
Torben Herman
Christensen Holding A/S

Taarbæk Strandvej 42C, DK-2930 Klampenborg

**Annual Report for 1 January - 31
December 2021**

CVR No 32 65 41 69

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
1 /7 2022

Klaus Ewald Madsen
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Group Chart	6
Financial Highlights	7
Management's Review	9
Consolidated and Parent Company Financial Statements	
Income Statement 1 January - 31 December	21
Balance Sheet 31 December	22
Statement of Changes in Equity	26
Cash Flow Statement 1 January - 31 December	28
Notes to the Financial Statements	29

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Torben Herman Christensen Holding A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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.

Klampenborg, 1 July 2022

Executive Board

Torben Herman Christensen
Executive Officer

Board of Directors

Klaus Ewald Madsen
Chairman

Simon Christensen

Julie Bjørn Christensen

Torben Herman Christensen

Bente Christensen

Independent Auditor's Report

To the Shareholder of Torben Herman Christensen 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 2021 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 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Torben Herman Christensen Holding A/S for the financial year 1 January - 31 December 2021, 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, 1 July 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jens Weiersøe Jakobsen
State Authorised Public Accountant
mne30152

Claus Damhave
State Authorised Public Accountant
mne34166

Company Information

The Company

Torben Herman Christensen Holding A/S
Taarbæk Strandvej 42C
DK-2930 Klampenborg

CVR No: 32 65 41 69
Financial period: 1 January - 31 December
Incorporated: 20 November 2009
Financial year: 13rd financial year
Municipality of reg. office: Lyngby-Taarbæk

Board of Directors

Klaus Ewald Madsen, Chairman
Simon Christensen
Julie Bjørn Christensen
Torben Herman Christensen
Bente Christensen

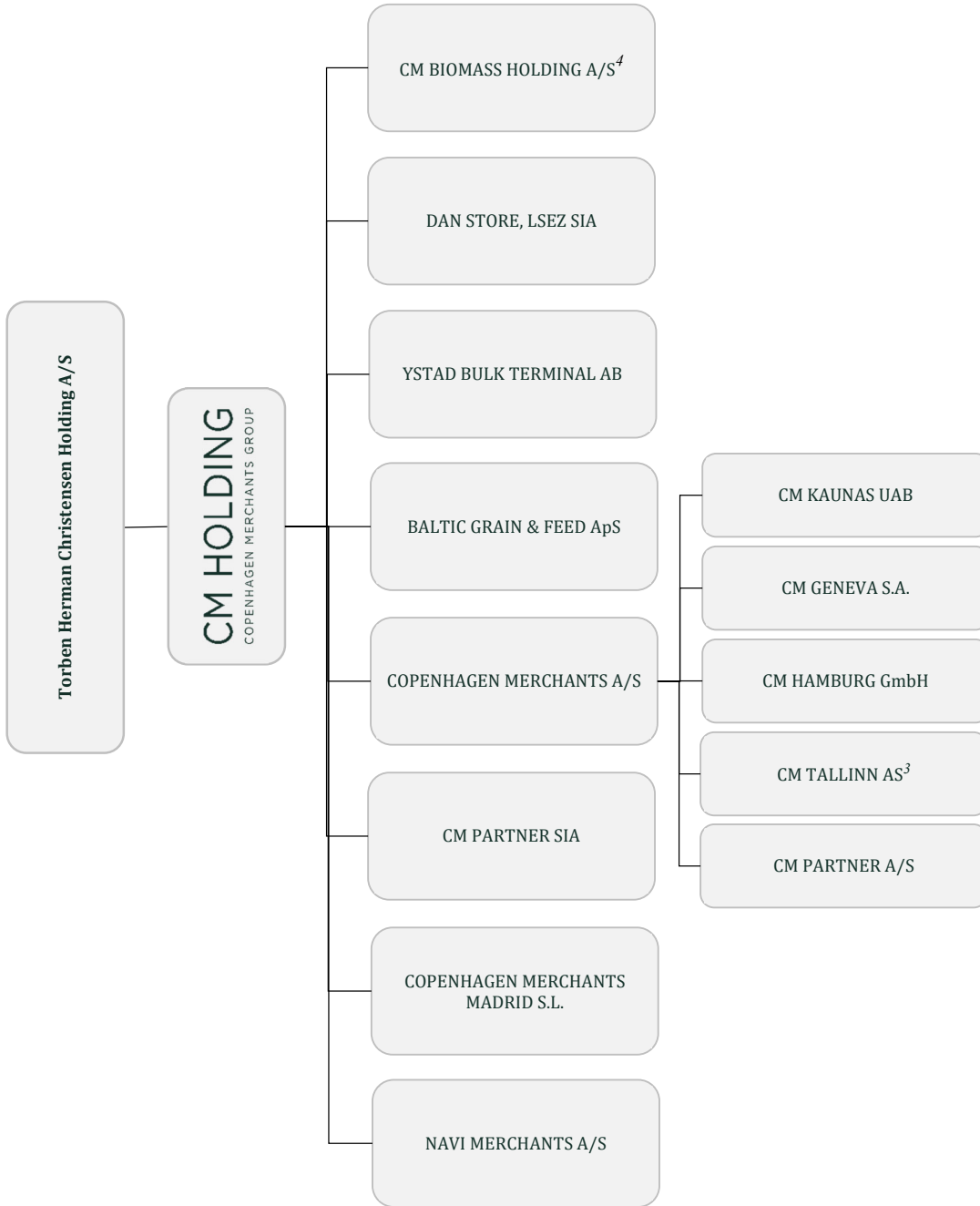
Executive Board

Torben Herman Christensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Torben Herman Christensen Holding A/S structure¹



¹ ECS has been acquired by Cotecna Inspection S.A. in December 2021 and is no longer part of the CM Group.

³ CM Tallinn AS discontinued operation and was liquidated in May 2022.

⁴ A/S 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 are deemed relevant.

Financial Highlights

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

	Group				
	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Revenue	753.820	3.506.819	3.170.985	2.289.808	1.616.737
Gross profit/loss	479.427	290.325	209.321	152.853	121.585
Profit/loss before financial income and expenses	384.294	155.549	91.864	54.519	40.044
Net financials	31.926	2.155	-11.212	-2.213	1.333
Profit/loss from discontinuing activities	81.301	0	0	0	0
Net profit/loss for the year	489.603	125.911	60.607	39.964	32.696
Balance sheet					
Balance sheet total	951.182	1.083.263	906.214	653.777	600.329
Equity	817.213	508.546	366.466	302.099	259.362
Cash flows					
Cash flows from:					
- operating activities	96.946	80.883	-98.762	4.614	-2.078
- investing activities	328.689	-55.127	-37.193	-19.190	-33.385
including investment in property, plant and equipment	-40.435	-15.913	-7.440	-23.002	-26.429
- financing activities	-288.461	-9.660	144.407	-15.541	20.354
Change in cash and cash equivalents for the year	137.173	16.097	8.452	-30.117	-15.109
Number of employees	112	151	144	124	109

Financial Highlights

	Group				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Ratios					
Gross margin	63,6%	8,3%	6,6%	6,7%	7,5%
Profit margin	51,0%	4,4%	2,9%	2,4%	2,5%
Return on assets	40,4%	14,4%	10,1%	8,3%	6,7%
Solvency ratio	85,9%	46,9%	40,4%	46,2%	43,2%
Return on equity	73,9%	28,8%	18,1%	14,2%	13,5%

In 2021, the Group has sold the majority of its shares in CM Biomass Partners A/S and as the financials for CM Biomass Partners A/S has been disclosed as discontinuing activities, the Group's revenue has decreased significantly. However, the result has been positively affected by the gain on the sale of shares in CM Biomass Partners A/S, which is recognized in other operating income in the Groups financial statements.

For definitions of ratios, see under accounting policies.

Management's Review

Key activities

The Torben Herman Christensen Group primarily offers services related to agri-bulk products and biomass. The services encompass brokerage, trading, freight and superintendence¹ as well as ownership and management of port terminals.

Activities and development in the year

The income statement of the Torben Herman Christensen Group for 2021 shows a profit of DKK 490 mill., including a non-recurring profit from divestments of DKK 348 mill.

As per 31st December 2021 the balance sheet of the Torben Herman Christensen Group shows an equity of DKK 817 mill.

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

Business model

Torben Herman Christensen 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 five areas.

- ❖ Biomass
- ❖ Brokerage
- ❖ Dry Bulk Freight Services
- ❖ Terminals
- ❖ Superintendence¹

Although CM Group operates in different industries, we all have the same core values in common. Trust is the overarching value enrooted in how we conduct business and make business decisions. Commitment, proactivity, partnership, and integrity are values based upon trust and are reflected in how corporate social responsibility is integrated into the business strategy adding to our objective of growing together with our suppliers, clients, business partners and colleagues.

- ❖ CM Group is based on **commitment**. Commitment to constantly improve, and commitment to our clients and partners to be reliable by conducting business efficiently and responsibly.
- ❖ CM Group is **proactive** and strives to transform our challenges into opportunities. We try to mitigate risks ahead of time and train our employees to act decisively.
- ❖ CM Group values great **partnerships** that last, partnerships where we grow together. Therefore, CM Group carefully chooses employees, suppliers, and collaborators, while being transparent, to create a foundation for mutual trust, unity, and loyalty.
- ❖ CM Group prioritises **integrity** over profit. We are professional and honest.

CM Group actively aims to contribute to the continued development of the business operations.

¹ The Superintendence activity was sold to Cotecna Inspection S.A. in December 2021

Biomass

Since 2009, CM Biomass (“CMB”) has actively engaged in the global transition towards a greener future through biomass. CMB is a leading independent provider of physical wood pellets and other biomass products, with approximately 3.5 million MT of wood- and agri pellets traded and approximately 0.7 million MT installed wood pellets production. CMB mainly supplies European utilities and distributors by acting as the main aggregator between (i) manufacturers in North America and Eastern Europe and (ii) European customers, playing a key part in the transition from fossil fuels to green energy solutions.

Since the beginning, CMB has benefitted from the close connection to the CM Group with its many years of experience within commodity trading, shipping, warehousing and wood pellet bagging. CM Biomass is widely spread throughout the value chain with its own production facilities and close collaborations with forestry, sawmills, furniture manufacturers, wood pellet manufacturers, utilities, and distributors.

In 2021 A/S United Shipping & Trading Company (hereinafter “USTC”) acquired a majority stake in CM Biomass. USTC owns 60% of CM Biomass, while the remaining 40% is held by the existing partners including CM Holding A/S. CM Group maintains an active role in the CM Biomass’ strategic and operational development of CM Biomass.

Brokerage

Today, with more than 20 Brokers plus 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, Barcelona in Iberian markets, whereas Baltic Grain & Feed specialises in international and global rapeseed.

Although crops in the 2021 harvest suffered under poor weather conditions and came smaller than expected, CM Brokerage managed to sustain traded volumes and increase market shares in key markets. In 2021, CM Brokerage launched its digital platform CM NAVIGATOR to external clients. CM NAVIGATOR strives to become a leading digital tool for the grain trade industry.

CM Dry Bulk Freight Services

The chartering business has been an integrated 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. To better serve clients and facilitate growth ambitions, the dry bulk freight services have been migrated to a newly formed entity, Navi Merchants A/S, which is also engaged in short and long term vessel commitments from coaster to handy size, mainly servicing dry and breakbulk markets.

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 20,000mt bulk and 7,000mt pallets.

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 2021, 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 holds interests in a number of other agri-bulk terminals around the Baltic Sea.

Superintendence

ECS EUROCARGO SERVICES (hereinafter “ECS”) is a market leader in the supervision and certification of grains, oilseeds and feedstuffs in Denmark, Poland and Germany. ECS provides a range of services within superintendence, following the goods through every link in the supply chain – from primary producer to food manufacturer – focusing unwaveringly on assuring and documenting their quality.

ECS experienced a very strong 2021 as a result of increased market shares within key markets. However, it was deemed that a broader and morerobust core platform is needed to ensure long-term viability and growth, which CM Group cannot extensively provide, as the business is somewhat in the periphery of the core business. As a result of this, towards the end of 2021, the ECS business was sold to the Cotecna Inspection S.A. , a Swiss based company dedicated to the supervision market. We believe Cotecna Insepction S.A. will be a strong new partner for ECS, and Cotecna Inspection S.A. is expected to provide ECS with valuable industry expertise, making it possible for ECS to achieve further growth. Post-sale, Superintendence will thus no longer be a business area within CM Group.

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 sustainable 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 identifies a significant business prospect and job creation in the industry of green energy technologies. The increased prevalence of biomass energy, including the use of wood processing residues, production, aggregation and delivery of biomass, is expected to entail social and economic development of the involved regions. CM Group engages in development activities to maximise the efficient use of residues by extending the operational experience. Increasing demand for biomass as an energy source leads to innovation in different biomass types, servicing a variety of customers in different markets.

In addition, CM Group finds very interesting potential in further expanding the production of proteins and side products from pulses, in particular peas and faba beans, in Aarhus with our long-term partner Fredericia Shipping.

In 2021, grain prices reached historical highs due to relatively disappointing crops, countries building security stocks, high demand, and inflation, which also entailed that the market volatility reached a historical high. The Black Sea, being the most significant market globally, collapsed following the Russian invasion of Ukraine. CM is actively working with partners to establish new corridors to destinations from Ukraine for grain and other locally produced agri products, however, volumes are going to be limited as vessels cannot call Black Sea ports and not all flows can be redirected to other corridors due to logistical bottlenecks.

2021 was also the year where dry bulk freight prices reached new highs after many years of low prices in a very volatile market. The volatility has been further sparked by the many different effects of the Ukrainian war, but overall freight levels have remained at a high level.

CM Group's market position is considered strong and growing in generally expanding markets. Although recent geo-political events impact global trade negatively, CM is well positioned to further develop its businesses and increase activity levels and profitability.

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

In 2021, the Company delivered a result of ordinary operation which was significantly higher than the expectations stated in the 2020 annual report. This was driven by the sale of a significant share of CM Biomass and the entire ECS Group coupled with growth in almost all business segments.

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 2022. Management expects overall growth in business volume and a satisfactory result before tax of ordinary operation of DKK 75-115 mill.

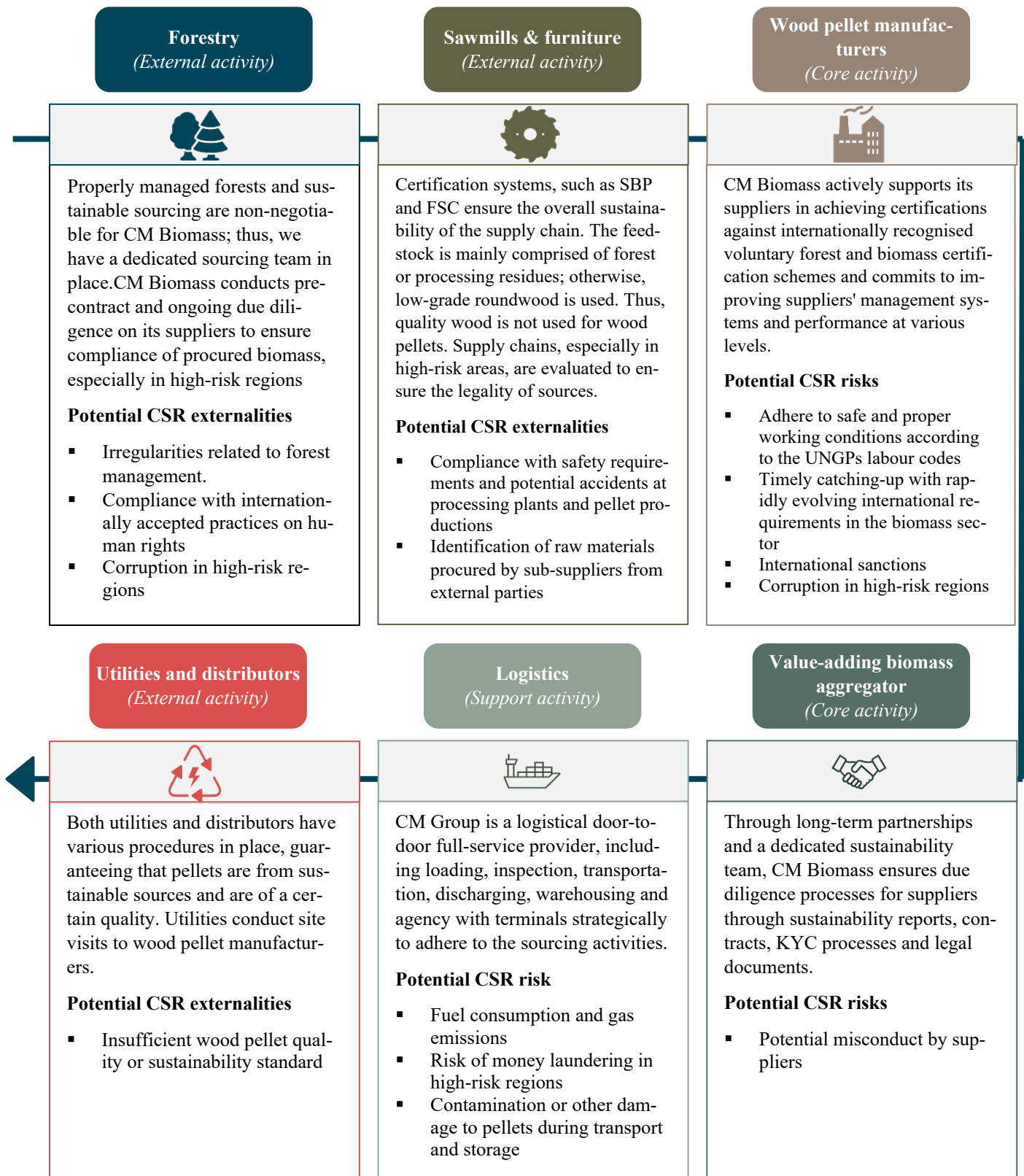
Statement of corporate social responsibility

CM Group approaches CSR by dividing its activities and companies into the five main business areas², as each unit has its own business model. The 2021 Management's Review scope includes Biomass, Brokerage and Dry Bulk Freight Services, which directly and indirectly impact society and the environment throughout the value chain. Thus, Terminals and Superintendence are excluded from the 2021 Management's Review as these business units are 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.

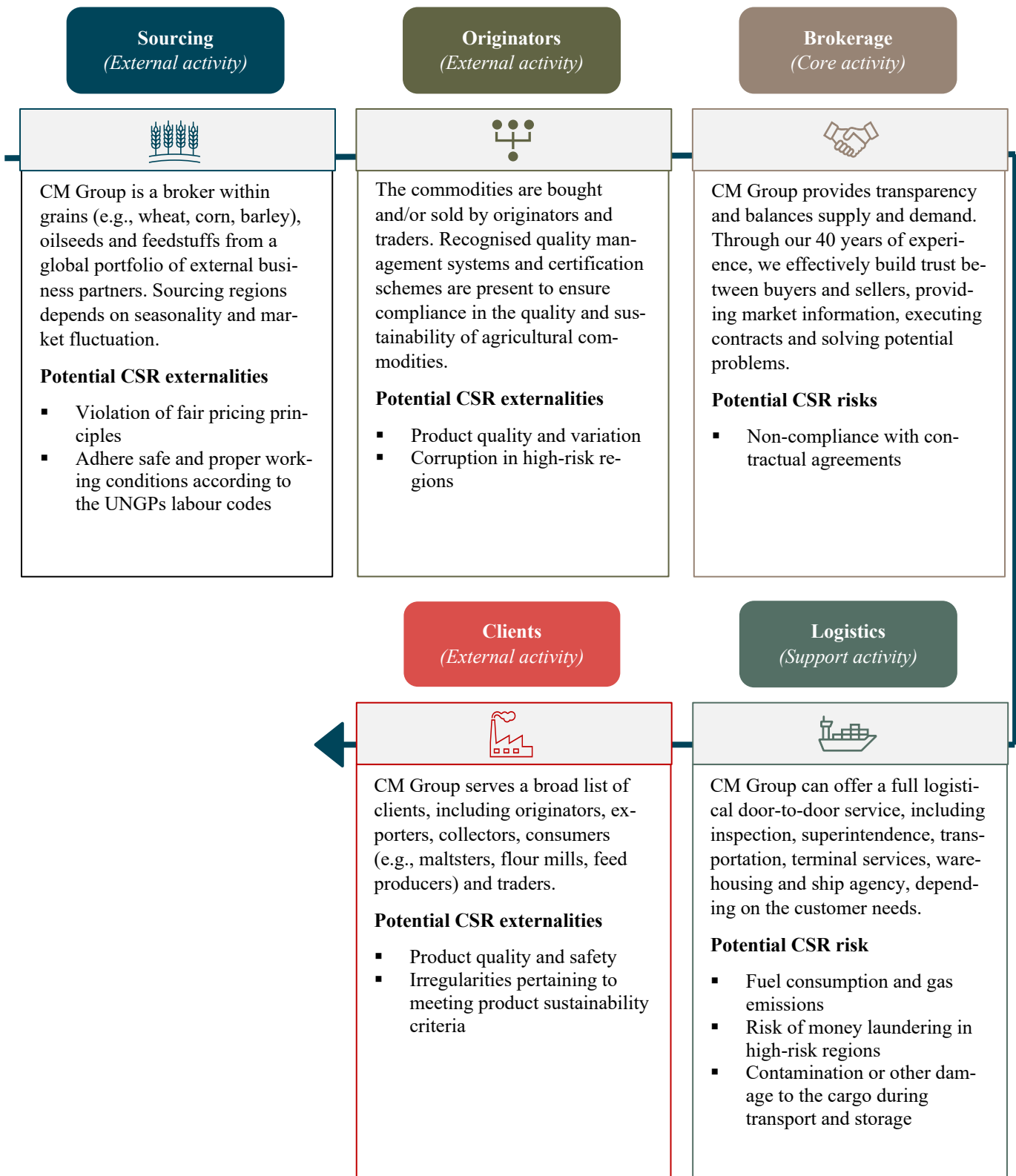
As a broker, trader and charterer, CM Group generally have limited direct CSR impact throughout the value chain. However, we recognise that doing business within these industries may entail externalities related to CSR, which can negatively impact other parts of the value chain over which we have no 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.

² CM Group will have four major business areas going forward, as ECS Eurocargo Services is no longer part of the CM Group.

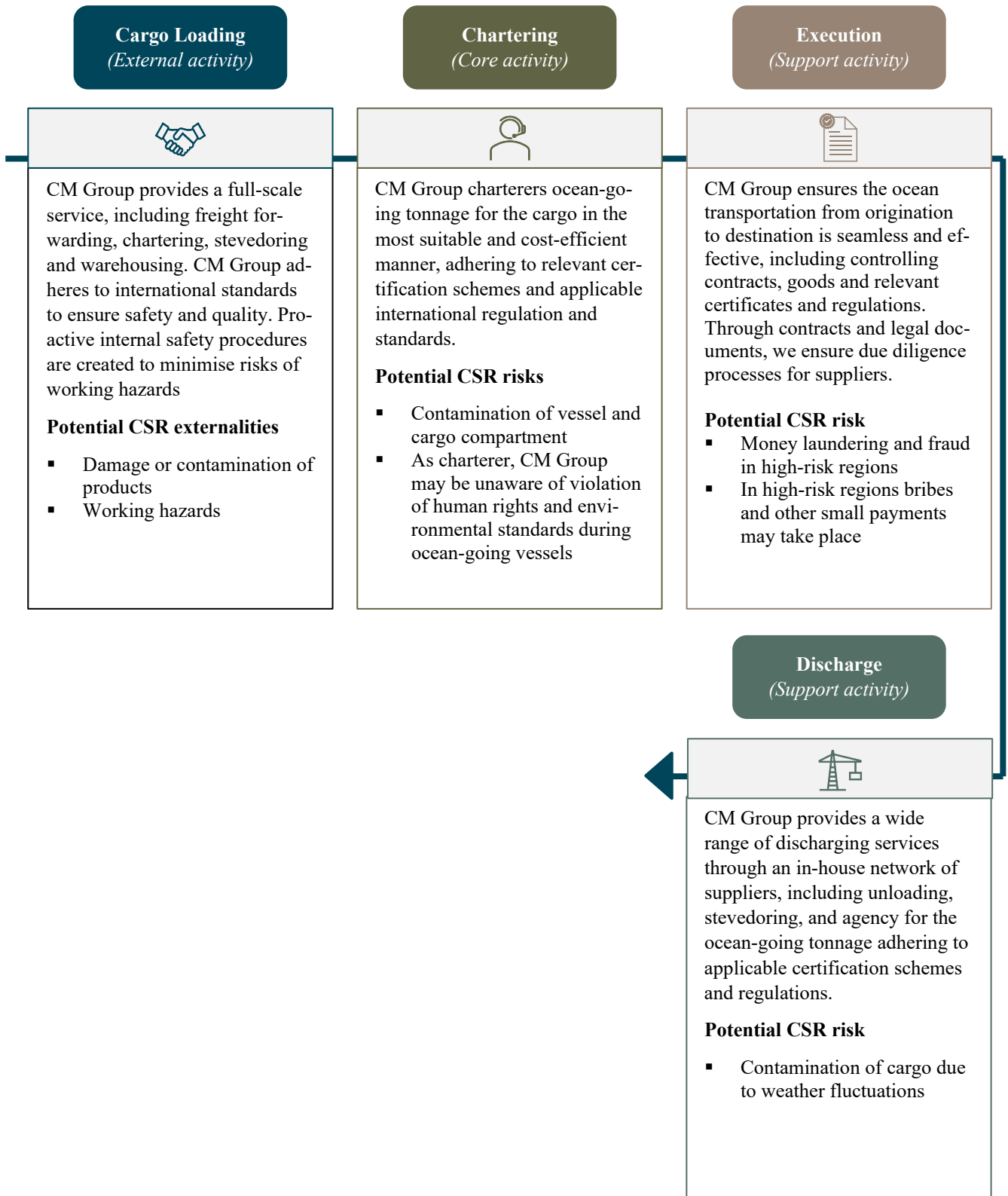
Flow from forests to end users



Flow from sourcing to end users



Logistics flow



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 2021, the primary focus has been on energy optimisation of terminals and production facilities, which will continue in 2022. We are continuously working with the two SDGs in relation to our activities to develop our business sustainably and commercially.

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. We strive to integrate the UN Sustainable Development Goals into CM Group strategy in order to ensure that our sustainability commitment is fully implemented in how we conduct our business.

In line with our CR 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 Biomass 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. In high-risk regions, such as Russia, additional monitoring measures are implemented to ensure the legality and sustainability of timber supplies.

CM Biomass's policy is to continuously test and research alternative biomass fuels to explore the growing market for CO2 neutral energy sources. In 2021, CM Biomass continued to work with by-products from sunflower, peanuts, olives, bagasse, and shea, with the most focus on sunflower husk pellets and peanut hull pellets.

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 2021.

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, CM 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 2021.

Going forward in 2022, our ambition is to continuously implement SDG-related initiatives in our business units.

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, which employees and representatives are expected to behave.

CM 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 2021 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 2021 and the years before, no human rights violations were identified. As our business expands, we continue to strengthen our practices within human rights in line with applicable conventions.

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 various risk analyses and assessments.

Before signing 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 support open and direct communication.

There were no reports of corruption in 2021. However, as CM Group's operations continue to expand, the need to avoid corruption and mitigate financial risks will increase. Consequently, CM Group has added further resources for internal controlling. Going forward, CM Group will look for additional measures, including due diligence and KYC (Know Your Customer) 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.

As a considerable player 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. Hence, a whistle-blower scheme is implemented in Q2 2022 as a supplement to the direct and daily communication to ensure a safe environment in which employees within CM Group have the confidence to speak out about reprehensible practices.

CM Group's Covid-19 pandemic response has been to introduce procedures to minimise the dissemination of the disease. Local sites under CM Group ownership have carried out actions in accordance with local regulation to avoid the spread of Covid-19. The pandemic has demanded a significant amount of flexibility from the employees, with some appreciating working from home, and others being frustrated due to, e.g., lack of social contact. CM Group has continuously sought to adopt measures for employees and externals to enable physical meetings when possible.

CM Group continues to have a relatively low staff turnover in 2021 at 6,1%, compared to 7,1% in 2020. 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 2021 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 2021, CM Group had an average of 8 student assistants compared to 7 in 2020.

In 2022, we are introducing CM Coaching Community to provide opportunities for our employees to continuously develop their professional and personal competencies.

Data Ethics

Although the nature of our business does not involve the treatment of data through artificial intelligence, machine learning or other forms of algorithms, we continuously assess our digital development with respect to data ethics. Data from third parties primarily consists of publicly available statistics e.g., prices, rates, and other business data related to our business units. Thus, CM Group does not buy or process personal 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 two women represented in the board of directors.

At present, two of the Members of the Board of Directors in Torben Herman Christensen Holding A/S are women. As a result, the target is met, and the Board of Directors has no under-represented gender cf. guidelines from the Danish Business Authority.

Torben Herman Christensen Holding A/S cm 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.

Uncertainty relating to recognition and measurement

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

Unusual events

The introduction of the global Covid-19 pandemic, continued to cause regional lockdowns, and have in varying degrees affected employees. The impact from Covid-19 on business is deemed to have had an overall neutral impact on the results of the group.

During 2021, CM Group sold a significant share of its stake in CM Biomass to A/S United Shipping & Trading Company. Furthermore, the Superintendence division in ECS Eurocargo Services was taken over by Cotecna Inspection S.A.. The transactions had a significant and positive one-time impact on the financial result of CM

Group in 2021 of DKK 348 mill. CM Biomass is no longer a subsidiary, and going forward, the results of CM Biomass will thus be reflected as an associated company. ECS Eurocargo Services is no longer part of CM Group will thus be excluded.

Subsequent events

The Russian invasion of Ukraine will impact the businesses of CM Group in several ways.

The biomass market will become even more short of supply following the sanctions on biomass from Russia and Belarus in continuation of Russia's invasion of Ukraine. This will challenge supply chains across the market, along with those of CM Biomass, and is expected to support high prices for a relatively long period.

Subsequent to the war, grain flows exported to the Black Sea market are dramatically reduced with very uncertain recovery prospects. However, CM Group is involved in finding new logistic solutions enabling exports via other corridors, particularly in Poland. Contrary, the effect of Russian sanctions will have a negative effect on Dan Store in Liepaja.

The impact on throughput in terminals will vary depending on location and market, but overall the impact is expected to be negative, especially in Latvia.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Revenue	1	753.819.751	3.506.819.187	0	0
Other operating income		371.133.302	5.130.512	0	0
Expenses for raw materials and consumables		-597.493.537	-3.169.232.463	0	0
Other external expenses		-48.032.043	-52.391.873	-17.174	-57.262
Gross profit/loss		479.427.473	290.325.363	-17.174	-57.262
Staff expenses	2	-83.740.158	-117.442.923	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-11.392.999	-17.333.613	0	0
Profit/loss before financial income and expenses	3	384.294.316	155.548.827	-17.174	-57.262
Income from investments in subsidiaries		0	0	275.833.786	53.613.043
Income from investments in associates		31.590.097	17.079.494	0	0
Financial income	4	2.054.962	542.797	1.499.942	1.923.651
Financial expenses	5	-1.718.773	-15.467.593	-211.293	-22.516
Profit/loss before tax		416.220.602	157.703.525	277.105.261	55.456.916
Tax on profit/loss for the year	6	-7.918.362	-31.792.643	-283.666	-409.621
Profit/loss from continuing activities		408.302.240	125.910.882	276.821.595	55.047.295
Profit/loss from discontinuing activities		81.300.867	0	0	0
Net profit/loss for the year		489.603.107	125.910.882	276.821.595	55.047.295

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Software		3.678.765	4.156.269	0	0
Acquired other similar rights		0	3.655.927	0	0
Goodwill		0	134.940	0	0
Intangible assets	8	3.678.765	7.947.136	0	0
Land and buildings		112.629.143	89.031.394	0	0
Other fixtures and fittings, tools and equipment		43.735.652	46.852.455	903.916	374.964
Leasehold improvements		2.730.881	2.945.892	0	0
Property, plant and equipment in progress		0	4.884.980	0	0
Property, plant and equipment	9	159.095.676	143.714.721	903.916	374.964
Investments in subsidiaries	10	0	0	400.599.075	199.085.379
Investments in associates	11	246.969.770	144.452.155	0	0
Receivables from group enterprises	12	0	0	4.615.089	60.000.000
Receivables from associates	12	91.709.597	14.023.273	0	0
Other investments	12	11.291.119	1.275.984	10.748.973	748.973
Deposits	12	1.046.968	22.652.044	0	0
Other receivables	12	112.782.332	0	0	0
Fixed asset investments		463.799.786	182.403.456	415.963.137	259.834.352
Fixed assets		626.574.227	334.065.313	416.867.053	260.209.316
Finished goods and goods for resale		13.301.236	310.869.905	0	0
Prepayments for goods		0	20.420.454	0	0
Inventories		13.301.236	331.290.359	0	0

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Trade receivables		47.086.657	291.374.774	0	0
Receivables from group enterprises		0	0	364.148	5.057.115
Receivables from associates		48.254.754	10.687.112	0	0
Other receivables	18	7.783.422	56.169.031	493.633	0
Corporation tax		10.723	1.054.543	22.941	0
Prepayments	13	25.640.506	13.264.868	0	0
Receivables		128.776.062	372.550.328	880.722	5.057.115
Cash at bank and in hand		182.530.334	45.357.097	109.742.752	122.482
Currents assets		324.607.632	749.197.784	110.623.474	5.179.597
Assets		951.181.859	1.083.263.097	527.490.527	265.388.913

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Share capital		2.000.000	2.000.000	2.000.000	2.000.000
Reserve for net revaluation under the equity method		53.372.729	29.455.849	347.349.828	145.836.132
Reserve for exchange rate adjustments		-170.318	-870.605	0	0
Reserve for hedging transactions		0	8.391.519	0	0
Retained earnings		422.196.482	225.920.624	128.049.065	117.061.255
Proposed dividend for the year		50.000.000	0	50.000.000	0
Equity attributable to shareholders of the Parent Company		527.398.893	264.897.387	527.398.893	264.897.387
Minority interests		289.814.259	243.649.044	0	0
Equity		817.213.152	508.546.431	527.398.893	264.897.387
Provision for deferred tax	15	4.644.386	5.008.816	49.500	42.893
Other provisions	16	0	3.028.784	0	0
Provisions		4.644.386	8.037.600	49.500	42.893
Mortgage loans		4.944.748	5.166.959	0	0
Credit institutions		13.416.500	48.326.516	0	0
Other payables		9.466.701	21.261.344	0	0
Long-term debt	17	27.827.949	74.754.819	0	0

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Mortgage loans	17	223.444	221.491	0	0
Credit institutions	17	6.816.702	257.109.621	0	0
Prepayments received from customers		0	277.835	0	0
Trade payables		27.312.887	107.391.832	11.250	11.250
Payables to associates		0	4.161.252	0	0
Payables to owners and Management		0	170.587	0	0
Corporation tax		2.792.378	9.606.712	0	407.398
Deposits		197.700	114.600	0	0
Other payables	17	64.153.261	112.870.317	30.884	29.985
Short-term debt		101.496.372	491.924.247	42.134	448.633
Debt		129.324.321	566.679.066	42.134	448.633
Liabilities and equity		951.181.859	1.083.263.097	527.490.527	265.388.913
Subsequent events	24				
Distribution of profit	14				
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	Reserve for hedging transactions	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	2.000.000	29.455.849	-870.605	8.391.519	225.920.624	0	264.897.387	243.649.044	508.546.431
Disposals for the year	0	0	601.675	746.014	-1.347.689	0	0	-108.309.005	-108.309.005
Extraordinary dividend paid	0	0	0	0	0	0	0	-40.000.000	-40.000.000
Dissolution of previous years' revaluation	0	-2.116.049	0	0	2.116.049	0	0	0	0
Exchange adjustments relating to foreign entities	0	96.893	98.612	0	0	0	195.505	342.324	537.829
Dividend from associates	0	-276.000	0	0	276.000	0	0	0	0
Fair value adjustment of hedging instruments	0	-5.378.061	0	-9.137.533	0	0	-14.515.594	-18.649.616	-33.165.210
Net profit/loss for the year	0	31.590.097	0	0	195.231.498	50.000.000	276.821.595	212.781.512	489.603.107
Equity at 31 December	2.000.000	53.372.729	-170.318	0	422.196.482	50.000.000	527.398.893	289.814.259	817.213.152

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate adjustments	Reserve for hedging transactions	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	2.000.000	145.836.132	0	0	117.061.255	0	264.897.387	0	264.897.387
Exchange adjustments relating to foreign entities	0	195.505	0	0	0	0	195.505	0	195.505
Dividend from associates	0	-60.000.000	0	0	60.000.000	0	0	0	0
Other equity movements	0	-14.515.594	0	0	0	0	-14.515.594	0	-14.515.594
Net profit/loss for the year	0	275.833.785	0	0	-49.012.190	50.000.000	276.821.595	0	276.821.595
Equity at 31 December	2.000.000	347.349.828	0	0	128.049.065	50.000.000	527.398.893	0	527.398.893

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2021 DKK	2020 DKK
Net profit/loss for the year		489.603.107	125.910.882
Adjustments	19	-330.009.604	46.877.891
Change in working capital	20	-44.190.426	-42.471.991
Cash flows from operating activities before financial income and expenses		115.403.077	130.316.782
Financial income		2.054.964	542.797
Financial expenses		-6.458.854	-15.385.051
Cash flows from ordinary activities		110.999.187	115.474.528
Corporation tax paid		-14.053.305	-34.591.169
Cash flows from operating activities		96.945.882	80.883.359
Purchase of intangible assets		-1.176.126	-6.298.972
Purchase of property, plant and equipment		-40.434.598	-15.913.234
Fixed asset investments made etc		-124.377.322	-37.675.204
Sale of fixed asset investments etc		494.400.655	4.507.906
Exchange rate adjustments		0	-92.004
Dividends received from associates		276.000	345.000
Cash flows from investing activities		328.688.609	-55.126.508
Repayment of mortgage loans		-220.258	-222.603
Change in loans from credit institutions		-20.516.773	-8.133.303
Change in balances with affiliated parties		-119.415.218	-1.304.413
Minority interests		-108.309.005	0
Dividend paid		-40.000.000	0
Cash flows from financing activities		-288.461.254	-9.660.319
Change in cash and cash equivalents		137.173.237	16.096.532
Cash and cash equivalents at 1 January		45.357.097	29.260.565
Cash and cash equivalents at 31 December		182.530.334	45.357.097
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		182.530.334	45.357.097
Cash and cash equivalents at 31 December		182.530.334	45.357.097

Notes to the Financial Statements

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
1 Revenue				
Geographical segments				
Revenue, Denmark	293.597.991	2.679.799.318	0	0
Revenue, exports	460.221.760	827.019.869	0	0
	753.819.751	3.506.819.187	0	0
Business segments				
Biomass	0	3.022.030.950	0	0
Logistics	610.188.891	355.941.615	0	0
Broker	65.843.557	77.158.018	0	0
Other	77.787.303	51.688.604	0	0
	753.819.751	3.506.819.187	0	0
2 Staff expenses				
Wages and salaries	73.384.438	105.864.657	0	0
Pensions	1.781.254	2.225.795	0	0
Other social security expenses	3.658.776	6.750.659	0	0
Other staff expenses	4.915.690	2.601.812	0	0
	83.740.158	117.442.923	0	0
Including remuneration to the Executive Board and Board of Directors	1.210.500	1.210.900	0	0
Average number of employees	112	151	0	0

Notes to the Financial Statements

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
3 Special items				
Gain on sale of investments in subsidiaries	348.211.137	0	0	0
	348.211.137	0	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	1.488.293	1.923.651
Interest received from associates	1.912.951	476.306	0	0
Other financial income	142.011	66.491	5.681	0
Exchange gains	0	0	5.968	0
	2.054.962	542.797	1.499.942	1.923.651
5 Financial expenses				
Other financial expenses	1.373.591	10.080.679	211.293	22.516
Exchange loss	345.182	5.386.914	0	0
	1.718.773	15.467.593	211.293	22.516
6 Tax on profit/loss for the year				
Current tax for the year	8.011.259	32.386.368	277.059	407.398
Deferred tax for the year	-175.904	-565.309	6.607	2.203
Adjustment of tax concerning previous years	83.007	-28.416	0	20
	7.918.362	31.792.643	283.666	409.621

Notes to the Financial Statements

	Group	
	2021 DKK	2020 DKK
7 Profit/loss from discontinuing activities		
Revenue	2.246.664.730	0
Other operating income	5.506.211	0
Expenses for raw materials and consumables	-2.080.870.285	0
Other external expenses	-22.675.816	0
Gross profit/loss	148.624.840	0
Staff expenses	-36.545.846	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-4.615.171	0
Profit/loss before financial income and expenses	107.463.823	0
Income from investments in associates	1.541.855	0
Financial income	0	0
Financial expenses	-4.740.081	0
Profit/loss before tax	104.265.597	0
Tax on profit/loss for the year	-22.964.730	0
Profit/loss from discontinuing activities	81.300.867	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

8 Intangible assets

Group

	Software	Acquired other similar rights	Goodwill	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	8.198.690	5.737.902	10.602.628	24.539.220
Additions for the year	1.176.126	0	0	1.176.126
Disposals for the year	0	-5.737.902	-323.856	-6.061.758
Cost at 31 December	<u>9.374.816</u>	<u>0</u>	<u>10.278.772</u>	<u>19.653.588</u>
Impairment losses and amortisation at 1 January	4.042.421	2.081.975	10.467.688	16.592.084
Amortisation for the year	1.653.630	0	26.988	1.680.618
Reversal of amortisation of disposals for the year	0	-2.081.975	-215.904	-2.297.879
Impairment losses and amortisation at 31 December	<u>5.696.051</u>	<u>0</u>	<u>10.278.772</u>	<u>15.974.823</u>
Carrying amount at 31 December	<u>3.678.765</u>	<u>0</u>	<u>0</u>	<u>3.678.765</u>
Amortised over	<u>5 years</u>	<u>10 years</u>	<u>10 years</u>	

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

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	151.674.498	82.223.834	4.393.689	4.884.980	243.177.001
Additions for the year	10.414.336	8.312.818	340.767	21.366.677	40.434.598
Disposals for the year	-728.697	-28.153.829	-185.993	0	-29.068.519
Transfers for the year	19.041.390	7.222.146	0	-26.251.657	11.879
Cost at 31 December	180.401.527	69.604.969	4.548.463	0	254.554.959
Impairment losses and depreciation at 1 January	62.643.104	35.371.379	1.447.797	0	99.462.280
Depreciation for the year	5.781.368	3.754.817	547.798	0	10.083.983
Reversal of impairment and depreciation of sold assets	-558.873	-13.350.094	-178.013	0	-14.086.980
Transfers for the year	-93.215	93.215	0	0	0
Impairment losses and depreciation at 31 December	67.772.384	25.869.317	1.817.582	0	95.459.283
Carrying amount at 31 December	112.629.143	43.735.652	2.730.881	0	159.095.676
Depreciated over	20-50 years	3-20 years	5-25 years		

Notes to the Financial Statements

	Parent Company	
	2021	2020
	DKK	DKK
10 Investments in subsidiaries		
Cost at 1 January	53.250.000	53.000.000
Additions for the year	0	250.000
Cost at 31 December	<u>53.250.000</u>	<u>53.250.000</u>
Value adjustments at 1 January	145.835.379	86.125.729
Exchange adjustment	195.505	-2.380.226
Net profit/loss for the year	275.833.785	53.613.043
Dividend to the Parent Company	-60.000.000	0
Fair value adjustment of hedging instruments for the year	-14.515.594	8.476.833
Value adjustments at 31 December	<u>347.349.075</u>	<u>145.835.379</u>
Carrying amount at 31 December	<u>400.599.075</u>	<u>199.085.379</u>

10 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
CM Holding A/S	Copenhagen	60%
Copenhagen Merchants A/S	Copenhagen	100%
Copenhagen Merchants Hamburg GmbH	Germany	100%
CM Geneva SA	Switzerland	100%
CM Tallinn AS	Estonia	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%
Dan Store, LSEZ SIA	Latvia	55%
Baltic Grain & Feed ApS	Aarhus	100%
Aarhus Omni Bulk A/S	Aarhus	80%

Notes to the Financial Statements

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
11 Investments in associates				
Cost at 1 January	114.996.306	101.095.891	0	0
Additions for the year	114.108.173	13.900.415	0	0
Disposals for the year	-35.507.438	0	0	0
Cost at 31 December	193.597.041	114.996.306	0	0
Value adjustments at 1 January	29.455.849	14.145.661	0	0
Disposals for the year	-2.116.049	0	0	0
Exchange adjustment	96.893	-1.509.621	0	0
Net profit/loss for the year	32.260.189	17.749.587	0	0
Dividends received	-276.000	-345.000	0	0
Revaluations for the year, net	-670.092	-670.092	0	0
Fair value adjustment of hedging instruments for the year	-5.378.061	85.314	0	0
Value adjustments at 31 December	53.372.729	29.455.849	0	0
Carrying amount at 31 December	246.969.770	144.452.155	0	0
Remaining positive difference included in the above carrying amount at 31 December	962.222	1.632.314	0	0

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	50%
CM Biomass Holding A/S	Middelfart	24%
Norse Maritime A/S	Copenhagen	15%

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

12 Other fixed asset investments

	Group				Parent Company	
	Receivables from associates	Other investments	Deposits	Other receivables	Receivables from group enterprises	Other investments
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	9.895.169	3.227.716	22.652.044	0	60.000.000	748.973
Additions for the year	81.814.428	10.250.105	19.044	112.782.332	4.615.089	10.000.000
Disposals for the year	0	0	-21.624.120	0	-60.000.000	0
Cost at 31 December	<u>91.709.597</u>	<u>13.477.821</u>	<u>1.046.968</u>	<u>112.782.332</u>	<u>4.615.089</u>	<u>10.748.973</u>
Impairment losses at 1 January	0	1.951.732	0	0	0	0
Impairment losses for the year	0	234.970	0	0	0	0
Impairment losses at 31 December	<u>0</u>	<u>2.186.702</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>91.709.597</u>	<u>11.291.119</u>	<u>1.046.968</u>	<u>112.782.332</u>	<u>4.615.089</u>	<u>10.748.973</u>

13 Prepayments

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

Notes to the Financial Statements

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
14 Distribution of profit				
Proposed dividend for the year	50.000.000	0	50.000.000	0
Reserve for net revaluation under the equity method	31.590.097	17.079.796	275.833.785	53.613.796
Minority interests' share of net profit/loss of subsidiaries	212.781.512	70.863.286	0	0
Retained earnings	195.231.498	37.967.800	-49.012.190	1.433.499
	489.603.107	125.910.882	276.821.595	55.047.295
15 Provision for deferred tax				
Provision for deferred tax at 1 January	5.008.816	5.574.125	42.893	40.690
Amounts recognised in the income statement for the year	-175.904	-565.309	6.607	2.203
Effect from disposal of subsidiaries	-188.526	0	0	0
Provision for deferred tax at 31 December	4.644.386	5.008.816	49.500	42.893
16 Other provisions				
Provision for loss-making contracts	0	3.028.784	0	0
	0	3.028.784	0	0

Notes to the Financial Statements

17 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:

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
Mortgage loans				
After 5 years	4.058.585	4.265.686	0	0
Between 1 and 5 years	886.163	901.273	0	0
Long-term part	4.944.748	5.166.959	0	0
Within 1 year	223.444	221.491	0	0
	5.168.192	5.388.450	0	0
Credit institutions				
After 5 years	0	10.449.739	0	0
Between 1 and 5 years	13.416.500	37.876.777	0	0
Long-term part	13.416.500	48.326.516	0	0
Within 1 year	0	250.000	0	0
Other short-term debt to credit institutions	6.816.702	256.859.621	0	0
Short-term part	6.816.702	257.109.621	0	0
	20.233.202	305.436.137	0	0
Other payables				
Between 1 and 5 years	9.466.701	21.261.344	0	0
Long-term part	9.466.701	21.261.344	0	0
Other short-term payables	64.153.261	112.870.317	30.884	29.985
	73.619.962	134.131.661	30.884	29.985

Notes to the Financial Statements

18 Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Assets	0	28.214.207	0	0

Forward exchange contracts have been concluded to hedge future sale of goods in foreign currencies. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK 0.

19 Cash flow statement - adjustments

	Group	
	2021	2020
	DKK	DKK
Financial income	-2.054.962	-542.797
Financial expenses	6.458.854	15.467.593
Depreciation, amortisation and impairment losses, including losses and gains on sales	-332.202.967	17.333.612
Income from investments in associates	-33.131.952	-17.079.494
Tax on profit/loss for the year	30.883.092	31.792.643
Other adjustments	38.331	-93.666
	-330.009.604	46.877.891

20 Cash flow statement - change in working capital

Change in inventories	-9.717.834	-61.559.711
Change in receivables	-52.417.336	-47.995.905
Change in other provisions	-3.028.784	3.028.784
Change in trade payables, etc	49.187.735	43.117.722
Fair value adjustments of hedging instruments	-28.214.207	20.937.119
	-44.190.426	-42.471.991

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	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	14.259.388	14.593.200	0	0
The following assets have been placed as security with bankers:				
Land and buildings with a carrying amount of	70.570.050	75.415.290	0	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	280.296.549	62.041.718	0	0
Between 1 and 5 years	14.332.309	44.812.631	0	0
After 5 years	1.702.646	1.869.373	0	0
	296.331.504	108.723.722	0	0

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 1.342.000.

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 by the Group amounts to DKK 2,792,378. 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 unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

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

The Group 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 Group 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 Group has made a guarantee of a total of TDKK 5,000 to the associated company, Kalundborg Holding A/S.

22 Related parties

Basis

Controlling interest

Torben Herman Christensen

Principal shareholder

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.

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
23 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	705.432	644.686	5.000	5.000
Tax advisory services	252.634	154.397	1.000	1.000
Other services	15.091.322	1.258.845	3.000	3.000
	16.049.388	2.057.928	9.000	9.000

24 Subsequent events

The Russian invasion of Ukraine will impact the businesses of CM Group in several ways.

The biomass market will become even more short of supply following the sanctions on biomass from Russia and Belarus in continuation of Russia's invasion of Ukraine. This will challenge supply chains across the market, along with those of CM Biomass, and is expected to support high prices for a relatively long period.

Subsequent to the war, grain flows exported to the Black Sea market are dramatically reduced with very uncertain recovery prospects. However, CM Group is involved in finding new logistic solutions enabling exports via other corridors, particularly in Poland. Contrary, the effect of Russian sanctions will have a negative effect on Dan Store in Liepaja.

The impact on throughput in terminals will vary depending on location and market, but overall the impact is expected to be negative, especially in Latvia.

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of Torben Herman Christensen Holding A/S for 2021 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 2021 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, Torben Herman Christensen 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.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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:

Other 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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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 deduction or addition of unrealised inter-company profits or losses and 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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$