

**FMH ApS**  
C/O Hansen GI Strandvej 294, 3050 Humlebæk  
Company reg. no. 10 14 14 27  
**Annual report**  
**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 24 April 2023.

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**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**

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Today, the managing director has presented the annual report of FMH ApS for the financial year 1 January - 31 December 2022.

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

I consider the accounting policies appropriate and, in my opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2022, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2022.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Humblebæk, 24 April 2023

### **Managing Director**

Ole Munksgaard Hansen

## **Independent auditor's report**

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### **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 2022, 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 2022, 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 2022 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**

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### **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**

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- 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, 24 April 2023

### **Grant Thornton**

State Authorised 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

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### 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, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### Subsidiaries

MCM International A/S, Gentofte  
Malte Hansen Holding 2021 ApS, Nivå

## Consolidated financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Income statement:</b>					
Revenue	1.527.552	1.310.524	1.204.521	1.419.736	1.335.949
Gross profit	65.416	64.586	46.621	13.249	-3.847
Profit from operating activities	24.083	25.452	6.661	-1.426	-3.847
Net financials	3.343	2.290	661	-1.426	-2.929
Net profit or loss for the year	22.729	22.703	5.482	9.095	-6.594
<b>Statement of financial position:</b>					
Balance sheet total	316.612	270.353	266.401	304.613	318.596
Equity	92.206	107.229	83.067	77.377	67.619
<b>Cash flows:</b>					
Operating activities	31.343	34.349	9.598	27.309	-14.743
Investing activities	21.180	890	-814	-1	-2.057
Financing activities	-52.647	-34.025	-8.953	-27.267	15.368
Total cash flows	-124	1.215	-168	41	-1.432
<b>Employees:</b>					
Average number of full-time employees	50	50	56	58	56
<b>Key figures in %:</b>					
Profit margin (EBIT-margin)	1,6	1,9	0,6	-0,1	-0,3
Solvency ratio	21,1	23,1	18,1	25,4	21,2
Return on equity	18,4	24,3	13,5	12,5	-9,8

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:

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity less non-controlling interests, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{*Profit} \times 100}{\text{Average equity exclusive of non-controlling interests}}$$

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



## Management's review

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### 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 group's activities. In addition, the war in Ukraine presented challenges purchasing goods from the country. The effect on the group's activities has been minor. The group's assets, liabilities, and financial position as of 31 December 2022 and the results of the group's activities and cashflow for 2022 are not affected by unusual circumstances.

### Uncertainties about recognition or measurement

In the past financial year 2022, 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 net profit of DKK 22.728.990 against DKK 22.702.726 last year. The group's balance sheet as of 31 December 2022 shows equity of DKK 92.218.450 and a solvency ratio of 21,1%.

In the management's review in the annual report for 2021, we expected revenue in 2022 to be a few percent higher than revenue in 2021. But in 2022 the turnover was 16% higher than in 2021, which is primarily due to higher prices of the raw materials and higher exchange rate for USD.

### *Significant events during the year*

Foreign sales account for more than 80%, and this share is expected to be maintained in the future.

### Chicken

The chicken production industry had a very turbulent 2022. BPI has a large trade in chicken globally, especially out of Brazil but also out of Europe. Early on, production was pressured by the very high grain prices, as feed makes up approximately 80% of the price of a chicken. During COVID, the prices of chicken were very low due to low demand particularly from the Hotel, Restaurant and Catering segment (Horeca). When COVID restrictions ended and the war began in Ukraine, grain prices exploded, chicken prices quickly increased by more than 50%. At the same time, demand for our products from the Horeca segment increased, which contributed positively to BPI's accounts in 2022. The year ended with energy, grain- and freight prices decreasing and the price of BPI chicken dropping considerably.

We have fully absorbed the negative impacts on this in 2022, and in 2023 we are looking at a positive trend with rising prices for protein in general. BPI is amongst the largest poultry trading companies in Scandinavia, the Balkans, and in South Africa. Customers and suppliers recognize BPI as a serious and important player in the poultry market and we look forward to increasing our share in this segment in the coming year.

## **Management's review**

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### Milkpowder

BPI Dairy Ingredients - our milk powder division - ended the year with a satisfactory result, with higher revenue and profit than previous years.

The market for milk powder has been very volatile in 2022. We have been able to exploit this with great agility. High prices and a high exchange rate for USD during the year have also contributed to growth in the top line.

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

By the end of 2022, the milk powder market was exposed to a large price drop. To accommodate this, we stopped entering into long-term contracts.

This strategy subsequently enabled us to enter into large orders and purchase large lots at attractive prices for our customers. We have therefore had a great end of the financial year and are also entering the new year with a large number of orders.

This year, the department for milk powder has once again developed new markets and acquired new suppliers, thus continuing the implementation of the above mentioned strategy.

### Pork

Through 2022, increased cost for feed and energy made it difficult to maintain a satisfactory margin for primary producers, which has resulted in fewer slaughter pigs in Europe. In particular, the large countries such as Germany and Spain have been strongly affected by these trends, leading to a large decrease in the number of pigs slaughtered in 2022.

At the same time, the large importing countries, mainly in Asia, have had less demand compared to 2019, 2020, and partly 2021. Generally due to increasing own production in e.g. China and Vietnam, which for several years have been major buyers of animal proteins. Leading to increasing uncertainty for the price development, which has meant that both we and our customers switched to a more cautious strategy in 2022, where our sales and our customers' purchases are only carried out for a shorter period at a time.

Lower consumption in Europe in 2022, where Germany in particular has shown a significant decline in consumption in the second half of the year.

A turbulent market is expected in 2023. There are many factors that will affect the trade in pork, such as inflation and the possibility of recession, the development in the number of slaughters per region, dealing with disease outbreaks and the war in Ukraine.

## Management's review

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### New activities, investments, and consolidation

BPI has a significant share of the trade in especially poultry and cheese on the Scandinavian market. BPI has Swedish employees to run our trade in Foodservice and Retail in Sweden. 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 2023 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 2023 depends on the very volatile market seen in the last 15 month. We expect turnover to be a bit lower in 2023 compared to 2022. The group EBIT in 2023 is expected to be at the level of 2022. At the end of 2022, the liquidity situation was still very favorable for the BPI group. We utilized less than 35% 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 risks*

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. They can alternatively agree to "cash against documents" terms.

#### *Currency risks*

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, but also includes travelling 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 CO2 neutral. For example, chicken is an Asian jungle bird that thrives on local temperatures in Asia and South America. In Scandinavia, huge CO2 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 35 degrees celcius inside the farm buildings.

## Management's review

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### *Action/effort*

As a Danish owned international food trading 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 have received an offer to install solar cells on part of the roof of the domicile building in Gentofte, Denmark. Installation of solar cells requires local public approval, which we are awaiting. Unfortunately, the relevant local authorities have a long processing time for this type of approval. We expect approval in the second half of 2023.

### *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

### **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 <http://bpi.nu/wp-content/uploads/2018/03/BPIs-Code-of-Conduct.pdf> makes sure we live up to our responsibility internally and also to secure 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.

As a concrete measure, BPI in 2017 and continuing, collaborated with the Danish Animal Protection Organization to have our lambs from Chile approved as the first supplier outside of the EU. This helps us explain our values in a concrete way to our customers. This gives us the status as a high quality supplier to supermarket chains and in food service businesses.

## **Management's review**

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### ***Social issues and employee issues***

#### *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's 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.

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

#### *Results*

Those efforts is 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.

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

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### *Action taken*

We will visit our suppliers again in 2023 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 2023.

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.

### ***Anti corruption and bribery***

#### *Policies*

BPI has a zero tolerance to all types of corruption, facility payments, and anti competitive behaviour.

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.

### **Report on gender composition in management according to the Danish Financial Statements Act, Section 99b**

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.

## **Management's review**

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### **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**

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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.

### **Presentational changes**

A few changes of the presentation have been made that have not affected neither result of the year nor the equity.

### **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.

### **Derivatives**

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.



## Accounting policies

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Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

### 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

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**

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### **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.

### **Other operating costs**

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

### **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 subsidiaries and participating interest**

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

## Accounting policies

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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.

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

##### Development projects, patents, and licences

##### Goodwill, patents and licences

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 at between 5 and 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategic acquirees with a strong market position and an expected longterm earnings profile.

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

#### Property, plant, and equipment

##### Land and buildings

On acquisition assets are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of assets are recognised in cost over the construction period.

After the initial recognition land and buildings are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Estimated useful lives of buildings are estimated at 20-50 years.

The estimated useful lives and residual value of buildings, DKK 20.4 million, are reassessed annually.

## Accounting policies

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Fair value is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of assets has been determined at year end for each property by using a yield-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the properties.

The fair value of assets has been assessed by the independent assessor firm 'Nordicals' at 31 December 2022.

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

### Other fixed assets

Other fixed assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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

	Useful life
Leasehold improvements	3-10 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.

### 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 assets is written down to its lower recoverable amount.

## Accounting policies

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### Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of 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 subsidiaries 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.

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 subsidiaries and participating interest

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

## Accounting policies

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Investments in subsidiaries 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 5-20 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 subsidiaries and participating interest but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries 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 a 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 subsidiaries and participating interest transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries 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 subsidiaries and participating interest.

### 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.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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.

## **Accounting policies**

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### **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.

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.

#### **Income tax and deferred tax**

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

## Accounting policies

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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.

### Provisions

Provisions comprise expected costs of warranty commitments, 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.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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.



## Accounting policies

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

#### 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.

#### 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.

Note	Group		Parent		
	2022	2021	2022	2021	
2	Revenue	1.527.552.109	1.310.523.736	0	0
	Other operating income	753.357	242.105	0	0
	Costs of raw materials and consumables	1.437.803.869	1.221.805.152	0	0
	Other external expenses	-25.085.797	-24.374.477	-16.875	-12.500
	<b>Gross profit</b>	<b>65.415.800</b>	<b>64.586.212</b>	<b>-16.875</b>	<b>-12.500</b>
4	Staff costs	-38.956.995	-35.336.562	0	0
	Impairment of current assets exceeding usual impairment	-2.375.917	-3.797.435	0	0
	Other operating expenses	0	-112	0	0
	<b>Operating profit</b>	<b>24.082.888</b>	<b>25.452.103</b>	<b>-16.875</b>	<b>-12.500</b>
	Income from investments in subsidiaries	0	0	9.636.576	13.450.234
	Income from investments in associates	7.491.603	4.132.339	0	0
	Other financial income from group enterprises	0	0	329.674	0
5	Other financial income	364.049	148.597	0	0
6	Other financial expenses	-4.512.329	-1.991.379	-1.535	-1.606
	<b>Pre-tax net profit or loss</b>	<b>27.426.211</b>	<b>27.741.660</b>	<b>9.947.840</b>	<b>13.436.128</b>
7	Tax on net profit or loss for the year	-4.697.221	-5.038.934	-68.278	3.103
8	<b>Net profit or loss for the year</b>	<b>22.728.990</b>	<b>22.702.726</b>	<b>9.879.562</b>	<b>13.439.231</b>
	Break-down of the consolidated profit or loss:				
	Shareholders in FMH ApS	11.908.743	13.439.231		
	Non-controlling interests	10.820.247	9.263.495		
		<b>22.728.990</b>	<b>22.702.726</b>		

**Balance sheet at 31 December**

All amounts in DKK.

Note	Group		Parent		
	2022	2021	2022	2021	
<b>Assets</b>					
<b>Non-current assets</b>					
9	Acquired patents	16.822.560	18.126.683	0	0
10	Goodwill	595.298	629.313	0	0
	Total intangible assets	17.417.858	18.755.996	0	0
11	Property	36.300.000	40.599.996	0	0
12	Other fixtures and fittings, tools and equipment	1.499.901	1.189.481	0	0
	Total property, plant, and equipment	37.799.901	41.789.477	0	0
13	Investments in group enterprises	0	0	49.439.977	62.873.114
14	Investments in participating interests	15.394.365	9.398.162	0	0
	Total investments	15.394.365	9.398.162	49.439.977	62.873.114
	<b>Total non-current assets</b>	<b>70.612.124</b>	<b>69.943.635</b>	<b>49.439.977</b>	<b>62.873.114</b>
<b>Current assets</b>					
	Raw materials and consumables	79.612.969	52.319.826	0	0
	Prepayments for goods	1.587.801	0	0	0
	Total inventories	81.200.770	52.319.826	0	0
	Trade receivables	159.317.677	141.910.762	0	0
	Receivables from group enterprises	0	0	17.500.193	0
	Receivables from participating interest	152.740	46.875	0	0
	Income tax receivables	241.241	3.103	245.700	3.103
	Tax receivables from group enterprises	0	0	47.124	0
	Other receivables	3.773.519	4.718.766	0	0
15	Prepayments	27.844	0	0	0
	Total receivables	163.513.021	146.679.506	17.793.017	3.103
	Cash and cash equivalents	1.286.364	1.410.302	213.610	21.214
	<b>Total current assets</b>	<b>246.000.155</b>	<b>200.409.634</b>	<b>18.006.627</b>	<b>24.317</b>
	<b>Total assets</b>	<b>316.612.279</b>	<b>270.353.269</b>	<b>67.446.604</b>	<b>62.897.431</b>

**Balance sheet at 31 December**

All amounts in DKK.

Note	Group		Parent	
	2022	2021	2022	2021
<b>Equity and liabilities</b>				
<b>Equity</b>				
Contributed capital	125.000	125.000	125.000	125.000
Revaluation reserve	12.530.400	12.924.821	0	0
Reserve for net revaluation according to the equity method	0	0	46.934.752	62.453.322
Reserve for foreign currency translation	-255.792	-232.891	0	0
Retained earnings	54.520.281	49.640.719	19.860.137	-133.659
Equity before non-controlling interest.	66.919.889	62.457.649	66.919.889	62.444.663
Non-controlling interests	25.286.192	44.771.575	0	0
<b>Total equity</b>	<b>92.206.081</b>	<b>107.229.224</b>	<b>66.919.889</b>	<b>62.444.663</b>
<b>Provisions</b>				
16 Provisions for deferred tax	4.899.262	4.749.884	0	0
17 Other provisions	2.709.051	0	0	0
<b>Total provisions</b>	<b>7.608.313</b>	<b>4.749.884</b>	<b>0</b>	<b>0</b>
<b>Long term liabilities other than provisions</b>				
Mortgage loans	10.402.578	11.008.299	0	0
18 Total long term liabilities other than provisions	10.402.578	11.008.299	0	0
18 Current portion of long term liabilities	634.666	757.271	0	0
Bank loans	91.995.157	30.759.832	0	0
Prepayments received from customers	3.024.579	2.926.751	0	0
Trade payables	95.464.292	105.726.195	0	0
Payables to subsidiaries	0	0	152.913	440.268
Income tax payable to group enterprises	0	1.156.670	361.302	0
Other payables	15.276.613	6.039.143	12.500	12.500
Total short term liabilities other than provisions	206.395.307	147.365.862	526.715	452.768
<b>Total liabilities other than provisions</b>	<b>216.797.885</b>	<b>158.374.161</b>	<b>526.715</b>	<b>452.768</b>
<b>Total equity and liabilities</b>	<b>316.612.279</b>	<b>270.353.269</b>	<b>67.446.604</b>	<b>62.897.431</b>

**Balance sheet at 31 December**

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All amounts in DKK.

**Equity and liabilities**

<u>Note</u>	Group		Parent	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>1</b>				
<b>Subsequent events</b>				
<b>3</b>				
<b>Fees, auditor</b>				
<b>19</b>				
<b>Charges and security</b>				
<b>20</b>				
<b>Contingencies</b>				
<b>21</b>				
<b>Related parties</b>				

## Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for foreign currency translation	Retained earnings	Non-controlling interests	Total
Equity 1 2022	125.000	12.924.821	0	-232.891	49.640.719	44.771.575	107.229.224
Distributed extraordinary dividend adopted during the financial year	0	0	0	0	-5.000.000	-1.975.000	-6.975.000
Transfer, minorities	0	0	0	0	0	-30.000.000	-30.000.000
Foreign currency translation adjustments	0	0	0	-22.901	0	-9.220	-32.121
Revaluations for the year	0	-505.668	0	0	0	-500.748	-1.006.416
Tax on revaluation for the year	0	111.247	0	0	0	110.165	221.412
Net profit/loss for the year	0	0	0	0	11.908.743	10.820.247	22.728.990
Profit/loss relating to partly group enterprise disposals	0	0	0	0	-2.029.181	2.029.181	0
Other movement in capital	0	0	0	0	0	39.992	39.992
	<b>125.000</b>	<b>12.530.400</b>	<b>0</b>	<b>-255.792</b>	<b>54.520.281</b>	<b>25.286.192</b>	<b>92.206.081</b>

## Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2022	125.000	62.453.322	-133.659	62.444.663
Share of profit or loss	0	-104.233	4.983.796	4.879.563
Extraordinary dividend adopted during the financial year	0	0	5.000.000	5.000.000
Distributed extraordinary dividend adopted during the financial year	0	0	-5.000.000	-5.000.000
Distributed dividend	0	-15.010.000	15.010.000	0
Other equity movements	0	-404.337	0	-404.337
	<b>125.000</b>	<b>46.934.752</b>	<b>19.860.137</b>	<b>66.919.889</b>

## Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note	Group	
	2022	2021
Net profit or loss for the year	22.714.860	22.702.726
22 Adjustments	3.650.410	6.465.070
23 Change in working capital	14.753.152	10.592.203
Cash flows from operating activities before net financials	41.118.422	39.759.999
Interest received, etc.	696.456	175.840
Interest paid, etc.	-4.844.650	-2.069.890
Cash flows from ordinary activities	36.970.228	37.865.949
Income tax paid	-5.627.343	-3.516.628
<b>Cash flows from operating activities</b>	<b>31.342.885</b>	<b>34.349.321</b>
Purchase of property, plant, and equipment	-1.083.095	-199.530
Sale of property, plant, and equipment	2.916.229	403.000
Acquisition of enterprise	-37.655.000	0
Sale of enterprise	7.655.376	0
Dividends received	47.775.000	0
Dividend received from associates	1.495.399	685.945
Other cash flows from (spent on) investment activities	75.937	400
<b>Cash flows from investment activities</b>	<b>21.179.846</b>	<b>889.815</b>
Repayments of long-term payables	-605.720	-3.415.294
Dividend paid	-54.750.000	0
Other cash flows from financing activities	2.709.051	-30.609.338
<b>Cash flows from investment activities</b>	<b>-52.646.669</b>	<b>-34.024.632</b>
<b>Change in cash and cash equivalents</b>	<b>-123.938</b>	<b>1.214.504</b>
Cash and cash equivalents at 1 January 2022	1.410.302	195.798
<b>Cash and cash equivalents at 31 December 2022</b>	<b>1.286.364</b>	<b>1.410.302</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	1.286.364	1.410.302
<b>Cash and cash equivalents at 31 December 2022</b>	<b>1.286.364</b>	<b>1.410.302</b>

## Notes

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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 2022

Activities – primary segment:

	<u>Meat</u>	<u>Dairy</u>	<u>Other</u>	<u>Total</u>
Group	920.610.722	530.042.072	76.899.315	1.527.552.109

Geographical – secondary segment:

	<u>Revenue, Denmark</u>	<u>Revenue, exports</u>	<u>Total</u>
Group	295.084.140	1.232.467.969	1.527.552.109

Group	
<u>2022</u>	<u>2021</u>

### 3. Fees, auditor

Total remuneration for Grant Thornton, State Authorised Public

Accountants	<u>550.300</u>	<u>323.500</u>
Remuneration related to statutory audit	232.200	195.000
Tax-related consulting	105.000	47.500
Assurance engagements	213.100	0
Other services	<u>0</u>	<u>81.000</u>
	<u><b>550.300</b></u>	<u><b>323.500</b></u>



## Notes

All amounts in DKK.

	Group	
	2022	2021
<b>4. Staff costs</b>		
Salaries and wages	35.584.337	32.191.465
Pension costs	2.983.576	2.771.475
Other costs for social security	389.082	373.622
	<b>38.956.995</b>	<b>35.336.562</b>
Executive board	3.165.000	3.032.738
Board of directors	450.000	450.000
<b>Executive board and board of directors</b>	<b>3.615.000</b>	<b>3.482.738</b>
Average number of employees	50	50

	Group		Parent	
	2022	2021	2022	2021
<b>5. Other financial income</b>				
Interest received from group enterprises	55.529	1.870	0	0
Other financial income	308.520	146.727	0	0
	<b>364.049</b>	<b>148.597</b>	<b>0</b>	<b>0</b>

	Group		Parent	
	2022	2021	2022	2021
<b>6. Other financial expenses</b>				
Financial costs, group enterprises	0	13.011	0	0
Other financial costs	4.512.329	1.978.368	1.535	1.606
	<b>4.512.329</b>	<b>1.991.379</b>	<b>1.535</b>	<b>1.606</b>

**Notes**

All amounts in DKK.

	Group		Parent	
	2022	2021	2022	2021
<b>7. Tax on net profit or loss for the year</b>				
Tax on net profit or loss for the year	4.360.663	4.249.867	68.478	-3.103
Adjustment of deferred tax for the year	370.790	778.940	0	0
Adjustment of tax for previous years	-34.232	10.127	-200	0
	<b>4.697.221</b>	<b>5.038.934</b>	<b>68.278</b>	<b>-3.103</b>

	Parent	
	2022	2021
<b>8. Proposed distribution of net profit</b>		
Extraordinary dividend distributed during the financial year	5.000.000	0
Reserves for net revaluation according to the equity method	9.636.576	13.474.622
Allocated from retained earnings	-4.757.014	-35.391
<b>Total allocations and transfers</b>	<b>9.879.562</b>	<b>13.439.231</b>

**Notes**

All amounts in DKK.

	Group	
	31/12 2022	31/12 2021
<b>9. Acquired patents</b>		
Cost 1 January 2022	27.240.862	27.240.862
<b>Cost 31 December 2022</b>	<b>27.240.862</b>	<b>27.240.862</b>
Amortisation and writedown 1 January 2022	-9.114.179	-7.753.068
Translation at the exchange rate at the balance sheet date 31 December 2022	0	-56.988
Amortisation and depreciation for the year	-1.304.123	-1.304.123
<b>Amortisation and writedown 31 December 2022</b>	<b>-10.418.302</b>	<b>-9.114.179</b>
<b>Carrying amount, 31 December 2022</b>	<b>16.822.560</b>	<b>18.126.683</b>
	Group	
	31/12 2022	31/12 2021
<b>10. Goodwill</b>		
Cost 1 January 2022	3.665.958	3.665.958
<b>Cost 31 December 2022</b>	<b>3.665.958</b>	<b>3.665.958</b>
Amortisation and writedown 1 January 2022	-3.036.645	-3.002.374
Amortisation and depreciation for the year	-34.015	-34.271
<b>Amortisation and writedown 31 December 2022</b>	<b>-3.070.660</b>	<b>-3.036.645</b>
<b>Carrying amount, 31 December 2022</b>	<b>595.298</b>	<b>629.313</b>

## Notes

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All amounts in DKK.

	Group	
	31/12 2022	31/12 2021
<b>11. Property</b>		
Cost 1 January 2022	16.813.736	16.813.736
Disposals during the year	<u>-3.826.578</u>	<u>0</u>
<b>Cost 31 December 2022</b>	<b><u>12.987.158</u></b>	<b><u>16.813.736</u></b>
Revaluation 1 January 2022	27.843.545	25.769.589
Revaluations for the year	<u>-1.006.411</u>	<u>2.073.956</u>
<b>Revaluation 31 December 2022</b>	<b><u>26.837.134</u></b>	<b><u>27.843.545</u></b>
Depreciation and writedown 1 January 2022	-4.057.285	-2.364.607
Amortisation and depreciation for the year	-462.111	-779.537
Impairment loss for the year	0	-913.141
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>995.104</u>	<u>0</u>
<b>Depreciation and writedown 31 December 2022</b>	<b><u>-3.524.292</u></b>	<b><u>-4.057.285</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>36.300.000</u></b>	<b><u>40.599.996</u></b>

	Group	
	31/12 2022	31/12 2021
<b>12. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2022	9.455.053	10.142.546
Additions during the year	1.083.095	199.530
Disposals during the year	<u>-895.949</u>	<u>-887.023</u>
<b>Cost 31 December 2022</b>	<b><u>9.642.199</u></b>	<b><u>9.455.053</u></b>
Depreciation and writedown 1 January 2022	-8.265.572	-8.135.702
Amortisation and depreciation for the year	-516.516	-758.550
Impairment loss for the year	<u>639.790</u>	<u>628.680</u>
<b>Depreciation and writedown 31 December 2022</b>	<b><u>-8.142.298</u></b>	<b><u>-8.265.572</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>1.499.901</u></b>	<b><u>1.189.481</u></b>

## Notes

All amounts in DKK.

	Parent	
	31/12 2022	31/12 2021
<b>13. Investments in group enterprises</b>		
Cost 1 January 2022	450.400	450.000
Additions during the year	0	400
Disposals during the year	-70.000	0
<b>Cost 31 December 2022</b>	<b>380.400</b>	<b>450.400</b>
Revaluations, opening balance 1 January 2022	62.422.714	48.079.733
Net profit or loss for the year before amortisation of goodwill	11.761.417	13.474.622
Reversals for the year concerning disposals	-9.710.217	0
Dividend	-15.010.000	0
Other equity movements	-404.337	868.359
<b>Revaluation 31 December 2022</b>	<b>49.059.577</b>	<b>62.422.714</b>
<b>Carrying amount, 31 December 2022</b>	<b>49.439.977</b>	<b>62.873.114</b>

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

	Equity interest	Equity	Results for the year
MCM International A/S, Gentofte	76 %	64.802.676	15.226.130
Malte Hansen Holding 2021 ApS, Nivå	1 %	12.327.547	12.287.547
		<b>77.130.223</b>	<b>27.513.677</b>

## Notes

All amounts in DKK.

	Group		Parent	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
<b>14. Investments in participating interests</b>				
Cost 1 January 2022	62.500	62.500	12.499	12.499
Disposals during the year	-12.500	0	-12.499	0
<b>Cost 31 December 2022</b>	<b>50.000</b>	<b>62.500</b>	<b>0</b>	<b>12.499</b>
Revaluations, opening balance 1 January 2022	9.335.662	5.932.376	-12.499	30.609
Net profit or loss for the year before amortisation of goodwill	7.491.603	4.132.339	0	0
Reversals for the year concerning disposals	12.499	0	12.499	0
Dividend	-1.495.399	-685.945	0	0
Other equity movements	0	-43.108	0	-43.108
<b>Revaluation 31 December 2022</b>	<b>15.344.365</b>	<b>9.335.662</b>	<b>0</b>	<b>-12.499</b>
<b>Carrying amount, 31 December 2022</b>	<b>15.394.365</b>	<b>9.398.162</b>	<b>0</b>	<b>0</b>

### Participating interests:

	Domicile	Equity interest
Faunakram Pet Food ApS	Gentofte	50 %
Urban Bites ApS	Hinnerup	50 %

### 15. Prepayments

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

	Group	
	31/12 2022	31/12 2021
<b>16. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2022	4.749.884	3.514.674
Deferred tax relating to the net profit or loss for the year	370.790	778.940
Deferred tax recognised directly in equity	-221.412	456.270
	<b>4.899.262</b>	<b>4.749.884</b>

## Notes

All amounts in DKK.

	Group	
	31/12 2022	31/12 2021
<b>17. Other provisions</b>		
Provisions for group enterprises	2.709.051	0
	<b>2.709.051</b>	<b>0</b>

## 18. Long term liabilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
<b>Group</b>				
Mortgage loans	11.037.244	634.666	10.402.578	7.882.598
	<b>11.037.244</b>	<b>634.666</b>	<b>10.402.578</b>	<b>7.882.598</b>

## 19. Charges and security

As collateral for mortgage loans, DKK 11.037.244, security has been granted on land and buildings representing a carrying amount of DKK 36.300.000 at 31 December 2022.

The following assets have been placed as security with mortgage credit institutes:

	DKK in thousands
Land and buildings with a carrying value of:	36.300.000

Group company BPI A/S has granted a floating charge of a nominal amount of DKK 48,1 million for bank debt to Jyske Bank A/S. On the balance sheet date, BPI A/S' debt to Jyske Bank A/S amounts to DKK 92 million.

## Notes

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All amounts in DKK.

### 20. 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 24,2 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 0.3 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 and EUR 6.1 million.

BPI A/S has assumed lease obligations, which at the balance date amounted to DKK 1,3 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.

### 21. Related parties

#### Controlling interest

Ole M. Hansen

Owner

#### Transactions

The company has chosen 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.

Transactions during the year with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties are made on market conditions.



## Notes

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All amounts in DKK.

	Group	
	2022	2021
<b>22. Adjustments</b>		
Depreciation, amortisation, and impairment	2.375.917	3.797.435
Income from investments in associates	-7.491.603	-4.107.951
Other financial income	-364.049	-175.840
Other financial expenses	4.512.329	2.069.890
Tax on net profit or loss for the year	4.737.226	5.039.655
Other adjustments	-119.410	-158.119
	<b><u>3.650.410</u></b>	<b><u>6.465.070</u></b>
<b>23. Change in working capital</b>		
Change in inventories	-28.880.944	11.231.044
Change in receivables	-16.542.064	-12.459.604
Change in trade payables and other payables	60.176.160	11.820.763
	<b><u>14.753.152</u></b>	<b><u>10.592.203</u></b>

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