Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

BPI A/S

Lyngbyvej 403, 2820 Gentofte

Company reg. no. 27 23 70 10

Annual report

1 January - 31 December 2022

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

____

Jan Klarskov Henriksen
Chairman of the meeting

Contents

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 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of BPI A/S for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and 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.

Further, in our 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.

Gentofte, 24 April 2023

Executive board

Ole Munksgaard Hansen   Jens Jacob Madsen

Board of directors

Jan Klarskov Henriksen   Flemming Skouboe   Henning Kruse Lorentzen

Ole Munksgaard Hansen   Dorthe Finderup Madsen

Independent auditor's report

To the Shareholders of BPI A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BPI A/S 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

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, 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

The company	BPI A/S Lyngbyvej 403 2820 Gentofte	
	Company reg. no.	27 23 70 10
	Financial year:	1 January - 31 December
Board of directors	Jan Klarskov Henriksen Flemming Skouboe Henning Kruse Lorentzen Ole Munksgaard Hansen Dorthe Finderup Madsen	
Executive board	Ole Munksgaard Hansen Jens Jacob Madsen	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	MCM International A/S	
Participating interests	Faunakram Pet Food A/S, Gentofte Urban Bites ApS, Hinnerup	

Consolidated financial highlights

DKK in thousands.	2022	2021	2020	2019	2018
Income statement:					
Revenue	1.527.552	1.310.524	1.204.493	1.416.154	1.361.150
Profit from operating activities	24.322	25.580	6.625	13.148	-3.974
Net financials	3.918	2.372	715	-1.390	-2.891
Net profit or loss for the year	23.323	22.909	5.497	9.043	-6.666
Consolidated income highlights (inclusive 100% minorities)					
EBITA	46.150	40.302	17.966	20.428	2.092
EBIT	43.684	36.331	14.736	16.800	-1.326
EBT	47.484	34.489	12.514	13.998	-5.268
Statement of financial position:					
Balance sheet total	286.514	270.522	266.678	284.430	298.794
Equity	104.019	111.501	87.131	81.427	71.721
Cash flows:					
Operating activities	26.925	34.601	-10.424	27.804	-17.577
Investing activities	3.364	889	-858	-295	-1.908
Financing activities	-30.606	-34.293	11.323	-27.666	18.055
Total cash flows	-316	1.198	40	-157	-1.430
Employees:					
Average number of full-time employees	49	49	55	58	56
Key figures in %:					
Gross margin ratio	4,3	4,9	3,8	2,5	3,4
Profit margin (EBIT-margin)	1,6	2,0	0,6	0,9	-0,3
Return on assets	9,5	9,5	2,5	4,6	-1,3
Solvency ratio	36,3	41,2	28,6	24,0	27,2
Return on equity	21,6	23,1	6,5	11,8	-9,3

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:

Gross margin ratio $\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

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

Consolidated financial highlights

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

BPI is a Danish owned international food trading company with representation in several countries worldwide.
BPI imports chicken products from South America and Asia for industrial processing, foodservice and retail in Europe and Scandinavia as BPI brands, as well as private label. Similarly, milk powder, pork- and beef products are sold to customers in Asia, the Middle East, and Africa.

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 2022 and the results of the group's activities and cash flow 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 profit of DKK 23.323.314 against DKK 22.909.488 last year. EBITDA for the group, including EBITDA for associates on a 100% basis, amounts to DKK 46.150.833, where the EBITDA after deduction of minority shareholders part of EBITDA is DKK 36.424.523. The group's balance sheet as of 31 December 2022 shows equity of DKK 104.019.183 and a solvency ratio of 36,3%.

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 turnover was 16% higher than in 2021, which is primarily due to higher prices of the raw materials BPI is trading and higher exchange rate for USD.

Significant events during the year

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

<u>Chicken</u>

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

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

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 risk

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. 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, 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.

Management´s review

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.

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.

Management´s review

Corporate social responsibility report pursuant to the Danish Financial Statements Act, Section 99a

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.

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'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

Management´s review

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.

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.

Management´s review

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.

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 BPI A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies applied remain unchanged from last year.

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

Presentational changes

A few changes of 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

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 BPI A/S and those group enterprises of which BPI A/S 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 from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Group.

Cost of sales

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

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.

Accounting policies

Other external expenses

Other external expenses comprise expenses 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 expenses

Other operating expenses 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 company 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 company 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

Statement of financial position

Intangible assets

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 strategical 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 exeeding 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 supsuppliers 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.

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.

Accounting policies

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 annul basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the assets are written down to their lower recoverable amount.

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.

Accounting policies

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

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

Investments

Investments in subsidiaries and associates/participating interest

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

Investments in subsidiaries and associates 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 represents 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 associates but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries and associates 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 company 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 associates 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 og associates.

Accounting policies

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 calculated at the amount expected to be genererated by sale of inventories in the process of normal operations with deduction of selling expenses. 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 reliasable value, which corresponds to norminal 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 recieveables, a general provision is also made based on the Company's experience from previous years.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents 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.

Accounting policies

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

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.

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

Deferred tax 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.

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.

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

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

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

Accounting policies

Statement of cash flows

The cash flow statement shows the Group's 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 is 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, 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 group's risks and returns and its internal financial income and expenses in the income statement.

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
2	Revenue	1.527.552.109	1.310.523.736	1.475.948.476	1.268.316.668
	Other operating income	753.357	951.085	3.009.891	2.438.385
	Costs of raw materials and consumables	1.437.803.869	1.221.901.166	1.392.237.690	1.191.429.925
	Other external expenses	-24.910.930	-24.708.941	-26.052.699	-21.362.043
	Gross profit	**65.590.667**	**64.864.714**	**60.667.978**	**57.963.085**
3	Staff costs	-38.892.365	-35.486.710	-37.112.614	-35.486.711
	Depreciation, amortisation, and impairment	-2.375.917	-3.797.435	-1.112.429	-2.294.910
	Other operating expenses	0	-112	0	0
	Operating profit	**24.322.385**	**25.580.457**	**22.442.935**	**20.181.464**
	Income from investments in subsidiaries	0	0	2.262.306	5.149.241
	Income from investments in participating interest	7.491.603	4.132.339	7.491.603	4.132.339
	Other financial income from group enterprises	55.529	26.258	324.544	255.055
4	Other financial income	308.520	146.727	5.000	28.389
5	Other financial expenses	-3.937.582	-1.933.536	-4.999.137	-2.868.981
	Pre-tax net profit or loss	**28.240.455**	**27.952.245**	**27.527.251**	**26.877.507**
6	Tax on net profit or loss for the year	-4.917.141	-5.042.757	-4.203.937	-3.968.019
7	**Net profit or loss for the year**	**23.323.314**	**22.909.488**	**23.323.314**	**22.909.488**
	Break-down of the consolidated profit or loss:				
	Shareholders in BPI A/S	23.323.314	22.909.488		
		23.323.314	**22.909.488**		

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
9	Acquired patents	16.822.560	18.126.683	5.439.733	0
10	Goodwill	595.298	629.313	0	0
	Total intangible assets	17.417.858	18.755.996	5.439.733	0
11	Property	36.300.000	40.599.996	36.300.000	40.599.995
12	Other fixtures and fittings, tools and equipment	1.499.901	1.189.481	1.499.901	1.187.822
	Total property, plant, and equipment	37.799.901	41.789.477	37.799.901	41.787.817
13	Investments in group enterprises	0	0	53.618.112	50.629.232
14	Investments in participating interests	15.394.365	9.398.161	15.394.365	9.398.161
	Total investments	15.394.365	9.398.161	69.012.477	60.027.393
	Total non-current assets	**70.612.124**	**69.943.634**	**112.252.111**	**101.815.210**
	Current assets				
	Raw materials and consumables	49.713.835	52.319.826	44.233.813	49.082.717
	Prepayments for goods	1.587.801	1.423.311	1.587.801	1.423.311
	Total inventories	51.301.636	53.743.137	45.821.614	50.506.028
	Trade receivables	159.317.677	141.910.762	159.196.040	138.906.568
	Receivables from subsidiaries	152.913	193.877	5.852.994	3.037.559
	Receivables from associates	152.740	46.875	152.740	46.875
	Income tax receivables	100.220	0	104.680	0
	Tax receivables from subsidiaries	0	0	0	2.616.000
	Other receivables	3.776.244	3.294.993	1.524.586	1.945.340
15	Prepayments	27.843	0	27.843	0
	Total receivables	163.527.637	145.446.507	166.858.883	146.552.342
	Cash and cash equivalents	1.072.754	1.389.087	87.984	1.291.297
	Total current assets	**215.902.027**	**200.578.731**	**212.768.481**	**198.349.667**
	Total assets	**286.514.151**	**270.522.365**	**325.020.592**	**300.164.877**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
	Contributed capital	4.500.000	4.500.000	4.500.000	4.500.000
	Revaluation reserve	20.940.762	21.725.766	20.940.762	21.725.766
	Reserve for net revaluation according to the equity method	0	9.348.161	38.792.669	30.479.099
	Reserve for foreign currency translation	-412.197	-392.461	0	0
	Retained earnings	78.990.618	76.319.143	39.785.752	54.795.744
	Equity before non-controlling interest.	104.019.183	111.500.609	104.019.183	111.500.609
	Total equity	**104.019.183**	**111.500.609**	**104.019.183**	**111.500.609**
	Provisions				
16	Provisions for deferred tax	4.899.262	4.749.884	4.899.262	4.749.884
	Total provisions	**4.899.262**	**4.749.884**	**4.899.262**	**4.749.884**
	Long term labilities other than provisions				
	Mortgage loans	10.402.578	11.008.299	10.402.642	11.008.363
17	Total long term liabilities other than provisions	10.402.578	11.008.299	10.402.642	11.008.363
17	Current portion of long term liabilities	634.666	757.271	634.666	757.271
	Bank loans	52.819.077	26.608.620	52.501.213	25.690.238
	Prepayments received from customers	3.024.579	2.926.751	3.024.579	2.926.751
	Trade payables	95.334.170	95.082.710	93.355.976	89.172.317
	Payables to subsidiaries	96.141	90.843	41.902.587	33.858.922
	Income tax payable	0	1.156.670	0	3.171.285
	Other payables	15.284.495	16.640.708	14.280.484	17.329.237
	Total short term liabilities other than provisions	167.193.128	143.263.573	205.699.505	172.906.021
	Total liabilities other than provisions	**177.595.706**	**154.271.872**	**216.102.147**	**183.914.384**
	Total equity and liabilities	**286.514.151**	**270.522.365**	**325.020.592**	**300.164.877**

Balance sheet at 31 December

All amounts in DKK.

	Equity and liabilities	Group		Parent	
Note		2022	2021	2022	2021
1	**Subsequent events**				
8	**Fees, auditor**				
18	**Charges and security**				
19	**Contingencies**				
20	**Related parties**				

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 2022	4.500.000	21.725.766	9.348.161	-392.461	76.319.143	111.500.609
Revaluation for the year	0	0	0	-19.736	0	-19.736
Share of profit or loss	0	0	0	0	23.323.313	23.323.313
Distributed extraordinary dividend adopted during the financial year	0	0	0	0	-30.000.000	-30.000.000
Revaluations for the year	0	-1.006.416	0	0	0	-1.006.416
Transferred from distributable reserves	0	0	-9.348.161	0	9.348.162	1
Tax on revaluation for the year	0	221.412	0	0	0	221.412
	4.500.000	**20.940.762**	**0**	**-412.197**	**78.990.618**	**104.019.183**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Revaluation reserve	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2022	4.500.000	21.725.766	30.479.099	54.795.744	111.500.609
Revaluation for the year	0	-1.006.416	0	0	-1.006.416
Share of profit or loss	0	0	9.828.705	-16.505.391	-6.676.686
Extraordinary dividend adopted during the financial year	0	0	0	30.000.000	30.000.000
Distributed extraordinary dividend adopted during the financial year	0	0	0	-30.000.000	-30.000.000
Foreign currency translation adjustments	0	0	-19.736	0	-19.736
Distributed dividend	0	0	-1.495.399	1.495.399	0
Tax on revaluation for the year	0	221.412	0	0	221.412
	4.500.000	**20.940.762**	**38.792.669**	**39.785.752**	**104.019.183**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2022	2021
	Net profit or loss for the year	23.323.314	22.909.488
21	Adjustments	3.255.578	6.310.390
22	Change in working capital	9.546.815	10.655.571
	Cash flows from operating activities before net financials	36.125.707	39.875.449
	Interest received, etc.	364.136	172.985
	Interest paid, etc.	-3.937.583	-1.933.536
	Cash flows from ordinary activities	32.552.260	38.114.898
	Income tax paid	-5.627.343	-3.513.527
	Cash flows from operating activities	**26.924.917**	**34.601.371**
	Purchase of property, plant, and equipment	-1.083.095	-199.530
	Sale of property, plant, and equipment	2.916.229	403.000
	Dividend received from associates	1.495.399	685.945
	Other cash flows from (spent on) investment activities	35.937	0
	Cash flows from investment activities	**3.364.470**	**889.415**
	Repayments of long-term payables	-605.720	-3.683.659
	Dividend paid	-30.000.000	0
	Other cash flows from financing activities	0	-30.609.338
	Cash flows from investment activities	**-30.605.720**	**-34.292.997**
	Change in cash and cash equivalents	**-316.333**	**1.197.789**
	Cash and cash equivalents at 1 January 2022	1.389.087	191.298
	Cash and cash equivalents at 31 December 2022	**1.072.754**	**1.389.087**

Cash and cash equivalents		
Cash and cash equivalents	1.072.754	1.389.087
Cash and cash equivalents at 31 December 2022	**1.072.754**	**1.389.087**

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 2022

Activities – primary segment:

	Meat	Dairy	Other	Total
Group	920.610.722	530.042.072	76.899.315	1.527.552.109

				Total
Parent	874.007.209	530.042.072	71.899.195	1.475.948.476

Geographical – secondary segment:

	Revenue, Denmark	Revenue, exports	Total
Group	295.084.140	1.232.467.969	1.527.552.109

			Total
Parent	295.084.140	1.180.864.336	1.475.948.476

	Group 2022	Group 2021	Parent 2022	Parent 2021
3. Staff costs				
Salaries and wages	35.524.337	32.346.764	33.744.586	32.346.765
Pension costs	2.983.576	2.771.475	2.983.576	2.771.475
Other costs for social security	384.452	368.471	384.452	368.471
	38.892.365	**35.486.710**	**37.112.614**	**35.486.711**
Executive board	3.105.000	2.972.738	3.292.966	2.972.738
Board of directors	450.000	450.000	450.000	450.000
Executive board and board of directors	**3.555.000**	**3.422.738**	**3.742.966**	**3.422.738**
Average number of employees	49	49	49	49

Notes

All amounts in DKK.

		Group 2022	Group 2021	Parent 2022	Parent 2021
4.	**Other financial income**				
	Interest, trade receivables	0	0	5.000	0
	Other financial income	308.520	146.727	0	28.389
		308.520	**146.727**	**5.000**	**28.389**

		Group 2022	Group 2021	Parent 2022	Parent 2021
5.	**Other financial expenses**				
	Financial costs, group enterprises	203.115	13.011	1.273.615	954.144
	Other financial costs	3.734.467	1.920.525	3.725.522	1.914.837
		3.937.582	**1.933.536**	**4.999.137**	**2.868.981**

		Group 2022	Group 2021	Parent 2022	Parent 2021
6.	**Tax on net profit or loss for the year**				
	Tax on net profit or loss for the year	4.546.351	4.249.866	3.829.318	3.175.128
	Adjustment of deferred tax for the year	370.790	778.940	370.790	778.940
	Adjustment of tax for previous years	0	13.951	3.829	13.951
		4.917.141	**5.042.757**	**4.203.937**	**3.968.019**

		Parent 2022	Parent 2021
7.	**Proposed distribution of net profit**		
	Extraordinary dividend distributed during the financial year	30.000.000	0
	Reserves for net revaluation according to the equity method	9.828.705	9.649.674
	Transferred to retained earnings	0	13.259.814
	Allocated from retained earnings	-16.505.391	0
	Total allocations and transfers	**23.323.314**	**22.909.488**

Notes

All amounts in DKK.

		Group 2022	2021
8.	**Fees, auditor**		
	Total remuneration for Grant Thornton, State Authorised Public Accountants	523.300	303.500
	Remuneration related to statutory audit	212.200	185.000
	Tax-related consulting	105.000	42.500
	Assurance engagements	0	0
	Other services	206.100	76.000
		523.300	**303.500**

		Group 31/12 2022	31/12 2021
9.	**Acquired patents**		
	Cost 1 January 2022	27.240.862	27.240.862
	Additions during the year	0	0
	Cost 31 December 2022	**27.240.862**	**27.240.862**
	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
	Amortisation and writedown 31 December 2022	**-10.418.302**	**-9.114.179**
	Carrying amount, 31 December 2022	**16.822.560**	**18.126.683**

Notes

All amounts in DKK.

		Group	
		31/12 2022	31/12 2021
10.	**Goodwill**		
	Cost 1 January 2022	3.665.958	3.665.958
	Cost 31 December 2022	**3.665.958**	**3.665.958**
	Amortisation and writedown 1 January 2022	-3.036.645	-3.002.374
	Amortisation and depreciation for the year	-34.015	-34.271
	Amortisation and writedown 31 December 2022	**-3.070.660**	**-3.036.645**
	Carrying amount, 31 December 2022	**595.298**	**629.313**

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
11.	**Property**				
	Cost 1 January 2022	16.813.736	16.813.736	16.813.735	16.813.735
	Disposals during the year	-3.826.578	0	-3.826.578	0
	Cost 31 December 2022	**12.987.158**	**16.813.736**	**12.987.157**	**16.813.735**
	Revaluation 1 January 2022	27.843.545	25.769.589	27.843.545	25.769.589
	Revaluations for the year	-1.006.411	2.073.956	-1.006.410	2.073.956
	Revaluation 31 December 2022	**26.837.134**	**27.843.545**	**26.837.135**	**27.843.545**
	Depreciation and writedown 1 January 2022	-4.057.285	-2.364.607	-4.057.285	-2.364.607
	Amortisation and depreciation for the year	-462.111	-779.537	-462.111	-779.537
	Impairment loss for the year	0	-913.141	0	-913.141
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	995.104	0	995.104	0
	Depreciation and writedown 31 December 2022	**-3.524.292**	**-4.057.285**	**-3.524.292**	**-4.057.285**
	Carrying amount, 31 December 2022	**36.300.000**	**40.599.996**	**36.300.000**	**40.599.995**

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
12. Other fixtures and fittings, tools and equipment				
Cost 1 January 2022	9.455.053	10.142.546	5.144.347	5.831.840
Additions during the year	1.083.095	199.530	1.083.095	199.530
Disposals during the year	-895.949	-887.023	-895.949	-887.023
Cost 31 December 2022	**9.642.199**	**9.455.053**	**5.331.493**	**5.144.347**
Depreciation and writedown 1 January 2022	-8.265.572	-8.135.702	-3.956.525	-3.828.316
Amortisation and depreciation for the year	-516.516	-758.550	-574.013	-758.550
Reversal of depreciation, amortisation and impairment loss, assets disposed of	639.790	628.680	698.946	630.341
Depreciation and writedown 31 December 2022	**-8.142.298**	**-8.265.572**	**-3.831.592**	**-3.956.525**
Carrying amount, 31 December 2022	**1.499.901**	**1.189.481**	**1.499.901**	**1.187.822**

Notes

All amounts in DKK.

		Parent	
		31/12 2022	31/12 2021
13.	**Investments in group enterprises**		
	Cost 1 January 2022	27.382.421	27.379.593
	Additions during the year	22.005	40.000
	Disposals during the year	0	-37.172
	Cost 31 December 2022	**27.404.426**	**27.382.421**
	Revaluations, opening balance 1 January 2022	23.773.455	17.075.741
	Net profit or loss for the year before amortisation of goodwill	3.600.446	6.487.635
	Reversals for the year concerning disposals	0	368.094
	Exchange rate adjustment	-19.736	-158.015
	Revaluation 31 December 2022	**27.354.165**	**23.773.455**
	Amortisation of goodwill, opening balance 1 January 2022	-2.642.517	-1.304.123
	Amortisation of goodwill for the year	-1.338.140	-1.338.394
	Depreciation on goodwill 31 December 2022	**-3.980.657**	**-2.642.517**
	Offset against receiveables	2.840.178	2.115.873
	Set off against debtors and provisions for liabilities	**2.840.178**	**2.115.873**
	Carrying amount, 31 December 2022	**53.618.112**	**50.629.232**

Pursuant to Section 127(4) of the Danish Statements Act, investments in group enterprises are not disclosed.

Notes

All amounts in DKK.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
14. Investments in participating interests				
Cost 1 January 2022	50.000	50.000	50.000	50.000
Cost 31 December 2022	**50.000**	**50.000**	**50.000**	**50.000**
Revaluations, opening balance 1 January 2022	9.348.161	5.901.767	9.348.161	5.901.767
Net profit or loss for the year before amortisation of goodwill	7.491.603	4.132.339	7.491.603	4.132.339
Dividend	-1.495.399	-685.945	-1.495.399	-685.945
Revaluation 31 December 2022	**15.344.365**	**9.348.161**	**15.344.365**	**9.348.161**
Carrying amount, 31 December 2022	**15.394.365**	**9.398.161**	**15.394.365**	**9.398.161**

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

	Equity interest	**Equity DKK**	**Results for the year DKK**
Faunakram Pet Food A/S, Gentofte	50 %	18.332.061	7.197.223
Urban Bites ApS, Hinnerup	50 %	12.456.668	7.785.982
		30.788.729	**14.983.205**

15. Prepayments

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

Notes

All amounts in DKK.

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

Deferred tax has been provided at 22% corresponding to the current tax rate.

17. Long-term debt

	Total payables 31 Dec 2022	**Current portion of long term payables**	**Long term payables 31 Dec 2022**	**Outstanding payables after 5 years**
Group				
Mortgage loans	11.037.244	634.666	10.402.578	7.882.598
	11.037.244	**634.666**	**10.402.578**	**7.882.598**
Parent				
Mortgage loans	11.037.308	634.666	10.402.642	7.882.598
	11.037.308	**634.666**	**10.402.642**	**7.882.598**

18. Charges and security

As collateral for mortgage loans, DKK 11.037.308, 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

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' debt to Jyske Bank A/S amounts to DKK 52,1 million.

Notes

All amounts in DKK.

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 24,2 million.

BPI A/S has provided a surety (primary liability) in respect of the group company BPI GmbHs bank facility limited to EUR 0,1 million. On the balance sheet date, BPI GmbH's 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 sheet date amounted to DKK 1,3 million in the period of non-terminability.

Joint taxation

With FMH ApS, company reg. no 10141427 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for 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.

20. Related parties

Controlling interest

MCM International A/S	Majority shareholder

Transactions

The company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with the Danish Financial Statements Act, Section 98, c, 7.

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

All amounts in DKK.

Consolidated financial statements

The company is included in the Group Annual Report of the Parent Company of the largest and smallest group

FMH ApS, company reg. no. 10141427, Rudersdal

		Group 2022	Group 2021
21.	**Adjustments**		
	Depreciation, amortisation, and impairment	2.375.917	3.797.435
	Income from investments in subsidiaries	-7.491.603	-4.132.339
	Other financial income	-364.137	-172.985
	Other financial expenses	3.937.583	1.933.536
	Tax on net profit or loss for the year	4.917.141	5.042.758
	Other adjustments	-119.323	-158.015
		3.255.578	**6.310.390**
22.	**Change in working capital**		
	Change in inventories	2.441.501	11.231.044
	Change in receivables	-18.097.273	-12.446.288
	Change in trade payables and other payables	25.202.587	11.966.297
	Other changes in working capital	0	-95.482
		9.546.815	**10.655.571**

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Flemming Skouboe
Bestyrelsesmedlem
Serienummer: f590f043-0d4a-4e7e-92f1-219fc29d5791
IP: 87.54.xxx.xxx
2023-04-28 16:43:22 UTC

Navnet er skjult (CPR valideret)
Bestyrelsesmedlem
På vegne af: BPI A/S
Serienummer: 9d1405af-7fb3-42d2-95ef-2af1af0d15db
IP: 89.150.xxx.xxx
2023-04-28 20:30:53 UTC

Henning Kruse Lorentzen
Bestyrelsesmedlem
Serienummer: 006f4bf7-59b0-419d-bf45-227e784c6c98
IP: 87.116.xxx.xxx
2023-04-29 10:39:49 UTC

Navnet er skjult (CPR valideret)
Direktør
På vegne af: BPI A/S
Serienummer: 9d1405af-7fb3-42d2-95ef-2af1af0d15db
IP: 89.150.xxx.xxx
2023-04-30 16:57:02 UTC

Jan Klarskov Henriksen
Bestyrelsesformand
På vegne af: BPI A/S
Serienummer: c0c70b8a-2b63-48ac-82a5-5404dd997edd
IP: 143.59.xxx.xxx
2023-05-01 13:41:07 UTC

Jens Jacob Madsen
Direktør
På vegne af: BPI A/S
Serienummer: a9c934e7-ebf3-4d92-b38b-d0b7b6ede2a9
IP: 185.101.xxx.xxx
2023-05-02 07:20:35 UTC

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Dorthe Finderup Madsen
Bestyrelsesmedlem
Serienummer: beda7c5b-dfef-4c6b-be2e-cf41f460fb15
IP: 185.101.xxx.xxx
2023-05-02 07:45:07 UTC

Alice Gardalid
Statsautoriseret revisor
På vegne af: Grant Thornton
Serienummer: CVR:34209936-RID:76768812
IP: 62.243.xxx.xxx
2023-05-02 07:54:18 UTC

Jan Tønnesen
Statsautoriseret revisor
På vegne af: Grant Thornton
Serienummer: CVR:34209936-RID:44852267
IP: 62.243.xxx.xxx
2023-05-02 07:54:45 UTC

Jan Klarskov Henriksen
Dirigent
På vegne af: BPI A/S
Serienummer: c0c70b8a-2b63-48ac-82a5-5404dd997edd
IP: 143.59.xxx.xxx
2023-05-02 10:46:31 UTC

Penneo dokumentnøgle: TOZZJ-PMJ7M-EZC7M-5DYVQ-61GUU-C3JPL