
Torben Herman
Christensen Holding ApS

Taarbæk Strandvej 42C, DK-2930 Klampenborg

**Annual Report for 1 January - 31
December 2022**

CVR No 32 65 41 69

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3 /7 2023

Klaus Ewald Madsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Torben Herman Christensen Holding ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Klampenborg, 3 July 2023

Executive Board

Torben Herman Christensen
Executive Officer

Board of Directors

Klaus Ewald Madsen
Chairman

Simon Christensen

Julie Bjørn Christensen

Torben Herman Christensen

Bente Christensen

Independent Auditor's Report

To the Shareholders of Torben Herman Christensen Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Torben Herman Christensen Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 3 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jens Weiersøe Jakobsen

State Authorised Public Accountant

mne30152

Company Information

The Company

Torben Herman Christensen Holding ApS
Taarbæk Strandvej 42C
DK-2930 Klampenborg

CVR No: 32 65 41 69
Financial period: 1 January - 31 December
Incorporated: 20 November 2009
Financial year: 14th financial year
Municipality of reg. office: Lyngby-Taarbæk

Board of Directors

Klaus Ewald Madsen, Chairman
Simon Christensen
Julie Bjørn Christensen
Torben Herman Christensen
Bente Christensen

Executive Board

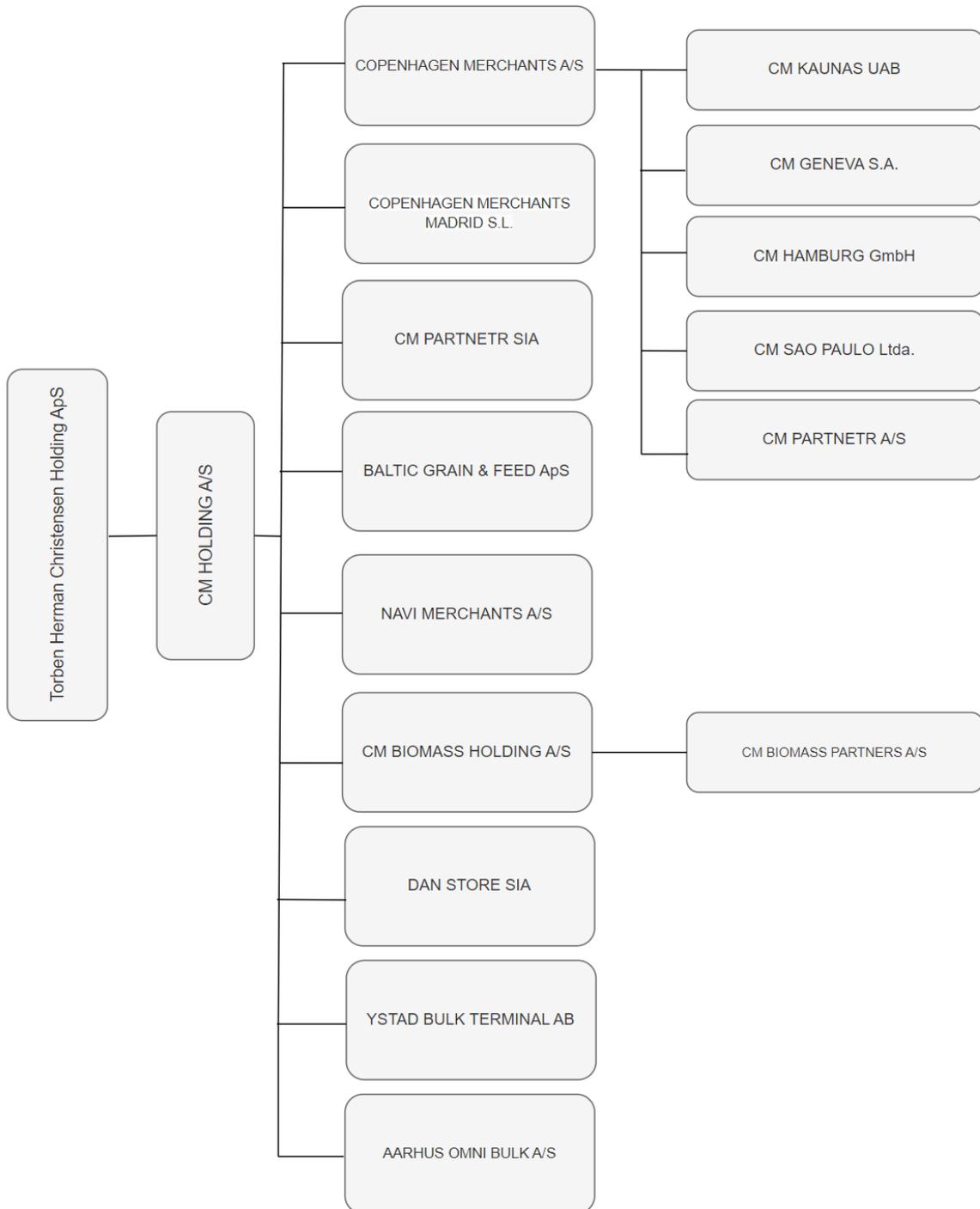
Torben Herman Christensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart

Torben Herman Christensen Holding ApS structure¹



¹ United Shipping & Trading Company acquired a majority stake in CM Biomass Holding A/S, and consequently is not consolidated in the annual report. However, as CM Group maintains an active role in CM Biomass, the activities related to the Management's Review is deemed relevant.

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures					
Profit/loss					
Revenue	1.411.105	753.820	3.506.819	3.170.985	2.289.808
Gross profit/loss	171.912	479.427	290.325	209.321	152.853
Profit/loss before financial income and expenses	66.170	384.294	155.549	91.864	54.519
Net financials	106.236	31.926	2.155	-11.212	-2.213
Profit/loss from discontinuing activities	0	81.301	0	0	0
Net profit/loss for the year	157.287	489.603	125.911	60.607	39.964
Balance sheet					
Balance sheet total	1.067.900	951.182	1.083.263	906.214	653.777
Equity	885.164	817.213	508.546	366.466	302.099
Cash flows					
Cash flows from:					
- operating activities	32.299	96.946	80.883	-98.762	4.614
- investing activities	-15.640	328.689	-55.127	-37.193	-19.190
including investment in property, plant and equipment	-13.911	-40.435	-15.913	-7.440	-23.002
- financing activities	-42.608	-288.461	-9.660	144.407	-15.541
Change in cash and cash equivalents for the year	-25.949	137.173	16.096	8.452	-30.117
Number of employees	98	112	151	144	124

Financial Highlights

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Ratios					
Gross margin	12,2%	63,6%	8,3%	6,6%	6,7%
Profit margin	4,7%	51,0%	4,4%	2,9%	2,4%
Return on assets	6,2%	40,4%	14,4%	10,1%	8,3%
Solvency ratio	82,9%	85,9%	46,9%	40,4%	46,2%
Return on equity	18,5%	73,9%	28,8%	18,1%	14,2%

In 2021, the Group sold the majority of its shares in CM Biomass Partners A/S. As the financials for CM Biomass Partners A/S was disclosed as discontinuing activities, the Group's revenue and key figures decreased significantly from 2020 to 2021. Furthermore, the Group sold all of its shares in ECS Eurocargo Services A/S at the end of 2021, which is the primary reason for the decrease in the average number of employees from 2021 to 2022.

For definitions of ratios, see under accounting policies.

Management's Review

Activities and development in the year

The income statement of the Torben Herman Christensen Holding ApS for 2022 shows a profit of DKK 157 mill. As per 31st December 2022 the balance sheet of the Torben Herman Christensen Holding ApS shows an equity of DKK 885 mill including minority interests of DKK 315 mill.

The financial result for the year is above expectations and Management considers it to be very satisfactory.

Business model

Torben Herman Christensen Holding ApS (hereinafter "CM Group") is a privately family-owned group of businesses spanning across different industries, benefiting from the synergies created between the business operations. CM Group operates within these four main areas.

- ❖ Brokerage
- ❖ Biomass
- ❖ Dry Bulk Freight
- ❖ Terminals

Despite operating in various industries, CM Group follows a common set of values based on the Copenhagen Merchants Beliefs & Behaviors (CMBB).

- ❖ We are always in it for the long run
- ❖ We stay curious and passionate – and always ready to give that little extra
- ❖ Growing together is our mantra
- ❖ Challenges are opportunities in disguise
- ❖ Flat structure may not be the academic advise – yet we love it
- ❖ Integrity and trust are the drivers for our behavior
- ❖ Have fun

Trust is fundamental to our business. We prioritize integrity and ethical conduct in all our operations and partnerships, striving to build long-term, mutually beneficial relationships with our stakeholders

Brokerage

Today, with almost 30 Brokers and Execution specialists, CM Brokerage is one of the largest grain brokering companies in Europe. Although all offices work very closely together, each has a specific specialisation. Copenhagen specialises in the Scandinavian, UK and ARAG markets, Kaunas in Baltic States markets, Hamburg engages with international traders in the German and Polish markets. Geneva focuses on the Black Sea market and international destination business, while Barcelona specializes in the Iberian market.

CM Brokerage increased tonnage in 2022 compared to 2021 levels, despite challenges following the war in Ukraine. As a major grain broker, we provide turnkey solutions and as a group, we have the agility enabling fast change in special situations as experienced in the Black Sea market. CM NAVIGATOR, the business intelligence tool for clients has been officially launched and gaining traction from customers as a means to increase market knowledge.

In 2022 CM Brokerage expanded geographically, establishing a new strong team in Sao Paulo, Brazil, as a natural way of growing the business and increasing the presence in the South American markets.

Biomass

Since 2009, CM Biomass has actively engaged in the global transition towards a greener future through biomass. CM Biomass is the world's largest biomass trading house, with over 3.000.000 MT of wood pellet sales in 2022. Since the beginning, the Company has benefitted from the close connection to the CM Group with its many years of experience in commodity trading, shipping, warehousing and wood pellet bagging. In 2022, CM Biomass, under the majority ownership of United Shipping & Trading Company (hereinafter "USTC"), continued the expansion of the US productions to include 9 plants producing around 750.000 tons and got more than 150 employees on board in 2022. CM Biomass also expanded geographically, establishing a presence in Asia with teams installed in Singapore and Vietnam.

The market for wood pellets fluctuated dramatically during 2022, reaching record high levels during the summer months in the light of the Russia-Ukraine war, and correcting significantly downwards during the end of 2022.

USTC owns 60% of CM Biomass, while the remaining 40% is held by the founding family and key senior executives in CM Biomass. CM Group maintains an active role in CM Biomass' operational setting and further development.

Dry Bulk Freight Services

NAVI MERCHANTS is an integral part of the CM Group business services, providing turnkey freight solutions within the dry bulk tramp trade segment predominantly within biomass and grain, servicing our clients in the brokerage and biomass businesses.

In the dry bulk freight segment, markets in 2022 experienced historical highs during the first and second quarters, which towards the fourth quarter normalized starting with Handysize vessels and followed by coastersized vessels.

During 2022, NAVI MERCHANTS continued to expand its fleet of vessels; part of the growth via co-ownership of Norse Maritime and Lignum Martime. The joint ventures aim to manage a fleet mainly consisting of Handysize vessels, amongst others, to enhance flexibility for the Biomass and Brokerage businesses. In addition, NAVI MERCHANTS had 14 coasters and 2 Handysize vessels under time charter, along with other multiple-trip vessels to perform cargo commitments. Altogether, this resulted in the movement of approximately 7.000.000 tons of cargo in 2022 under Navi Mercant's management.

The NAVI MERCHANT vessel fleet is expected to grow additionally in 2023, with emphasis on vessel ownership and long-term time charter as a strategy to service third-party customers as well as other CM Businesses.

Terminals

CM Group provides an international and efficient portfolio of terminals covering strategic regions to adhere to the sourcing activities. Ystad Bulk Terminal specialises in handling wood pellets and other commodities such as grain, woodchips and fertiliser. Ystad Bulk Terminal has a storage capacity of 20,000 MT of bulk in a sectioned warehouse plus 7,000 MT of pellet goods

Dan Store has a storage capacity of 110.000mt and offers turnkey solutions for easy handling, including customs clearance plus inbound and outbound railway logistics. In 2022, better screening equipment for wood pellets have been acquired to enable high-capacity screening. This significantly reduces the risk of contamination while maintaining a high load speed.

CM Group holds co-ownership in a number of other bulk terminals around the Baltic Sea.

Market overview

There is a well-established consensus that climate change from global warming is linked to the emission of greenhouse gasses from fossil fuels. The use of renewable energy sources contributes to securing the energy supply reliability and increases the sustainable energy mix by minimising the dependence on the import of fossil fuels from politically unstable areas.

CM Group plays a significant role in balancing commodity markets by connecting suppliers and buyers across time and geographies. Our geographical footprint continues to expand with South America and Asia added to our physical presence, which is expected to support the economic as well as social development in the involved regions. Across business segments, we continue to stay active during increasing and decreasing market movements, to maintain and enhance relations with business partners and explore the embedded market opportunities.

CM Group's market position is considered strong and growing in an expanding market, which implies that CM Group's business prospect is deemed sound and has further potential to increase its activity and profitability.

The past year and follow-up on development expectations from last year

In 2022, the Company delivered a result of ordinary operation which was significantly higher than the expectations stated in the 2021 annual report. This was driven by growth in most business segments, especially within Dry Bulk Freight where the general long vessel position was a good foundation when freight rates surged during the first half of the year.

Special risks – Foreign exchange risks

A proportion of the Company's revenue and purchases are made in other currencies than DKK. The hedging is primarily through forward foreign exchange contracts to hedge expected revenue and purchases. There are no speculative currency arrangements.

Targets and expectations for the year ahead

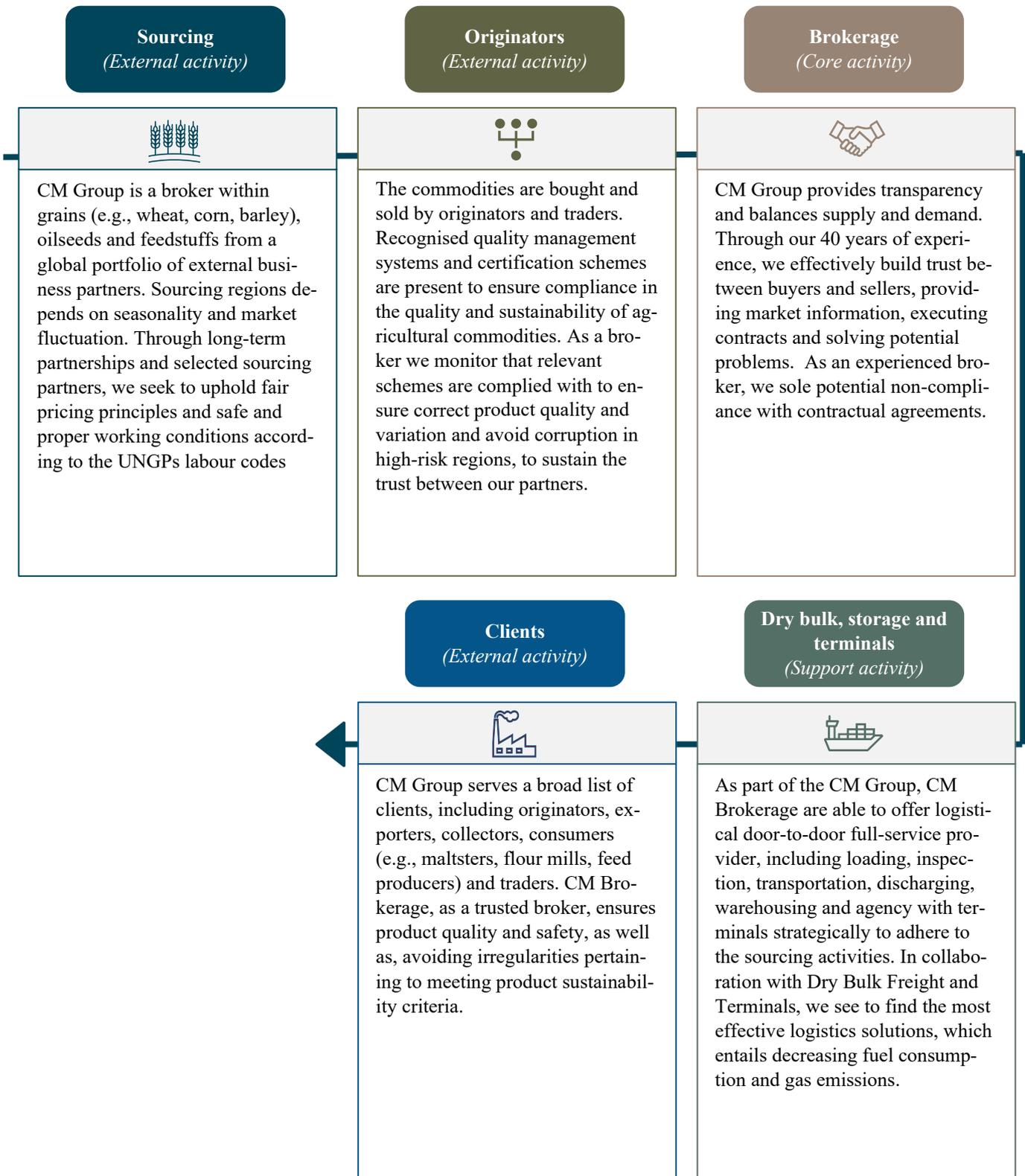
Considering the geo-political environment with significant impact on several business areas, there is great uncertainty attached to the forecast for 2023. Management expects overall growth in business volume and a satisfactory result before tax of ordinary operation of DKK 60-90 mill.

Statement of corporate social responsibility

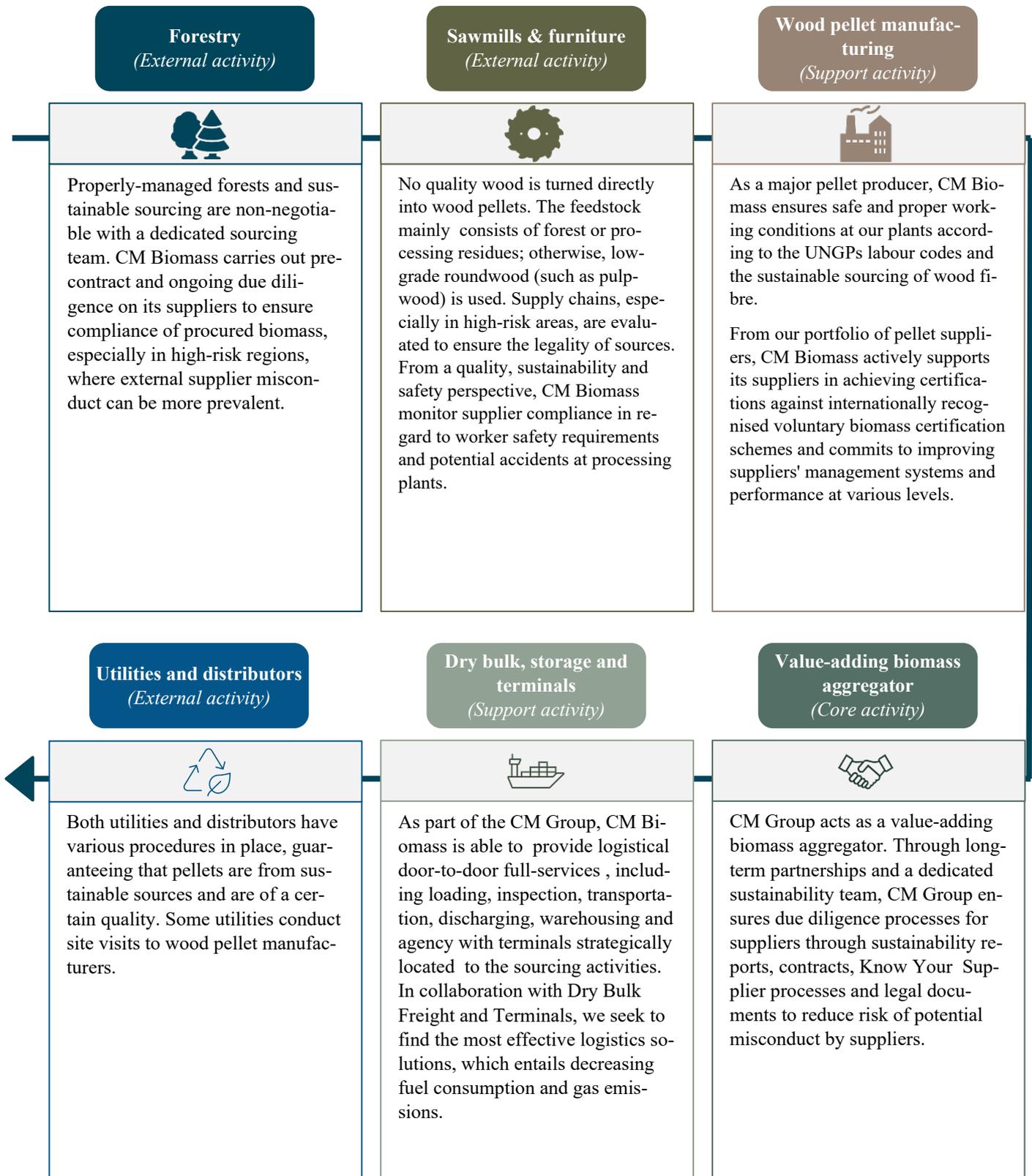
CM Group approaches CSR by dividing its activities and companies into the four main business areas, as each unit has its own business model. The 2022 Management's Review scope includes Brokerage, Biomass and Dry Bulk Freight Services, which directly and indirectly impact society and the environment throughout the value chain. Thus, Terminals are excluded from the 2022 Management's Review as this business unit is deemed to have insignificant CSR risks. The Dry Bulk Freight Services consists of multiple activities, including railway, shipping and chartering; however, the main focus will be chartering, as this is the core activity within Dry Bulk Freight Services.

As a broker, trader and charterer, CM Group generally have limited direct CSR impact throughout the value chain. However, we recognise that doing business within these industries may entail externalities related to CSR, which can negatively impact other parts of the value chain over which we have no direct control. Thus, we always aim to follow applicable regulations and recognised standards on good business conduct to mitigate negative impact. The links in the value chain of the relevant business areas and the related CSR concerns of each value chain link are illustrated below.

Flow from sourcing to end users



Flow from forests to end users



Logistics flow

Terminal Loading
(External activity)



CM Group provides a terminal setup, including stevedoring and warehousing. CM Group adheres to international standards to ensure safety and quality. Proactive internal safety procedures are created to minimise risks of working hazards. Through the operational experience in warehousing and terminals, as well as, adherence to applicable laws and schemes, we avoid damage or contamination of product and working hazards.

Chartering
(Core activity)



CM Group charterers ocean-going tonnage for the cargo in the most suitable and cost-efficient manner, adhering to relevant certification schemes and applicable international regulation and standards. Through NAVI MERCHANTS own controlled fleet of vessels and operational experience in the dry bulk segment, we avoid contamination of vessel and cargo compartment and to the largest extent avoid partners where risks of violation of human rights and environmental standards are present.

Execution
(Support activity)



CM Group ensures the ocean transportation from origination to destination is seamless and effective, including controlling contracts, goods and relevant certificates and regulations. Through contracts and legal documents, we ensure due diligence processes for suppliers. Through an increased focus on supplier due diligence, we aim to reduce the risk of money laundering and fraud in high-risk regions.

Terminal discharging
(Support activity)



CM Group provides a wide range of discharging services through our terminal setup from partners and in our own control. Services include unloading, stevedoring, and agency for the ocean-going tonnage adhering to applicable certification schemes and regulations.

Management's Review

Policies, activities and results

Sustainable Development Goals

CM Group has committed itself to work dedicated with the UN's Sustainable Development Goals (hereinafter "SDGs"), enabling dedicated work with sustainability, delivering environmental-, social- and commercial value. CM Group influences the 17 SDGs directly and indirectly; however, we have a significant ability to provide solutions to the challenges within SDG #7 Affordable and clean energy and SDG #12 Responsible consumption and production, as these are core areas in CM Group's business strategy. We are focusing on the following five targets related to the two SDGs.

- ❖ 7.2 Increase the share of renewable energy in the global energy mix.
- ❖ 7.3 Improve the global rate of energy efficiency.
- ❖ 12.2 Achieve the sustainable management and efficient use of natural resources.
- ❖ 12.5 Reduce waste generation through prevention, reduction, recycling, and reuse.
- ❖ 12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Sustainable energy and responsible production are central priority areas for CM Group and constitute a natural part of conducting good business. At CM Group, we contribute with solutions related to renewable energy, energy efficiency and commercial and sustainable production and consumption. In particular, in 2022 the core focus has been on installing a biomass boiler and optimizing the energy consumption in Aarhus Protein (a CM Group joint venture company). Similarly, work has been ongoing to improve energy efficiency at Masnedø Bulk Terminal (a CM Group joint venture company).

Environment & Climate

CM Group's policy on the environment is to incorporate sustainability, efficient use and logistics of raw materials and fuels in everyday business decisions, e.g., in relation to the choice of business partners, agreements with suppliers and identification of opportunities.

In line with the Corporate Responsibility Policy, CM Biomass' environmental commitments aimed at ensuring the use of sustainable raw materials and recognise the importance of biodiversity conservation, the preservation of High Conservation Value Forests, and the protection of distinctive and vulnerable forest ecosystems; assessing the sustainability of our partners' raw materials, and also favouring technologies and practices that have a minimum impact on the environment.

CM Group considers the cascade principle, and we urge our partners to utilise wood resources according to economically sound solutions. We promote internationally recognised forest management certifications and biomass schemes among wood pellet producers. The majority of our wood pellet suppliers are already certified, and the remaining adhere to the EU Timber Regulation (EUTR) and national trade requirements.

CM Group's policy is to continuously test and research alternative biomass fuels to explore the growing market for industrial by-products to be used as sources of energy. In 2022, CM Biomass continued to work with by-products from sunflower, peanuts, olives, cashew, to assist the transition to biomass in the energy and hard-to-abate sector.

Within Brokerage, information about the food safety of grain and whether it is GMO or not is brought to the buyers' attention, according to EU legislation, to support them in choosing an appropriate product and supplier.

CM Brokerage is GMP+ FSA certified, ensuring feed commodities are protected and handled appropriately under the GMP+ FSA requirements. Furthermore, the increasing use of sanction clauses provides reliability in meeting sustainability criteria and minimising risks. CM Brokerage had no incidents related to environmental CSR risks in 2022.

When moving dry bulk freight, CM Group adheres to international standards and regulations on maritime pollution by following the International Maritime Organization's ("IMO") conventions on marine pollution and the International Convention for the Prevention of Pollution from Ships ("MARPOL"). To prevent contamination, combustion and capsizing of vessels, Dry Bulk Freight ensure that shiploads meet legal requirements, that the cargo is described correctly, and that the vessels' previous loads will not affect the following shiploads. We use internal and external specialists for inspection to meet the described focus areas. The dry bulk segment had no such incidents in 2022.

Human Rights

Good business conduct at CM Group has always been part of the DNA; however, the increasing expansion of the business has called upon a formalisation of a Code of Conduct to ensure common reference across the organisation. Hence, a Code of Conduct has been established, which put forward a set of values and guidelines based on business-economic, environmental, and social responsibilities, in which employees and representatives are expected to behave.

Dry Bulk Freight Services adheres to international regulations to ensure humane working conditions and maritime safety. CM Group follows IMO's conventions and protocols on marine safety, including other relevant international conventions and regulations; Safety of Life at Sea ("SOLAS") and ITF Seafarers' regulations. In 2022 no violations were identified.

CM Group respects human, social and professional rights as listed in the UN's Guiding Principles on Business and Human Rights (UNGPs), and do not violate them. The right for privacy is a priority at CM Group and we seek to comply with all aspects of the EU General Data Protection Regulation ("GDPR"). As a result, in 2022 and the years before, no human rights violations were identified. In the upcoming year, CM Group will remain committed to complying with global regulations and augmenting our compliance protocols to safeguard human rights.

Corruption & bribery

CM Group operates under corporate values and principles of best business practices and in accordance with trade rules and procedures subscribed by the EU and UN. A null tolerance policy regarding corruption and bribery is communicated clearly to employees as they are instructed in their work.

CM Group has due diligence processes in place to ensure accountability from suppliers. During the due diligence process, CM Group collects necessary documents, e.g., chain of custody contracts, company procedures and legal documents on a potential supplier. The Company interviews responsible key personnel and performs applicable risk analyses and assessments.

Before signing any contracts or making business transactions, CM Group conducts risk assessments of new suppliers, clients, and business partners. For such assessments, CM Group uses relevant industry contacts, including P&I Club and Bimco.

Based on risk assessments, selected suppliers are audited internally or with assistance from external consultants or auditors. Anti-corruption procedures and evaluation of internal mitigation measures are a part of CM

Group's annual sustainability audits. We expect the highest integrity standards in all business interactions; thus, contractual provisions against corruption and bribery are stipulated for risky areas.

CM Group adheres to anti-corruption practices to eliminate corruption. We follow relevant certification schemes to conduct due diligence measures to mitigate the risks of corruption and money laundering – present in some parts of the industry. Moreover, we invest in long-term business relations to create a trusted network of carriers.

There were no reports of corruption in 2022. However, as CM Group's operations continue to expand, the need to avoid corruption and mitigate financial risks will increase. Consequently, CM Group, as the year before has added further resources for internal controlling and added compliance resources for the Dry Bulk Freight segment and terminals. Going forward, CM Group will continue to enhance and add additional measures according to industry standards, including due diligence and KYC (Know Your Counterparty) processes.

Social Impact & Employee Welfare

CM Group's policy is to provide good working conditions and fair terms to all employees. As most of CM Group's employees are white-collar, the risk of accidents is considered very low. To continuously improve employee satisfaction and safeguard personal development, CM Group maintains a flat organisational structure with open communication and a high level of trust between employees and leaders. This includes proactive identification of possible stress and measures to ensure a healthy work/life balance. Moreover, a new health check initiative was introduced to identify possible health risk. To further provide opportunities for our employees to develop their professional and personal competencies, the CM Coaching Community was introduced.

As a considerable actor in the market, CM Group actively helps and educates suppliers to ensure they achieve the required sustainability certificates, which are, among others, described in the sustainability appendix, being a crucial part of every supplier contract.

In the Code of Conduct, we wish to encourage an open dialogue on all issues related to CM Group's business methods, compliance with CM Group's policies or issues that are considered illegal. The CM Group Whistle blower scheme is set to ensure that all employees within the group have a forum to speak out about reprehensible practices. 2022 was the first year of operation and no incidents have been recorded so far.

CM Group continues to have a relatively low staff turnover in 2022 at 6,5%, compared to 6,1% in 2021¹. This is a positive indicator of a good work environment considering the dynamic markets CM Group operates in. Several social initiatives have taken place throughout 2022 to sustain a good work environment and keep engagement levels high while complying with local safety requirements. CM Group has focused on nurturing and developing trust between employees and business partners to decrease the psychological distance and bureaucracy while increasing performance.

CM Group has for years supported students with cases for their theses, student employment and internships. In 2022, CM Group had an average of 7 student assistants compared to 8 in 2021.

¹ Employee turnover is calculated as $\frac{\text{number of leavers}}{\frac{\text{beginning+ending number of employees}}{2}} * 100$ based on company data including CM

Data Ethics

Right to privacy is essential to retain integrity at CM Group. We put effort into ensuring that our data on employees and customers is secured and protected from misuse. Hence, the CM Group's Data Protection Policy and Data Privacy Policy also apply to employees in countries with no prevailing data protection rules or regulations like GDPR. Our policies include specific instructions on processing personal data in accordance with GDPR and provide information on data rights and ethics, such as how we process personal data, how it is stored, the right to information on stored data and its deletion.

Although the nature of our business does not involve the treatment of personal data through artificial intelligence, machine learning or other forms of algorithms, we continuously assess our digital development with respect to data ethics. CM Group does not buy or process GDPR-relevant data from third parties and does not personalise products or services. We conduct internal assessments annually on data processing and ensure continuous awareness of data ethics where relevant through workshops.

Statement on gender composition

The Board of Directors aim to follow the recommendations of the Danish Business Authority with respect to the underrepresented gender. The target of the Company is to have two women represented in the board of directors.

At present, two of the Members of the Board of Directors in Torben Herman Christensen Holding ApS are women. As a result, the target is met, and the Board of Directors has no under-represented gender cf. guidelines from the Danish Business Authority.

CM Group respects equal treatment unconditionally, however, it should be noted that CM Group has a low employee turnover rate and that changes will not be made with the sole purpose of meeting equal gender composition targets.

Despite the general low population of female leaders within the industries we are working in, the owners actively look to strengthen the capabilities and competencies of the Board, hereunder increasing female representation.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The Russian invasion in Ukraine impacted the markets where CM Group does business. Large volatility in regional volume availability and pricing presented significant challenges and opportunities. However, overall the CM Group showed resilience, emphasizing a strong business model, which have allowed the business to grow despite the very challenging market conditions.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet data.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Revenue	1	1.411.105.127	753.819.751	0	0
Other operating income		26.782.467	371.133.302	0	0
Expenses for raw materials and consumables		-1.213.045.156	-597.493.537	0	0
Other external expenses		-52.930.397	-48.032.043	-138.504	-17.174
Gross profit/loss		171.912.041	479.427.473	-138.504	-17.174
Staff expenses	2	-91.519.138	-83.740.158	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-14.223.380	-11.392.999	0	0
Profit/loss before financial income and expenses	3	66.169.523	384.294.316	-138.504	-17.174
Income from investments in subsidiaries		0	0	92.989.711	275.833.786
Income from investments in associates		104.209.181	31.590.097	0	0
Financial income	4	5.513.358	2.054.962	854.811	1.499.942
Financial expenses	5	-3.486.295	-1.718.773	-470.492	-211.293
Profit/loss before tax		172.405.767	416.220.602	93.235.526	277.105.261
Tax on profit/loss for the year	6	-15.118.481	-7.918.362	-54.076	-283.666
Profit/loss from continuing activities		157.287.286	408.302.240	93.181.450	276.821.595
Profit/loss from discontinuing activities		0	81.300.867	0	0
Net profit/loss for the year		157.287.286	489.603.107	93.181.450	276.821.595

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Software		3.736.666	3.678.765	0	0
Goodwill		0	0	0	0
Intangible assets	8	3.736.666	3.678.765	0	0
Land and buildings		107.471.023	112.629.143	0	0
Other fixtures and fittings, tools and equipment		50.671.253	43.735.652	7.492.502	903.916
Leasehold improvements		3.094.534	2.730.881	0	0
Property, plant and equipment	9	161.236.810	159.095.676	7.492.502	903.916
Investments in subsidiaries	10	0	0	437.798.274	400.599.075
Investments in associates	11	353.549.241	246.969.770	0	0
Receivables from group enterprises	12	0	0	0	4.615.089
Receivables from associates	12	103.000.668	91.709.597	0	0
Other investments	12	11.122.700	11.291.119	11.122.700	10.748.973
Deposits	12	1.734.861	1.046.968	0	0
Other receivables	12	1.880.706	112.782.332	0	0
Fixed asset investments		471.288.176	463.799.786	448.920.974	415.963.137
Fixed assets		636.261.652	626.574.227	456.413.476	416.867.053
Inventories		16.537.605	13.301.236	0	0

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Trade receivables		75.883.214	47.086.657	0	0
Receivables from group enterprises		0	0	52.348.600	364.148
Receivables from associates		19.997.060	48.254.754	0	0
Other receivables		125.794.205	7.783.422	1.576.222	493.633
Deferred tax asset	16	3.692.465	0	0	0
Corporation tax		1.089.075	10.723	245.924	22.941
Prepayments	13	32.063.647	25.640.506	0	0
Receivables		258.519.666	128.776.062	54.170.746	880.722
Værdipapirer		892.500	0	892.500	0
Cash at bank and in hand		155.688.773	182.530.334	58.655.669	109.742.752
Currents assets		431.638.544	324.607.632	113.718.915	110.623.474
Assets		1.067.900.196	951.181.859	570.132.391	527.490.527

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Share capital	14	2.000.000	2.000.000	2.000.000	2.000.000
Reserve for net revaluation under the equity method		156.932.304	53.372.729	379.798.274	347.349.828
Reserve for exchange rate adjustments		-337.224	-170.318	0	0
Retained earnings		405.444.751	422.196.482	182.241.557	128.049.065
Proposed dividend for the year		6.000.000	50.000.000	6.000.000	50.000.000
Equity attributable to shareholders of the Parent Company		570.039.831	527.398.893	570.039.831	527.398.893
Minority interests		315.123.684	289.814.259	0	0
Equity		885.163.515	817.213.152	570.039.831	527.398.893
Provision for deferred tax	16	2.128.114	4.644.386	49.500	49.500
Other provisions	17	27.410.939	0	0	0
Provisions		29.539.053	4.644.386	49.500	49.500
Mortgage loans		4.803.754	4.944.748	0	0
Credit institutions		6.599.894	13.416.500	0	0
Other payables		7.793.608	9.466.701	0	0
Long-term debt	18	19.197.256	27.827.949	0	0

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Mortgage loans	18	157.346	223.444	0	0
Credit institutions	18	6.816.794	6.816.702	0	0
Prepayments received from customers		7.294.792	0	0	0
Trade payables		45.812.082	27.312.887	11.250	11.250
Payables to owners and Management		35.548.778	0	31.810	0
Corporation tax		4.107.082	2.792.378	0	0
Deposits		228.900	197.700	0	0
Other payables	18	34.034.598	64.153.261	0	30.884
Short-term debt		134.000.372	101.496.372	43.060	42.134
Debt		153.197.628	129.324.321	43.060	42.134
Liabilities and equity		1.067.900.196	951.181.859	570.132.391	527.490.527
Subsequent events	24				
Distribution of profit	15				
Contingent assets, liabilities and other financial obligations	21				
Related parties	22				
Fee to auditors appointed at the general meeting	23				
Accounting Policies	25				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate adjustments	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	2.000.000	53.372.729	-170.318	422.196.482	50.000.000	527.398.893	289.814.259	817.213.152
Addition minority interest	0	0	0	0	0	0	1.900.000	1.900.000
Ordinary dividend paid	0	0	0	0	-50.000.000	-50.000.000	-40.000.000	-90.000.000
Exchange adjustments relating to foreign entities	0	-877.046	-166.906	0	0	-1.043.952	-696.411	-1.740.363
Dividend from associates	0	-276.000	0	276.000	0	0	0	0
Fair value adjustment of hedging instruments	0	503.440	0	0	0	503.440	0	503.440
Net profit/loss for the year	0	104.209.181	0	-17.027.731	6.000.000	93.181.450	64.105.836	157.287.286
Equity at 31 December	2.000.000	156.932.304	-337.224	405.444.751	6.000.000	570.039.831	315.123.684	885.163.515

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate adjustments	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	2.000.000	347.349.075	0	128.049.818	50.000.000	527.398.893	0	527.398.893
Ordinary dividend paid	0	0	0	0	-50.000.000	-50.000.000	0	-50.000.000
Exchange adjustments relating to foreign entities	0	-1.043.952	0	0	0	-1.043.952	0	-1.043.952
Dividend from associates	0	-60.000.000	0	60.000.000	0	0	0	0
Other equity movements	0	503.440	0	0	0	503.440	0	503.440
Net profit/loss for the year	0	92.989.711	0	-5.808.261	6.000.000	93.181.450	0	93.181.450
Equity at 31 December	2.000.000	379.798.274	0	182.241.557	6.000.000	570.039.831	0	570.039.831

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 DKK	2021 DKK
Net profit/loss for the year		157.287.286	489.603.107
Adjustments	19	-76.164.905	-330.009.604
Change in working capital	20	-29.759.289	-44.190.426
Cash flows from operating activities before financial income and expenses		51.363.092	115.403.077
Financial income		5.513.360	2.054.964
Financial expenses		-3.486.294	-6.458.854
Cash flows from ordinary activities		53.390.158	110.999.187
Corporation tax paid		-21.090.868	-14.053.305
Cash flows from operating activities		32.299.290	96.945.882
Purchase of intangible assets		-2.560.780	-1.176.126
Purchase of property, plant and equipment		-13.910.771	-40.434.598
Fixed asset investments made etc		-1.534.967	-124.377.322
Sale of intangible assets		437.050	0
Sale of property, plant and equipment		1.653.324	0
Sale of fixed asset investments etc		0	494.400.655
Dividends received from associates		276.000	276.000
Cash flows from investing activities		-15.640.144	328.688.609
Repayment of mortgage loans		-207.092	-220.258
Change in loans from credit institutions		-6.816.516	-20.516.773
Change in balances with affiliated parties		16.966.623	-119.415.218
Minority interests		-38.100.000	-108.309.005
Dividend paid		-50.000.000	-40.000.000
Change in payables to owners and Management		35.548.778	0
Cash flows from financing activities		-42.608.207	-288.461.254

Pengestrømsopgørelse 1. januar - 31. december

	Note	2022	2021
		DKK	DKK
Change in cash and cash equivalents		-25.949.061	137.173.237
Cash and cash equivalents at 1 January		182.530.334	45.357.097
Cash and cash equivalents at 31 December		156.581.273	182.530.334
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		155.688.773	182.530.334
Current asset investments		892.500	0
Cash and cash equivalents at 31 December		156.581.273	182.530.334

Notes to the Financial Statements

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
1 Revenue				
Geographical segments				
Revenue, Denmark	670.797.943	293.597.991	0	0
Revenue, exports	740.307.184	460.221.760	0	0
	1.411.105.127	753.819.751	0	0
Business segments				
Logistics	1.292.657.578	610.188.891	0	0
Broker	63.671.821	65.843.557	0	0
Other	54.775.728	77.787.303	0	0
	1.411.105.127	753.819.751	0	0
2 Staff expenses				
Wages and salaries	81.523.015	73.384.438	0	0
Pensions	3.172.187	1.781.254	0	0
Other social security expenses	3.309.905	3.658.776	0	0
Other staff expenses	3.514.031	4.915.690	0	0
	91.519.138	83.740.158	0	0
Including remuneration to the Executive Board and Board of Directors	1.225.181	1.210.500	0	0
Average number of employees	98	112	0	0

Notes to the Financial Statements

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
3 Special items				
Gain on sale of investments in subsidiaries	0	348.211.137	0	0
	0	348.211.137	0	0
Gain on sale of investments in subsidiaries is recognized in other operating income.				
4 Financial income				
Interest received from group enterprises	0	0	845.061	1.488.293
Interest received from associates	3.802.314	1.912.951	0	0
Other financial income	1.002.012	142.011	9.750	5.681
Exchange gains	709.032	0	0	5.968
	5.513.358	2.054.962	854.811	1.499.942
5 Financial expenses				
Other financial expenses	3.486.295	1.373.591	457.098	211.293
Exchange loss	0	345.182	13.394	0
	3.486.295	1.718.773	470.492	211.293
6 Tax on profit/loss for the year				
Current tax for the year	20.745.982	8.011.259	54.076	277.059
Deferred tax for the year	-5.687.917	-175.904	0	6.607
Adjustment of tax concerning previous years	60.416	83.007	0	0
	15.118.481	7.918.362	54.076	283.666

Notes to the Financial Statements

	Group	
	2022 DKK	2021 DKK
7 Profit/loss from discontinuing activities		
Revenue	0	2.246.664.730
Other operating income	0	5.506.211
Expenses for raw materials and consumables	0	-2.080.870.285
Other external expenses	0	-22.675.816
Gross profit/loss	0	148.624.840
Staff expenses	0	-36.545.846
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	0	-4.615.171
Profit/loss before financial income and expenses	0	107.463.823
Income from investments in associates	0	1.541.855
Financial income	0	0
Financial expenses	0	-4.740.081
Profit/loss before tax	0	104.265.597
Tax on profit/loss for the year	0	-22.964.730
Profit/loss from discontinuing activities	0	81.300.867

Profit/loss from discontinuing activities can be attributed to the Group's Biomass business, which has been sold during the year.

Notes to the Financial Statements

8 Intangible assets

Group

	<u>Software</u> DKK	<u>Goodwill</u> DKK	<u>Total</u> DKK
Cost at 1 January	9.374.816	10.278.772	19.653.588
Additions for the year	2.560.780	0	2.560.780
Disposals for the year	-1.456.833	0	-1.456.833
Cost at 31 December	<u>10.478.763</u>	<u>10.278.772</u>	<u>20.757.535</u>
Impairment losses and amortisation at 1 January	5.696.051	10.278.772	15.974.823
Amortisation for the year	2.059.179	0	2.059.179
Reversal of amortisation of disposals for the year	-1.013.133	0	-1.013.133
Impairment losses and amortisation at 31 December	<u>6.742.097</u>	<u>10.278.772</u>	<u>17.020.869</u>
Carrying amount at 31 December	<u>3.736.666</u>	<u>0</u>	<u>3.736.666</u>
Amortised over	<u>5 years</u>	<u>10 years</u>	

Software consist of a ERP system and other software for use in the Group.

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	180.401.527	69.604.969	4.548.463	254.554.959
Exchange adjustment	154.687	-119.611	-204.769	-169.693
Additions for the year	650.192	13.910.771	1.143.978	15.704.941
Disposals for the year	0	-2.888.111	0	-2.888.111
Transfers for the year	842.793	-842.793	0	0
Cost at 31 December	<u>182.049.199</u>	<u>79.665.225</u>	<u>5.487.672</u>	<u>267.202.096</u>
Impairment losses and depreciation at 1 January	67.772.384	25.869.317	1.817.582	95.459.283
Exchange adjustment	719	-187.625	-80.610	-267.516
Depreciation for the year	6.805.073	3.981.118	656.166	11.442.357
Reversal of impairment and depreciation of sold assets	0	-668.838	0	-668.838
Impairment losses and depreciation at 31 December	<u>74.578.176</u>	<u>28.993.972</u>	<u>2.393.138</u>	<u>105.965.286</u>
Carrying amount at 31 December	<u>107.471.023</u>	<u>50.671.253</u>	<u>3.094.534</u>	<u>161.236.810</u>
Depreciated over	<u>20-50 years</u>	<u>3-20 years</u>	<u>5-25 years</u>	

Notes to the Financial Statements

	Parent Company	
	2022	2021
	DKK	DKK
10 Investments in subsidiaries		
Cost at 1 January	53.250.000	53.250.000
Additions for the year	4.750.000	0
Cost at 31 December	<u>58.000.000</u>	<u>53.250.000</u>
Value adjustments at 1 January	347.349.075	145.835.379
Exchange adjustment	-1.043.952	195.505
Net profit/loss for the year	92.989.711	275.833.785
Dividend to the Parent Company	-60.000.000	-60.000.000
Fair value adjustment of hedging instruments for the year	503.440	-14.515.594
Value adjustments at 31 December	<u>379.798.274</u>	<u>347.349.075</u>
Carrying amount at 31 December	<u>437.798.274</u>	<u>400.599.075</u>

10 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
CM Holding A/S	Copenhagen	60%
Copenhagen Merchants A/S	Copenhagen	100%
Copenhagen Merchants Hamburg GmbH	Germany	100%
CM Geneva SA	Switzerland	100%
CM São Paulo LDTA	Brazil	100%
CM Partner A/S	Copenhagen	100%
CM Kaunas UAB	Lithuania	100%
CM Partner SIA	Latvia	100%
Copenhagen Merchants Madrid S.L	Spain	100%
Ystad Bulk Terminal AB	Sweden	100%
Dan Store, LSEZ SIA	Latvia	55%
Baltic Grain & Feed ApS	Aarhus	100%
Aarhus Omni Bulk A/S	Aarhus	80%

Notes to the Financial Statements

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
11 Investments in associates				
Cost at 1 January	193.597.041	114.996.306	0	0
Additions for the year	3.019.896	114.108.173	0	0
Disposals for the year	0	-35.507.438	0	0
Cost at 31 December	196.616.937	193.597.041	0	0
Value adjustments at 1 January	53.372.729	29.455.849	0	0
Disposals for the year	0	-2.116.049	0	0
Exchange adjustment	-877.046	96.893	0	0
Net profit/loss for the year	104.879.270	32.260.189	0	0
Dividends received	-276.000	-276.000	0	0
Revaluations for the year, net	-670.089	-670.092	0	0
Fair value adjustment of hedging instruments for the year	503.440	-5.378.061	0	0
Value adjustments at 31 December	156.932.304	53.372.729	0	0
Carrying amount at 31 December	353.549.241	246.969.770	0	0
Remaining positive difference included in the above carrying amount at 31 December	292.133	962.222	0	0

Notes to the Financial Statements

11 Investments in associates (continued)

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Aalborg Kornterminal Holding ApS	Aalborg	35%
Gdansk Bulk Terminal Sp. Z o.o.	Poland	51%
Szczecin Bulk Terminal Sp. Z o.o.	Poland	51%
Fredericia Bulk Terminal I/S	Fredericia	50%
Kalundborg Holding A/S	Kalundborg	50%
Kalundborg Bulk Terminal I/S	Kalundborg	50%
CM Biomass Holding A/S	Middelfart	24%
Norse Maritime A/S	Copenhagen	15%
Lignum Maritime A/S	Copenhagen	15%

The Groups shares in Norse Maritime A/S and Lignum Maritime A/S is classified as associates, as the Group has significant influence due to ownership agreements.

12 Other fixed asset investments

	Group				Parent Company	
	Receivables from asso-	Other	Deposits	Other receiv-	Receivables from asso-	Other
	ciates	investments			ciates	investments
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	91.709.597	13.477.821	1.046.965	112.782.332	4.615.089	10.748.973
Additions for the year	20.650.974	994.943	687.896	1.885.256	0	521.599
Disposals for the year	-9.359.903	-147.872	0	-112.786.882	-4.615.089	-147.872
Cost at 31 December	103.000.668	14.324.892	1.734.861	1.880.706	0	11.122.700
Impairment losses at 1 January	0	2.186.702	0	0	0	0
Impairment losses for the year	0	1.015.490	0	0	0	0
Impairment losses at 31 December	0	3.202.192	0	0	0	0
Carrying amount at 31 December	103.000.668	11.122.700	1.734.861	1.880.706	0	11.122.700

13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions.

Notes to the Financial Statements

14 Equity

The share capital is broken down as follow:

	Number	Nominal value DKK
A-shares	2.000.000	20.000
B-shares	198.000.000	1.980.000
		2.000.000

There have been no changes in the share capital during the last 5 years.

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
15 Distribution of profit				
Proposed dividend for the year	6.000.000	50.000.000	6.000.000	50.000.000
Reserve for net revaluation under the equity method	104.209.181	31.590.097	92.989.711	275.833.785
Minority interests' share of net profit/loss of subsidiaries	64.105.836	212.781.512	0	0
Retained earnings	-17.027.731	195.231.498	-5.808.261	-49.012.190
	157.287.286	489.603.107	93.181.450	276.821.595

16 Deferred tax asset

Deferred tax asset at 1 January	-4.644.386	-5.008.816	-49.500	-42.893
Amounts recognised in the income statement for the year	5.687.917	175.904	0	-6.607
Effect from disposal of subsidiaries and exchange rate adjustments	520.820	188.526	0	0
Deferred tax asset at 31 December	1.564.351	-4.644.386	-49.500	-49.500

Notes to the Financial Statements

17 Other provisions

Other provisions consist of onerous freight contracts that are ongoing at the balance sheet date. All contracts will be completed in 2023-2024.

Onerous contracts	27.410.939	0	0	0
	<u>27.410.939</u>	<u>0</u>	<u>0</u>	<u>0</u>

18 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>Group</u>		<u>Parent Company</u>	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
Mortgage loans				
After 5 years	4.133.606	4.058.585	0	0
Between 1 and 5 years	670.148	886.163	0	0
Long-term part	4.803.754	4.944.748	0	0
Within 1 year	157.346	223.444	0	0
	<u>4.961.100</u>	<u>5.168.192</u>	<u>0</u>	<u>0</u>
Credit institutions				
Between 1 and 5 years	6.599.894	13.416.500	0	0
Long-term part	6.599.894	13.416.500	0	0
Other short-term debt to credit institutions	6.816.794	6.816.702	0	0
	<u>13.416.688</u>	<u>20.233.202</u>	<u>0</u>	<u>0</u>
Other payables				
Between 1 and 5 years	7.793.608	9.466.701	0	0
Long-term part	7.793.608	9.466.701	0	0
Other short-term payables	34.034.598	64.153.261	0	30.884
	<u>41.828.206</u>	<u>73.619.962</u>	<u>0</u>	<u>30.884</u>

Notes to the Financial Statements

	Group	
	<u>2022</u>	<u>2021</u>
	DKK	DKK
19 Cash flow statement - adjustments		
Financial income	-5.513.358	-2.054.962
Financial expenses	3.486.295	6.458.854
Depreciation, amortisation and impairment losses, including losses and gains on sales	14.223.380	-332.202.967
Income from investments in associates	-104.209.181	-33.131.952
Tax on profit/loss for the year	15.118.481	30.883.092
Other adjustments	729.478	38.331
	<u>-76.164.905</u>	<u>-330.009.604</u>
20 Cash flow statement - change in working capital		
Change in inventories	-3.236.368	-9.717.834
Change in receivables	-40.443.599	-52.417.336
Change in other provisions	27.410.939	-3.028.784
Change in trade payables, etc	-13.490.261	49.187.735
Fair value adjustments of hedging instruments	0	-28.214.207
	<u>-29.759.289</u>	<u>-44.190.426</u>

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
21 Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	13.915.022	14.259.388	0	0
The following assets have been placed as security with bankers:				
Land and buildings with a carrying amount of	63.582.075	70.570.050	0	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	195.137.776	280.296.549	0	0
Between 1 and 5 years	87.652.691	14.332.309	0	0
After 5 years	1.456.885	1.702.646	0	0
	284.247.352	296.331.504	0	0

The total future rental and lease payments primarily consist of rent and Time Charter agreements. Furthermore, two associated companies (I/S) own warehouses built on leased land, which are on long-term leases. The lease contracts can be terminated by the associated companies within 6 months. The total lease obligation concerning warehouses on leased land amounts to DKK 1.390.000.

Notes to the Financial Statements

21 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Group is jointly and severally liable without restriction for certain Bulk Terminals liabilities.

The Group is jointly and severally liable for 51% of the commitment with bank in the associated company, Gdansk Bulk Terminal Sp. z.o.o., Poland.

The Group is jointly and severally liable for 51% of the commitment with bank in the associated company, Szczecin Bulk Terminal Sp. z.o.o., Poland.

The Group has made a guarantee of a total of TDKK 2,500 to the associated company, Kalundborg Holding A/S.

22 Related parties

Basis

Controlling interest

Torben Herman Christensen

Principal shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	DKK	DKK	DKK	DKK
23 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	495.812	705.432	10.000	5.000
Tax advisory services	387.200	252.634	3.750	1.000
Other services	154.890	15.091.322	10.000	3.000
	<u>1.037.902</u>	<u>16.049.388</u>	<u>23.750</u>	<u>9.000</u>

24 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of Torben Herman Christensen Holding ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Torben Herman Christensen Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes or where the Group, despite a smaller share of votes, on the basis of ownership agreements, exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Notes to the Financial Statements

25 Accounting Policies (continued)

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

25 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Revenue

Information on business segments and geographical segments based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Notes to the Financial Statements

25 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

25 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software are amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-20 years
Leasehold improvements	5-25 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

25 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of long-term receivables, deposits and unlisted shares.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Notes to the Financial Statements

25 Accounting Policies (continued)

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions etc.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

25 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

25 Accounting Policies (continued)

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$