Grant Thornton

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FMH ApS

C/O Hansen Gl Strandvej 294, 3050 Humlebæk

Company reg. no. 10 14 14 27

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 7 May 2024.

Ole Munksgaard Hansen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Managing Director has approved the annual report of FMH ApS for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my 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 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Humlebæk, 7 May 2024

Managing Director

Ole Munksgaard Hansen

Independent auditor's report

To the Shareholders of FMH ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FMH ApS for the financial year 1 January to 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

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 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 Consolidated Financial Statements and the Parent Company 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.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company 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.

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group´s and the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- 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.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the consolidated financial statements and the parent company 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 Financial Statements Act.

Based on the work we have performed, we conclude that Management’s Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management’s Review.

Copenhagen, 7 May 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Jan Tønnesen
State Authorised Public Accountant
mne9459

Alice Gardalid
State Authorised Public Accountant
mne47829

Company information

The company	FMH ApS C/O Hansen Gl Strandvej 294 3050 Humlebæk	
	Company reg. no.	10 14 14 27
	Financial year:	1 January - 31 December
Managing Director	Ole Munksgaard Hansen	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiaries	MCM International A/S, Gentofte Malte Hansen Holding 2021 ApS, Nivå	

Consolidated financial highlights

DKK in thousands.	2023	2022	2021	2020	2019
Income statement:					
Revenue	1.542.977	1.527.552	1.310.524	1.204.521	1.419.736
Gross profit	69.242	65.416	64.586	46.621	13.249
Profit from operating activities	26.146	24.083	25.452	6.661	-1.426
Net financials	3.069	3.343	2.290	661	-1.426
Net profit or loss for the year	24.924	22.729	22.703	5.482	9.095
Statement of financial position:					
Balance sheet total	335.731	316.612	270.353	266.401	304.613
Investments in property, plant and equipment	16.143	0	0	0	0
Equity	112.508	92.206	107.229	83.067	77.377
Cash flows:					
Operating activities	35.984	31.343	34.349	9.598	27.309
Investing activities	26.729	21.180	890	-814	-1
Financing activities	-61.857	-52.647	-34.025	-8.953	-27.267
Total cash flows	856	-124	1.215	-168	41
Employees:					
Average number of full-time employees	49	50	50	56	58
Key figures in %:					
Profit margin (EBIT-margin)	1,7	1,6	1,9	0,6	-0,1
Solvency ratio	23,0	21,1	18,1	25,4	21,2
Return on equity	18,3	18,4	24,3	13,5	12,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Profit margin (EBIT margin) $\dfrac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$

Solvency ratio $\dfrac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$

Return on equity $\dfrac{\text{*Profit x 100}}{\text{Average equity exclusive of non-controlling interests}}$

***Profit** Net profit or loss for the year less non-controlling interests' share hereof

Management´s review

The principal activities of the group

FMH ApS operates as a holding company for the sub-group "BPI A/S". Key activities in the group relates to global trading of foodstuffs under own brands as well as private labels.

Unusual circumstances

One of the results of the global inflation was a large fluctuation in commodity prices affecting all commerce – also the BPI activities. In addition, the war in Ukraine presented challenges purchasing goods from the country. The effect on BPI activities has been minor. The group's assets, liabilities, and financial position as of 31 December 2023 and the results of the group's activities and cash flow for 2023 are not affected by unusual circumstances.

Uncertainties about recognition or measurement

In the past financial year 2023, there have been no events or otherwise unusual circumstances that have affected the recognition or measurement of the company's activities.

Development in activities and financial matters

The consolidated income statement for the group shows a profit of DKK 24.923.584 against DKK 22.728.990 last year. The group's balance sheet as of 31 December 2023 shows equity of DKK 112.508.069 and a solvency ratio of 23%.

In the management’s review in the annual report for 2022, we expected group revenue in 2023 to be a bit lower than revenue in 2022, which also happened, even it was only less than 1% lower.

Significant events during the year

Foreign sales account for more than 80%, and this share is expected to be maintained in the future. We buy and sell goods in more than one hundred countries across all continents.

Foodservice

Our Foodservice department currently consists of divisions in Scandinavia, Germany, Benelux, Spain, and France. In many ways, the Foodservice department embodies BPI's DNA, as over 20 years ago, we ventured into importing quality poultry, especially from Thailand. Now, 20 years later, with animal welfare and climate firmly on the global agenda, it has proven to be a very good decision. In terms of food quality, animal welfare, and CO2 emissions, our regular assortment ranks at the top of the preferences expressed by industrial customers, chain customers, and especially catering customers, including restaurants and cafeterias. We also receive significant support from animal welfare NGOs. We repeatedly document our efforts for animal welfare and aim not only to comply with but also to surpass ECC requirements. We are working towards offering chicken with ratings of 1, 2, and 3 hearts by 2024.

For several years, we have supplied lamb to our customers under the brand "Recommended by the Animal Protection," which is the Danish animal welfare NGO. Our strengths in these various areas have positioned us as the main supplier to industrial customers like Nomad (Findus; Iglo, etc.) as well as chain customers, some of whom prefer us as their global supplier. Our high standards for auditing our skilled producers have also drawn attention from foreign customers, resulting in significant growth both within and outside Scandinavia. For several years, we have been the largest branded supplier to foodservice customers, fast-food chains, and takeaway chains throughout Scandinavia.

Management´s review

However, this growth affects our balance sheet negatively, as we must ensure that all our customers, including chains, cafeterias, and industrial customers, are provided with a secure supply of goods on a day-to-day basis. Therefore, BPI always maintains a sufficiently large inventory to ensure that our customers do not experience shortages. In 2023, we strengthened both our purchase functions, sales force, and marketing and controlling functions. At BPI, we budget for constant growth in our strategic plan for our foodservice divisions, a goal that has been consistently achieved year after year.

Retail

Retail in 2023 was characterized by customers becoming even more price-conscious, leading major retail chains to trade down. This means they downsized package sizes or adjusted product quality to offer lower prices. This trend was quite positive for BPI, as we can quickly adapt and adjust our product portfolio through our extensive global supplier network. This resulted in a modest growth in our Danish business. In the Swedish market, where we primarily sell "non-Swedish-produced" products, we faced challenges due to the low Swedish exchange rate. However, despite this, we managed to grow in this market.

In 2024, we expect the trend from 2023 to continue, meaning the majority of our customers will still prioritize price over quality, organic products, and animal welfare.

Bulk meat

The pork market was very strong in the beginning of 2023 due to a perfect combination of many factors, such as high inflation, low slaughters, and a high demand. It made prices go extremely high on some cuts and biproducts. The market lasted at a relatively strong and high level until July/August and then the demand dropped significantly. The importers were suddenly faced with slower turnover of inventory, which blocked cashflow and led to rumors of potential decreases in new offerings. The prices lowered in the end of Q3, but not as much as the market expected, and during Q4 we even saw some increases again. Mainly caused by the Christmas sales.
Already in the end of Q3 it was clear, that Europe lost a huge chunk of the sales to Asia, and that Brazil took over as main supplier to the region. Prices were at one point approx. 50% lower from Brazil than Europe on prime cuts, which were making export to Asia almost impossible for European suppliers. The “luck” for the suppliers was that in the same period the slaughters were down, which absorbed some of the issues, but products like rinds, masks, livers, and fats were having a difficult time.

A new world for pork demand was a reality, as China officially went self-sufficient. Since Q1 2023 the monthly import by China has decreased compared with same period 2022 and in the end of 2023 the Chinese Government introduced a program to the farmers to lower the production of pigs in order to keep the prices more stable. In 2023, Hong Kong did almost 15% less biproducts compared with 2022, which also signals a dramatic change.

In the end of 2023, China allowed Russian import, which is expected to put even more pressure on European and American export. Brazil is expected to continue increasing their export to Asia and win even more of the market in the years to come. The importance of having sales to Asia is, that with a very few exceptions it is a higher value market, than the alternative African continent. Latin America is also becoming a bigger region in general for import, which we are going to explore in 2024.

Management´s review

The chicken market as well went through some big changes in 2023 with significant drops and peaks during the year. Brazilian suppliers were extremely competitive and aggressive in 2023 and we expect them to continue in 2024.

The beef market has settled at a relatively high level and is still seen as an “luxury” commodity, when speaking about main cuts. Biproducts are still selling to Asia and Africa, but it is very volatile and due to risk management, it has not been our main focus in 2023.
In general, we see the trend of consolidation among the big producers and a wish to be more direct in the market to end-users to continue, but we remain positive for 2024 though, as financing and market knowledge are still important parts of being relevant in the business.

The markets for pork and chicken are expected to adjust in order to ensure a better balance in supply/demand and our diversity and know-how of markets in the regions in which we operate make us confident, that 2024 will be a reasonable year although some challenges are expected.

Milk Powder
The price for milk powders has been relatively stable in 2023. For our main product – FCMP instant we have seen prices around 3200 USD/MT early in the year, with low in the summer with 2800 USD/MT and high at the end of the year at 3500 USD/MT. The main challenge has been getting the required quantities for our main markets and customers. We have been able to sell at higher than market prices mainly due to our brand Cow Pow being recognized and sought after by many customers.

We especially experienced growth in sales in Middle East, whereas Africa has presented difficulties due to the high prices.

By the end of 2023, the milk powder market has been exposed to a large price increase and very limited quantities available. Despite this, we have been able to get products and sell at high prices and have a good order inventory for the start of 2024.

This year, the department for milk powder has been able to develop new markets and acquired new suppliers in accordance with our strategy.

For the past two years, we have continued to purchase milk powder from Ukraine. The goods are shipped out of Ukraine via Romania, where shipment to the Middle East and the Far East is facilitated through the Black Sea. Despite the increased risks associated with the conflict, we have chosen to maintain this trade to support Ukrainian dairies. With Ukraine's lost exports to Russia and other former CIS countries in mind, it has been possible to increase purchases in Ukraine by up to 50%.

Management´s review

New activities, investments, and consolidation

BPI has a significant share of the trade in especially poultry and cheese on the Scandinavian market. So far, we have not been able to cover the Norwegian market without using external trading houses. The Norwegian market is characterized by high import taxes and a very complicated licensing system. BPI has employed a very experienced manager to start our import into Norway. We therefore established BPI Norge AS in 2022, and we have great expectations for Norway in 2024 and beyond. For our many large international suppliers and partners, it is of great importance that BPI covers all of Scandinavia as a large home market. At the same time as the establishment in Norway, we have consolidated the current business areas and prepared the company for more profitable growth.
The group also continues to make due diligences on investments in representation internationally, securing our global presence.

Expected developments

Revenue in 2024 depends on the very volatile market seen in the last 12 months. We expect turnover to be a bit lower in 2024 compared to 2023. The group EBIT in 2024 is expected to be at the level of 2023. At the end of 2023, the liquidity situation was still very favorable for the BPI group. We utilized less than 32% of our credit line in Jyske Bank, and we remain in a very favorable situation in this area.

Financial risks

Interest rate risks

The group's interest bearing debt primarily consists of mortgage loans and debt to credit institutions with a variable interest rate. Consequently, the group is exposed to interest rate fluctuations.

Credit risk

The group remains relatively independent from individual customers due to heavy diversification. Debtors are for a large part credit insured to minimize losses. Debtors who cannot be insured have to prepay or issue a letter of credit. Alternatively, they can agree to "cash against documents" terms.

Currency risk

Currency risk is hedged daily via forward transactions.

Environment and climate

We will continuously work to reduce our environmental and climate impact. This primarily relates to our own activities when transporting products to our customers and maintenance of our own buildings. In dialogue with our customers and clients, we will aim to improve performance in our supply chain by providing advice when relevant and possible and by this reduce the risk according to the environment.

Policies

BPI works to buy our products where they are produced most CO_2 neutral. For example, chicken is an Asian jungle bird that thrives on local temperatures in Asia and South America. In Scandinavia, huge CO_2 resources are required for local production of special chickens as much as the feed is imported and the production of chicken in Scandinavia requires heating to 25 degrees Celsius inside the farm buildings.

Management´s review

Action/effort

As a Danish family owned international food company, BPI does not directly have an environmental impact from production or similar activities. As mentioned, our impact is related to transport, where we do not have the direct influence on the environmental impact.

Indirectly, our environmental impact started decreasing in bigger scale from 1 January 2020, when all containerships were forced to change from heavy fuel to light fuel or mounting of scrubbers if continued use of heavy fuel. This will still increase in reducing the direct impact on the environment from this transport. This international initiative is also expected to replace old ships with new and more fuel efficient vessels.

In 2022, we received an offer to install solar panels on part of the roof of the domicile building in Gentofte, Denmark. Installation of solar panels requires local public approval, which we only got in June 2023. After we received this late public approval for the installation of solar panels, it was necessary to request new bids as the technology had developed in the meantime. In December 2023, we had solar panels installed, and they were immediately put into operation.

The installed solar panels will cover approximately 50% of BPI's electricity consumption at the headquarters in Gentofte.

Results

Our environmental impact decreased ongoing from 2020 related to:

- Vessels have changed from heavy fuel to light fuel or mounting of scrubbers
- Continued use of public heating of our head office
- Continued use of environmentally friendly heat pumps in our head office
- Installation of solar panels

Subsequent events

From the balance sheet date and until today, no events have occurred that disrupts the assessment of the annual report.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

BPI A/S follows the UN's ten guiding principles for Global Compact, which constitutes the foundation for the company's Code of Conduct. Our Code of Conduct, https://bpi.nu/wp-content/uploads/2018/03/BPIs-Code-of-Conduct.pdf makes sure we live up to our responsibility internally and also secures that our suppliers live up to and follow the principles in our Code of Conduct. The Code of Conduct describes the company's values and approach to corporate social responsibility within the areas of environment/climate, human rights, social relations, and animal welfare.

European Chicken Commitment

At BPI we are continually working to improve animal welfare for chickens. Starting from 2021, we have been able to supply chickens that live up to the European Chicken Commitment (ECC), given that the demand is high enough. Due to structural conditions in Thailand, where the chickens are produced, it is possible that the better stunning procedure will be implemented at a later point – no later than 1 January 2026, given that demand is strong enough.

Management´s review

Social and employee relations

Policies

We want to be an attractive and preferred place of work to current as well as future employees. We will ensure equal opportunity and a diverse workforce through the way we hire.
Employee health and safety is a prerequisite for how we do business, both within our own company and within the companies we cooperate with.
We are constantly monitoring that employee turnover does not increase.
The risk of this increases if we are not aware of the working environment, for example.

Action taken

It is our ambition that all employees shall maintain the opportunity to advance on an equal basis in the organization, regardless of gender or ethnicity; we pursue this goal by formulating our job ads so that they are accessible broadly. It has been possible, therefore, to hire competent employees from very different backgrounds. At BPI, we have employees of 19 different nationalities.

The APV Committee has held the scheduled meetings. We also follow the sick leave.

Results

Those efforts are an ongoing process, and we still get closer to our goals according to a more equal representation of both genders in leading positions in BPI A/S, without compromising qualifications.

There have been no work injuries so far.

Human rights

Policies

In support of human rights and living conditions in general in the countries where our suppliers are situated, we will continue to engage in social projects that will improve and develop the local areas where we operate.

Therefore, in 2023, we have also been attentive to how we can assist Ukraine following the Russian attack in 2022. In the beginning of 2023, when the electricity supply in Ukraine was severely challenged, we seized the opportunity to deliver 42 smaller generators to Ukraine.

In the medium- and long term, compliance with human rights will increase our international opportunities and make it possible to engage with most of the world's buyers and suppliers in the international food industry, which maintain a similar focus.

We are aware that we also have a responsibility in the meantime, where we are constantly on guard against the risk of contributing to the violation of human rights.

Management´s review

Action taken
We will visit our suppliers again in 2024 on a number of occasions and state that their respect for fundamental human rights is important to our cooperation and that this will also be important to BPI in 2024.

BPI is a member of Sedex which helps us to increase actions regarding human rights according to labor standards, health and safety, environment and business ethics.

BPI has supported the NGO “Save the Children” in order to help raising the living standards and respect for human rights in the countries where we operate, such as in the Middle East and Asia.

BPI works together with NGO Animal Welfare in Denmark, and we brand our lambs with the official animal welfare logo.

Results
During the conversations with our suppliers, we feel that they are moving in a positive direction with respect to human rights, but it is not an area where BPI can monitor the development by using KPIs.

Anticorruption and bribery
Policies
BPI has a zero tolerance to all types of corruption, facility payments, and anti-competitive behavior.

We continuously assess the risk of violating local law in the countries in which we operate, in the same way that we assess the risk of violating our own standards.

Action taken
We have reviewed all agreements with a view to identifying whether agreements and transactions may be subject to the risk of bribery and corruption.

Results
The above review of agreements did not result in any agreements or transactions being detected which were found to be covered by terms such as bribery or corruption.

Management´s review

Target figures and policies for the underrepresented gender

Overview of the status of target figures for the underrepresented gender

	2023
Board of Directors	
Total number of members of board of Directors, excluding employee-elected members	5
Underrepresented gender in board of Directors	20 %
Target figure of underrepresented gender in board of Directors	25 %
Year of expected fulfillment	2026

The company is excepted from setting target figures for the company’s top management as the number of employees totals less than 50.

Target figures for the company’s top management
Over the last years, BPI A/S had the goal of having 20% females in the board of directors, which we reached in 2021.

BPI's gender policy on other management levels is revised on an ongoing basis. The overall aim is to secure a gender composition that represents both genders. In 2018, equal distribution of the genders was achieved on other management levels and is still maintained.

Report on the company’s policy on data ethics according to the Danish Financial Statements Act, Section 99d
The company’s activities and business model does not include data processing to an extent where the management finds it necessary to establish a policy. The company does not process data and likewise does not use algorithms for data analysis and thus, this is not an integrated part of the company’s strategy and business model.

Accounting policies

The annual report for FMH ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Accounting policies

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company FMH ApS and those group enterprises of which FMH ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets as well as operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises and participating interest

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the individual participating interests are recognised in the income statement of both the group and the parent as a proportional share of the participating interest' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

Accounting policies

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Patents and licences

Patents and licenses are measured at the lower cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licenses are amortised over the licence period; however not exceeding 20 years.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set to 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Property, plant, and equipment

Land and buildings is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Land and buildings is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The estimated usefuld lives and residual value of buildings, DKK 52,2 mio, are reassessed annually.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

Accounting policies

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-8 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases
At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets
The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises og participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in group enterprises and participating interest

Investments in group enterprises and participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises and participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises and participating interest but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprises and participating interest with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and participating interest transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises and participating interest.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Accounting policies

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

Accounting policies

The reserve cannot be recognised by a negative amount.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, FMH ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group' cash and cash equivalents at the beginning and the end of the year, respectively.

A cash flow statement for the parent has not been prepared as the cash flows of the enterprise are included in the consolidated cash flow statement, cf. section 86, subsection 4, of the Danish Financial Statements Act.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Accounting policies

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.

Segmental statement

Information on business segments and geographical segments based on the groups risks and returns and its internal financial income and expenses in the income statement.

Assets in the segment comprise the assets used directly in the segment's revenue-generating activity.

Income statement 1 January - 31 December

All amounts in DKK.

		Group		Parent	
Note		2023	2022	2023	2022
2	Revenue	1.542.977.330	1.527.552.109	266.000	0
	Other operating income	1.378.393	753.357	0	0
	Costs of raw materials and consumables	1.443.509.874	1.437.803.869	0	0
	Other external expenses	-31.603.549	-25.085.797	-240.184	-16.875
	Gross profit	**69.242.300**	**65.415.800**	**25.816**	**-16.875**
4	Staff costs	-40.850.544	-38.956.995	0	0
	Depreciation, amortisation, and impairment	-2.245.372	0	-165.979	0
	Impairment of current assets exceeding usual impairment	0	-2.375.917	0	0
	Operating profit	**26.146.384**	**24.082.888**	**-140.163**	**-16.875**
	Income from investments in group enterprises	0	0	12.957.617	9.636.576
	Income from investments in associates	10.785.053	7.491.603	0	0
	Other financial income from group enterprises	0	0	759.738	329.674
	Other financial income	28.209	364.049	19	0
	Other financial expenses	-7.743.927	-4.512.329	-284.610	-1.535
	Pre-tax net profit or loss	**29.215.719**	**27.426.211**	**13.292.601**	**9.947.840**
5	Tax on net profit or loss for the year	-4.292.135	-4.697.221	-107.737	-68.278
6	**Net profit or loss for the year**	**24.923.584**	**22.728.990**	**13.184.864**	**9.879.562**
	Break-down of the consolidated profit or loss:				
	Shareholders in FMH ApS	13.184.864	11.908.743		
	Non-controlling interests	11.738.720	10.820.247		
		24.923.584	**22.728.990**		

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	Group 2023	Group 2022	Parent 2023	Parent 2022
	Non-current assets				
7	Acquired patents	15.443.640	16.822.560	0	0
8	Goodwill	562.694	595.298	0	0
	Total intangible assets	16.006.334	17.417.858	0	0
9	Property	52.170.293	36.300.000	15.936.871	0
10	Other fixtures, fittings, tools and equipment	1.302.764	1.499.901	40.000	0
	Total property, plant, and equipment	53.473.057	37.799.901	15.976.871	0
11	Investments in group enterprises	0	0	49.882.115	49.439.977
12	Investments in participating interests	22.856.084	15.394.365	13.333	0
	Total investments	22.856.084	15.394.365	49.895.448	49.439.977
	Total non-current assets	**92.335.475**	**70.612.124**	**65.872.319**	**49.439.977**
	Current assets				
	Raw materials and consumables	54.894.338	79.612.969	0	0
	Prepayments for goods	0	1.587.801	0	0
	Total inventories	54.894.338	81.200.770	0	0
	Trade receivables	177.083.093	159.317.677	0	0
	Receivables from group enterprises	0	0	21.254.360	17.500.193
	Receivables from participating interest	183.143	152.740	100.000	0
	Income tax receivables	0	241.241	0	245.700
	Tax receivables from group enterprises	0	0	345.426	47.124
	Other receivables	9.023.211	3.773.519	0	0
13	Prepayments	69.000	27.844	0	0
	Total receivables	186.358.447	163.513.021	21.699.786	17.793.017
	Cash and cash equivalents	2.142.734	1.286.364	0	213.610
	Total current assets	**243.395.519**	**246.000.155**	**21.699.786**	**18.006.627**
	Total assets	**335.730.994**	**316.612.279**	**87.572.105**	**67.446.604**

Balance sheet at 31 December

All amounts in DKK.

	Equity and liabilities	Group		Parent	
Note		2023	2022	2023	2022
	Equity				
14	Contributed capital	125.000	125.000	125.000	125.000
	Revaluation reserve	12.557.854	12.530.400	0	0
	Reserve for net revaluation according to the equity method	0	0	49.501.747	46.934.752
	Reserve for foreign currency translation	-237.040	-255.792	0	0
	Retained earnings	64.705.145	54.520.281	27.524.212	19.860.137
	Equity before non-controlling interest.	77.150.959	66.919.889	77.150.959	66.919.889
	Non-controlling interests	35.357.110	25.286.192	0	0
	Total equity	**112.508.069**	**92.206.081**	**77.150.959**	**66.919.889**
	Provisions				
15	Provisions for deferred tax	5.025.263	4.899.262	0	0
16	Other provisions	376.720	2.709.051	0	0
	Total provisions	**5.401.983**	**7.608.313**	**0**	**0**
	Liabilities other than provisions				
	Mortgage loans	19.061.423	10.402.578	9.233.675	0
17	Total long term liabilities other than provisions	19.061.423	10.402.578	9.233.675	0
17	Current portion of long term liabilities	770.783	634.666	190.282	0
	Bank loans	64.265.141	91.995.157	108.540	0
	Prepayments received from customers	2.399.035	3.024.579	0	0
	Trade payables	120.754.346	95.464.292	0	0
	Payables to subsidiaries	0	0	399.189	152.913
	Income tax payable	476.560	0	198.283	0
	Income tax payable to group enterprises	0	0	254.880	361.302
	Other payables	10.093.654	15.276.613	36.297	12.500
	Total short term liabilities other than provisions	198.759.519	206.395.307	1.187.471	526.715
	Total liabilities other than provisions	**217.820.942**	**216.797.885**	**10.421.146**	**526.715**
	Total equity and liabilities	**335.730.994**	**316.612.279**	**87.572.105**	**67.446.604**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note

1 Subsequent events

3 Fees, auditor

18 Charges and security

19 Contingencies

20 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Revaluation reserve	Reserve for foreign currency translation	Retained earnings	Non-controlling interests	Total
Equity 1 January 2023	125.000	12.530.400	-255.792	54.520.281	25.286.192	92.206.081
Share of profit or loss	0	0	0	13.184.864	11.738.720	24.923.584
Distributed extraordinary dividend adopted during the financial year	0	0	0	-3.000.000	-1.713.168	-4.713.168
Foreign currency translation adjustments	0	0	18.752	0	18.569	37.321
Revaluations for the year	0	34.692	0	0	34.355	69.047
Tax on revaluation for the year	0	-7.632	0	0	-7.558	-15.190
Dividend from associates	0	394	0	0	0	394
	125.000	**12.557.854**	**-237.040**	**64.705.145**	**35.357.110**	**112.508.069**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2022	125.000	46.934.752	19.860.137	66.919.889
Share of profit or loss	0	12.957.649	-2.772.785	10.184.864
Extraordinary dividend adopted during the financial year	0	0	3.000.000	3.000.000
Distributed extraordinary dividend adopted during the financial year	0	0	-3.000.000	-3.000.000
Distributed dividend	0	-12.561.700	12.561.700	0
Other equity movements	0	46.206	0	46.206
Transferred to retained earnings	0	2.124.840	0	2.124.840
Transferred from reserves	0	0	-2.124.840	-2.124.840
	125.000	**49.501.747**	**27.524.212**	**77.150.959**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2023	2022
	Net profit or loss for the year	65.542.924	22.714.860
21	Adjustments	-37.317.129	3.650.410
22	Change in working capital	18.496.494	14.753.152
	Cash flows from operating activities before net financials	46.722.289	41.118.422
	Interest received, etc.	787.928	696.456
	Interest paid, etc.	-8.503.664	-4.844.650
	Cash flows from ordinary activities	39.006.553	36.970.228
	Income tax paid	-3.022.330	-5.627.343
	Cash flows from operating activities	**35.984.223**	**31.342.885**
	Purchase of property, plant, and equipment	-16.689.617	-1.083.095
	Sale of property, plant, and equipment	220.000	2.916.229
	Acquisition of enterprise	0	-37.655.000
	Sale of enterprise	0	7.655.376
	Dividends received	0	47.775.000
	Dividend received from associates	43.225.589	1.495.399
	Other cash flows from (spent on) investment activities	-26.666	75.937
	Cash flows from investment activities	**26.729.306**	**21.179.846**
	Long-term payables incurred	9.469.838	0
	Repayments of long-term payables	-4.440.300	-605.720
	Dividend paid	-44.586.678	-54.750.000
	Other cash flows from financing activities	-22.300.020	2.709.051
	Cash flows from financing activities	**-61.857.160**	**-52.646.669**
	Change in cash and cash equivalents	**856.369**	**-123.938**
	Cash and cash equivalents at 1 January 2023	1.286.364	1.410.302
	Cash and cash equivalents at 31 December 2023	**2.142.733**	**1.286.364**

	2023	2022
Cash and cash equivalents		
Cash and cash equivalents	2.142.733	1.286.364
Cash and cash equivalents at 31 December 2023	**2.142.733**	**1.286.364**

Notes

All amounts in DKK.

1. Subsequent events

From the balance sheet date and until today, no events have occurred that disrupts the assessment of the annual report.

2. Revenue

Segmental statement

Activities – primary segment:

	Meat	Dairy	Other	Total
Group	950.565.197	508.138.140	84.273.993	1.542.977.330

		Total
Parent	266.000	266.000

Geographical – secondary segment:

	Revenue, Denmark	Revenue, exports	Total
Group	314.328.829	1.228.648.501	1.542.977.330

		Total
Parent	266.000	266.000

	Group 2023	2022
3. Fees, auditor		
Total remuneration for Grant Thornton, Certified Public Accountants	425.516	550.300
Remuneration related to statutory audit	231.021	232.200
Tax-related consulting	114.400	105.000
Assurance engagements	0	213.100
Other services	80.095	0
	425.516	**550.300**

Notes

All amounts in DKK.

		Group 2023	Group 2022
4.	**Staff costs**		
	Salaries and wages	37.466.922	35.584.337
	Pension costs	3.015.721	2.983.576
	Other costs for social security	367.901	389.082
		40.850.544	**38.956.995**
	Executive board	2.728.445	3.165.000
	Board of directors	450.000	450.000
	Executive board and board of directors	**3.178.445**	**3.615.000**
	Average number of employees	49	50

		Group 2023	Group 2022	Parent 2023	Parent 2022
5.	**Tax on net profit or loss for the year**				
	Tax on net profit or loss for the year	4.181.301	4.360.663	107.737	68.478
	Adjustment of deferred tax for the year	110.811	370.790	0	0
	Adjustment of tax for previous years	23	-34.232	0	-200
		4.292.135	**4.697.221**	**107.737**	**68.278**

		Parent 2023	Parent 2022
6.	**Proposed distribution of net profit**		
	Extraordinary dividend distributed during the financial year	3.000.000	5.000.000
	Reserves for net revaluation according to the equity method	12.957.649	9.636.576
	Allocated from retained earnings	-2.772.785	-4.757.014
	Total allocations and transfers	**13.184.864**	**9.879.562**

Notes

All amounts in DKK.

		Group 31/12 2023	31/12 2022
7.	**Acquired patents**		
	Cost 1 January 2023	27.240.862	27.240.862
	Cost 31 December 2023	**27.240.862**	**27.240.862**
	Amortisation and write-down 1 January 2023	-10.418.302	-9.114.179
	Amortisation and depreciation for the year	-1.378.920	-1.304.123
	Amortisation and write-down 31 December 2023	**-11.797.222**	**-10.418.302**
	Carrying amount, 31 December 2023	**15.443.640**	**16.822.560**

		Group 31/12 2023	31/12 2022
8.	**Goodwill**		
	Cost 1 January 2023	3.665.958	3.665.958
	Cost 31 December 2023	**3.665.958**	**3.665.958**
	Amortisation and write-down 1 January 2023	-3.070.660	-3.036.645
	Amortisation and depreciation for the year	-32.604	-34.015
	Amortisation and write-down 31 December 2023	**-3.103.264**	**-3.070.660**
	Carrying amount, 31 December 2023	**562.694**	**595.298**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
9.	**Property**				
	Cost 1 January 2023	12.987.158	16.813.736	0	0
	Additions during the year	16.232.394	0	16.097.850	0
	Disposals during the year	0	-3.826.578	0	0
	Cost 31 December 2023	**29.219.552**	**12.987.158**	**16.097.850**	**0**
	Revaluation 1 January 2023	26.837.134	27.843.545	0	0
	Revaluations for the year	69.047	-1.006.411	0	0
	Revaluation 31 December 2023	**26.906.181**	**26.837.134**	**0**	**0**
	Depreciation and write-down 1 January 2023	-3.524.292	-4.057.285	0	0
	Amortisation and depreciation for the year	-431.148	-462.111	-160.979	0
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	995.104	0	0
	Depreciation and write-down 31 December 2023	**-3.955.440**	**-3.524.292**	**-160.979**	**0**
	Carrying amount, 31 December 2023	**52.170.293**	**36.300.000**	**15.936.871**	**0**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
10.	**Other fixtures, fittings, tools and equipment**				
	Cost 1 January 2023	9.642.199	9.455.053	0	0
	Additions during the year	457.223	1.083.095	45.000	0
	Disposals during the year	-298.295	-895.949	0	0
	Cost 31 December 2023	**9.801.127**	**9.642.199**	**45.000**	**0**
	Depreciation and write-down 1 January 2023	-8.142.298	-8.265.572	0	0
	Amortisation and depreciation for the year	-389.125	-516.516	-5.000	0
	Impairment loss for the year	0	639.790	0	0
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	33.060	0	0	0
	Depreciation and write-down 31 December 2023	**-8.498.363**	**-8.142.298**	**-5.000**	**0**
	Carrying amount, 31 December 2023	**1.302.764**	**1.499.901**	**40.000**	**0**
	Lease assets are recognised at a carrying amount of	0	0	0	0

Notes

All amounts in DKK.

		Parent 31/12 2023	Parent 31/12 2022
11.	**Investments in group enterprises**		
	Cost 1 January 2023	380.400	450.400
	Disposals during the year	0	-70.000
	Cost 31 December 2023	**380.400**	**380.400**
	Revaluations, opening balance 1 January 2023	49.059.577	62.422.714
	Net profit or loss for the year before amortisation of goodwill	12.957.632	11.761.417
	Reversals for the year concerning disposals	0	-9.710.217
	Dividend	-12.561.700	-15.010.000
	Other equity movements	46.206	-404.337
	Revaluations 31 December 2023	**49.501.715**	**49.059.577**
	Carrying amount, 31 December 2023	**49.882.115**	**49.439.977**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, FMH ApS**
MCM International A/S, Gentofte	76 %	65.251.140	16.915.963	49.590.867
Malte Hansen Holding 2021 ApS, Nivå	1 %	22.184.610	9.915.963	291.248
		87.435.750	**26.831.926**	**49.882.115**

Notes

All amounts in DKK.

	Group 31/12 2023	Group 31/12 2022	Parent 31/12 2023	Parent 31/12 2022
12. Investments in participating interests				
Cost 1 January 2023	50.000	62.500	0	12.499
Additions during the year	26.666	0	13.333	0
Disposals during the year	0	-12.500	0	-12.499
Cost 31 December 2023	**76.666**	**50.000**	**13.333**	**0**
Revaluations, opening balance 1 January 2023	15.344.365	9.335.662	0	-12.499
Net profit or loss for the year before amortisation of goodwill	10.785.053	7.491.603	0	0
Reversals for the year concerning disposals	0	12.499	0	12.499
Dividend	-3.350.000	-1.495.399	0	0
Revaluations 31 December 2023	**22.779.418**	**15.344.365**	**0**	**0**
Carrying amount, 31 December 2023	**22.856.084**	**15.394.365**	**13.333**	**0**

Participating interests:

	Domicile	**Equity interest**
Participating interest 1	Denmark	50 %
Participating interest 2	Denmark	50 %

Pursuant to Section 97a (2 and 4) of the Danish Statements Act, investments in participaring interest are not disclosed.

13. Prepayments

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

14. Contributed capital

The share capital consists of 125.000 shares, each with a nominel value of DKK 1

Notes

All amounts in DKK.

		Group 31/12 2023	Group 31/12 2022
15.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2023	4.899.262	4.749.884
	Deferred tax relating to the net profit or loss for the year	126.001	370.790
	Deferred tax recognised directly in equity	0	-221.412
		5.025.263	**4.899.262**

		Group 31/12 2023	Group 31/12 2022
16.	**Other provisions**		
	Provisions for group enterprises	376.720	2.709.051
		376.720	**2.709.051**

17. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Group				
Mortgage loans	19.832.206	770.783	19.061.423	16.254.978
	19.832.206	**770.783**	**19.061.423**	**16.254.978**
Parent				
Mortgage loans	9.423.957	190.282	9.233.675	8.369.647
	9.423.957	**190.282**	**9.233.675**	**8.369.647**

18. Charges and security

As collateral for mortgage loans for FMH Group, DKK 19,8 million, security has been granted on land and buildings representing a carrying amount of DKK 52,2 million at 31 December 2023.

Notes

All amounts in DKK.

18. Charges and security (continued)

BPI A/S has granted a floating charge of a nominel amount of DKK 48,1 million for bank debt to Jyske Bank A/S. On the balance sheet date, BPI A/S's debt to Jyske Bank A/S amounts to DKK 52,1 mio.

	DKK in thousands
Inventories	49.476
Trade receivables	170.801
Acquired licenses	4.986
Other fixtures, fittings, tools and equipment	1.263

19. Contingencies

Contingent liabilities

BPI A/S has provided a surety (primary liability) in respect of the parent company MCM International A/S bank facility. On the balance sheet date, MCM International A/S debt to Jyske Bank A/S amounts to DKK 4,2 million.

BPI A/S has provided a surety (primary liability) in respect of the group company BPI GmbH bank facility limited to EUR 0,1 million. On the balance date, BPI GmbH debt to Jyske Bank A/S amounts to DKK 0,8 million.

When applying for import licenses from the EU authorities in a limited number of EU countries, insurance companies, on behalf of BPI, guarantee to fulfill the company's obligations in applying for the above import licenses. Insurance companies have guaranteed in total DKK 16,5 million, EUR 6,1 million and NOK 1 million.

BPI A/S has assumed lease obligations, which at the balance date amounted to DKK 1,1 million in the period of non-terminability.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

20. Related parties

Controlling interest

Ole Munksgaard Hansen, Gl Strandvej 294, 3959 Humlebæk	Ultimative majority shareholder

Transactions

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

Notes

All amounts in DKK.

		Group 2023	2022
21.	**Adjustments**		
	Depreciation, amortisation, and impairment	2.049.583	2.375.917
	Income from investments in associates	-51.404.392	-7.491.603
	Other financial income	-787.928	-364.049
	Other financial expenses	8.503.664	4.512.329
	Tax on net profit or loss for the year	4.292.135	4.737.226
	Other adjustments	29.809	-119.410
		-37.317.129	**3.650.410**

		Group 2023	2022
22.	**Change in working capital**		
	Change in inventories	26.306.432	-28.880.944
	Change in receivables	-26.999.444	-16.542.064
	Change in trade payables and other payables	19.189.506	60.176.160
		18.496.494	**14.753.152**

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Ole Munksgaard Hansen
Direktør
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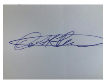

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Grant Thornton, Godkendt Revisionspartnerselskab CVR: 34209936
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