NLM Vantinge Group Holding ApS

Blåkildevej 27, DK-5750 Ringe

Annual Report for 2 February 2023 - 31 December 2023

CVR No. 43 82 23 73

The Annual Report was presented and adopted at the Annual General Meeting of the company on 21/2 2024

Nicolai Elstrøm
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NLM Vantinge Group Holding ApS for the financial year 2 February - 31 December 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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.

Ringe, 21 February 2024

Executive Board

Per Leth Sørensen
Manager

Board of Directors

Thomas Videbæk Chairman	Rasmus Philip Buhl Lokvig Vice chairman	Thomas Lægdsmand Ågren
Peter Ryttergaard	Anne Charlotte Roepstorff Lawaetz Arhnung	

Independent Auditor's report

To the shareholder of NLM Vantinge Group Holding ApS

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 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 2 February - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NLM Vantinge Group Holding ApS for the financial year 2 February - 31 December 2023, 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 Financial 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.

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 Parent Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent 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 Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Parent 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 Parent 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.

Independent Auditor's report

Hellerup, 21 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kristian Højgaard Carlsen
State Authorised Public Accountant
mne44112

Mette Holy Jørgensen
State Authorised Public Accountant
mne34359

Company information

The Company	NLM Vantinge Group Holding ApS Blåkildevej 27 DK-5750 Ringe CVR No: 43 82 23 73 Financial period: 2 February - 31 December Incorporated: 2 February 2023 Financial year: 1st financial year Municipality of reg. office: Faaborg-Midtfyn
Board of Directors	Thomas Videbæk, chairman Rasmus Philip Buhl Lokvig, vice chairman Thomas Lægdsmand Ågren Peter Ryttergaard Anne Charlotte Roepstorff Lawaetz Arhnung
Executive Board	Per Leth Sørensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

Company	Residence	Ownership
NLM Vantinge Group Holding ApS	**Ringe**	
NLM Vantinge Group ApS	Ringe	100%
NLM Vantinge A/S	Ringe	100%
Lipitec A/S	Ringe	100%
NLM A/S	Ringe	100%
NLM France Sarl	Lyon, Frankrig	100%

Financial Highlights

Seen over a 1-year period, the development of the Group is described by the following financial highlights:

	Group
	2023
	TDKK 11 months
Key figures	
Profit/loss	
Revenue	214,626
Gross profit/loss	35,385
Profit/loss of ordinary primary operations	6,167
Profit/loss of financial income and expenses	-11,079
Net profit/loss	-6,213
Balance sheet	
Balance sheet total	504,727
Investment in property, plant and equipment	105,674
Equity	252,460
Cash flows	
Cash flows from:	
- operating activities	50,274
- investing activities	-456,953
- financing activities	422,005
Change in cash and cash equivalents for the year	15,326
Number of employees	20
Ratios	
Gross margin	16.5%
Profit margin	2.9%
Return on assets	1.2%
Solvency ratio	50.0%
Return on equity	-4.9%

As it is the Groups first finanacial year, there are no comparative figures.
The Group has aquired NLM Vantinge A/S 12 May 2023.

Management's review

Financial highlights

DKKm	2023*	2022	2021
Gross profit	95.4	102.6	70.0
EBITDA before special items	**68.8**	**75.2**	**45.1**

** Reflects 12 months of operation (i.e. Jan 1 - Dec 31, 2023)*

Primary activities

NLM Vantinge Group Holding ApS is the holding company for NLM Vantinge A/S ("NLM Vantinge" or the "Company"). NLM Vantinge operates through the two operating companies: NLM A/S ("NLM") and Lipitec A/S ("Lipitec").

In NLM the primary activity is recycling and upgrading of fatty industrial by- and waste products to provide a clean, fatty biomass with high energy density. The end-products are primarily used in biogas plants as a key input factor for energy production. NLM has been REDcert or ISCC certified since 2014 ensuring sustainable biomass products, traceability of origin and documentation for GHG savings.

The subsidiary to NLM, NLM France Sarl, provides assistance in connection with the sourcing of by- and waste products for NLM.

Lipitec sells and produces rumen-protected, fatty feedstuff additives targeted primarily at cattle and pigs. The feedstuff additives improve digestion and animal health, increase fat content in the milk production and reduce methane emissions. Hence both improving the farmers' output and lowering their emissions. Lipitec has been GMP+ certified since 2006 and VLOG geprüft certified since 2021 ensuring traceability and food safety.

Ownership, governance, and legal structure

OWNERSHIP

In May 2023 the private equity firm CataCap acquired an 80% ownership share in NLM Vantinge with the previous owners and current management team retaining 20% ownership.

The aim of the partnership between the management team and CataCap is to continue the positive development of NLM Vantinge in recent years and fuel the growth even further while continuing to support the green agenda inherent in the Company.

GOVERNANCE

Following CataCap's investment, a new Board of Directors has been established including two external members, Thomas Videbæk (Chair) and Anne Arhnung.

Our principles for good corporate governance are based on our rules of procedures and our management structure, consisting of the Board of Directors and our Management team.

Following CataCaps acquisition of the majority ownership, NLM Vantinge now also strives to follow the industry association Active Owners' guidelines for responsible ownership and good corporate governance. More information about Active Owners is found on www.aktiveejere.dk.

LEGAL STRUCTURE

NLM Vantinge has for many years operated as two separate entities within the same legal entity. During 2023 the formal split up of operations in two 100% owned, separate legal entities, Lipitec and NLM, was therefore conducted formalizing how the Company has been operated for the past many years.

Development in activities and finances

FINANCIAL PERFORMANCE

NLM Vantinge delivered a gross profit of 95.4m and an EBITDA before special items of DKK 69.1m in 2023, which is deemed satisfactory. NLM has continued to grow underlying volume to our customers, though the development in raw material prices and customers' output prices negatively affects the financial performance compared to 2022 (e.g. gas prices came from a peak level in 2022).

Net revenue declined from 2022 to 2023, which is explained by declining raw material prices. Especially in Lipitec this effect impacted net revenue 1:1, but with no effect on gross profit, as gross profit is a function of volume and the absolute mark-up. Hence net revenue gives little insight into the underlying performance of the business.

Reported EBITDA and thus net profit in 2023 is negatively affected by extraordinary circumstances (e.g. transaction costs related to CataCap's acquisition of a majority ownership stake, ESG advisory costs, and costs related to the legal restructuring), and thus not representative of the operational performance of the Company. Likewise financing costs are not comparable to previous years due to the change in ownership.

OPERATIONAL PERFORMANCE

The result in 2023 was driven by a continued positive momentum in NLM with growing volumes supported by the underlying green transition mega trend.

In Lipitec we experienced some market turmoil during 2023 but were able to steer through it and deliver a gross profit in line with the 2022 result.

The organisation has been strengthened during 2023 with three new hires: a new Head of Sourcing in NLM, a Product Manager in Lipitec, and a Group CFO (starting January 1st, 2024). Further new hirings are expected in 2024 in order to support the continued growth journey of NLM Vantinge.

OUTLOOK

In 2024 we expect to see an increase in gross profit of 5-10% and an EBITDA in line with 2023. The stable EBITDA is mainly due to an increase in SG&A from full year effects of new hires in 2023 and further expected new hires during 2024.

Knowledge resources

NLM's deep chemical and technical expertise within fat composition is the foundation that enables us to utilize the resources hidden in industrial waste products.

The Company's handling of waste and residual products also makes significant demands for knowledge about a number of complicated matters in the interplay between logistic, legislation, cross border movements, traceability, etc.

In Lipitec our expertise in animal digestion and fat composition enables us to produce high quality products with optimal nutritional effects on animals. Food safety is of utmost importance, and again, the handling of raw materials and feedstuff production makes significant demands for knowledge about a number of complicated matters regarding legislation, activities across borders, traceability, etc.

To meet these requirements NLM Vantinge has employed highly skilled employees with specialist knowledge within these areas. The Company's activities are also based on general knowledge of engineering, chemistry, and environmental conditions, which is continuously expanded upon and maintained within the Company.

Risks

OPERATIONS

It is of utmost importance to NLM Vantinge to follow all applicable legal and environmental requirements (e.g. waste legislation). This is best exemplified by our certifications – which are frequently audited and recertified - from REDcert, GMP+, and VLOG geprüft. The main risk therefore lies within the continued correct handling of raw materials, product quality and traceability. In order to ensure this, we have a dedicated Quality Assurance function in-house who continuously monitors and tests the products and ensures traceability before the products leave the factory.

COST OF GOODS SOLD

The raw material prices for Lipitec's products follow world market prices, which can fluctuate widely over the year. On larger sales contracts, the price risk is hedged by simultaneously entering fixed purchase contracts with the same term as the sales contract.

CURRENCY RISK

A large part of the Company's raw material is purchased in EUR, and a small part in NOK, which creates a potential risk exposure to currency fluctuations. However, the Company's risk exposure is reduced through a natural hedge, as a large part of the Company's products and services are also traded in EUR and a smaller part in NOK. In connection with contract sales in NOK, currency transactions are entered into as risk hedging.

INTEREST RATE RISK

Following CataCap's acquisition of the majority ownership stake, the Company now has long-term bank financing of DKK 162.5m with floating interest rate, hence the company is exposed to an interest rate risk.

POLITICAL RISK

Political risks relate to decisions that directly or indirectly may change the preconditions for NLM Vantinge's business activities. Both energy, the environment and agriculture are areas of high political interest, hence the Company's area of business is subject to high awareness from politicians both on a national level and at EU level. NLM Vantinge is by nature supporting both the sustainability agenda and transition away from fossil fuels and especially natural gas from e.g. Russia, hence in general we are supported by positive political focus. In order to respond as quickly as possible to political initiatives and changes that may affect our business, we closely monitor the political landscape and are members of the interest organisation Biogas Danmark.

Statutory declaration of Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act

NLM Vantinge has applied for membership of UN Global Compact in early January 2024.

Business model

To avoid repetitions, please refer to the business model description under “Primary activities”.

Risks and policies related to Corporate Social Responsibility

Environment: Environmental sustainability is embedded in the core activities at NLM Vantinge through recycling in NLM and ultimately supporting clean energy production, while Lipitec’s products help lowering the emissions from farming of especially cattle and pigs. It is critical for NLM Vantinge to remain certified according to REDcert and to eradicate material environmental impacts like generation of hazardous waste and wastewater, and we want to minimize our CO2e emissions in line with our values and customer expectations. Our productions sites are committed to to running an environmental sound operation with good collaboration with relevant authorities with the latest approval from 2021.

Employee conditions: NLM Vantinge is committed to secure our continued growth from our ability to retain and attract skilled employees. Our employees are our biggest asset, and employee satisfaction and a safe work environment are our top priorities.

Human rights: NLM Vantinge and our supply chain are only situated within EU. While we respect all human rights and endorse our suppliers to do the same, we have not identified risks related to human rights neither for NLM Vantinge nor in our supply chain. Thus, NLM Vantinge has no formalized policy on human rights. NLM Vantinge plans to include adherence to the declaration of human rights as part of our supplier code of conduct from 2024.

Anti-corruption: NLM Vantinge has a zero tolerance towards corruption. Given the low risk of corruption and bribery within EU where we operate, NLM Vantinge does not yet have a policy on anti-corruption but is planning to develop an anti-bribery and corruption policy as part of our supplier & - external partner code of conduct.

Activities and results in the reporting period

Environment: During 2023 NLM Vantinge established its GHG baseline. We will now actively track and assess opportunities for reductions of NLM Vantinge’s GHG emissions intensity starting with our own operations. We have maintained our REDcert certification and have in 2023 continued not to produce or dispose of any hazardous waste or wastewater. Going forward NLM Vantinge will quantify and report upon our climate footprint and set ambitious targets. 2023 did not result in any injunctions from relevant authorities inspecting NLM Vantinge production sites.

Employee conditions: While NLM Vantinge has not been able to avoid employee accidents, we have not in 2023 experienced any severe accidents, and incidents continue to be at a very low level. Our continued ambition is zero annual accidents. Workplace assessments have been completed in 2023, and safety teams have had meetings with the presence of the Head of Production. Meetings have been held with all employees having conversations about their development and job satisfaction. Going forward we expect to have a similar level of engagement as in 2023.

Anti-corruption: NLM Vantinge has no formalized anti-corruption policy, but zero tolerance towards corruption and bribery is communicated to all employees and applicants. Also in 2023, we continued to inform and train key employees in being able to identify risks and detect situations where caution is to be taken.

Statutory statement regarding the underrepresented gender in accordance with the section 99b of the Danish Financial Statements Act

As an employer, it is our policy to build and maintain a work environment characterized by respect and empowerment and where the Company's growth is driven by the individual's professional development. Our efforts center around diversity, inclusion, safety, and wellbeing, primarily guided by the need to manage potential risks and mobilize human potential. Working in a male-dominated industry, we acknowledge gender equality to be a key risk in guaranteeing equal opportunities for all. Diversity is especially important at management levels as this is where all business-critical decisions are made.

It is the target of NLM Vantinge to obtain equal representation at Board level. As NLM Vantinge has less than 50 employees we are not obliged to have a policy for equal gender distribution at management levels below the Board of Directors. However, at the management levels below the Board of Directors there are currently 4 females and 7 males (i.e. 36/64 distribution). We do therefore have an equal gender distribution at the management levels below the Board of Directors.

Currently the Board of Directors at NLM Vantinge consist of 1 female and 4 males (i.e. 20/80 distribution). We do therefore not have an equal gender distribution in 2023. A new Board of Directors was elected in 2023 with the current composition, and the General Assembly chose not to change the board composition this year. Our aim is to have an equal gender distribution by 2028.

BOARD OF DIRECTORS

NUMBER OF MEMBERS	5
UNDERREPRESENTED GENDER	20%
TARGET	40%
TARGET EXPECTED TO BE ACHIEVED	2026

OTHER MANAGEMENT LEVELS

NUMBER OF EMPLOYEES	11
UNDERREPRESENTED GENDER	36%
TARGET	N/A
TARGET EXPECTED TO BE ACHIEVED	N/A

Statutory statement regarding data ethics in accordance with the section 99d of the Danish Financial Statements Act

Privacy and respect for our customers' and employees' data is a fundamental value for NLM Vantinge. Though we do not have a formal business policy on data ethics, we are very aware of our responsibility and are committed to managing and protecting data to the highest legislative and ethical standards.

Events after the balance sheet date

No events have occurred after the balance sheet date that would influence the evaluation of this annual report.

Additional management duties of the Board

Thomas Videbæk
Chair, appointed by CataCap

COMPANY	FUNCTION
PROTERA	Chair
ZYMTRONIX	Board member
ENDURO GENETICS APS	Board member
FENIX / FALCON METALS	Board member

Management's review

Rasmus Lokvig
Deputy Chair, appointed by CataCap

COMPANY	FUNCTION
CC GLOBE HOLDING I (INCL. TWO DAUGHTER COMPANIES)	Deputy Chair
CATACAP III GENERAL PARTNER APS	Board member / CEO
CATACAP GENERAL PARTNER I APS	Board member / CEO
CATACAP GENERAL PARTNER II APS	Board member / CEO
CATACAP MANAGEMENT A/S	Board member / CEO
CC FLY INVEST APS (INCL. FIVE DAUGHTER COMPANIES)	Board member / CEO
CC GLOBE INVEST APS	Board member / CEO
CC II MANAGEMENT INVEST 2017 GP APS	Board member / CEO
CC II APCIV K/S	Owner
CC MIST NEW HOLDING II APS	Board member / CEO
CC TOASTER INVEST APS	Board member / CEO
GLOBE MANCO APS	Board member / CEO
LUXPLUS MIIP APS	Board member / CEO
MNGT4 RL APS	Board member / CEO
CC TOPCO II INVEST APS	Board member / CEO
CC HOLDCO APS	Board member / CEO
CC BIDCO INVEST APS	Board member / CEO
CC TOPCO INVEST APS	Board member / CEO
DAFA MIIP APS	Board member / CEO
CC NORTH INVEST APS	Board member / CEO
CC NLM INVEST APS	Board member / CEO
CC TAP INVEST APS	Board member / CEO
WEB-KONCEPT A/S	Board member / CEO

Thomas Ågren
Board member, appointed by Per Leth Sørensen, Carsten Broager Jensen and Thomas Ågren through their respective holding companies

COMPANY	FUNCTION
BREGNEDAL EJENDOMME APS	CEO
HØJSLETTEN APS	CEO

Anne Arhnung
Board member, appointed by CataCap

COMPANY	FUNCTION
LINKOGAS AMBA	Chair
GEUS	Board member
DANMARKS STATISTIK	Board member
CIP FONDEN	Board member
NYSKOVFONDEN	Chair
DET CLASSENSKE FIDEICOMMIS	Board member
RØNHAVE APS	Board member

Peter Ryttergaard
Appointed by CataCap

COMPANY	FUNCTION
AERFIN HOLDINGS LIMITED	Deputy Chair
AERFIN LIMITED	Deputy Chair
ATLANTIC HOLDCO LIMITED	Deputy Chair
ATLANTIC OFFERCO LIMITED	Deputy Chair
BULDUS EJENDOMME APS	CEO
INVESTERINGSSELSKABET AF 27/12 1985 APS	CEO
RYTTERGAARD INVEST A/S	Owner / Board member / CEO
TP AEROSPACE HOLDING A/S	Deputy Chair
CATACAP MANAGEMENT A/S	CEO
CATACAP GENERAL PARTNER I APS	CEO
KJÆRULF PEDERSEN A/S	Board member
BULDUS EJENDOMME APS	CEO
CATACAP OP APS	CEO
CATACAP DM APS	CEO
CC GREEN WALL INVEST APS	Board member / CEO
TPA HOLDING I A/S	Deputy Chair
TPA HOLDING II A/S	Deputy Chair
CATACAP GENERAL PARTNER II APS	CEO
CC II MANAGEMENT INVEST 2017 GP APS	CEO
CATACAP DM II APS	CEO
CC FLY INVEST APS	CEO
REKOM MANCO APS	CEO
TPA GREEN MANCO APS	CEO

Management's review

CC II APCIV K/S	Owner
CC GLOBE INVEST APS	CEO
GLOBE MANCO APS	CEO
CC TOASTER INVEST APS	CEO
LUXPLUS MIIP APS	CEO
CATACAP GENERAL PARTNER III APS	CEO
CC NORTH INVEST APS	CEO
CC DAFA INVEST APS	CEO
DAFA MIIP APS	CEO
CC TOPCO INVEST APS	CEO
CC HOLDCO APS	CEO
CC BIDCO APS	CEO
CC TAP INVEST APS	CEO
CC NLM INVEST APS	CEO
CC TOPCO IV INVEST APS	CEO
CC HOLDCO IV APS	CEO
CC BIDCO IV APS	CEO
TAP MIIP APS	CEO
CC TOPCO V INVEST APS	CEO
CC HOLDCO V APS	CEO
CC BIDCO V APS	CEO

Income statement 2 February - 31 December

	Note	Group	Parent company
		2023	2023
		DKK 11 months	DKK 11 months
Revenue	1	214,626,338	0
Other operating income		82,000	0
Expenses for raw materials and consumables		-154,668,288	0
Other external expenses		-24,655,008	-80,718
Gross profit/loss		**35,385,042**	**-80,718**
Staff expenses	2	-10,361,298	0
Earnings Before Interest Taxes Depreciation and Amortization		**25,023,744**	**-80,718**
Depreciation and impairment losses of property, plant and equipment		-18,856,714	0
Profit/loss before financial income and expenses		**6,167,030**	**-80,718**
Financial income		502,719	1,475
Financial expenses		-11,581,913	-177
Profit/loss before tax		**-4,912,164**	**-79,420**
Tax on profit/loss for the year	3	-1,301,255	16,363
Net profit/loss for the year	4	**-6,213,419**	**-63,057**

Balance sheet 31 December

Assets

	Note	Group 2023 DKK	Parent company 2023 DKK
Acquired other similar rights		227,508,333	0
Goodwill		129,328,125	0
Intangible assets	5	**356,836,458**	**0**
Land and buildings		45,303,893	0
Plant and machinery		35,381,663	0
Other fixtures and fittings, tools and equipment		523,761	0
Property, plant and equipment	6	**81,209,317**	**0**
Investments in subsidiaries	7	0	258,573,104
Fixed asset investments		**0**	**258,573,104**
Fixed assets		**438,045,775**	**258,573,104**
Raw materials and consumables		7,637,730	0
Finished goods and goods for resale		13,812,885	0
Inventories		**21,450,615**	**0**
Trade receivables		22,585,379	0
Other receivables		2,612,934	0
Corporation tax		4,639,150	16,363
Prepayments		67,962	0
Receivables		**29,905,425**	**16,363**
Cash at bank and in hand		**15,325,458**	**53,077**
Current assets		**66,681,498**	**69,440**
Assets		**504,727,273**	**258,642,544**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Parent company 2023
		DKK	DKK
Share capital	8	51,250	51,250
Retained earnings		252,408,432	258,558,794
Equity		**252,459,682**	**258,610,044**
Provision for deferred tax	9	62,859,687	0
Provisions		**62,859,687**	**0**
Credit institutions		121,800,000	0
Lease obligations		2,862,060	0
Long-term debt	10	**124,662,060**	**0**
Credit institutions	10	37,503,987	0
Lease obligations	10	1,165,980	0
Trade payables		19,202,758	0
Other payables		6,873,119	32,500
Short-term debt		**64,745,844**	**32,500**
Debt		**189,407,904**	**32,500**
Liabilities and equity		**504,727,273**	**258,642,544**

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Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 2 February	0	0	0
Cash payment concerning formation of entity	40,000	0	40,000
Cash capital increase	11,250	258,621,851	258,633,101
Net profit/loss for the year	0	-6,213,419	-6,213,419
Equity at 31 December	**51,250**	**252,408,432**	**252,459,682**

Parent company

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 2 February	0	0	0
Cash payment concerning formation of entity	40,000	0	40,000
Cash capital increase	11,250	258,621,851	258,633,101
Net profit/loss for the year	0	-63,057	-63,057
Equity at 31 December	**51,250**	**258,558,794**	**258,610,044**

Cash flow statement 2 February - 31 December

	Group	
	Note	2023
		DKK
Result of the year		-6,213,419
Adjustments	11	31,237,163
Change in working capital	12	-20,641,013
Cash flow from operations before financial items		**4,382,731**
Financial income		502,719
Financial expenses		-11,581,913
Cash flows from ordinary activities		**-6,696,463**
Corporation tax paid		56,970,258
Cash flows from operating activities		**50,273,795**
Purchase of intangible assets		-370,900,000
Purchase of property, plant and equipment		-86,053,465
Cash flows from investing activities		**-456,953,465**
Repayment of loans from credit institutions		-40,696,013
Raising of loans from credit institutions		200,000,000
Lease obligations incurred		4,028,040
Cash capital increase		258,673,101
Cash flows from financing activities		**422,005,128**
Change in cash and cash equivalents		**15,325,458**
Cash and cash equivalents at 31 December		**15,325,458**
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		15,325,458
Cash and cash equivalents at 31 December		**15,325,458**

Notes to the Financial Statements

	Group	Parent company
	2023	2023
	DKK	DKK

1. Revenue

	Group 2023 DKK	Parent company 2023 DKK
Geographical segments		
Denmark	127,519,449	0
EU	79,535,250	0
Other	7,571,639	0
	214,626,338	**0**
Feedstuff	142,951,482	0
Recycling	71,674,856	0
	214,626,338	**0**

	Group	Parent company
	2023	2023
	DKK	DKK

2. Staff Expenses

	Group 2023 DKK	Parent company 2023 DKK
Wages and salaries	9,725,928	0
Pensions	447,916	0
Other social security expenses	88,636	0
Other staff expenses	98,818	0
	10,361,298	**0**
Including remuneration to the Executive Board and Board of Directors	**2,635,922**	
Average number of employees	**20**	**0**

Notes to the Financial Statements

	Group	Parent company
	2023	2023
	DKK	DKK

3. Income tax expense

	Group 2023 DKK	Parent company 2023 DKK
Current tax for the year	5,704,681	-16,363
Deferred tax for the year	-4,403,426	0
	1,301,255	**-16,363**

	Parent company
	2023
	DKK

4. Profit allocation

	Parent company 2023 DKK
Retained earnings	-63,057
	-63,057

5. Intangible fixed assets

Group

	Acquired other similar rights	Goodwill
	DKK	DKK
Cost at 2 February	0	0
Additions for the year	237,400,000	133,500,000
Cost at 31 December	237,400,000	133,500,000
Impairment losses and amortisation at 2 February	0	0
Amortisation for the year	9,891,667	4,171,875
Impairment losses and amortisation at 31 December	9,891,667	4,171,875
Carrying amount at 31 December	**227,508,333**	**129,328,125**
Amortised over	15 years	20 years

Notes to the Financial Statements

Goodwill relates to the acquisition of the NLM Vantinge. Goodwill related to the acquisitions is amortised over a 20 year period. Goodwill is tested at the level of NLM A/S Group and Lipitec A/S. Management has not identified any indications of impairment in 2022.

6. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 2 February	0	0	0
Additions for the year	51,597,139	52,950,487	1,125,887
Cost at 31 December	51,597,139	52,950,487	1,125,887
Impairment losses and depreciation at 2 February	0	0	0
Depreciation for the year	6,293,246	17,568,824	602,126
Impairment losses and depreciation at 31 December	6,293,246	17,568,824	602,126
Carrying amount at 31 December	**45,303,893**	**35,381,663**	**523,761**
Amortised over	5-20 years	3-15 years	3-5 years

7. Investments in subsidiaries

	Parent company
	2023
	DKK
Additions for the year	258,573,104
Cost at 31 December	258,573,104
Carrying amount at 31 December	**258,573,104**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
NLM Vantinge Group ApS	Ringe	TDKK 51	100%	286,137,565	-27,605,461
				286,137,565	**-27,605,461**

Notes to the Financial Statements

8. Share capital

The share capital consists of 51,250 shares of a nominal value of DKK 1. No shares carry any special rights.

	Group	Parent company
	2023	2023
	DKK	DKK
9. Provision for deferred tax		
Amount recognised from purchase of companies	67,263,113	
Amounts recognised in the income statement for the year	-4,403,426	0
Deferred tax liabilities at 31 December	**62,859,687**	**0**

10. 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
	2023	2023
	DKK	DKK
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	121,800,000	0
Long-term part	121,800,000	0
Within 1 year	37,500,000	0
Other short-term debt to credit institutions	3,987	0
Short-term part	37,503,987	0
	159,303,987	**0**
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	2,862,060	0
Long-term part	2,862,060	0
Within 1 year	1,165,980	0
	4,028,040	**0**

Notes to the Financial Statements

11. Cash flow statement - Adjustments

	Group 2023 DKK
Financial income	-502,719
Financial expenses	11,581,913
Depreciation, amortisation and impairment losses, including losses and gains on sales	18,856,714
Tax on profit/loss for the year	1,301,255
	31,237,163

12. Cash flow statement - Change in working capital

	Group 2023 DKK
Change in inventories	-21,450,615
Change in receivables	-25,266,275
Change in trade payables, etc	26,075,877
	-20,641,013

13. Contingent assets, liabilities and other financial obligations

Charges and security

	Group 2023 DKK	Parent company 2023 DKK
The following assets have been placed as security with bankers:		
As security for the Group's balances with banks and finance companies, a floating charge of a mDKK 34 has been registered, which gives security in land and buildings	45,303,893	0
The company has provided unlimited security for group companies' balances with banks and finance companies. The company's capital shares in the subsidiary are pledged as security.	0	258,573,104
As security for the group's balance with the bank, the group has entered into a mortgaging ban.	0	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
Within 1 year	328,994	328,994
Between 1 and 5 years	20,182	20,182
	349,176	**349,176**

14. Related parties

	Basis
Controlling interest	
CC NLM Invest ApS	parent company

Transactions

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

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

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

	Group	Parent company
	2023	2023
	DKK	DKK

15. Fee to auditors appointed at the general meeting

Audit fee	335,000	62,500
Other assurance engagements	649,428	0
	984,428	**62,500**

16. Subsequent events

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

17. Accounting policies

The Annual Report of NLM Vantinge Group Holding ApS for 2023 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 Financial Statements and the Parent Company Financial Statements for 2023 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, NLM Vantinge Group Holding ApS, 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 and 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.

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.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

Translation policies

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

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Segment information on revenue

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

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

• delivery has been made before year end;

• a binding sales agreement has been made;

• the sales price has been determined; and

• payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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 the consolidated revenue for the year.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, 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. The item is net of refunds made by public authorities.

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 Group, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the parent company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 7 years, determined on the basis of Management's experience with the individual business areas.

Other intangible fixed assets

are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

Production buildings	5-20 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

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

Notes to the Financial Statements

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 and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans, such as 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.

Notes to the Financial Statements

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity