
CM Holding A/S

Klubiensvej 22, DK-2150 Nordhavn

Annual Report for 1 January - 31 December 2022

CVR No 27 27 60 24

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
26/6 2023

Klaus Ewald Madsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CM Holding A/S for the financial year 1 January - 31 December 2022.

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

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

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

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

Nordhavn, 24 May 2023

Executive Board

Simon Christensen

Board of Directors

Klaus Ewald Madsen
Chairman

Simon Christensen

Julie Bjørn Christensen

Torben Herman Christensen

Asbjørn Børsting

Christian Pagaard Junker

Independent Auditor's Report

To the Shareholders of CM Holding A/S

Opinion

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

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

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

Independent Auditor's Report

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

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

Hellerup, 24 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

statsautoriseret revisor

mne33262

Company Information

The Company

CM Holding A/S
Klubiensvej 22
DK-2150 Nordhavn

CVR No: 27 27 60 24
Financial period: 1 January - 31 December
Incorporated: 3 July 2003
Financial year: 20th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Klaus Ewald Madsen, Chairman
Simon Christensen
Julie Bjørn Christensen
Torben Herman Christensen
Asbjørn Børsting
Christian Pagaard Junker

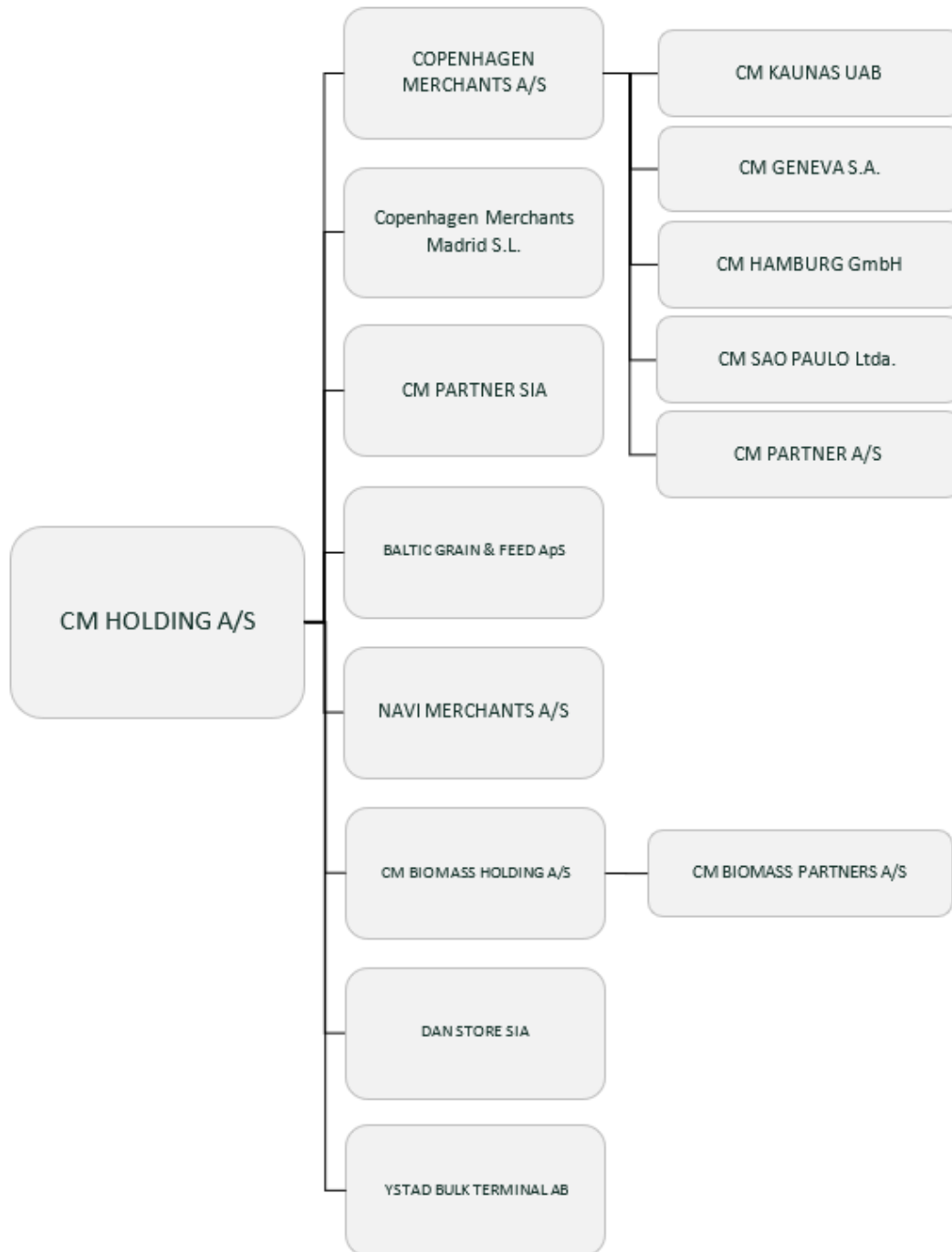
Executive Board

Simon Christensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart



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

Financial Highlights

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

	Group				
	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures¹					
Profit/loss					
Revenue	1.407.918	752.475	3.506.819	3.170.985	2.289.808
Gross profit/loss	171.640	479.256	290.384	209.348	152.865
Profit/loss before financial income and expenses	67.463	384.204	155.608	91.891	54.531
Net financials	106.122	30.928	253	-12.987	-4.562
Profit/loss from discontinuing activities	0	81.301	0	0	0
Net profit/loss for the year	158.111	488.733	124.477	59.257	38.281
Balance sheet					
Balance sheet total	983.843	821.649	1.078.769	904.570	652.692
Equity	747.492	690.282	442.485	301.838	238.821
Cash flows					
Cash flows from:					
- operating activities	43.881	91.680	78.821	-102.301	1.088
- investing activities	-18.729	360.584	-49.743	-37.193	-19.190
including investment in property, plant and equipment	-7.178	-18.539	-11.028	-7.440	-23.002
- financing activities	-1.097	-424.642	-12.350	147.824	-12.017
Change in cash and cash equivalents for the year	24.056	27.622	16.728	8.330	-30.119
Number of employees	98	112	151	144	124

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

Financial Highlights

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Ratios					
Gross margin	12,2%	63,7%	8,3%	6,6%	6,7%
Profit margin	4,8%	51,1%	4,4%	2,9%	2,4%
Return on assets	6,9%	46,8%	14,4%	10,2%	8,4%
Solvency ratio	76,0%	84,0%	41,0%	33,4%	36,6%
Return on equity	22,0%	86,3%	33,4%	21,9%	17,5%

For definitions of ratios, see under accounting policies.

Management's Review

Activities and development in the year

The income statement of the CM Group for 2022 shows a profit of DKK 156 mill exclusive of minority interests. As per 31st December 2022 the balance sheet of the CM Group shows an equity of DKK 723 mill exclusive of minority interests.

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

Business model

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

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

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

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

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

Brokerage

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

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

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

Biomass

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

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

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

Dry Bulk Freight Services

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

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

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

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

Terminals

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

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

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

Market overview

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

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

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

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

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

Special risks – Foreign exchange risks

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

Targets and expectations for the year ahead

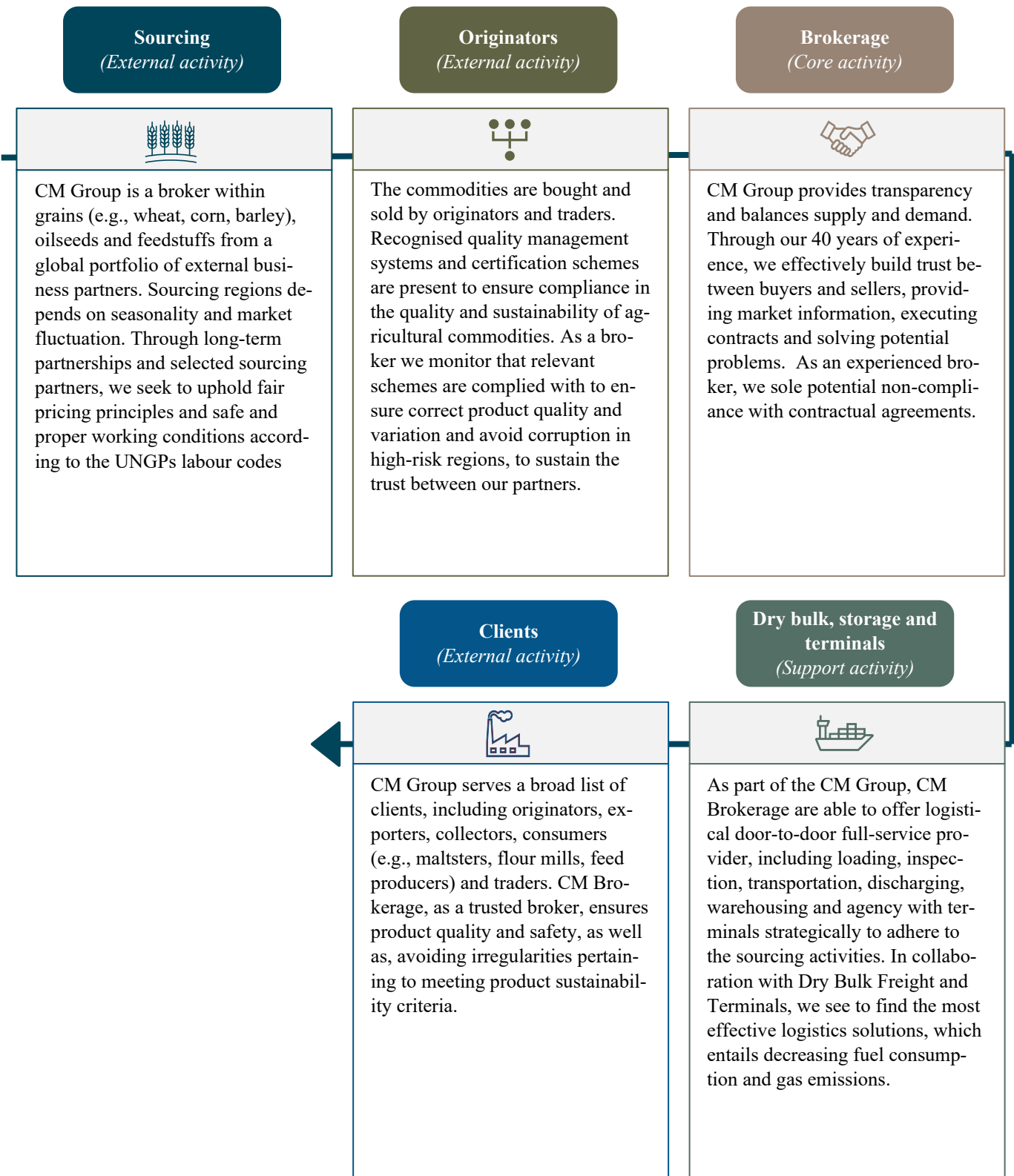
Considering the geo-political environment with significant impact on several business areas, there is great uncertainty attached to the forecast for 2023. Management expects overall growth in business volume and a satisfactory result before tax of ordinary operation of DKK 60-90 mill.

Statement of corporate social responsibility

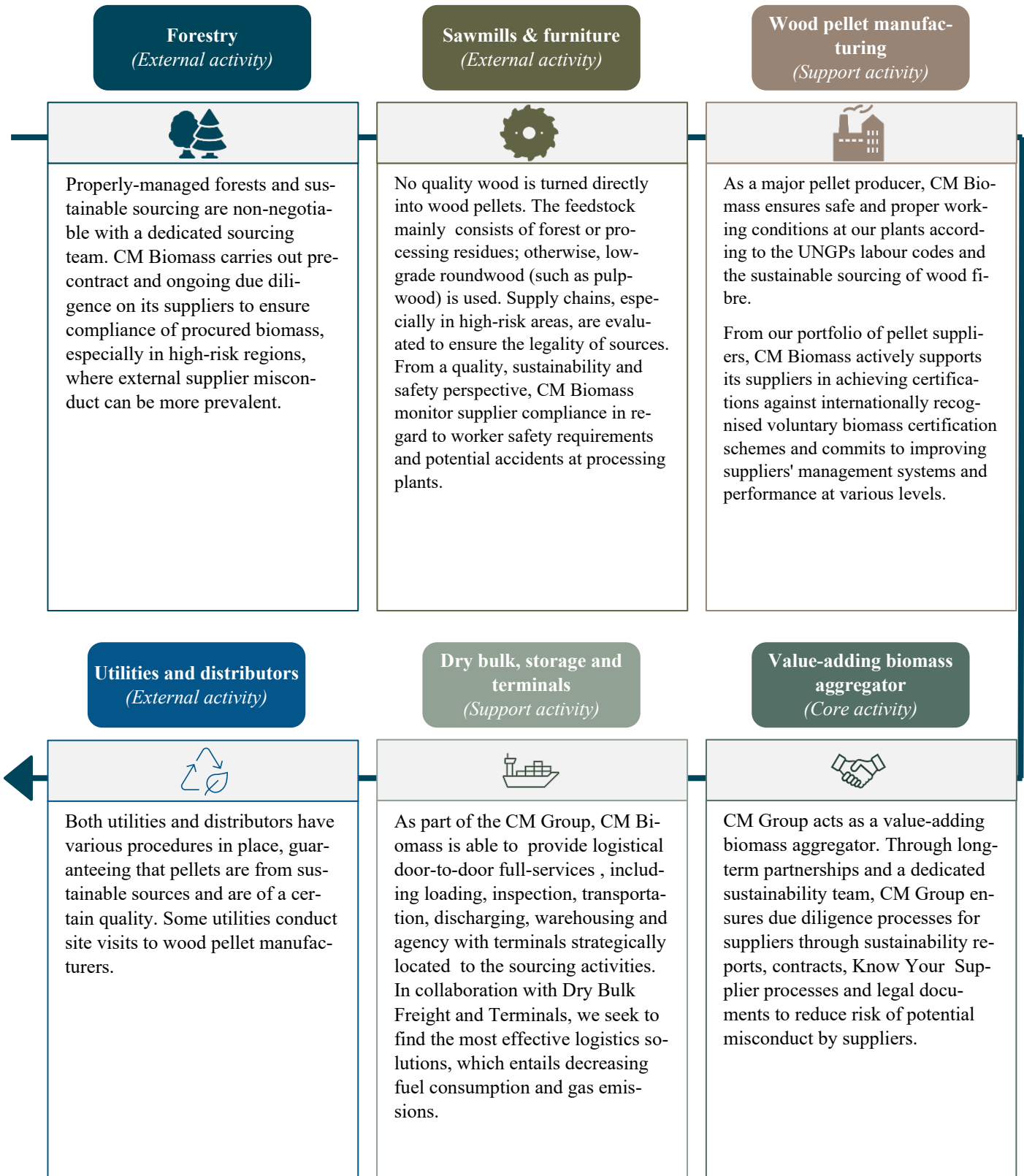
CM Group approaches CSR by dividing its activities and companies into the four main business areas, as each unit has its own business model. The 2022 Management's Review scope includes Brokerage, Biomass and Dry Bulk Freight Services, which directly and indirectly impact society and the environment throughout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

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

Flow from sourcing to end users



Flow from forests to end users



Logistics flow

Terminal Loading
(External activity)



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

Chartering
(Core activity)



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

Execution
(Support activity)



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

Terminal discharging
(Support activity)



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

Management's Review

Policies, activities and results

Sustainable Development Goals

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

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

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

Environment & Climate

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

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

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

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

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

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

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

Human Rights

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

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

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

Corruption & bribery

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

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

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

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

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

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

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

Social Impact & Employee Welfare

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

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

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

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

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

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

Data Ethics

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

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

Statement on gender composition

The Board of Directors aim to follow the recommendations of the Danish Business Authority with respect to the underrepresented gender. The target of the Company is to have at least 40% women on the board of directors by 2025, up from the current 17%.

CM Holding A/S does not account for the proportion of the underrepresented gender in the Company's other management levels since the Company has employed fewer than 50 employees in the financial year.

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

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

Uncertainty relating to recognition and measurement

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

Unusual events

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

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Revenue	1	1.407.918.371	752.475.159	0	0
Other operating income	3	26.782.467	371.133.302	38.973.255	32.209.546
Expenses for raw materials and consumables		-1.211.315.905	-596.991.030	0	0
Other external expenses		-51.745.178	-47.361.303	-19.837.051	-11.830.396
Gross profit/loss		171.639.755	479.256.128	19.136.204	20.379.150
Staff expenses	2	-91.519.138	-83.740.158	-24.951.450	-21.441.514
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-12.657.844	-11.311.611	-3.701.726	-3.031.836
Profit/loss before financial income and expenses	3	67.462.773	384.204.359	-9.516.972	-4.094.200
Income from investments in subsidiaries		0	0	91.578.980	433.679.213
Income from investments in associates		103.483.520	31.473.444	70.562.681	29.877.118
Financial income	4	6.157.426	2.285.918	6.096.703	4.659.107
Financial expenses	5	-3.518.495	-2.830.960	-3.178.605	-4.059.914
Profit/loss before tax		173.585.224	415.132.761	155.542.787	460.061.324
Tax on profit/loss for the year	6	-15.473.752	-7.700.925	649.500	-143.928
Profit/loss from continuing activities		158.111.472	407.431.836	156.192.287	459.917.396
Profit/loss from discontinuing activities	8	0	81.300.867	0	0
Net profit/loss for the year		158.111.472	488.732.703	156.192.287	459.917.396

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Software		3.736.666	3.678.765	3.736.644	3.631.904
Goodwill		0	0	0	0
Intangible assets	9	3.736.666	3.678.765	3.736.644	3.631.904
Land and buildings		89.545.939	93.707.392	24.173.416	24.585.535
Other fixtures and fittings, tools and equipment		35.108.433	35.588.781	11.896.137	7.236.184
Leasehold improvements		3.094.534	2.730.881	505.515	803.089
Property, plant and equipment	7	127.748.906	132.027.054	36.575.068	32.624.808
Investments in subsidiaries	10	0	0	151.213.023	84.464.664
Investments in associates	11	358.041.851	247.102.364	316.065.371	241.246.057
Receivables from group enterprises	12	0	0	9.596.240	11.703.640
Receivables from associates	12	121.491.248	111.658.761	121.491.248	111.658.761
Other investments	12	0	542.146	0	542.146
Deposits	12	1.734.863	1.046.965	1.051.375	638.040
Other receivables	12	1.880.706	112.782.332	0	112.782.332
Fixed asset investments		483.148.668	473.132.568	599.417.257	563.035.640
Fixed assets		614.634.240	608.838.387	639.728.969	599.292.352
Inventories		16.537.605	13.301.236	0	0

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Trade receivables		75.168.573	46.220.093	0	0
Receivables from group enterprises		0	0	6.890.793	32.380.283
Receivables from associates		19.997.060	48.254.754	19.511.980	44.609.429
Other receivables		124.182.183	6.719.442	114.137.786	5.150.458
Deferred tax asset	16	3.692.465	0	0	0
Corporation tax		843.151	10.723	15.737.697	4.807.755
Prepayments	13	31.954.265	25.525.771	4.092.825	4.842.520
Receivables		255.837.697	126.730.783	160.371.081	91.790.445
Cash at bank and in hand		96.833.721	72.778.185	51.996.435	51.579.572
Currents assets		369.209.023	212.810.204	212.367.516	143.370.017
Assets		983.843.263	821.648.591	852.096.485	742.662.369

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Share capital	14	1.250.000	1.250.000	1.250.000	1.250.000
Reserve for net revaluation under the equity method		156.424.864	53.255.323	210.497.003	74.732.195
Reserve for exchange rate adjustments		-1.552.315	-689.441	0	0
Retained earnings		526.613.017	513.628.250	470.988.563	491.461.937
Proposed dividend for the year		40.000.000	100.000.000	40.000.000	100.000.000
Equity attributable to shareholders of the Parent Company		722.735.566	667.444.132	722.735.566	667.444.132
Minority interests		24.756.403	22.837.661	0	0
Equity		747.491.969	690.281.793	722.735.566	667.444.132
Provision for deferred tax	16	1.183.642	4.446.768	2.516.522	2.488.741
Other provisions	17	27.410.939	0	0	0
Provisions		28.594.581	4.446.768	2.516.522	2.488.741
Mortgage loans		4.803.754	4.944.748	4.803.754	4.944.748
Credit institutions		6.599.894	13.416.500	0	0
Other payables		7.793.608	9.466.701	0	0
Long-term debt	18	19.197.256	27.827.949	4.803.754	4.944.748

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Mortgage loans	18	157.346	223.444	157.346	223.444
Credit institutions	18	6.816.794	6.816.702	0	0
Prepayments received from customers		7.294.792	0	261.064	0
Trade payables		45.580.696	24.810.621	3.044.067	1.644.936
Payables to group enterprises		52.348.600	364.148	78.112.119	30.987.647
Payables to owners and Management		35.516.968	0	35.516.968	0
Corporation tax		4.107.082	3.029.666	0	0
Deposits		228.900	197.700	228.900	197.700
Other payables	18	36.508.279	63.649.800	4.720.179	34.731.021
Short-term debt		188.559.457	99.092.081	122.040.643	67.784.748
Debt		207.756.713	126.920.030	126.844.397	72.729.496
Liabilities and equity		983.843.263	821.648.591	852.096.485	742.662.369
Subsequent events	24				
Distribution of profit	15				
Contingent assets, liabilities and other financial obligations	21				
Related parties	22				
Fee to auditors appointed at the general meeting	23				
Accounting Policies	25				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate adjustments	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1.250.000	53.255.323	-689.441	513.628.250	100.000.000	667.444.132	22.837.661	690.281.793
Ordinary dividend paid	0	0	0	0	-100.000.000	-100.000.000	0	-100.000.000
Exchange adjustments relating to foreign entities	0	-877.046	-862.874	0	0	-1.739.920	-443	-1.740.363
Dividend from group companies and associates	0	-276.000	0	276.000	0	0	0	0
Fair value adjustment of hedging instruments	0	839.067	0	0	0	839.067	0	839.067
Net profit/loss for the year	0	103.483.520	0	12.708.767	40.000.000	156.192.287	1.919.185	158.111.472
Equity at 31 December	1.250.000	156.424.864	-1.552.315	526.613.017	40.000.000	722.735.566	24.756.403	747.491.969

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate adjustments	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1.250.000	74.732.195	0	491.461.937	100.000.000	667.444.132	0	667.444.132
Ordinary dividend paid	0	0	0	0	-100.000.000	-100.000.000	0	-100.000.000
Exchange adjustments relating to foreign entities	0	-1.739.920	0	0	0	-1.739.920	0	-1.739.920
Dividend from group companies and associates	0	-25.476.000	0	25.476.000	0	0	0	0
Other equity movements	0	839.067	0	0	0	839.067	0	839.067
Net profit/loss for the year	0	162.141.661	0	-45.949.374	40.000.000	156.192.287	0	156.192.287
Equity at 31 December	1.250.000	210.497.003	0	470.988.563	40.000.000	722.735.566	0	722.735.566

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 DKK	2021 DKK
Net profit/loss for the year		158.111.472	488.732.703
Adjustments	19	-77.809.965	-329.316.108
Change in working capital	20	-16.874.643	-48.989.975
Cash flows from operating activities before financial income and expenses		63.426.864	110.426.620
Financial income		6.157.427	2.285.920
Financial expenses		-3.518.494	-7.571.043
Cash flows from ordinary activities		66.065.797	105.141.497
Corporation tax paid		-22.184.357	-13.461.797
Cash flows from operating activities		43.881.440	91.679.700
Purchase of intangible assets		-2.560.780	-1.176.126
Purchase of property, plant and equipment		-7.178.189	-18.538.969
Fixed asset investments made etc		-10.816.394	-114.377.322
Sale of intangible assets		437.050	0
Sale of property, plant and equipment		1.113.390	0
Sale of fixed asset investments etc		0	494.400.655
Dividends received from associates		276.000	276.000
Cash flows from investing activities		-18.728.923	360.584.238

Pengestrømsopgørelse 1. januar - 31. december

	Note	2022	2021
		DKK	DKK
Change in mortgage loans		-207.092	-220.258
Change in loans from credit institutions		-6.816.516	-20.516.773
Change in balances to group enterprises		51.984.452	-62.542.968
Changes in balances with affiliated parties		18.425.207	-133.052.897
Minority interests		0	-108.309.005
Dividend paid		-100.000.000	-100.000.000
Change in balances to owners		35.516.968	0
Cash flows from financing activities		-1.096.981	-424.641.901
Change in cash and cash equivalents		24.055.536	27.622.037
Cash and cash equivalents at 1 January		72.778.185	45.156.148
Cash and cash equivalents at 31 December		96.833.721	72.778.185
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		96.833.721	72.778.185
Cash and cash equivalents at 31 December		96.833.721	72.778.185

Notes to the Financial Statements

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
1 Revenue				
Geographical segments				
Revenue, Denmark	667.611.187	292.253.399	0	0
Revenue, outside Denmark	740.307.184	460.221.760	0	0
	1.407.918.371	752.475.159	0	0
Business segments				
Logistics	1.292.657.578	610.188.891	0	0
Broker	63.671.821	65.843.557	0	0
Other	51.588.972	76.442.711	0	0
	1.407.918.371	752.475.159	0	0
2 Staff expenses				
Wages and salaries	81.523.015	73.384.438	21.055.936	16.740.787
Pensions	3.172.187	1.781.254	1.178.927	655.773
Other social security expenses	3.309.905	3.658.776	226.043	160.448
Other staff expenses	3.514.031	4.915.690	2.490.544	3.884.506
	91.519.138	83.740.158	24.951.450	21.441.514
Including remuneration to the Executive Board	1.988.788	2.617.937	1.988.788	2.617.937
Average number of employees	98	112	18	18

Notes to the Financial Statements

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
3 Special items				
Gain on sale of investments in subsidiaries	0	348.211.137	0	0
	0	348.211.137	0	0
Gain on sale of investments in subsidiaries is recognized in other operating income.				
4 Financial income				
Interest received from group enterprises	0	0	1.190.739	2.447.357
Interest received from associates	4.442.739	2.150.107	4.000.305	2.073.465
Other financial income	992.261	135.811	697.042	138.285
Exchange adjustments	722.426	0	208.617	0
	6.157.426	2.285.918	6.096.703	4.659.107
5 Financial expenses				
Interest paid to group enterprises	776.536	1.373.204	1.396.233	2.320.226
Other financial expenses	2.741.959	1.112.179	1.782.372	1.603.112
Exchange adjustments, expenses	0	345.577	0	136.576
	3.518.495	2.830.960	3.178.605	4.059.914
6 Tax on profit/loss for the year				
Current tax for the year	21.400.621	7.948.547	-737.697	392.245
Deferred tax for the year	-5.987.285	-330.629	27.781	-331.324
Adjustment of tax concerning previous years	60.416	83.007	60.416	83.007
	15.473.752	7.700.925	-649.500	143.928

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	161.396.144	61.454.779	4.548.463	227.399.386
Exchange adjustment	154.687	-119.611	-204.769	-169.693
Additions for the year	640.915	5.393.296	1.143.978	7.178.189
Disposals for the year	0	-2.348.177	0	-2.348.177
Transfers for the year	842.793	-842.793	0	0
Cost at 31 December	<u>163.034.539</u>	<u>63.537.494</u>	<u>5.487.672</u>	<u>232.059.705</u>
Impairment losses and depreciation at 1 January	67.686.752	25.864.998	1.817.582	95.369.332
Exchange adjustment	719	-187.625	-80.610	-267.516
Depreciation for the year	5.801.129	3.420.526	656.166	9.877.821
Reversal of impairment and depreciation of sold assets	0	-668.838	0	-668.838
Impairment losses and depreciation at 31 December	<u>73.488.600</u>	<u>28.429.061</u>	<u>2.393.138</u>	<u>104.310.799</u>
Carrying amount at 31 December	<u>89.545.939</u>	<u>35.108.433</u>	<u>3.094.534</u>	<u>127.748.906</u>
Depreciated over	<u>20-50 years</u>	<u>3-20 years</u>	<u>5-25 years</u>	

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent Company

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	28.032.277	9.097.121	1.992.737	39.122.135
Additions for the year	0	6.649.351	97.036	6.746.387
Disposals for the year	0	-1.257.443	0	-1.257.443
Cost at 31 December	<u>28.032.277</u>	<u>14.489.029</u>	<u>2.089.773</u>	<u>44.611.079</u>
Impairment losses and depreciation at 1 January	3.446.742	1.860.937	1.189.648	6.497.327
Depreciation for the year	412.119	731.955	394.610	1.538.684
Impairment losses and depreciation at 31 December	<u>3.858.861</u>	<u>2.592.892</u>	<u>1.584.258</u>	<u>8.036.011</u>
Carrying amount at 31 December	<u>24.173.416</u>	<u>11.896.137</u>	<u>505.515</u>	<u>36.575.068</u>
Depreciated over	<u>20-50 years</u>	<u>3-5 years</u>	<u>5 years</u>	

Notes to the Financial Statements

8 Profit/loss from discontinuing activities

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

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

Notes to the Financial Statements

9 Intangible assets

Group

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

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

Parent Company

	Software DKK
Cost at 1 January	8.089.878
Additions for the year	2.560.780
Disposals for the year	-1.456.833
Cost at 31 December	<u>9.193.825</u>
Impairment losses and amortisation at 1 January	4.457.974
Amortisation for the year	2.012.340
Reversal of amortisation of disposals for the year	-1.013.133
Impairment losses and amortisation at 31 December	<u>5.457.181</u>
Carrying amount at 31 December	<u>3.736.644</u>
Amortised over	<u>5 years</u>

Notes to the Financial Statements

	Parent Company	
	2022	2021
	DKK	DKK
10 Investments in subsidiaries		
Cost at 1 January	60.957.031	75.879.608
Additions for the year	1.487.300	5.000.000
Disposals for the year	0	-19.922.577
Cost at 31 December	<u>62.444.331</u>	<u>60.957.031</u>
Value adjustments at 1 January	23.073.198	186.642.852
Disposals for the year	0	-211.642.974
Exchange adjustment	-683.486	228.949
Net profit/loss for the year	87.499.376	90.843.337
Dividend to the Parent Company	-25.200.000	-18.109.108
Depreciations on PPA adjustments	-602.499	-602.499
Fair value adjustment of hedging instruments for the year	0	-18.814.597
Amortisation of goodwill	0	-26.988
Change in intercompany profit	4.682.103	-5.445.774
Value adjustments at 31 December	<u>88.768.692</u>	<u>23.073.198</u>
Equity investments with negative net asset value amortised over receivables	0	434.435
Carrying amount at 31 December	<u>151.213.023</u>	<u>84.464.664</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>3.991.550</u>	<u>4.594.049</u>

Notes to the Financial Statements

10 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

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

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
11 Investments in associates				
Cost at 1 January	193.847.091	115.246.306	189.587.060	79.738.868
Additions for the year	7.769.896	114.108.173	4.750.000	109.848.192
Disposals for the year	0	-35.507.438	0	0
Cost at 31 December	<u>201.616.987</u>	<u>193.847.041</u>	<u>194.337.060</u>	<u>189.587.060</u>
Value adjustments at 1 January	53.255.323	29.455.096	51.658.997	27.339.047
Disposals for the year	0	-2.116.049	0	0
Exchange adjustment	-877.046	96.893	-1.056.434	96.893
Net profit/loss for the year	104.153.609	32.143.536	71.232.770	30.547.210
Dividends received	-276.000	-276.000	-276.000	-276.000
Depreciations on PPA adjustments	-670.089	-670.092	-670.089	-670.092
Fair value adjustment of hedging instruments for the year	<u>839.067</u>	<u>-5.378.061</u>	<u>839.067</u>	<u>-5.378.061</u>
Value adjustments at 31 December	<u>156.424.864</u>	<u>53.255.323</u>	<u>121.728.311</u>	<u>51.658.997</u>
Carrying amount at 31 December	<u>358.041.851</u>	<u>247.102.364</u>	<u>316.065.371</u>	<u>241.246.057</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>292.133</u>	<u>962.222</u>	<u>292.133</u>	<u>962.222</u>

Notes to the Financial Statements

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Aalborg Kornterminal Holding ApS	Aalborg	35%
Gdansk Bulk Terminal Sp. Z o.o.	Poland	51%
Szczecin Bulk Terminal Sp. Z o.o.	Poland	51%
Fredericia Bulk Terminal I/S	Fredericia	50%
Kalundborg Holding A/S	Kalundborg	50%
Kalundborg Bulk Terminal I/S	Kalundborg	25%
CM Biomass Holding A/S	Middelfart	24%
Aarhus Omni Bulk A/S	Aarhus	50%
Norse Maritime A/S	Copenhagen	15%
Lignum Maritime A/S	Copenhagen	15%

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

Notes to the Financial Statements

12 Other fixed asset investments

	Group			
	Receivables from asso- ciates	Other investments	Deposits	Other receiv- ables
	DKK	DKK	DKK	DKK
Cost at 1 January	111.658.761	2.728.848	1.046.965	112.782.332
Additions for the year	20.650.974	473.344	687.898	1.885.256
Disposals for the year	-10.818.487	0	0	-112.786.882
Cost at 31 December	121.491.248	3.202.192	1.734.863	1.880.706
Impairment losses at 1 January	0	2.186.702	0	0
Impairment losses for the year	0	1.015.490	0	0
Impairment losses at 31 December	0	3.202.192	0	0
Carrying amount at 31 December	121.491.248	0	1.734.863	1.880.706

	Parent Company				
	Receivables from group enterprises	Receivables from asso- ciates	Other investments	Deposits	Other receivables
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	11.703.640	111.658.761	2.728.848	638.041	112.782.332
Additions for the year	0	20.650.974	473.344	413.334	4.550
Disposals for the year	-2.107.400	-10.818.487	0	0	-112.786.882
Cost at 31 December	9.596.240	121.491.248	3.202.192	1.051.375	0
Impairment losses at 1 January	0	0	2.186.702	0	0
Impairment losses for the year	0	0	1.015.490	0	0
Impairment losses at 31 December	0	0	3.202.192	0	0
Carrying amount at 31 December	9.596.240	121.491.248	0	1.051.375	0

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

13 Prepayments

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

14 Share capital

The share capital consists of 1,250 shares of a nominal value of DKK 1,000. No shares carry any special rights.

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

15 Distribution of profit

Extraordinary dividend paid	0	100.000.000	0	100.000.000
Proposed dividend for the year	40.000.000	100.000.000	40.000.000	100.000.000
Reserve for net revaluation under the equity method	103.483.520	31.473.444	162.141.661	114.625.561
Minority interests' share of net profit/loss of subsidiaries	1.919.185	28.815.307	0	0
Retained earnings	12.708.767	228.443.952	-45.949.374	145.291.835
	158.111.472	488.732.703	156.192.287	459.917.396

Notes to the Financial Statements

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
16 Deferred tax asset				
Deferred tax asset at 1 January	-4.446.768	-4.965.923	-2.488.741	-2.820.065
Amounts recognised in the income statement for the year	5.987.285	330.629	-27.781	331.324
Effect from disposal of subsidiaries and exchange rate adjustments	968.306	188.526	0	0
Deferred tax asset at 31 December	2.508.823	-4.446.768	-2.516.522	-2.488.741

The recognised tax asset primarily comprises timing differences relating to property, plant and equipment and onerous contracts. In the years ahead, the Company or the group of jointly taxed enterprises expect to realise the recognised deferred tax asset; on that basis, the asset has been recognised at 31 December 2022.

17 Other provisions

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

Onerous contracts	27.410.939	0	0	0
	27.410.939	0	0	0

18 Long-term debt

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

The debt falls due for payment as specified below:

Mortgage loans

After 5 years	4.133.606	4.058.585	4.133.606	4.058.585
Between 1 and 5 years	670.148	886.163	670.148	886.163
Long-term part	4.803.754	4.944.748	4.803.754	4.944.748
Within 1 year	157.346	223.444	157.346	223.444
	4.961.100	5.168.192	4.961.100	5.168.192

Notes to the Financial Statements

18 Long-term debt (continued)

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
Credit institutions				
Between 1 and 5 years	6.599.894	13.416.500	0	0
Long-term part	6.599.894	13.416.500	0	0
Other short-term debt to credit institutions	6.816.794	6.816.702	0	0
	13.416.688	20.233.202	0	0
Other payables				
Between 1 and 5 years	7.793.608	9.466.701	0	0
Long-term part	7.793.608	9.466.701	0	0
Other short-term payables	36.508.279	63.649.800	4.720.179	34.731.021
	44.301.887	73.116.501	4.720.179	34.731.021

19 Cash flow statement - adjustments

	Group	
	2022 DKK	2021 DKK
Financial income	-6.157.426	-2.285.918
Financial expenses	3.518.495	7.571.041
Depreciation, amortisation and impairment losses, including losses and gains on sales	12.657.844	-332.289.918
Income from investments in associates	-103.483.520	-33.015.299
Tax on profit/loss for the year	15.473.752	30.665.655
Other adjustments	180.890	38.331
	-77.809.965	-329.316.108

Notes to the Financial Statements

	Group	
	2022	2021
	DKK	DKK
20 Cash flow statement - change in working capital		
Change in inventories	-3.236.369	-9.717.834
Change in receivables	-40.052.831	-51.055.591
Change in other provisions	27.410.939	-3.028.784
Change in trade payables, etc	-996.382	43.026.441
Change in fair value of hedging instruments booked on equity	0	-28.214.207
	-16.874.643	-48.989.975

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
21 Contingent assets, liabilities and other financial obligations				
Charges and security				

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

Land and buildings with a carrying amount of	13.915.022	14.259.388	0	14.259.388
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The following assets have been placed as security with bankers:

Land and buildings with a carrying amount of	63.582.075	70.570.050	0	0
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Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	195.137.776	280.296.549	2.704.149	3.684.135
Between 1 and 5 years	87.652.691	14.332.309	4.659.171	7.448.114
After 5 years	1.456.885	1.702.646	0	0
	284.247.352	296.331.504	7.363.320	11.132.249

The total future rental and lease payments primarily consist of rent and Time Charter agreements.

Furthermore, two associated companies (I/S) own warehouses built on leased land, which are on long-term leases. The lease contracts can be terminated by the associated companies within 6 months. The total lease obligation concerning warehouses on leased land amounts to DKK 1.390.000.

Notes to the Financial Statements

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

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Torben Herman Christensen Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

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

The Parent Company has issued a letter of support towards the subsidiary Dan Store, LSEZ SIA amounting TEUR 395.

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

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

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

22 Related parties

	Basis
Controlling interest	
Torben Herman Christensen Holding ApS	Parent Company
Torben Herman Christensen	Ultimate principal shareholder

Notes to the Financial Statements

22 Related parties (continued)

Transactions

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

There have been no transactions with the Board of Directors, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Group is included in the consolidated report for the parent company

Name	Place of registered office
Torben Herman Christensen Holding ApS	Taarbæk Strandvej 42C, 2930 Klampenborg

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
23 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	485.812	700.432	110.000	135.000
Tax advisory services	383.450	251.634	220.950	149.342
Other services	144.890	15.088.322	72.000	14.958.822
	1.014.152	16.040.388	402.950	15.243.164

24 Subsequent events

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

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of CM Holding A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

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

Recognition and measurement

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

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

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

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

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

Basis of consolidation

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

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

Minority interests

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

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

Leases

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

Translation policies

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

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

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Hedge accounting

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

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

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

Revenue

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

Income Statement

Revenue

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

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

Expenses for raw materials and consumables

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries and associates

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Balance Sheet

Intangible assets

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

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

Property, plant and equipment

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

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

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Investments in subsidiaries and associates

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

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

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

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

Other fixed asset investments

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

Inventories

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

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

The cost of goods for resale equals landed cost.

Receivables

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

Prepayments

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Equity

Dividend

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

Provisions

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

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

Notes to the Financial Statements

25 Accounting Policies (continued)

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

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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