both negative and positive impacts related to sustainable purchasing.

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We screened 72 suppliers against environmental and social criteria through Ecovadis.



The Norwegian Transparency Act

TINE SA reports in accordance with the Norwegian Transparency Act and provides an annual account of our work. Our report includes TINE’s Code of Conduct for suppliers, our approach to due diligence assessments and our report to Ethical Trade Norway, describing the status for 2023. Information about this is publicly available [here](#).



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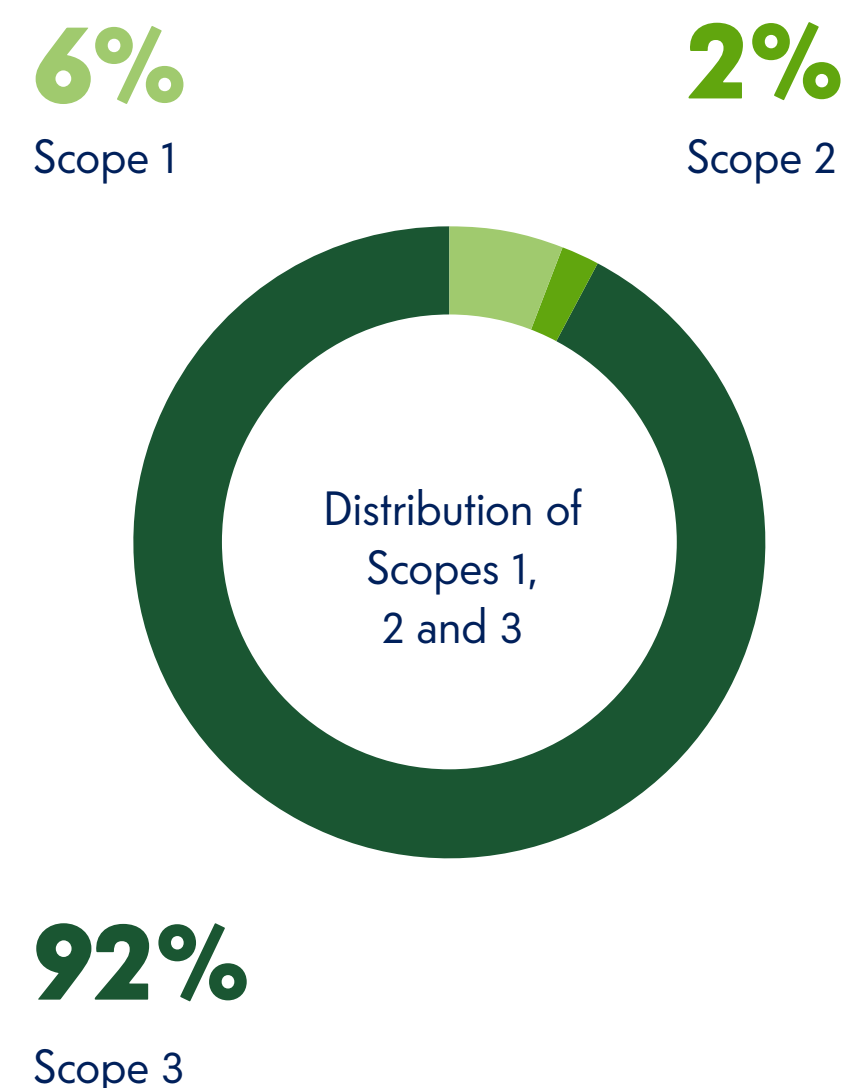
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Our climate accounts

The TINE Group's greenhouse gas emissions arise in our own production, transport and distribution, but also largely in agriculture and throughout the supply chain. The majority of our greenhouse gas emissions are on the farm and are primarily associated with methane and nitrous oxide emissions. We have developed climate accounts following the GHG Protocol and employ operational control in our approach. All subsidiaries are included in the consolidation.

Where do our greenhouse gas emissions come from?



Scope 1 relates to direct sources of emissions, and for TINE this includes oil, natural gas, diesel and refrigerants. Greenhouse gases included in TINE's climate accounts in Scope 1 are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (R134A). Our sources for emission factors are (1) fossil oil and natural gas: Statistics Norway (SSB), (2) fuels: UK Government GHG Conversion Factors for Company Reporting (Defra), and (3) refrigerants: The engineering toolbox. For calculating the blending of biofuels in diesel and gasoline, we use the actual physical volumes blended in 2023, based on information from Circle K. Emissions related to biofuels and biogas in this fossil account include methane (CH₄) and nitrous oxide (N₂O).

Scope 2 relates to indirect emissions associated with production of purchased energy. For TINE, this constitutes purchased electricity and district heating. TINE does not purchase any guarantees of origin and therefore uses the residual mix for calculating market-based Scope 2 emissions. Our source for emission factors is the Norwegian Water Resources and Energy Directorate (NVE).

Scope 3 relates to indirect emissions associated with the company's value chain. In TINE's case, a large proportion of Scope 3 emissions are associated with the purchasing

of input factors such as milk from TINE's dairy farmers. In 2022, the LiveStock research project published a report on emissions from Norwegian milk production,¹ indicating emissions of 1.11 kg of CO₂ equivalents per kg of milk. Previously, TINE used this calculation. However, this year, we are using the emission factor from the climate calculator created by Landbrukets Klimaselskap SA, which is 1.04 kg, as it is based on actual data from our farms. TINE also reports greenhouse gas emissions related to employees' air travel and emissions from fuel associated with its production and distribution (Well-to-tank, WTT). The emission source for business travel is Berg Hansen, and for the fuel supply chain the emission factor is from DEFRA. Thus, TINE includes the following categories in Scope 3: categories 1, 3 and 6 according to the GHG Protocol.

TINE's greenhouse gas emissions in 2023

In 2023, TINE's direct emissions in Scope 1 increased compared with 2022. This is primarily due to a higher proportion of fossil fuel in the fuel mix (diesel and petrol), leading to higher emissions from transport, despite a slight decrease in kilometres travelled in 2023. Regarding stationary combustion, TINE reduced the use of oil and gas (natural gas and LPG) and decreased the use of refrigerants in connection with farm tanks. However, the global warming potential

of HFC gases increased slightly, keeping emissions related to refrigerants stable.

TINE's indirect emissions in Scope 2, related to energy, increased in 2023. This is mainly a result of an increase in the emission factor for Norwegian electricity, meaning that Norwegian electricity in 2023 had a lower share of renewable energy. TINE's electricity consumption, measured in kWh, remained stable compared with 2022.

The reduction in Scope 3 emissions is attributed to lower milk volume (8 per cent reduction in 2023 against 2022) and a lower emission factor from the climate calculator created by Landbrukets Klimaselskap SA. However, TINE increased its other Scope 3 emissions from the production of fuel and air travel. The increase in emissions from air travel compared with 2022 can be explained by increased travel activity after the years affected by the coronavirus pandemic. The increase in emissions from fuel production is primarily a result of the higher proportion of fossil fuel blending in the fuel.

¹⁾ The calculations for FPCM (Fat and Protein-Corrected Milk) are part of the LIVESTOCK project (NFR 295189). The data sources for milk production are Kukontrollen (the information system and the data source for the management tools used in Norwegian milk production) and TINE Mjølkonomi® 2017, and the results are currently under publication. When using the results for milk production externally, reference should be made to the LIVESTOCK project.



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Table of climate accounts for Scopes 1, 2 and 3

		2023	2023 – TINE SA	2023 – Diplom-Is	2022	2021
Scope 1 – Direct emissions	tonnes of CO ₂ e*	64,801	58,716	3,443	61,721	62,308
Scope 2 – Location-based	tonnes of CO ₂ e	19,400	6,707	309	16,885	12,128
Scope 2 – Market-based	tonnes of CO ₂ e	174,369	153,733	8,170	144,810	152,842
Scope 3 – Indirect emissions	tonnes of CO ₂ e	1,069,795	11,980	726	1,235,949	1,321,414
Scope 3 – Purchased goods and services	tonnes of CO ₂ e**	1,056,978			1,225,062	1,309,800
Scope 3 – Fuel and energy-related activities	tonnes of CO ₂ e***	11,995	11,256	673	10,138	11,347
Scope 3 – Business travel	tonnes of CO ₂ e****	822	723	53	749	267
TOTAL EMISSIONS (All scopes, market-based)	tonnes of CO ₂ e	1,308,964	224,429	12,339	1,442,480	1,536,564
TOTAL EMISSIONS (All scopes, location-based)	tonnes of CO ₂ e	1,153,996	77,403	4 478	1,314,555	1,395,850

* Applies to the TINE Group. We lack refrigerant emissions from Diplom-Is through the subsidiary Plug-In Service. This will be reported from next year. We also lack emissions from transport to the depot in Bergen.
** Applies to raw milk purchased by TINE Industri, which resells it to entities other than the TINE Group in the Norwegian market.
*** Applies only to wastewater treatment (WWT) discharges related to the fuel used in transportation.
**** Only contains emissions from air travel for TINE SA, Diplom-Is and Fjordland.



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Declaration by the Board of Directors and CEO

The Board of Directors and the CEO have today reviewed the sustainability report for the TINE Group's material sustainability issues for the period 1 January to 31 December 2023.

We confirm to the best of our knowledge that the information reported is compliant with the established reporting standard, which is the Global Reporting Initiative (GRI) standard, and that the sustainability report – which applies to the TINE Group – provides a true and fair description and overview of the Group's development and performance on the most significant issues facing the Group in terms of sustainability.

Oslo, 13 February 2024


Helge Arne Espeland


Solveig Bratteng Rønning


Bjørnar Gjerde


Anne Berit Løset

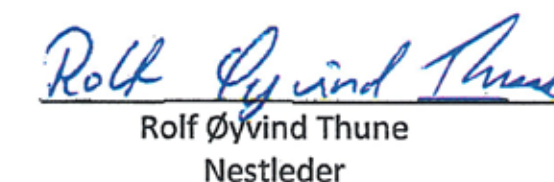

Asgeir Pollestad


Tor Arne Johansen


Elin Aarvik


Ottar Råd


Jeffrey Thomas


Rolf Øyvind Thune
Nestleder


Marit Haugen
Leder


Ann-Beth Freuchen
Konsernsjef



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UAVHENGIG REVISORS ATTESTASJONSUTTALELSE

Til styret i TINE SA

Omfang

Vi er engasjert av TINE SA for å utføre et attestasjonsoppdrag, som skal gi moderat sikkerhet slik det er definert i de internasjonale standardene for attestasjonsoppdrag for å avgi en uttalelse om TINE SAs bærekraftsrapportering som definert og spesifisert i TINE SAs GRI-indeks (se dokument GRI Index 2023 på <https://www.tine.no/om-tine/tine-gri-tabell-2023>) ("Saksforholdet") for rapporteringsåret avsluttet 31. desember 2023.

Vi har ikke utført andre attestasjonshandlinger enn det som er nevnt i avsnittet over og som beskriver omfanget av vårt oppdrag, og vi uttaler oss følgelig ikke om øvrig informasjon inkludert i årsrapporten.

Kriterier brukt av TINE SA

I utarbeidelsen av saksforholdet har TINE SA brukt relevante kriterier fra rapporteringsstandardene for bærekraft utgitt av Global Reporting Initiative (GRI) samt egendefinerte publiserte kriterier ("Kriteriene"). Kriteriene ligger på globalreporting.org og i TINE SAs årsrapport, og er offentlig tilgjengelige. Disse Kriteriene ble spesifikt utformet for selskaper og andre organisasjoner som ønsker å rapportere om sin bærekraft på en konsistent og troverdig måte. Følgelig kan denne informasjonen trolig ikke egne seg for andre formål.

TINE SAs ansvar

Styret og daglig leder (ledelsen) er ansvarlig for valget av Kriteriene og for at Saksforholdet i det alt vesentlige er presentert i henhold til disse Kriteriene. Dette ansvaret omfatter det å etablere og vedlikeholde interne kontroller, opprettholde tilstrekkelige journaler og lage estimater som er relevante for utarbeidelsen av Saksforholdet, slik at det ikke inneholder vesentlig feilinformasjon, verken som resultat av misligheter eller feil.

Vårt ansvar

Vårt ansvar er å avgi en uttalelse om Saksforholdet basert på de bevisene vi har innhentet.

Vi har utført vårt arbeid i samsvar med *ISAE 3000 - "Attestasjonsoppdrag som ikke er revisjon eller begrenset revisjon av historisk finansiell informasjon"*. Standarden krever at vi planlegger og utfører handlinger for å oppnå moderat sikkerhet for at Saksforholdet i det vesentlige er presentert i henhold til Kriteriene, og utarbeider en rapport. Type, tidspunkt for og omfang av handlingene er valgt ut fra vårt skjønn, herunder en vurdering av risikoen for vesentlig feilinformasjon, enten som resultat av misligheter eller feil.

Etter vår oppfatning er innhentet bevis tilstrekkelig og hensiktsmessig som grunnlag for vår attestasjonsuttalelse.

Vår uavhengighet og kvalitetskontroll

Vi er uavhengige av selskapet og konsernet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene.

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Vi anvender også International Standard on Quality Management 1 *Kvalitetskontroll for revisjonsfirmaer som utfører revisjon og forenklet revisorkontroll av regnskaper samt andre attestasjonsoppdrag og beslektede tjenester*, og har opprettholder et omfattende system av kvalitetskontroll inkludert dokumenterte retningslinjer og prosedyrer for å overholde etiske krav, profesjonelle standarder og relevante lover og regler.

Beskrivelse av utførte handlinger

Handlingene som utføres på et attestasjonsoppdrag med moderat sikkerhet varierer med hensyn til type og tidspunkt og er mindre omfattende enn for et tilsvarende oppdrag som skal gi betryggende sikkerhet. Sikkerheten i et attestasjonsoppdrag med moderat sikkerhet er derfor vesentlige lavere enn hva som ville ha vært oppnådd i et oppdrag med betryggende sikkerhet. Våre handlinger ble utformet for å gi moderat sikkerhet som vi baserer vår uttalelse på og gir ikke alle de bevisene som påkraves for å gi en betryggende grad av sikkerhet.

Selv om vi har vurdert effektiviteten i ledelsens interne kontroller når vi har utformet type og omfang av våre handlinger, er vårt attestasjonsoppdrag ikke utformet for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroller. Våre handlinger omfattet ikke tester av kontroller eller prosedyrer for å kontrollere korrekte summer eller beregninger av data i IT-systemer.

Et attestasjonsoppdrag som skal gi moderat sikkerhet omfatter forespørsler, primært til personer som er ansvarlige for å utarbeide Saksforholdet og relatert informasjon, og analyser og andre relevante handlinger.

Våre handlinger inkluderte:

- Intervjuer med nøkkelpersoner for å forstå virksomheten og rapporteringsprosessen
- Intervjuer med nøkkelpersoner for å forstå selskapets prosess for å innhente informasjon, utarbeide og rapportere Saksforholdet i rapporteringsperioden
- Gjennomgang på stikkprøvebasis av beregningskriteriene mot metodene angitt i Kriteriene
- Analytiske handlinger av dataene og forespørsler til ledelsen om eventuelle vesentlige avvik identifisert
- Gjennomgang av forutsetning som ligger til grunn for beregningene
- Sammenligning, på stikkprøvebasis av data mot underliggende kildedata
- Sammenligning av presentasjonen av Saksforholdet med presentasjonskravene angitt i Kriteriene

Etter vår mening gir våre handlinger tilstrekkelig grunnlag for vår uttalelse. Vi har også utført andre handlinger vi vurderte som nødvendige etter forholdene.

Uttalelse

Basert på utførte handlinger og innhentet bevis er vi ikke blitt oppmerksomme på noe som gir oss grunn til å tro at vesentlige endringer skulle ha vært gjort til Saksforholdet for rapporteringsåret avsluttet 31. desember 2023 for at det skulle være presentert i samsvar med Kriteriene.

Oslo, 13. februar 2024
ERNST & YOUNG AS

Attestasjonsuttalelsen er signert elektronisk

Finn Ole Edstrøm
statsautorisert revisor

Uavhengig revisors attestasjonsuttalelse – TINE SA 2023

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