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# *Copenhagen Merchants A/S*

Klubiensvej 22, DK-2150 Nordhavn

## Annual Report for 2023

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CVR No. 31 49 50 91

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 7/5 2024

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 Copenhagen Merchants A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

Nordhavn, 7 May 2024

## Executive Board

Simon Christensen  
CEO

Lars Boel  
Executive Officer

Indrek Aigro  
Executive Officer

## Board of Directors

Klaus Ewald Madsen  
Chairman

Torben Herman Christensen

Simon Christensen

# Independent Auditor's report

To the shareholders of Copenhagen Merchants A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Copenhagen Merchants A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements

Management is responsible for the preparation of 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 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 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 internal control.

# Independent Auditor's report

- 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 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 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 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.

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, 7 May 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Oliver Svane

State Authorised Public Accountant

mne49837

## Company information

<b>The Company</b>	Copenhagen Merchants A/S Klubiensvej 22 2150 Nordhavn  CVR No: 31 49 50 91 Financial period: 1 January - 31 December Incorporated: 16 June 2008 Financial year: 16th financial year Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Klaus Ewald Madsen, chairman Torben Herman Christensen Simon Christensen
<b>Executive Board</b>	Simon Christensen Lars Boel Indrek Aigro
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Income statement 1 January - 31 December

	Note	2023 DKK	2022 DKK
<b>Gross profit</b>		<b>4,718,374</b>	<b>6,675,594</b>
Staff expenses	3	-10,317,592	-8,862,926
Depreciation and impairment losses of property, plant and equipment		0	-65,820
Other operating expenses		0	-675,987
<b>Profit/loss before financial income and expenses</b>		<b>-5,599,218</b>	<b>-2,929,139</b>
Income from investments in subsidiaries		2,354,667	5,389,261
Income from investments in associates		-1,230,812	0
Financial income	4	109,783	637,544
Financial expenses	5	-208,534	-144,771
<b>Profit/loss before tax</b>		<b>-4,574,114</b>	<b>2,952,895</b>
Tax on profit/loss for the year	6	948,568	351,720
<b>Net profit/loss for the year</b>		<b>-3,625,546</b>	<b>3,304,615</b>

### Distribution of profit

	2023 DKK	2022 DKK
<b>Proposed distribution of profit</b>		
Proposed dividend for the year	0	16,000,000
Reserve for net revaluation under the equity method	0	5,389,261
Retained earnings	-3,625,546	-18,084,646
	<b>-3,625,546</b>	<b>3,304,615</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Investments in subsidiaries	7	11,707,652	14,594,972
Investments in associates	8	768,101	0
Deposits		0	136,148
<b>Fixed asset investments</b>		<b>12,475,753</b>	<b>14,731,120</b>
<b>Fixed assets</b>		<b>12,475,753</b>	<b>14,731,120</b>
Trade receivables		1,399,789	437,211
Receivables from group enterprises		1,617,469	8,794,280
Receivables from associates		421,672	0
Other receivables		78,505	0
Deferred tax asset	9	502,638	0
Corporation tax receivable from group enterprises		445,930	0
Prepayments		631,478	325,313
<b>Receivables</b>		<b>5,097,481</b>	<b>9,556,804</b>
<b>Cash at bank and in hand</b>		<b>913,130</b>	<b>2,890,642</b>
<b>Current assets</b>		<b>6,010,611</b>	<b>12,447,446</b>
<b>Assets</b>		<b>18,486,364</b>	<b>27,178,566</b>



## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		2,000,000	2,000,000
Reserve for exchange rate conversion		-137,368	0
Retained earnings		603,391	4,228,937
Proposed dividend for the year		0	16,000,000
<b>Equity</b>		<b>2,466,023</b>	<b>22,228,937</b>
Provisions relating to investments in group enterprises		3,736,017	1,716,674
<b>Provisions</b>		<b>3,736,017</b>	<b>1,716,674</b>
Trade payables		709,429	69,252
Payables to group enterprises		8,224,939	0
Corporation tax		0	32,606
Other payables		3,349,956	3,131,097
<b>Short-term debt</b>		<b>12,284,324</b>	<b>3,232,955</b>
<b>Debt</b>		<b>12,284,324</b>	<b>3,232,955</b>
<b>Liabilities and equity</b>		<b>18,486,364</b>	<b>27,178,566</b>
Capital resources	1		
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## Statement of changes in equity

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	2,000,000	0	4,228,937	16,000,000	22,228,937
Ordinary dividend paid	0	0	0	-16,000,000	-16,000,000
Exchange adjustments relating to foreign entities	0	-137,368	0	0	-137,368
Net profit/loss for the year	0	0	-3,625,546	0	-3,625,546
<b>Equity at 31 December</b>	<b>2,000,000</b>	<b>-137,368</b>	<b>603,391</b>	<b>0</b>	<b>2,466,023</b>

# Notes to the Financial Statements

## 1. Capital resources

The company's current liabilities exceed its current assets on the balance sheet. The Parent Company has issued a letter of support ensuring the Company's capital resources is sufficient to continue operations and pay all obligations as these fall due going through 2024.

The letter of support is valid until the general meeting in 2025.

## 2. Key activities

The company's core activity consists of brokerage of grain and other bulk goods.

## 3. Staff Expenses

	2023	2022
	DKK	DKK
Wages and salaries	9,679,435	8,306,347
Pensions	595,200	474,456
Other social security expenses	42,957	82,123
	<u>10,317,592</u>	<u>8,862,926</u>
Average number of employees	<u>7</u>	<u>7</u>

## 4. Financial income

	2023	2022
	DKK	DKK
Interest received from group enterprises	0	626,761
Other financial income	109,783	10,783
	<u>109,783</u>	<u>637,544</u>

## 5. Financial expenses

	2023	2022
	DKK	DKK
Interest paid to group enterprises	105,873	0
Other financial expenses	39,711	76,861
Exchange adjustments, expenses	62,950	67,910
	<u>208,534</u>	<u>144,771</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>6. Income tax expense</b>		
Current tax for the year	-445,930	32,606
Deferred tax for the year	-502,638	-384,326
	<b>-948,568</b>	<b>-351,720</b>
	2023	2022
	DKK	DKK
<b>7. Investments in subsidiaries</b>		
Cost at 1 January	5,546,795	15,299,256
Additions for the year	3,575,606	2,604,549
Disposals for the year	0	-12,357,010
Cost at 31 December	<u>9,122,401</u>	<u>5,546,795</u>
Value adjustments at 1 January	7,331,503	1,042,581
Disposals for the year	0	12,273,527
Exchange adjustment	-136,281	-215,666
Net profit/loss for the year	2,354,667	5,389,261
Dividend to the Parent Company	-10,700,655	-11,158,200
Value adjustments at 31 December	<u>-1,150,766</u>	<u>7,331,503</u>
Equity investments with negative net asset value transferred to provisions	<u>3,736,017</u>	<u>1,716,674</u>
<b>Carrying amount at 31 December</b>	<b><u>11,707,652</u></b>	<b><u>14,594,972</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Copenhagen Merchants Hamburg GmbH	Germany	EUR 200.000	100%
CM Geneva S.A.	Switzerland	CHF 50.000	100%
CM Partner A/S	Denmark	DKK 500.000	100%
CM Kaunas UAB	Lithuania	EUR 2.500	100%
CM São Paulo LDTA	Brazil	BRL 6.180.154	100%

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>8. Investments in associates</b>		
Cost at 1 January	0	0
Additions for the year	2,000,000	0
Cost at 31 December	<u>2,000,000</u>	<u>0</u>
Exchange adjustment	-1,087	0
Net profit/loss for the year	-1,230,812	0
Value adjustments at 31 December	<u>-1,231,899</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>768,101</u></b>	<b><u>0</u></b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
CM Navigator A/S	Denmark	DKK 1.000.000	20%

	2023	2022
	DKK	DKK
<b>9. Deferred tax asset</b>		
Deferred tax asset at 1 January	0	-384,326
Amounts recognised in the income statement for the year	502,638	384,326
<b>Deferred tax asset at 31 December</b>	<b><u>502,638</u></b>	<b><u>0</u></b>

The recognised tax asset primarily comprises of tax losses carried forward. 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 2023.

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>10. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	286,616	95,510
Between 1 and 5 years	457,947	0
	<u>744,563</u>	<u>95,510</u>

### Other contingent liabilities

The Danish 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 CM Holding A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 11. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest group:

Name	Place of registered office
CM Holding A/S	Klubiensvej 22, 2150 Nordhavn

# Notes to the Financial Statements

## 12. Accounting policies

The Annual Report of Copenhagen Merchants A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of CM Holding A/S, the Company has not prepared consolidated financial statements.

### 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.

### 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

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 transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

# Notes to the Financial Statements

## Income statement

### Revenue

Revenue is recognised when the risks and rewards relating to the services 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 Company.

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

### Expenses for raw materials and consumables

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

### Other external expenses

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

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of 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 Company, including gains and losses on the sale of property, plant and equipment.

### 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 the Group's other Danish companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.



# Notes to the Financial Statements

## Balance sheet

### 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.

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 deposits.

### 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 insurance premiums and subscriptions.

### Equity

#### Dividend

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

#### 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, including the tax base of tax loss carry-forwards, 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.

# Notes to the Financial Statements

## Financial liabilities

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