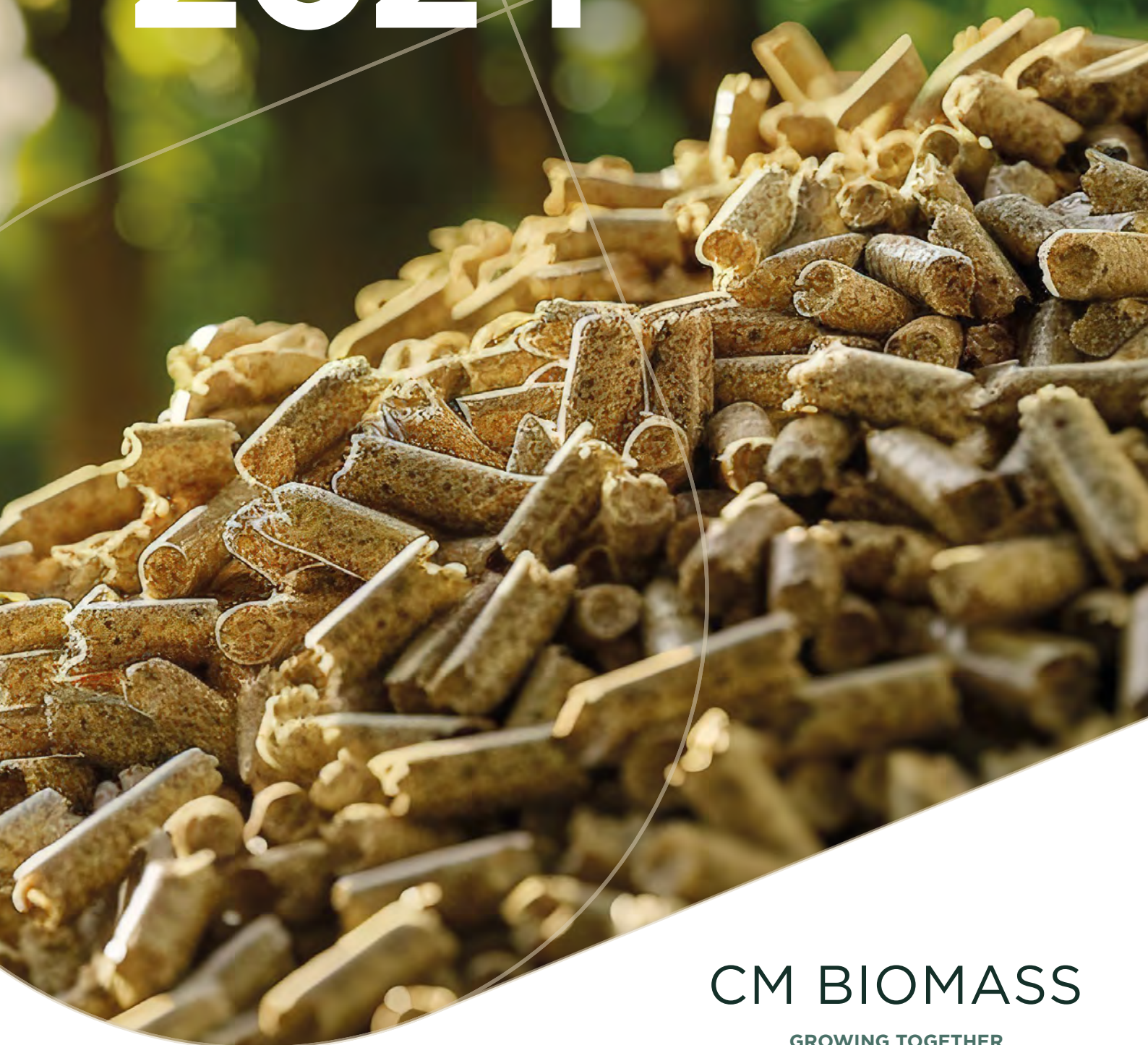


ANNUAL REPORT

# 2023 2024



CM BIOMASS

GROWING TOGETHER



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*Morten Buchgreitz, CEO*

## CEO LETTER

# FOCUS ON BUSINESS ACUMEN YIELDS EXCELLENT RESULTS IN DIFFICULT YEAR

**As a company we want to enable a greener tomorrow by setting the pace in the marketplace, leading innovation and excellence in producing, trading, and delivering sustainable biomass solutions. At the heart of our mission is a team of industry frontrunners – fuelled by passion and ambition.**

The winter of Europe in 2023/2024 was a late and mild season characterised by power prices lowering from the previous season, with the demand and price of wood pellets dropping to low levels, even at times below production cost. This stands in stark contrast to the fiscal year of 2022/23 that was dominated by fluctuating prices, challenged supply chains, and strong imbalances between supply and demand on the back of the EU sanctions on Russian and Belarusian wood and the energy crisis in the EU.

Balancing this shift from boom to bust and yet delivering our strongest financial performance to date has required us to play to our single greatest strength: Our people.

Our traders and analysts have been able to counteract stronger markets against weaker ones on a global scale using intelligent market analysis and strong data. Combined with the production insights from our plants in Denmark and the US, we have been able to act agile on markets trends, resulting in this year's excellent result.

This is only made possible by the talented and dedicated people of our organisation, who with their skills and dedication manage to turn every challenge into opportunities. With the benefit of our operating model spanning across both production and trading, and our role as a flexibility provider to the market through our widespread storage network and

locally anchored traders, we at CM Biomass have been able to fully play to our strengths. And by this enable new clients to replace fossil fuels with sustainable biomass reducing their CO<sub>2</sub> footprint.

Further, we have benefited from our long-term contract book, which has helped in mitigating the market impact providing a stable financial foundation.

Being able to adapt to these market shifts have been of even greater importance as this year we have continuously upgraded our US production plants. At capacity we now produce more than one million tonnes of wood pellets per year between our US and Danish production. Around a third of our total annual sale of about 3.6 million tonnes of pellets. And the upgrade and optimisation of our plants will continue in 2024/25. Having a strong trading setup combined with long-term contracts, allows production to run steady while our traders prioritise opportunities in the market.



Morten Buchgreitz, CEO

**THE STRONGEST ASSET  
OF CM BIOMASS IS  
THE TALENTED AND  
DEDICATED PEOPLE OF  
OUR ORGANISATION**

### **Increasing global presence**

Combined with a tight integration of our network of more than 65 warehouses across the world along with tightly knitted logistic partnerships, we have been able to profit on our strong business acumen, filling the gaps in the global markets.

And we continue to strengthen our logistical setup, in 2024 we will open a new export facility in Mobile, Alabama.

While we expand our US operation, we continue a strong focus on Asia, both for sourcing, but increasingly also for trading across the region. To support these activities, we have in 2023/24 established a new office in Seoul, South Korea along with our existing presence in Singapore and Vietnam, to ensure we stay close to the markets in which we operate.

### **New market segments**

Adding alternative biomass to our portfolio of wood pellets is key to targeting new industries, providing hassle-free alternatives to industrial clients looking to diversify their energy portfolio away from coal or gas to biomass. Whether it be wood pellets, peanut hulls, sunflower seed shells, olive stones, cashew nut shells, or something else we are focused on building the infrastructure to provide new life to residual by-products. And at the same time reducing CO<sub>2</sub> emissions in energy intensive industries.

This is the transition clients are looking for, and why we are looking to enter new markets such as the industrial sectors in Europe with a need for process heat. Cement and limestone production facilities in Europe alone make up a market potential of 13 million tonnes of biomass annually, and we at CM Biomass are eager to facilitate a CO<sub>2</sub> reducing energy transition in this market.

Having already completed positive trials with several potential industrial clients, this market is both willing and in demand



*A meeting in the new Copenhagen head office*

for the alternative energy solutions, that CM Biomass can provide. And having established the logistical infrastructure to service these markets and harvested the necessary experiences, this is something we are excited to continue.

#### **Continued strong focus on sustainability**

Sustainability is our license to operate, and we need to ensure that our efforts are put towards a sustainable goal. But it is equally important that the sustainability can be documented. To support our growing activities and geographical spread and to address the growing regulatory requirements for documentation and reporting we have in 2023/24 further strengthened our dedicated sustainability organisation. As part of our internal sustainability procedures and framework upgrades, we increasingly also support our clients to understand the sustainability impact of using our products and the requirements for their reporting on sustainability.

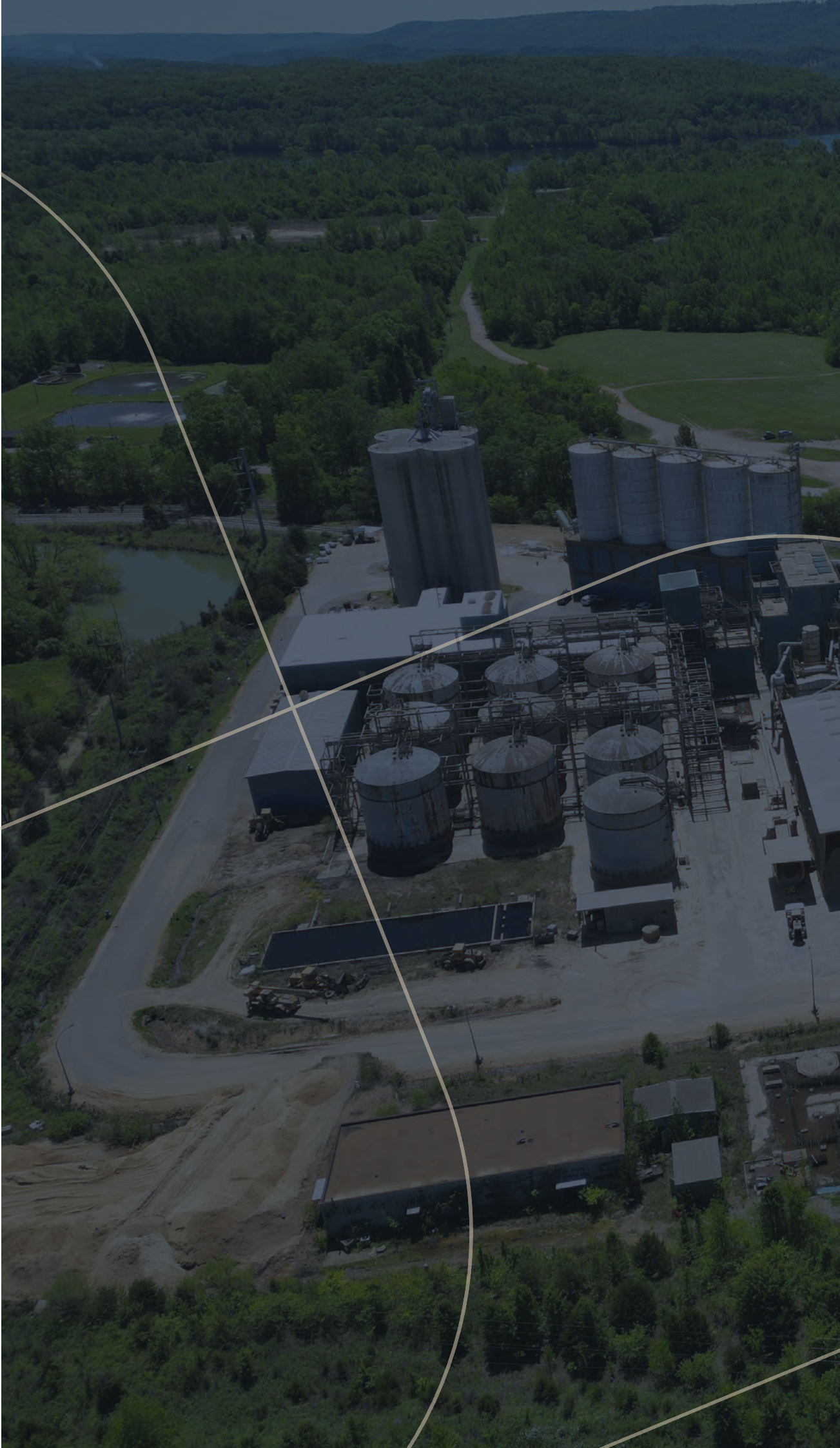
As part of the long-term goal of our acquisition in 2021 by United Shipping & Trading Company (USTC), it was decided that CM Biomass should be established as an independent

company from Copenhagen Merchants, the former founding and parent company and still minority owner of CM Biomass.

During 2023/24 we have finalised establishing own support functions within areas like HR, Finance, and IT. The physical separation was completed with a relocation of our head office to new facilities, still on the docks of Copenhagen, Denmark.

Growth is still a key aspect to CM Biomass, and continuing to professionalise the organisation, adding more levels of competence to our staff and our operation while increasing our locally anchored presence around the world, building on our value proposition, and branching out into new industries is key to our future, and this ensures our foundation is solid going forward.

Excelling at trading is something we at CM Biomass have always been putting all our effort into and will continue to do so, playing to our strengths and global advantage. And now more than ever, combining production, trading, and logistics have created a strong position for us to negate the risks of changing market conditions, now, and for years to come.



*Aerial of the Jasper facility*





# OUR BUSINESS

# KEY FIGURES

SUPPLIERS  
**+100**

**11**  
PRODUCTION  
PLANTS

**3.6**

MILLION  
TONNES  
BIOMASS  
SOLD

PROVIDING  
RENEWABLE  
ENERGY SINCE  
**2009**



**13**

KEY  
MARKETS  
WITH  
OFFICES

DENMARK  
UK  
ITALY  
GERMANY  
USA  
CANADA  
SINGAPORE  
SWEDEN  
LATVIA  
VIETNAM  
PORTUGAL  
SOUTH KOREA  
POLAND

EMPLOYEES

**246**

+ 9% GROWTH

\* Closing headcount  
end April 2024

”

Todd G. Bush  
President of CM Biomass US

HAVING A COMBINED  
INDUSTRY KNOWLEDGE  
FROM BOTH PRODUCTION  
FACILITIES AND TRADING  
FLOORS GIVES US A  
CRUCIAL COMPETITIVE  
ADVANTAGE



*Quitman facility*

# FINE-TUNING THE US PRODUCTION

**To scale a US organisation from zero to ten production facilities and multiplying the head count tenfold is an enormous task. But the US organisation of CM Biomass has managed and come through with flying colours, ramping up production and managing a shift from industrial to residential wood pellets and back again as markets changed.**

CM Biomass holds a unique position in its industry, by not being purely production or trading, but a hybrid, having co-owned production facilities in joint ventures since 2019, and most of the company's wholly owned production capacity acquired or built in 2022. Since then, the company has invested in renovation, upgrading, and expansion of the plants to optimise utilisation and production cost.

As the ten wholly owned and joint venture production facilities in the US handle most of the company's production, in addition to a smaller production facility in Denmark, traders around the world ensure a timely flow of products from warehouses to clients and optimisation of trading and logistics. This synergy is what makes CM Biomass more than just a trading or production company: It is the world's largest independent trader and one of the largest producers of pellets for industrial and retail use.

"In less than two years we have brought ten facilities or expansions online or up to speed. This is a testament to the CM Biomass tenacity. And as we continue to reap the learnings from our production plants, the symbiotic work between trading and



Todd G. Bush, President of CM Biomass US

production becomes even more apparently critical for staying profitable. It is something we are proud of having close to perfected," says Todd G. Bush, President of CM Biomass US, adding:

“Having the right people in the right positions, drawing on market insights and production updates in tandem. That is how the constant teamwork of every one of our employees contributes to CM Biomass’ biggest advantage.”

This synergy was put to the test this year as CM Biomass decided to act on market changes and focus on production of premium pellets for residential use versus earlier industrial pellets to take advantage of price spreads in the market. A strategy that paid off, seen in this year’s record result, and something that exemplifies the CM Biomass mentality of not just waiting around for things to happen, but rather creating opportunities by staying proactive.

The US production facilities are a crucial part of CM Biomass. Firstly, it secures a strong and secure supply of pellets and offers flexibility in contract negotiations. Secondly, it provides insight and information directly from the production to traders and management.

“Having a combined industry knowledge from both production facilities and trading floors gives us a crucial competitive advantage. In addition, our production capabilities elevate us from solely relying on being a trading company to a new level of reliability in supplying pellets to our customers through own production,” says Todd G. Bush.

### **Strengthening the organisation**

It is no easy feat to produce close to 3,000 metric tonnes of wood pellets every single day. Nonetheless that feat is accomplished daily across CM Biomass’ ten production plants throughout the US.

“In the past year we have seen huge strides on the integration of the wholly owned

production plants that we acquired two years ago. We are continuing to make strides on our joint venture plants as well. It has not been easy getting to where we are today, but through planning, collaboration, and data we have managed to overcome the challenges we have faced,” says Scott Bax, COO.

Through the acquisition, construction and upgrading of the production plants, the CM Biomass team in the US has seen high growth in the past years. By now, the organisation totals around 150 people across the US, nearly ten times that of just two years ago.

“The most important asset in our business is the people in our production plants and offices, from Texas to South Carolina, and we have put a lot of pride in attracting and retaining the right people for our organisation,” says Scott Bax, continuing:

“The past years, our growth has presented a new challenge, as we increasingly need a middle management; something that needs careful integration into our existing culture of CM Biomass. We work to maintain a flat structure and making sure, that our people feel both trusted and empowered, a trust in our people that again and again has proven its worth within CM Biomass.”

### **Bolstering the reporting**

In addition to setting the right team for the US finance organisation, CM Biomass has this year appointed a dedicated US CFO, Nicolai Buchwald Jessen. He has worked closely with his colleagues in US and Denmark to develop the financial reporting in support of streamlining reporting processes and financial insights for the production plants, both for wholly owned plants and for the joint venture owned plants.

“In the past year we have managed to establish a great financial and data analysis team and optimising data processes has been one of this years’ highlights,” says Nicolai Buchwald Jessen, adding:

“We are going to focus on merging data from our production plants with financial data and pushing that data to the right decision makers. We believe, in combination with having the best teams possible, the sure-fire way to optimise our organisation is through strong financial routines, increased data quality, and intelligent use of both in combination.”

Already, CM Biomass has been optimising data flows and processes, greatly reducing the relay time for financial reporting for the US activities, allowing for speedier intelligence aggregation and action.

For the coming year CM Biomass is putting a keen focus on continuing to increase production via further optimising the existing plants while also looking at cost reductions of production and logistics. And keeping these targets means to continue getting the right information to the right people via strong communication and data sharing now, and for the coming years.



Scott Bax, COO of CM Biomass US, Todd G. Bush, President of CM Biomass US, and Nicolai Buchwald Jessen, CFO of CM Biomass US

# BUILDING ON STRONG RESULTS

**The market for wood pellets the past year has been defined by changing client demands and overall stagnating prices. The strong financial result this year has nevertheless been made possible by CM Biomass' flexibility provider tactic and a strong and agile organisation to back it up.**

The global volatility of the initial energy crisis brought on by Russia's attack on Ukraine in 2022 has changed. Energy commodities – except for oil – has for the past year in general been challenged by decreasing prices. This too, however, presents both opportunities and challenges.

With a two-pronged approach based on both trading and production, CM Biomass has the flexibility to on one hand trade out of weak markets while at the same time utilise the insights of a production company to navigate the market fluctuations.





*Patrick Kongsbak-Dahl,  
Head of Business Development, and  
Michael Hjorth Christensen, CCO*

“Despite a tough year, we have, thanks to a strong organisation, again and again been able to generate positive results. We do this by having the right people in the right places, staying active on global markets, and connecting the dots from data collected from markets all over the globe. CM Biomass is a strong and mature organisation, that is equipped to handle challenges,” says CCO, Michael Hjorth Christensen and continues:

“We have an advantage when it comes to knowledge, insights, and data. We use AI analytics and satellite data to identify advancements in the market. But at the core it is our people, who will act on the data we collect. And people are our strongest asset in navigating the market.”

Even as the energy crisis of last year coupled with macro-economic factors, such as inflation, has made the consumers more cautious and lowered demand, CM Biomass has been able to deliver positive results. This is possible by CM Biomass' flexibility provider approach, where CM Biomass puts client needs first, allowing for global storage, expedited or extended deliveries, and even buying back unused products, freeing up client's portfolios.

CM Biomass can provide this flexibility thanks to a great team effort from every level of the organisation as well as due to strong trading capabilities and global network of more than 65 storage facilities.

Also, a portfolio of long term contracts has helped mitigate the impact of the current market environment

### **Good reputation leads to new markets**

None of this being possible without being able to add and retain the right talent at every level of the organisation, and at a truly global scale. Not just at the Copenhagen headquarters, but with production, sourcing, and traders spread out across several US states, Italy, Germany, Great Britain, Poland, South Korea, Vietnam, Portugal, Singapore, Canada, Latvia,

and Sweden. This setup allows CM Biomass to quickly understand and navigate the market.

Having the strength of a global company with local anchoring and representatives is vital to build and maintain trusting and lasting client relationships. That is also why CM Biomass believes in empowering each employee, allowing for agile client servicing, creating the best and most flexible solution every time.

Moving forward, CM Biomass will increase focus on enabling the decarbonisation of energy intensive industrial companies, as e.g. cement production, which constitute a large potential, both environmentally and commercially in their transition from primarily coal or gas to lower-emissions alternatives like biomass.

“One of our greatest strengths is our ability to connect the dots, build relations with suppliers and clients and supporting them in their needs. We live on these relations and our reputation, as it helps us grow our business while we serve our partners through secure and flexible deals. This ability is especially important as we break into new markets,” says Patrick Kongsbak-Dahl, Head of Business Development.

Over the past year CM Biomass' focus for the energy intensive companies has been the industrial sector in Europe. Europe is a large market, but with the right people and their dedication, it will be possible to get a foot in the door. During the year CM Biomass has closed several deals with industrial companies, both for testing biomass as fuel and for long-term deliveries.

As new and alternative forms of biomass and markets to apply them to will emerge, CM Biomass is confident that staying true to the mantra of being customer-centric, reliable, flexible, and sustainable will ensure that the world's leading independent supplier of wood pellets for industrial and consumer consumption will remain at the forefront of the market development in the years to come.

Michael Hjorth Christensen, CCO of CM Biomass

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Michael Hjorth Christensen,  
CCO of CM Biomass

WE HAVE AN  
ADVANTAGE  
WHEN IT COMES  
TO KNOWLEDGE,  
INSIGHTS,  
AND DATA



# INCREASED FOCUS ON RISK MANAGEMENT AND INSURANCE

**Risk management and insurance are crucial elements when it comes to the wood pellet industry. Constantly monitoring the risk picture, having formalised processes, and mitigating through the right insurances at the right price are important parts of doing business. CM Biomass has this year consolidated and focused its efforts in these areas with a dedicated Risk & Insurance Manager.**

In keeping up with CM Biomass' growth, one of the most important areas to support is risk monitoring and mitigation. This, albeit a never-ending work in progress, is driven by CM Biomass' Risk & Insurance Manager, Fredrik Bencker.

"Wood pellets are a fairly new and somewhat misunderstood energy commodity with a few notable loss cases in the past decade, negatively impacting insurance premiums. My job is to connect the two areas of risk and insurance to ensure strong common safety procedures at our facilities while leveraging this to lower insurance premiums," says Fredrik Bencker, Risk & Insurance Manager.

CM Biomass is already doing steady work regarding safety and risk mitigation. In CM Biomass' US division, where most production is located, all safety is managed as part of the internal project, "Forza Safety". This includes training, fire drills, knowledge sharing between production facilities, and weekly newsletters with updates on incidents and key learnings.

"We want to create a high standard at CM Biomass on how to identify and handle safety risks. We are going to



*Fredrik Bencker, Risk & Insurance Manager*

further formalise the processes securing the same high safety and risk mitigation standards across our production and storage facilities. It is important to have routines and general guidelines in place and ensuring strong action plans in case of incidents,” says Fredrik Bencker, adding:

“My wish for the coming year is of course: No incidents and no claims!”

Going forward, formalising and enabling continuous development of employee safety guidelines to manage risk, safety, and fire hazards and implementation on CM Biomass’ premises as well as on the joint venture plants and storage facilities is key to CM Biomass’ growth. The work will be focused on reliability and making sure CM Biomass can deliver on time every time with safety first.

#### **Insurance is a priority**

Storing more than 100 million of Euros worth of biomass around the world is daunting. Along with this, the insurance market for production of wood pellets has seen a steep increase in insurance premiums for the last couple of years making the industry costly to insure.

“Insurance is complex to understand and manage, it needs to be done properly, but it has been increasingly difficult to get the right insurance for a reasonable premium in today’s market. Even as we do not want anyone to get hurt at our facilities, we still need the right coverage if an accident were to occur. Finding this balance between risk and insurance is key to my job and to CM Biomass,” says Fredrik Bencker.

For the coming year, the focus on the risk and insurance area of CM Biomass will evolve around continuing improvement on both risk and insurance, analysing which risks can be transferred to insurance and laying the groundwork for a concrete strategy on risk and insurance.

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Fredrik Bencker  
Risk & Insurance Manager

**MY WISH FOR  
THE COMING YEAR  
IS OF COURSE:  
NO INCIDENTS  
AND NO CLAIMS!**





# ESG AND SUSTAINABILITY

# SUSTAINABILITY AND SOUND BUSINESS GO HAND IN HAND

**CM Biomass at its core is about powering businesses sustainably by decarbonising their energy needs and supporting the green transition. And with increasing emission reduction goals implemented on businesses both internally and externally and documentation requirements in all industries to back it up, new needs and opportunities arise.**

CM Biomass is on a journey to decarbonise energy intense companies all over the world. And to continuously improve on this effort, CM Biomass has over the past year made strong advancements regarding certification processes, improved analytic tools, and are still

planning further advancements in the future to meet the rising demand for documentation required by both industries, clients, and authorities.

To keep up with increasing documentation demands in sustainability, due diligence, and greenhouse gas accounting, CM Biomass has added two new hires to the sustainability team: One in Copenhagen and one in Vietnam. They play a key role in helping partners to find their footing on their own sustainability journey, by implementing new sourcing procedures or moving towards improved safety standards.

“Sustainability means keeping both the environment, but also the people of the industry, close at heart. And this year we have continuously worked on our ambition of being the preferred business partner to our clients and suppliers in driving both sustainability and decarbonisation,” says Christian Anton Rahbek, Head of Sustainability, adding:

“Being a sustainable business is our license to operate and that is what we aim for in all our decisions.”



Christian Anton Rahbek, Head of Sustainability





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Christian Anton Rahbek,  
Head of Sustainability

**BEING A SUSTAINABLE  
BUSINESS IS OUR LICENSE  
TO OPERATE AND THAT IS  
WHAT WE AIM FOR IN ALL  
OUR DECISIONS**

This is also why, as CM Biomass in the past year has increased the effective output of the production facilities in the US to around a million tonnes of wood pellets yearly, it has been equally important that all of the US pellets production is now certified under the Sustainable Biomass Program (SBP) system, which is the EU recognised voluntary certification scheme preferred by EU-based power and heating plants.

#### **Decarbonising industries**

CM Biomass is diligent in helping energy intensive industrial companies, that to date typically have been dependent on fossil fuels like coal or gas, decarbonise their substantial energy needs. There is a very significant CO<sub>2</sub> saving to be made just from switching to biomass from gas or coal. And CM Biomass is taking steps to further improve and document the CO<sub>2</sub> savings created. This year additional

engineering resources have been added to the team, focusing on greenhouse gas data analysis for the wood pellets CM Biomass deliver. It is crucial for the clients that they can reliably document their savings from switching to wood pellets or other biomass fuels, and CM Biomass is ready to deliver.

“We want to enable the decarbonisation of the European heavy industries. By switching from coal or lignite they can typically achieve a reduction of more than 85 percent on their carbon footprint even after considering any emissions from transportation of the wood pellets or other biomass fuels. We want to show that biomass is a viable and good investment both financially and environmentally,” says Christian Anton Rahbek.

Over the course of the past year, CM Biomass has increased efforts to incorporate strong

compliance at every step of the company's value chain, starting with procurement, production, logistics and ending with final sales being checked and certified.

"We have added more resources and been improving on our data streams and are constantly working on improving our greenhouse gas reporting. We are doing this to stay up to date and relevant, but also, because it is the right thing to do. In the past year we have conducted our first double materiality assessment in accordance with European Sustainability Reporting Standards (ESRS). The assessment is conducted as part of our ESG strategy and early preparations to comply with ESRS coming into force for the fiscal year 2025/26," says Christian Anton Rahbek, adding:

"We are very aware of upcoming legislation and that especially the European Union Deforestation Regulation (EUDR) is a ground-breaking piece of legislation, that sets high standards for documentation and transparency to combat forest degradation. Ahead of the implementation of the legislative framework, CM Biomass has been working intensely with partners and suppliers on improving our reporting and documentation for compliance in our full supply chains, from forest to consumer.

Going forward, certification is alpha and omega for the green transition. As legislation and demands become stricter, if documentation is not accurate, clients risk having to decline biomass and instead rely on fossil fuels. This would be detrimental to the green transition. This underlines that being a sustainable business is increasingly becoming a question of being able to document it – and CM Biomass is prepared to deliver.

## CM BIOMASS' SUSTAINABLE SUPPLY CHAIN:

- **Wood pellets are a documented sustainable energy product throughout its supply chain from production to consumption. By refining wood industry and forestry residues into pellets, CM Biomass help decarbonise fossil fuel powered industries, contributing to a circular economy.**
- **When lumber and timber are produced more than 50 percent of incoming logs are reduced to sawdust and wood shavings as well as chips and bark with few other uses than for wood pellets. This accounts for more than 95 percent of the total feedstock to CM Biomass' production, being timber industry residues. Less than 5 percent were wood chips from forestry residues from forest management.**
- **CM Biomass has implemented FSC, SBP, GGL, and PEFC certifications throughout the supply chain with the vast majority of CM Biomass' wood pellet suppliers now certified, and the remaining adhering to the EU Timber Regulation (EUTR) and national trade requirements.**
- **CM Biomass continues to explore, test, and research alternative biomass fuels for the growing market for energy sources with minimal CO<sub>2</sub> footprint. This includes the residues and by-products from sunflower, peanuts, olives, bagasse, palm, and cashew.**
- **In supplying sustainable energy alternatives to clients and industries around the world CM Biomass plays a vital role in decarbonising on vital energy consumption.**

Facility in Jasper



# STATEMENT OF CORPORATE RESPONSIBILITY

## Business model

Since 2009, CM Biomass has actively engaged in the global transition towards a greener future through biomass. CM Biomass is a leading independent provider of physical wood pellets and other biomass products, with more than 3.6 million tonnes of biomass traded and approximately 1 million tonnes installed production capacity as of April 2024.

CM Biomass' production of wood pellets and peanut hull pellets is highly circular, with more than 95% of the feedstock being residues from wood industries or nut processing plants. This utilization of industry residuals contributes directly to minimization of waste streams, while at the same time creating standardized and attractive renewable fuels with very low carbon footprints.

CM Biomass mainly supplies European utilities and distributors by acting as the main aggregator between (i) pellet manufacturers in North America and Europe and (ii) European customers, playing a key part in creating efficient supply chains for biomass as an alternative to fossil fuels.

CM Biomass has increased its focus on sourcing and pellet manufacturing in North America during the past year and expects to continue this trend. Furthermore, with Asian demand for biomass for energy-generation ramping up over the coming years, we plan to expand further on the

existing platform created in the region with local offices in sourcing markets (Vietnam, Malaysia, Indonesia) and sales markets (South Korea, Japan, Australia, EU, and overseas territories).

In addition, CM Biomass continues to develop its position on alternative biomass from agricultural residues and commercialising them in the European market to new and existing customers. We expect this trend to increase as more energy intensive industries seek ways to decarbonise from fossil fuels.

## Market overview

There is a well-established consensus that climate change caused by global warming is linked to the emission of greenhouse gases from fossil fuels. The use of sustainable biomass contributes to a significant reduction of carbon dioxide emissions compared to fossil fuels, and constitutes a secure and reliable baseload energy in the renewable energy mix, minimising the dependence on import of fossil fuels from politically unstable areas.

CM Biomass identifies a significant business prospect and job creation in the industry of green energy technologies. The increasing use of bioenergy, 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 Biomass engages in development activities to maximise the

efficient use of residues. Increasing demand for biomass as an energy source leads to innovation in different biomass types, potentially increasing the use of low value residual agricultural by-products and their application to different customers in different markets.

The market position of CM Biomass is considered strong and growing in an increasing market which implies that CM Biomass' business prospect is deemed sound and with further growth potential.

## CM BIOMASS HOLDING A/S STRUCTURE





**FORESTRY**

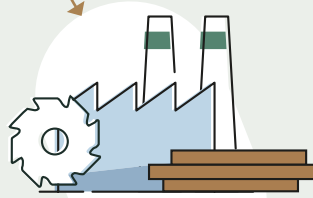
**Forestry**

(External activity)

Responsible forest management and sustainable sourcing practices are non-negotiable for CM Biomass; thus, CM Biomass has a dedicated sustainability team in place to, among other tasks, vet the sourcing of biomass. CM Biomass conducts pre-contracts and ongoing due diligence on its suppliers and sub-suppliers to ensure adherence to all applicable legislation and best management practices for all procured biomass, especially in high-risk regions. Our due diligence process includes collecting all necessary documents, e.g., sustainability reports, chain of custody contracts, and company procedures, as well as legal documents on potential suppliers to ensure sustainability and quality.

**Potential CSR externalities**

- Irregularities related to forest management activities
- Violation of internationally accepted practices on human rights
- Corruption and bribery in high-risk regions



**SAWMILLS AND OTHER WOOD WORKING MANUFACTURERS**

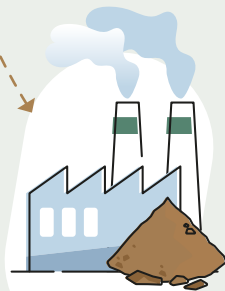
**Sawmills and other wood working manufacturers**

(External activity)

The main sources of feedstock for CM Biomass' wood pellet production are wood industry residues such as sawdust, off-cuts, and shavings from our external suppliers at the sawmills. CM Biomass encourages the best possible utilisation of the saw logs, and provide a commercially attractive outlet for the inevitable residue streams from the production of timber products.

**Potential CSR externalities**

- Compliance with safety requirements and potential accidents at processing plants and pellet productions
- Identification of raw materials procured by suppliers and sub-suppliers from external parties



**WOOD PELLET MANUFACTURERS**

**Wood pellet manufacturers**

(Core activity)

The use of recognised third-party verified certification systems, such as SBP (Sustainable Biomass Program) and FSC (Forest Stewardship Council) ensure the overall sustainability of the timber supply chain. The feedstock for our pellet production is mainly comprised of wood industry residues, but a small portion of in-forest wood chips from sustainable forest management are also used. These wood chips are produced from the lowest quality trees from the forests. Timber quality or saw grade wood are not used for producing wood pellets.

CM Biomass also actively supports its external wood pellet suppliers in achieving certifications with internationally recognized voluntary forest

and biomass certification schemes and commits to supporting suppliers' management systems and performance at all levels of the supply chain.

#### Potential CSR externalities

- Traceability of feedstock streams from suppliers and sub-suppliers
- Verification of appropriate measures for risk management
- Adherence to safe and proper working conditions according to the United Nations Guiding Principles on Business and Human Rights (UNGP) labour codes
- Timely catching-up with rapidly evolving international requirements in the biomass sector
- Corruption and bribery in high-risk regions

#### Value-adding biomass aggregator

(Core activity)

Through long-term partnerships and a dedicated sustainability team, CM Biomass ensures due diligence processes for suppliers through sustainability reports, contracts, KYC processes and legal documents.

#### Potential CSR externalities

- Potential misconduct by suppliers
- Insufficient supply chain management

#### Logistics

(Core activity)

CM Biomass provides logistical door-to-door full-service solutions, including loading, inspection, transportation, discharging, warehousing, and agency with terminals to strategically adhere to the sourcing and distribution activities.

#### Potential CSR externalities

- Fuel consumption and gas emissions
- Risk of money laundering in high-risk regions
- Contamination or other damage to pellets during transport and storage

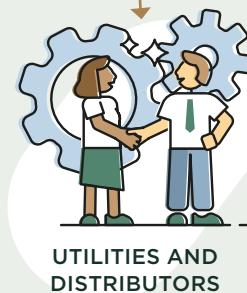
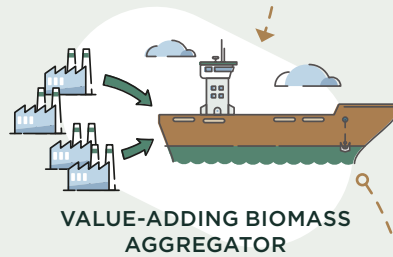
#### Utilities and distributors

(External activity)

Both utilities and distributors have various procedures in place, guaranteeing that pellets are from sustainable sources and are of a certain quality. Utilities conduct site visits to wood pellet manufacturers.

#### Potential CSR externalities

- Insufficient wood pellet quality or documentation for sustainability status
- Insufficient or incorrect greenhouse gas data



# POLICIES, ACTIVITIES, AND RESULTS

## Sustainable Development Goals

CM Biomass has committed itself to working dedicatedly with the UN's Sustainable Development Goals ("SDGs"), enabling dedicated work with sustainability, delivering environmental, social, and commercial value. CM Biomass influences the 17 SDGs directly and indirectly; however, CM Biomass has 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 Biomass' 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 areas of central priority to CM Biomass and constitute a natural part of conducting good business. CM Biomass contributes with solutions related to renewable energy, energy efficiency, and

commercial and sustainable production and consumption. 2023/24 saw CM Biomass move into new supply markets, both geographically and product-wise. The new markets show exciting potential but also require due diligence and local expert knowledge. For this purpose, CM Biomass has both added an additional full time South-east Asia sustainability expert as well as drawn on globally acclaimed external partners in select situations. Paired with time-proven internal compliance procedures, positive relations with serious suppliers, and a focus on long-term business relationships, CM Biomass is in a key position to build a solid business case on responsible utilisation of forest and wood industry residues. Additionally, commercialising waste streams from vegetable oil and nut production, which would otherwise become landfill waste, supports the reduction of waste. CM Biomass continuously works with the two SDGs in relation to its activities to develop the business sustainably and commercially.



# ENVIRONMENT AND CLIMATE

CM Biomass' policy on the environment is to incorporate sustainability and efficient use and logistics of circular raw materials and products in everyday business decisions. In this way, efficiency in transport and logistics solutions, selection and evaluation of suppliers and business partners, and the exploration of new opportunities directly support CM Biomass' commitment to integrate the UN SDGs.

As a globally significant producer and trader of wood pellets and other biomass products for use in power and heat generation, CM Biomass' core business not only directly facilitates efficient and responsible decarbonisation, but also creates and supports markets for residual products, for which there are no local markets, reducing the risk that these residues would end up being treated as waste. This contributes directly to the SDGs 7.2 and 12.5. In line with CM Biomass' CSR policy, CM Biomass' environmental commitments aims to ensure 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 eco-systems. These objectives are achieved both through the FSC, SBP, and PEFC certifications implemented throughout the supply chain, but also through our direct and continuous collaboration with suppliers, especially in higher risk regions, on topics such as supply chain integrity and worker's health and safety.

CM Biomass' business recognises the cascading principle, urging partners to utilize wood resources in the best possible way for long-lasting wood products and to seek economically sound solutions. Promoting internationally recognized forest management

certifications and biomass schemes among wood pellet producers. The majority of CM Biomass' wood pellet suppliers are already certified, and the remaining adhere to the EU Timber Regulation (EUTR) and national trade requirements.

As an operator in relation to the EU timber Regulation, CM Biomass is under obligation to ensure that all wood products imported to the EU are legal in all aspects. CM Biomass takes this obligation very seriously and have implemented a strict due diligence system for all suppliers, based on national and regional risk levels.

CM Biomass follows the finalisation and implementation of the EU Deforestation Regulation, agreed upon by the EU member states in December 2022, closely. CM Biomass welcomes this initiative as a significant step towards fighting deforestation on a global scale. The implementation of the EUDR is expected by the end of 2024 and will undoubtedly bring a number of challenges, but with CM Biomass' role in the global biomass supply chain and a status as knowledge leader, CM Biomass is well-positioned to tackle the new requirements in a market where end-users of biomass products rely on trustworthy business partners.

CM Biomass continuously explore, test, and research alternative biomass fuels for the growing market for energy sources with minimal CO<sub>2</sub> footprint. In 2023/24, CM Biomass continued to work with identifying residues and by-products from sunflower, peanuts, olives, bagasse, palm, and cashew, with the most focus on cashew nut shells, palm kernel shells, and peanut hull pellets.

Quitman facility



Neither of these production residues have any other stable market and would otherwise be in high risk of becoming landfill waste. With value-adding processing steps and the best possible transport routes, these products show good potential in substituting the fossil fuels used today in both the energy sector and in energy intensive processing industries.

Going forward in 2024/25, CM Biomass' ambition is to continuously implement SDG-related initiatives in the operations, working with the USTC ESG framework extending a focus and incorporating hard data and targets for the most material topics going forward.

### Human rights

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

CM Biomass respects human, social, and professional rights as listed in the UN's Guiding Principles on Business and Human Rights (UNGPs) and does not violate them. The right to privacy is a priority

at CM Biomass and it is sought to comply with all aspects of the EU General Data Protection Regulation (“GDPR”). As a result, in 2023/24 and the years before, no human rights violations were identified through industry frameworks and audits: SCS, Control Union, and Preferred by Nature. As the business expands, CM Biomass continues to strengthen practices within human rights in line with applicable conventions.

### **Corruption & bribery**

CM Biomass operates under corporate values and principles of best business practices and in accordance with trade rules and procedures prescribed by the EU and UN. An Anti-corruption policy has been documented which communicates a zero tolerance policy regarding corruption and bribery clearly to employees as they are instructed in their work.

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

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 Biomass’ 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 Biomass invests in long-term business relations to support open and direct communication.

There were no reports of corruption in 2023/24. However, as CM Biomass’ operations continue to expand, the importance of being aware of avoiding corruption and to mitigate financial risks will increase. Consequently, CM Biomass has added further resources for internal control, including a whistle-blower scheme, and will look for additional measures, including more meticulous due diligence and KYC (Know Your Customer) processes.

### **Social Impact & Employee Welfare**

CM Biomass’ policy is to provide good working conditions and fair terms to all employees. To continuously improve employee satisfaction and safeguard personal development, CM Biomass 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. With an increasing number of employees at the manufacturing facilities, the risk of accidents has increased compared to earlier when CM Biomass was almost exclusively comprised of white-collar employees. Therefore, a new and increased focus on work-safety is led by the US production team.

As a considerable player in the market, CM Biomass 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.

Through our CSR and Core Labour Requirement policies, CM Biomass wish to encourage an open dialogue on all issues related to CM Group’s business methods, compliance with CM Biomass’ policies or issues that are considered inappropriate.

A whistle-blower scheme added as a supplement to the direct and daily communication to ensure a safe environment in which employees within CM Biomass have the confidence to speak out about reprehensible practices. In the whistleblower scheme, all communication is directed to an external and impartial HR partner, ensuring that every employee can safely and anonymously address serious issues without fearing repercussions.

Besides retaining a large number of key role incumbents, the company has strengthened its position on governance and support functions by adding dedicated resources on Risk, Business Intelligence, HR, IT and Sustainability, adding to a growth rate of 12.3%. This is a positive indicator of a good work environment considering the dynamic markets CM Biomass operates in.

Throughout the year, CM Biomass has hosted both local events as well as events for employees across locations with the sole purpose of building a good work environment and to sustain social connectivity across the organisation. Furthermore, CM Biomass has for years supported students with cases for their thesis', student employment, and internships to foster a strong pipeline for talent acquisition with both technical and business background. The company currently employs four students at the office in Copenhagen and two in Houston, Texas.

As part of USTC, CM Biomass is increasingly adapting to employee initiatives across the conglomerate, including leadership programmes, engagement surveys, and an increased focus on the DEI agenda which will strengthen the company's organisational capabilities.

Through coaching, CM Biomass offers opportunities for employees to continuously develop their professional and personal competencies. CM Biomass believes that by

asking the right and powerful questions, a good coach can help build confidence, access undiscovered insights, close knowledge gaps, unlock limits, navigate challenges, and help employees grow.

In 2024/25 we will continue to monitor all stress related incidents and we will focus on identified risks to arrange activities to promote a healthy work/life balance.

### **Data Ethics**

CM Biomass continuously assess our digital development with respect to data ethics. Data from third parties primarily consists of public available statistics e.g., prices, rates, and other business data related to our business units. Thus, CM Biomass does not buy or process personal data from third parties and does not personalise products or services. CM Biomass conducts internal assessments annually on data processing and ensure continuous awareness of data ethics where relevant through workshops.

### **Statement on Gender Composition of Management in Accordance with Section 99 b of the Danish Financial Statements Act**

#### ***Targets for the Highest Management Body and Other Management Levels***

CM Biomass Group has set a target of a minimum of 40% female members on the Board of Directors elected at the annual general meeting. It is anticipated that the target of 40% female board members will be achieved by 2025.

The current gender composition among the general meeting-elected board members is four men and two women. This composition has changed from 2023 when the target for the proportion of female members was established. We have at an extraordinary general meeting during 2023/24 elected one woman and one man to the board. The board has actively sought suitable female candidates within industry networks and

## FIVE YEAR OVERVIEW OF TARGETS

### HIGHEST MANAGEMENT BODY

<b>Total members</b>	<b>8</b>
<b>Underrepresented gender</b>	<b>12.5%</b>
<b>Target 2028</b>	<b>25%</b>
<b>Target 2032</b>	<b>40%</b>

### OTHER MANAGEMENT LEVELS

<b>Total members</b>	<b>10</b>
<b>Underrepresented gender</b>	<b>20%</b>
<b>Target 2028</b>	<b>25%</b>
<b>Target 2032</b>	<b>40%</b>

continues to work towards recommending qualified female candidates for future general meetings to meet the goal.

CM Biomass Group has also set a goal of a minimum of respectively 25% and 40% female members at other management levels. It is expected that the target of respectively 25% and 40% female members at these levels will be achieved by respectively 2028 and 2032.

Currently, the gender composition at other management levels is 3 women and 16 men. Several initiatives have been undertaken this year to increase the proportion of women at these management levels. These initiatives, along with the policy to increase the representation of the underrepresented gender at other management levels, are detailed above.

### ***CM Biomass Group' Policy for Diversity at Other Management Levels***

CM Biomass Group has also developed a policy to increase the proportion of the underrepresented gender. This policy covers all management levels within the company. It supplements the personnel policy and includes a goal of equal gender distribution at all management levels with personnel responsibility, as well as a description of various initiatives being implemented across CM Biomass Group.

In 2023, CM Biomass Group conducted a baseline measurement of management levels across the company. This measurement will be used in the future to evaluate the initiatives undertaken to promote gender equality among managers.

Throughout 2023/24, CM Biomass Group has worked on various initiatives to promote gender equality in the company's management levels. An initiative has been launched to increase the number of female applicants during recruitment for CM Biomass Group. Recruitment is seen as a crucial pipeline for promoting gender equality within the company, which is essential for achieving equality at management levels.

A positive development is expected as all initiatives are fully implemented.



*Quitman facility*



# FINANCIAL REVIEW



Louise Almdal-Schrøder, Accountant, and  
Ask Michael Munck, Group CFO





## CFO LETTER

# A SOLID YEAR IN THE BOOKS

**The past year has presented a wide variety of macro-economic challenges for the biomass industry. Despite this, CM Biomass has managed to deliver a record-breaking result – all while managing to establish the necessary support functions for CM Biomass as a stand-alone business.**

For the financial year 2023/24 CM Biomass has been navigating macro-economic challenges related to rising interest rates and increased costs for asset upgrades. Meanwhile, lower client demand due to the relatively mild winter season as well as lower demand and prices for wood pellets caused challenging conditions for our business.

CM Biomass' operating model as a stable and yet flexibility provider, coupled with these market challenges and a strengthened US production have created a need to store higher quantities of pellets in warehouses across the world. The increased working capital tied up in inventories together with higher interest rates have resulted in higher interest costs.

This has, however, been more than offset by an increased gross margin from the trading activities, resulting in the strongest financial result in the company's history.

The income statement of the Group for 2023/24, shows a profit before tax of EUR 41 million and a Group equity of EUR 159 million as per 30 April 2024. Ask Michael Munck, Group CFO, credits strong contract book business acumen and the ability to navigate any market condition as the main factors for this year's result.

“We are very satisfied with this year’s record result as it underlines our ability to thrive in any market condition, proving our flexible business model. In a low demand market, we have been able to harness the benefits of having storage facilities all over the world, close to our clients, supporting our agile response to rapidly changing market conditions,” says Ask Michael Munck.

This year’s result represents a result above expectations stated in the annual report for 2022/23 and Management consider it to be very satisfactory. For the coming financial year 2024/25 management’s expectation are set lower, although still on par with the previous year 2022/23, even as this, too, was a record year. These lower expectations compared to this year are due to a negative price trend Management

expects to continue into the new financial year.

As CM Biomass continues to be a global company, a proportion of CM Biomass’ sales and purchases are made in other currencies than EUR. Hedging is only done to match forward foreign exchange sales and purchase contracts.

### **Building the stand-alone services**

Throughout the year 2023/24 CM Biomass has been building out the support functions necessary for the company to become a stand-alone entity. This journey and growth of internal functions comes as a direct consequence of the majority stake acquisition by United Shipping & Trading Company (USTC) in 2021.

CM Biomass’ carve out from the founding company Copenhagen Merchants has now been completed both physically by moving into new offices, but also by adding stronger support functions with the competencies that was previously part of shared services with Copenhagen Merchants.

Since taking on the role as Group CFO two years ago in March, 2022, one of the main tasks of Ask Michael Munck has been to build a strong stand-alone Finance department.

“My mission is to ensure the finance department keeps adding value to the organisation by supporting every branch of CM Biomass. Whether it is risk and insurance, ESG, or meeting VAT and tax requirements to any of the global markets we are present in,” says Ask Michael Munck, adding:

“To do this we have worked to attract and retain talent that wants to be part of that ambition and to make a difference on CM Biomass’ journey. My mission is to keep on

Ask Michael Munck  
Group CFO

**THIS YEAR’S RECORD  
RESULT UNDERLINES OUR  
ABILITY TO THRIVE IN  
ANY MARKET CONDITION,  
PROVING OUR FLEXIBLE  
BUSINESS MODEL**

streamlining our already strong finance function and to ensure that it continues to create value throughout CM Biomass.”

The growth of support functions along with the continuous increase in production personnel at the production facilities are the main reasons behind an increase in the number of employees of nine percent with CM Biomass this past year.

#### **A solid foundation to expand on**

Delivering year on year positive results and following the further professionalisation of CM Biomass’ financial work-flows, several new initiatives have been put into place. To strengthen the international focus CM Biomass has converted from Danish GAAP to IFRS accounting principles as of this past financial year.

Also, CM Biomass has secured the long-term funding through a strong bank syndicate, an important tool and an essential part of doing business as a flexibility provider to the market.

The focus on collecting and documenting data for ESG performance has been reinforced. CM Biomass’ financial reporting system to calculate and consolidate quantitative ESG KPIs has been upgraded. This strengthens the ability to track ESG performance and meet upcoming regulatory requirements, such as the European Sustainability Reporting Standards (ESRS) coming into effect in fiscal year 2025/26.

Even as no one can predict the future, going forward, CM Biomass continues to remain confident in the flexible business model. Having the combination of multiple pillars in the business: Trading and production, puts CM Biomass in a strong position in the market and creates optimism for the future.



Ask Michael Munck, Group CFO

“Even as we have taken a leap towards own production and with higher inventory to support our trading, meaning our capital is to some extent tied up in pellets, we are expecting solid financial results for the coming years. This confidence can also be credited to the solid groundwork we are laying within the organisation by establishing trading and production side by side now,” says Ask Michael Munck.

# CFO HIGHLIGHTS

## P&L

### Comparable figures

When comparing the figures with previous years please note that the financial year of 2023/24 has been done in accordance with IFRS with restatement of comparative figures for 2022/23, while the comparative figures for 2021/22 and 2020 are presented in accordance with the Danish Financial Statement Act. The main differences in accounting policies are that goodwill is not amortised and that per IFRS all lease agreements are recognised in the financial statements. The ratios have been prepared in accordance with the definitions set out in note 22 to the Financial Statements.

### Increasing volume

CM Biomass continued its volume growth. The global trading team managed to sell 3.6m tonnes in 2023/24, which is an increase in volumes of nine percent.

### Continued high revenue

Despite lower sales prices CM Biomass' revenue has increased to EUR 835m due to the increased volume.

### Focus on costs

In a year with falling prices, CM Biomass has naturally focused on bringing down variable costs i.e. expenses for pellet procurement, raw materials and consumables. This has succeeded with both increased production volume and lowered costs compared with last year with EUR 19m. As such, this focus will continue in the year to come.

### Record high gross profit

The GP of EUR 106m is the highest

ever achieved. This partly comes from CM Biomass' long term contract book and the capability to take advantage of market opportunities as a flexibility provider.

### Increase in number of employees and cost for same

The company has increased the number of employees with around nine percent during the year, which results in an increase in overhead costs of just over EUR 5m. This is to be seen as a continued strengthening of the organisation to address increased regulatory requirements and internalising support functions.

### Higher depreciations

Continued investments in wholly owned production plants results in depreciations increasing EUR 4m compared with last year.

### Drop in JV income

The income from associates (JV partners) is around break-even, which is EUR 3m lower than last year, mainly due to increasing costs. Management remain optimistic for the future performance of JV operations.

### Increased financing costs

Higher interest rates and higher utilisation of credit lines, as a result of higher inventory during the year, increased net financials EUR 3.4m compared with last year.

### Record high earnings before tax

Earnings before tax ended at EUR 41 million, which was above the budget.

## Balance sheet

### Higher total balance sheet

The total assets and liabilities increased during the year to EUR 324m, mainly due to continued investments during the year of EUR 19m (after depreciations) in the production plants. At the same time, inventory decreased at the end of the year with EUR 2m compared to last year. Trade receivables increased by EUR 8m to EUR 57m. Liability-wise CM Biomass has this year repaid loans to banks with EUR 10m. Trade payables are reduced with EUR 10m to EUR 31m. All in all a healthy balance sheet development, which improves working capital.

### Strong equity

CM Biomass increased the equity with EUR 39m to EUR 159m by the end of the year and hereby strengthened the capital structure and the creditworthiness.

### Positive outlook for 2024/25

CM Biomass is positive about the new financial year and expects a strong result, however due to the current negative price trend it is not expected at the same level as this year, but more in line with previous year (2022/23).

### Uncertainty relating to recognition and measurement

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

### Unusual events

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



REVENUE

835

EUR M

GROSS PROFIT

106

EUR M

EBT

41

EUR M

# FINANCIAL HIGHLIGHTS

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

EUR'000	2023/24	2022/23	2021/22*
<b>Profit/loss</b>			
Revenue	834,977	825,674	409,764
Profit/loss before financial income and expenses	52,522	37,828	18,488
Net financials	-11,342	-7,977	150
Net profit/loss for the year	35,192	23,449	13,932
<b>Balance sheet</b>			
Balance sheet total	323,981	302,299	210,111
Equity	159,268	120,376	69,948
<b>Cash flows</b>			
Cash flows from:			
- operating activities	44,143	-8,842	16,621
- investing activities	-29,060	-40,729	-111,556
including investment in property, plant and equipment	-28,793	-43,580	-17,790
- financing activities	-14,080	50,804	96,507
Change in cash and cash equivalents for the year	1,003	1,233	1,572
Number of employees	239	186	89
<b>Ratios</b>			
Gross margin	12,7%	9,4%	7,9%
Profit margin	6,3%	4,6%	4,5%
Return on assets	16,2%	12,5%	8,8%
Solvency ratio	49,2%	39,8%	33,3%
Return on equity	25,2%	24,4%	39,8%

The Group has implemented IFRS on 1 May 2023 with restatement of comparative figures for 2022/23.

The comparative figures for 2021/22 and 2020 are presented in accordance with the Danish Financial Statement Act. The main difference in accounting policies are that goodwill is not amortised and that all lease agreements are recognised in the financial statements.

The ratios have been prepared in accordance with the definitions set out in note 22 to the Financial Statements.

For definitions, see notes.

\* The Group was established in September of 2021 in connection with USTC acquiring 60 percent of CM Biomass. Hence the financial year for the Group of 2021/22 was only based on eight months.

# BOARD OF DIRECTORS



## Christian Pagaard Junker

Chairman of the board

Born in 1952

Board member since 2017

CEO of private consulting firm CJ Consult

Professional board member with special competencies in business development, mergers & acquisitions, leadership, strategy and organizational development. Expert insight into raw material trading, credit & risk management. Experience as Group CEO of Danish Agro for more than 30 years.

Board memberships include, among others, Ameropa Holding AG, Brdr. Nordbø Holding A/S, H.J. Hansen Holding A/S, Samson Group Holding A/S, Hejsa Invest A/S, REA Gruppen Holding ApS, Jensens Food Group A/S and Green Team Group A/S.

Educated M.B.A in Marketing and Finance.



## Jan Flemming Bech Andersen

Board member since 2021

Born in 1968

Specialised and in-depth knowledge within shipping, leadership, investment, and business development. Directed and established Torm Singapore and held role as Glencore Head of Shipping Worldwide.

Board member of Brøndbyernes IF Fodbold A/S, Alefarm Brewing A/S and Vincent Shipping ACL London. Member of the advisory board in Athens of the Athenian Shipping.

Educated at Copenhagen Business School, graduated from the Danish Officer Academy as First Lieutenant at The Royal Danish Guard.



## Nina Østergaard Borris

Board member since 2021

Born in 1983

CEO and co-owner of the USTC Group (A/S United Shipping & Trading Company)

Special competencies include company evaluations, mergers & acquisitions, financial due diligence, business restructuring, reorganisation, turnarounds and compliance.

Member of the boards in A/S United Shipping & Trading Company, Bunker Holding A/S, Uni-Tankers A/S, A/S Global Risk Management Ltd. Holding, A/S Global Risk Management Ltd. Fondsmæglerselskab and Middelfart Erhvervsråd. Vice Chairman of the board in SDK FREJA A/S and Chairman of the board in Unit IT A/S. Member of Beiratssitzung Nord, Deutsche Bank.

MSc in Applied Economics and Finance supplemented by courses at Harvard University and London School of Economics and Political Science.





**Simon Christensen**

Board member since 2009

Born in 1973

CEO of CM Group

Founder of CM Biomass and CEO from 2009-2023

Experience from Cargill and the Private Equity team in Danske Bank. Extensive expertise in commodity trading, supply chain development, business development and mergers & acquisitions.

Board memberships include, among others, CM Holding A/S, Copenhagen Merchants A/S, Navi Merchants A/S, Kalundborg Holding A/S and CM bulk terminals.

Master of Applied Economics & Finance from Copenhagen Business School.



**Louise Koch**

Board member since 2023

Born in 1978

Senior Director, Group Head of Sustainability in Grundfos

Previously Director of Global Sustainability Strategy & Innovation in Dell Technologies, Head of CSR in Dansk Erhverv, and appointed member of the Danish Government's Council for Responsible Business & the Global Goals. Extensive experience in ESG and corporate sustainability within climate, circular economy, human rights, supply chain responsibility, corporate affairs, and business development.

MSc in Anthropology from University of Copenhagen.



**Søren Fournaise Eriksen**

Board member since 2024

Born in 1965

Specialized and in-depth knowledge within supply-chain and production, leadership, and business development. Experience as EVP Group Operation, Danish Crown and CEO Danish Crown Pork.

Board memberships include, among others, Arminox AS, Bisca AS, Hammelsvang A/S, and Skagen Salmon P/S.

B.SC in engineering from Aarhus University of Engineering, Master of Laws (LL.M) from University of Aarhus, supplemented by courses at among others INSEAD.

# CONSOLIDATED FINANCIAL STATEMENTS

*Huntsville facility*

## INCOME STATEMENT

1 May - 30 April

EUR'000	Note	2023/24	2022/23
<b>Revenue</b>	1	<b>834,977</b>	<b>825,674</b>
Expenses for raw materials and consumables		-728,752	-747,807
<b>Gross profit/loss</b>		<b>106,225</b>	<b>77,867</b>
Staff expenses	2	-28,309	-22,828
Other operating income		0	2,310
Other external expenses		-13,010	-11,129
Depreciation, amortisation and impairment	3	-12,384	-8,392
<b>Profit/loss before financial items (EBIT)</b>		<b>52,522</b>	<b>37,828</b>
Income from investments in associates		71	3,254
Financial income	4	1,020	0
Financial expenses	4	-12,362	-7,977
<b>Profit/loss before tax (EBT)</b>		<b>41,251</b>	<b>33,105</b>
Tax expense	5	-6,059	-9,656
<b>Profit/loss for the year</b>		<b>35,192</b>	<b>23,449</b>

## STATEMENT OF COMPREHENSIVE INCOME

1 May - 30 April

EUR'000	Note	2023/24	2022/23
<b>Profit/loss for the year</b>		<b>35,192</b>	<b>23,449</b>
Exchange differences on translation of foreign entities		1,476	176
Fair value adjustment		0	442
Cash flow hedges		1,442	3,322
<b>Total items that may be reclassified to profit or loss</b>		<b>2,918</b>	<b>3,940</b>
<b>Other comprehensive income, net of tax</b>		<b>2,918</b>	<b>3,940</b>
<b>Total comprehensive income for the year</b>		<b>38,110</b>	<b>27,389</b>

## GROUP

## BALANCE SHEET

30 April

## ASSETS

EUR'000	Note	30 April 2024	30 April 2023	As at 1 May 2022
<b>Non-current assets</b>				
Intangible assets	6	64,024	65,904	66,974
Property, plant and equipment	7	77,414	58,234	17,801
Right-of-use assets	8	6,924	6,276	6,221
Investments in associates	9	15,003	13,703	10,775
Deferred tax assets		220	0	1,092
Deposits		260	45	1,950
<b>Total non-current assets</b>		<b>163,845</b>	<b>144,162</b>	<b>104,813</b>
<b>Current assets</b>				
Inventories	10	90,892	93,220	48,061
Trade receivables		57,136	49,501	51,883
Receivables from associates		691	1,834	34
Other receivables		5,698	8,203	5,887
Corporation tax		0	0	997
Prepayments		1,910	2,573	5,157
Cash at bank and in hand		3,809	2,806	1,573
<b>Total current assets</b>		<b>160,136</b>	<b>158,137</b>	<b>113,592</b>
<b>Total assets</b>		<b>323,981</b>	<b>302,299</b>	<b>218,405</b>

## BALANCE SHEET

30 April

## EQUITY AND LIABILITIES

EUR'000	Note	30 April 2024	30 April 2023	As at 1 May 2022
Share capital	11	287	287	287
Share premium		0	0	60,371
Reserves		1,775	-1,143	-4,641
Retained earnings		157,206	121,232	15,970
<b>Equity attributable to owners of the parent</b>		<b>159,268</b>	<b>120,376</b>	<b>71,987</b>
<b>Non-current liabilities</b>				
Credit institutions		72,401	32,508	17,561
Lease liabilities	8	4,244	3,575	4,271
Provisions		0	0	1,800
Deferred tax liabilities		141	119	0
Payables to owners and Management		16,430	15,119	14,612
Other payables		0	476	19,941
<b>Total non-current liabilities</b>		<b>93,216</b>	<b>51,797</b>	<b>58,185</b>
<b>Current liabilities</b>				
Credit institutions		9,919	59,389	19,908
Lease liabilities	8	2,904	2,846	1,984
Prepayments received from customers		73	1,734	0
Trade payables		30,989	40,544	32,010
Payables to group enterprises		0	0	1,016
Corporation tax		9,370	11,191	5,017
Other payables		18,242	14,422	28,298
<b>Total current liabilities</b>		<b>71,497</b>	<b>130,126</b>	<b>88,233</b>
<b>Total liabilities</b>		<b>164,713</b>	<b>181,923</b>	<b>146,418</b>
<b>Total equity and liabilities</b>		<b>323,981</b>	<b>302,299</b>	<b>218,405</b>



Jackson facility

## STATEMENT OF CHANGES IN EQUITY

1 May - 30 April

2023/24

EUR'000	Share capital	Share premium	Exchange rate adjustment reserve	Hedging reserve	Retained earnings	Equity, owners of the parent
<b>Equity at 1 May 2023</b>	<b>287</b>	<b>0</b>	<b>299</b>	<b>-1,442</b>	<b>121,232</b>	<b>120,376</b>
Profit for the year	0	0	0	0	35,192	35,192
Other comprehensive income, net of tax	0	0	1,476	1,442	0	2,918
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>1,476</b>	<b>1,442</b>	<b>35,192</b>	<b>38,110</b>
Other equity movements	0	0	0	0	782	782
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>782</b>	<b>782</b>
<b>Equity at 30 April 2024</b>	<b>287</b>	<b>0</b>	<b>1,775</b>	<b>0</b>	<b>157,206</b>	<b>159,268</b>

2022/23

EUR'000	Share capital	Share premium	Exchange rate adjustment reserve	Hedging reserve	Retained earnings	Equity, owners of the parent
<b>Equity at May 2022</b>	<b>287</b>	<b>60,371</b>	<b>123</b>	<b>-4,764</b>	<b>15,970</b>	<b>71,987</b>
Profit for the year	0	0	0	0	23,449	23,449
Fair value adjustment	0	0	0	0	442	442
Other comprehensive income, net of tax	0	0	176	3,322	0	3,498
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>176</b>	<b>3,322</b>	<b>23,891</b>	<b>27,389</b>
Transfer from share premium account	0	-60,371	0	0	60,371	0
Capital increases	0	0	0	0	21,000	21,000
<b>Total transactions with shareholders</b>	<b>0</b>	<b>-60,371</b>	<b>0</b>	<b>0</b>	<b>81,371</b>	<b>21,000</b>
<b>Equity at 30 April 2023</b>	<b>287</b>	<b>0</b>	<b>299</b>	<b>-1,442</b>	<b>121,232</b>	<b>120,376</b>





## CASH FLOW STATEMENT

1 May - 30 April

EUR'000	Note	2023/24	2022/23
Net profit/loss for the year		35,192	23,449
Adjustments		30,339	22,095
Change in working capital	18	-3,432	-43,907
<b>Cash flows from operating activities before financial items and tax</b>		<b>62,099</b>	<b>1,637</b>
Financial income received		1,020	0
Financial expenses paid		-11,051	-7,468
Corporation tax paid		-7,925	-3,011
<b>Cash flows from operating activities</b>		<b>44,143</b>	<b>-8,842</b>
Purchase of intangible assets		-52	0
Purchase of property, plant and equipment		-28,793	-43,580
Fixed asset investments made etc.		-215	-154
Dividends received from associates		0	3,005
<b>Cash flows from investing activities</b>		<b>-29,060</b>	<b>-40,729</b>
Repayment of loans from credit institutions		-9,577	0
Repayment of loans to associates		0	-1,016
Raising of loans from credit institutions		0	54,428
Instalment on leases		-4,503	-2,608
Earn-Out payment		0	-21,000
Cash capital increase		0	21,000
<b>Net cash from financing activities</b>		<b>-14,080</b>	<b>50,804</b>
<b>Change in cash and cash equivalents</b>		<b>1,003</b>	<b>1,233</b>
Cash and cash equivalents at 1 May		2,806	1,573
<b>Cash and cash equivalents at 30 April</b>		<b>3,809</b>	<b>2,806</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3,809	2,806
<b>Cash and cash equivalents at 30 April</b>		<b>3,809</b>	<b>2,806</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## GROUP

## NOTE 1 – REVENUE FROM CONTRACTS WITH CUSTOMERS

## 1 May - 30 April

The Group is not considered to have different business segments and only derives revenue from a single type of customer contract. All revenue recognised relates to biomass.

Revenue is derived from the following geographical regions:

EUR'000	2023/24	2022/23
<b>Revenue recognized from geographical regions:</b>		
Denmark	122,461	145,359
Europe	640,541	589,000
Other regions	71,975	91,315
<b>Total revenue</b>	<b>834,977</b>	<b>825,674</b>
<b>Timing of revenue recognition:</b>		
Revenue recognized at a point in time	834,977	825,674
Revenue recognized over time	0	0
<b>Total revenue</b>	<b>834,977</b>	<b>825,674</b>

EUR'000	30 April 2024	30 April 2023	As at 1 May 2022
<b>Contract balances</b>			
Trade receivables	57,136	49,501	51,883
Deferred income - contract liability	0	1,734	0

The contract liability at the beginning of each year relates to prepayments from customers that are deferred and recognised along with delivery. The revenue recognised in 2023/24 that was included in the contract liability balance at 30 April 2023 was TEUR 1.734.

All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## NOTE 2 – STAFF EXPENSES

1 May - 30 April

EUR'000	2023/24	2022/23
<b>Remuneration of employees:</b>		
Wages and salaries	24,261	19,355
Pension costs, defined contribution plans	533	329
Other social security costs	2,949	2,052
Other staff expenses	566	1,092
<b>Total remuneration</b>	<b>28,309</b>	<b>22,828</b>
<b>Average number of employees</b>	<b>239</b>	<b>186</b>

The Group's key management personnel included the Board of Directors, the Executive Board and other Key Employees who together with the Executive Board have the authority and responsibility for planning, directing and controlling the Group's day-to-day activities. Key management remuneration is disclosed in note 17.

## NOTE 3 – DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

1 May - 30 April

EUR'000	2023/24	2022/23
Amortisation of intangible assets	1,931	1,918
Depreciation of property, plant and equipment	6,166	3,790
Impairment of property, plant and equipment	1,186	0
Depreciation of right-of-use assets	3,596	2,749
Gain and loss on disposal	-495	-65
<b>Depreciation, amortisation and impairment losses</b>	<b>12,384</b>	<b>8,392</b>

## NOTE 4 – FINANCIAL INCOME AND EXPENSES

1 May - 30 April

EUR'000	2023/24	2022/23
<b>Financial income</b>		
Other financial income	1,020	0
<b>Total financial income</b>	<b>1,020</b>	<b>0</b>
<b>Financial expenses</b>		
Exchange losses	1,692	3,010
Interest on lease liabilities	634	285
Interest on debts and borrowings (credit institutions)	7,293	3,764
Other financial expenses	2,743	918
<b>Total financial expenses</b>	<b>12,362</b>	<b>7,977</b>

## GROUP

## NOTE 5 – TAXES

1 May - 30 April

EUR'000	Income statement	Other comprehensive income	Total
<b>2023/24</b>			
Current tax for the year	9,076	407	9,483
Current tax concerning previous years	-2,715	0	-2,715
Deferred tax for the year	-66	0	-66
Deferred tax concerning previous years	-236	0	-236
<b>Total tax for the year</b>	<b>6,059</b>	<b>407</b>	<b>6,466</b>

<b>2022/23</b>			
Current tax for the year	9,598	937	10,535
Current tax concerning previous years	53	0	53
Deferred tax for the year	48	0	48
Deferred tax concerning previous years	-43	0	-43
<b>Total tax for the year</b>	<b>9,656</b>	<b>937</b>	<b>10,593</b>

EUR'000	2023/24	2022/23
<i>Reconciliation of tax expenses:</i>		
Profit before tax	41,251	33,105
Non-deductible expenses, net	1,191	84
Other adjustments	1,849	5,429
<b>Profit before tax adjusted</b>	<b>44,291</b>	<b>38,618</b>
Tax using the Danish corporation tax rate (22%)	9,744	8,496
Tax rate deviations in foreign jurisdictions	0	1,791
Other adjustments	-261	248
<b>Total income tax</b>	<b>9,483</b>	<b>10,535</b>
<i>Deferred taxes:</i>		
Deferred tax at 1 May	119	-1,092
Recognised in the income statement	-67	10
Other movements	27	1,201
<b>Deferred tax at 30 April</b>	<b>79</b>	<b>119</b>

## NOTE 5 – TAXES (CONTINUED)

1 May - 30 April

EUR'000	2023/24	2022/23
<i>Deferred taxes is recognised on the balance sheet as follows:</i>		
Deferred tax assets	220	0
Deferred tax liabilities	-141	-119
<b>Deferred tax at 30 April</b>	<b>79</b>	<b>-119</b>

## THE BALANCE COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:

EUR'000	DEFERRED TAX ASSETS		
	2023/24	2022/23	As at 1 May 2022
Property, plant and equipment	220	0	1,092
<b>Deferred tax at 30 April</b>	<b>220</b>	<b>0</b>	<b>1,092</b>
<i>Expected to be utilised as follows:</i>			
Within 12 months	0	0	0
After 12 months	220	0	1,092
<b>Total</b>	<b>220</b>	<b>0</b>	<b>1,092</b>

EUR'000	DEFERRED TAX LIABILITIES		
	2023/24	2022/23	As at 1 May 2022
Intangible assets	140	-843	0
Provisions	0	962	0
<b>Deferred tax at 30 April</b>	<b>140</b>	<b>119</b>	<b>0</b>
<i>Expected to be utilised as follows:</i>			
Within 12 months	0	0	0
After 12 months	140	119	0
<b>Total</b>	<b>140</b>	<b>119</b>	<b>0</b>

## NOTE 6 – INTANGIBLE ASSETS

## 30 April

EUR'000	Acquired rights	Customer relations	Goodwill	Total
<b>2023/24</b>				
Cost at 1 May	0	5,753	63,347	69,100
Additions	52	0	0	52
<b>Cost at 30 April</b>	<b>52</b>	<b>5,753</b>	<b>63,347</b>	<b>69,152</b>
Impairment losses and amortisation at 1 May	0	3,196	0	3,196
Amortisation	14	1,918	0	1,932
<b>Impairment losses and amortisation at 30 April</b>	<b>14</b>	<b>5,114</b>	<b>0</b>	<b>5,128</b>
<b>Carrying amount at 30 April</b>	<b>38</b>	<b>639</b>	<b>63,347</b>	<b>64,024</b>
<b>2022/23</b>				
Cost at 1 May	0	5,753	62,172	67,925
Additions	0	0	1,175	1,175
<b>Cost at 30 April</b>	<b>0</b>	<b>5,753</b>	<b>63,347</b>	<b>69,100</b>
Impairment losses and amortisation at 1 May	0	1,278	0	1,278
Amortisation	0	1,918	0	1,918
<b>Impairment losses and amortisation at 30 April</b>	<b>0</b>	<b>3,196</b>	<b>0</b>	<b>3,196</b>
<b>Carrying amount at 30 April</b>	<b>0</b>	<b>2,557</b>	<b>63,347</b>	<b>65,904</b>



## NOTE 6 – INTANGIBLE ASSETS (CONTINUED)

30 April

### IMPAIRMENT LOSSES

Goodwill is monitored by management at CGU level.

The Company test whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations.

EUR'000	2023/24	2022/23
CM Biomass		
Annual growth rate %	4.0%	3.0%
EBIT Margin %	4.2%	3.5%
Discount rate	13.8%	13.8%

For the value-in-use calculation the cash flow projections are based on financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Management must determine the values assigned to each of the above key assumptions as follows:

#### Annual growth

This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

#### EBIT margin

This is weighted average EBIT margin defined as EBIT divided by gross profit. Based on past performance and management's expectations.

#### Discount rate

The discount rate is a WACC that reflects the risk free interest rate with the addition of a risk premium associated with the particular cash generation unit.

During the impairment tests we have concluded that there were no impairment losses for 2023/24 (2022/23: DKK 0 million).

Management finds that no reasonable change in key assumptions upon which recoverable amount is based would lead to an impairment loss.

## GROUP

## NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

30 April

EUR'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
<b>2023/24</b>				
Cost at 1 May	9,039	47,974	5,955	62,968
Transfer	1,088	-816	-272	0
Additions	3,849	18,989	5,955	28,793
Disposals	0	-200	-465	-665
<b>Cost at 30 April</b>	<b>13,976</b>	<b>65,947</b>	<b>11,173</b>	<b>91,096</b>
Impairment losses and amortisation at 1 May	161	1,799	2,774	4,734
Depreciation	399	5,933	1,259	7,591
Impairment loss	93	1,042	51	1,186
Reversed impairment and depreciation of disposals	0	30	141	171
<b>Impairment losses and amortisation at 30 April</b>	<b>653</b>	<b>8,804</b>	<b>4,225</b>	<b>13,682</b>
<b>Carrying amount at 30 April</b>	<b>13,323</b>	<b>57,143</b>	<b>6,948</b>	<b>77,414</b>
<b>2022/23</b>				
Cost at 1 May	1,896	16,275	668	18,839
Additions	7,164	31,699	4,717	43,580
Acquired in business combinations	0	0	645	645
Disposals	-21	0	-75	-96
<b>Cost at 30 April</b>	<b>9,039</b>	<b>47,974</b>	<b>5,955</b>	<b>62,968</b>
Impairment losses and amortisation at 1 May	22	582	435	1,039
Depreciation	159	1,217	2,414	3,790
Reversed impairment and depreciation of disposals	-20	0	-75	-95
<b>Impairment losses and amortisation at 30 April</b>	<b>161</b>	<b>1,799</b>	<b>2,774</b>	<b>4,734</b>
<b>Carrying amount at 30 April</b>	<b>8,878</b>	<b>46,175</b>	<b>3,181</b>	<b>58,234</b>

## NOTE 8 – LEASES

30 April

EUR'000	2023/24	2022/23	As at 1 May 2022
Land and buildings	4,156	6,249	6,221
Fixtures and fittings, tools and equipment	2,768	27	0
<b>Right-of-use assets at 30 April</b>	<b>6,924</b>	<b>6,276</b>	<b>6,221</b>
Current lease liabilities	2,904	2,846	1,984
Non-current lease liabilities	4,244	3,575	4,271
<b>Lease liabilities at 30 April</b>	<b>7,148</b>	<b>6,421</b>	<b>6,255</b>
<b>Depreciation charge of right-of-use assets</b>			
Land and buildings	2,544	2,745	
Fixtures and fittings, tools and equipment	1,052	4	
<b>Total</b>	<b>3,596</b>	<b>2,749</b>	
Interest expense (included in finance costs)	634	287	
Expenses related to short-term leases	7,641	4,242	
Additions to right-of-use assets	5,690	2,857	
<b>Total cash outflow related to leases</b>	<b>12,778</b>	<b>7,137</b>	

The Group did not incur any significant expenses related to leases of low-value assets or variable lease payments.

The average lease maturity is 2,2 years, but may have extension and/or termination options.

For the maturity analysis of lease payments please refer to note 14.

Future cashflow from committed leases with commencement dates in the following year: 2024.

## GROUP

## NOTE 9 – INVESTMENTS IN ASSOCIATES

30 April

EUR'000	2023/24	2022/23
Cost at 1 May	13,343	10,317
Additions	1,162	3,026
<b>Cost at 30 April 2023</b>	<b>14,505</b>	<b>13,343</b>
Value adjustments at 1 May	360	459
Exchange rate adjustment	67	-348
Share of profit/loss for the year	71	3,254
Dividends received	0	-3,005
<b>Value adjustments at 30 April</b>	<b>498</b>	<b>360</b>
<b>Carrying amount at 30 April</b>	<b>15,003</b>	<b>13,703</b>

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Savanna Pellet Port LLC	Georgia, US	50%
Douglas Pellets LLC	Georgia, US	50%
Effingham Pellets LLC	South Carolina, US	50%
Ideal Pellets LLC	Georgia, US	50%
Huntsville Pellets LLC	Texas, US	50%
Brookhaven Pellets LLC	Mississippi, US	50%

None of the associates are individually material.

## NOTE 10 – INVENTORIES

EUR'000	2023/24	2022/23	As at 1 May 2022
Raw materials	893	1,389	486
Finished goods and goods for resale	82,361	84,721	41,351
Prepayments for goods	7,638	7,110	6,224
<b>Total inventories</b>	<b>90,892</b>	<b>93,220</b>	<b>48,061</b>

Inventories recognised as an expense during the year 2023/24 amounted to EUR '000 728.752 (2022/23: EUR '000 747.807).

## NOTE 11 – SHARE CAPITAL

30 April

EUR'000	2023/24		2022/23	
	Number of shares	Nominal value EUR '000	Number of shares	Nominal value EUR '000
<b>The share capital comprise:</b>				
Ordinary shares (fully paid)	2,133,333	287	2,133,333	287

### IN NUMBER OF SHARES

EUR'000	2023/24	2022/23
<b>Changes in share capital</b>		
At 1 May	287	287
<b>At 30 April</b>	<b>287</b>	<b>287</b>

The share capital consists of 2,133,333 shares of a nominal value of EUR 0,13 equal to TEUR 287. No shares carry any special rights.

### EUR PER SHARE

EUR'000	2023/24	2022/23
Total dividend paid out for the year	0	0
Total dividend proposed for the year	0	0

## NOTE 12 – CAPITAL MANAGEMENT

30 April

**The group's objectives when managing capital are to:**

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The group has open credit lines to ensure an acceptable level of liquidity and monitors capital on the basis of 3 key figures/ratios of which the group is subject to covenants. The covenants consist of an equity covenant (1), gearing covenant (2) and a borrowing base covenant (3). The group is compliant with all 3 covenants and has significant headrooms of TEUR 32.178 (1), TEUR 52.709 (2), and TEUR 22.871 (3), respectively.

## GROUP

## NOTE 13 – FAIR VALUE

## 30 April

The following table shows the Group's financial instruments measured at fair value and divide into the different levels of fair value measurement:

EUR'000	Level 1	Level 2	Level 3	Total
<b>2023/24</b>				
<b>Financial assets</b>				
Derivatives	0	137	0	137
<b>Total</b>	<b>0</b>	<b>137</b>	<b>0</b>	<b>137</b>
<b>2022/23</b>				
<b>Financial liabilities</b>				
Derivatives	0	1,849	0	1,849
<b>Total</b>	<b>0</b>	<b>1,849</b>	<b>0</b>	<b>1,849</b>

Financial instruments measured at fair value comprise only derivatives and can be divided into three levels according to the fair value hierarchy.

**Level 1**

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2**

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). To a large extent level 2 is based on observable quoted prices, however in some instances forward prices are not observable. In these situations we use the most liquid forward curves and derive a spread to the specific location. For options theoretical pricing models with implied volatilities are used to calculate market prices.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in Level 2.

**Level 3**

Inputs for the asset or liability that are not based on observable market data.

Fair value of derivatives falls within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period.

**Valuation techniques used to determine fair values**

For foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the reporting date.

## NOTE 14 – FINANCIAL INSTRUMENTS BY CATEGORY

30 April

EUR'000	Fair value through profit or loss	Amortised cost	Total
<b>2023/24</b>			
<b>Financial assets</b>			
Trade receivables and other receivables	0	65,298	65,298
Derivative financial instruments	137	0	137
Cash and cash equivalents	0	3,809	3,809
<b>Total</b>	<b>137</b>	<b>69,107</b>	<b>69,244</b>
<b>Financial liabilities</b>			
Trade and other receivables	0	49,304	49,304
Payables to owners and Management	0	16,430	16,430
Credit institutions	0	82,320	82,320
Lease liabilities	0	7,148	7,148
<b>Total</b>	<b>0</b>	<b>155,202</b>	<b>155,202</b>
<b>2022/23</b>			
<b>Financial assets</b>			
Trade receivables and other receivables	0	62,111	62,111
Prepayments	0	2,573	2,573
Cash and cash equivalents	0	2,806	2,806
<b>Total</b>	<b>0</b>	<b>67,490</b>	<b>67,490</b>
<b>Financial liabilities</b>			
Trade and other receivables	0	55,327	55,327
Payables to owners and Management	0	15,119	15,119
Credit institutions	0	91,897	91,897
Lease liabilities	0	6,421	6,421
Derivative financial instruments	1,849	0	1,849
<b>Total</b>	<b>1,849</b>	<b>168,764</b>	<b>170,613</b>
<b>AS AT 1 MAY 2022</b>			
<b>Financial assets</b>			
Trade receivables and other receivables	0	62,961	62,961
Cash and cash equivalents	0	1,573	1,573
<b>Total</b>	<b>0</b>	<b>64,534</b>	<b>64,534</b>
<b>Financial liabilities</b>			
Trade and other receivables	0	54,142	54,142
Payables to owners and Management	0	14,612	14,612
Credit institutions	0	37,469	37,469
Lease liabilities	0	6,255	6,255
Derivative financial instruments	7,182	0	7,182
<b>Total</b>	<b>7,182</b>	<b>112,478</b>	<b>119,660</b>

For the financial assets and liabilities measured at amortised cost, the fair value is not materially different from the carrying amount.

## GROUP

## NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS

30 April

## FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks herein market risks, such as currency risk and interest risk, credit risk and liquidity risk.

Market risk is the risk of losses on financial position arising from movements in market prices to which the Group is exposed through financial instruments. Market risks are regularly assessed. The Group's risk management programme seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Credit risk is the risk of losses on customer outstandings. The Group evaluates the credit worthiness of customers prior to sales in order to minimise risk of credit losses and has historically had minimal credit losses.

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations when they occur. The overall objective is to maintain adequate liquidity reserves to meet the Group's obligations and to withstand volatility in cash flow from operations. The Group has credit facilities in place and makes regular cash flow forecasts in order to ensure sufficient liquidity.

## MARKET RISK

## Currency risk

Currency risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The currency exposure arises from the Group operating in countries with different local currencies. Revenue is primarily denominated in EUR, the functional currency of all material entities in the Group, while related operating expenses are incurred in both EUR and local currencies. The Group's net liability is also primarily denominated in EUR and only a minimum of the Group's other net liability is in other currencies such as DKK and USD.

## Exposure

Exposure to currency risk is generally low and does not significantly affect the Group's profit or the value of financial instruments. The exposure to foreign currencies is as follows:

EUR'000	2023/24			2022/23		
	USD	EUR	Other currencies	USD	EUR	Other currencies
Trade receivables	32,469	10,768	13,899	12,459	23,254	13,788
Bank loans	-34,820	-45,065	-2,435	-25,111	-66,786	0
Trade payables	-24,501	-1,697	-4,791	-25,166	-11,417	-3,960

## Sensitivity analysis

The following table shows the material sensitivity of profit and loss and equity to reasonably probable exchange adjustments:

EUR'000	IMPACT ON POST-TAX PROFIT		IMPACT ON EQUITY	
	2023/24	2022/23	2023/24	2022/23
EUR/USD - 10% increase	-396	-671	-3,822	-3,624
EUR/USD - 10% decrease	396	671	3,822	3,624
EUR vs. other currencies - 10% increase	-12	0	-12	0
EUR vs. other currencies - 10% decrease	12	0	12	0



## NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

### Interest rate risk

Interest rate risk is the risk that future cash flows from financial instruments will fluctuate because of changes in market interest rates. The interest rate exposure arises from loans and other credit facilities carrying floating interest rates.

### Exposure

EUR'000	2023/24	% of total loans	2022/23	% of total loans
Variable rate borrowings	105,897	100%	113,437	100%
Fixed rate borrowings	0	0%	0	0%

### Sensitivity analysis

The following table shows the material sensitivity of profit and loss and equity to reasonably probable interest rate changes:

EUR'000	IMPACT ON POST-TAX PROFIT		IMPACT ON EQUITY	
	2023/24	2022/23	2023/24	2022/23
Interest rate - 1% increase	773	773	773	773
Interest rate - 1% decrease	-773	-773	-773	-773

An increase in interest rates by one percentage point is estimated to decrease profit for the year by EUR 0.77m and increase other comprehensive income (and thereby equity) by EUR 0.77m (2022/23: decrease profit for the year by EUR 0.77m and increase other comprehensive income (and thereby equity) by EUR 0.77m). This analysis is based on borrowings and loans receivable at 30 April, and assumes that all other variables remain constant. A one percentage point decrease would have a corresponding inverse effect.

*A team of colleagues at new head office in Copenhagen, Denmark*



## NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

### CREDIT RISK

The Group is exposed to credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Group's policy for assuming credit risks.

The assessment of the Group's credit risk is reflected in the provision for expected credit losses and will fluctuate over time.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

### THE AGEING OF RECEIVABLES IS AS FOLLOWS:

EUR'000	Trade receivables	%	Provision for impairment	Net trade receivables
<b>2023/24</b>				
Receivables not due	54,672	0%	0	54,672
Less than 90 days overdue	1,084	0%	0	1,084
More than 90 days overdue	286	71%	204	82
<b>Carrying amount</b>	<b>56,042</b>	<b>0%</b>	<b>204</b>	<b>55,838</b>
<b>2022/23</b>				
Receivables not due	43,352	0%	0	43,352
Less than 90 days overdue	6,167	0%	18	6,149
More than 90 days overdue	152	100%	152	0
<b>Carrying amount</b>	<b>49,671</b>	<b>0%</b>	<b>170</b>	<b>49,501</b>

EUR'000	2023/24	2022/23
<i>Gains/losses recognised in profit or loss in relation to impaired receivables:</i>		
Incurring losses	0	0
Movement in expected credit losses	34	-274
Reversal of previous incurred losses	0	-517
<b>Loss recognised in the income statement</b>	<b>34</b>	<b>-791</b>
<i>Change in provision for bad debt:</i>		
Opening loss allowance 1 May	170	961
Movement in provision for impairment	34	-517
Exchange rate adjustments	0	-274
<b>Carrying amount at 30 April</b>	<b>204</b>	<b>170</b>

## GROUP

**NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS  
(CONTINUED)****LIQUIDITY RISK**

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations when they occur or ceasing to have access to adequate funding to pursue its strategy ambitions. The overall objective is to maintain adequate liquidity reserves to meet the Group's obligations and to withstand volatility in cash flow from operations.

To ensure focus on managing the risks related to funding and liquidity, the Group's Finance department manages and monitors funding and liquidity for the entire Group and ensures sufficient cash and bank credit facility reserves to enable the Group to meet the operating liquidity needs, having an adequate amount of committed credit facilities and monitoring forecast and actual cash flow by matching the maturity profiles.

It is crucial for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities.

The covenants have not been breached in 2023/24, nor were they breached in 2022/23.

The maturities of the Group's liabilities and commitments are illustrated in the chart below.

## NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

### NON-DISCOUNTED CONTRACTUAL CASH FLOWS

EUR'000	Carrying amount	0-1 year	1-5 years	After 5 years	Total
<b>2023/24</b>					
<b>Non-derivatives</b>					
Credit institutions	82,320	9,841	72,479	0	82,320
Lease liabilities	7,148	3,691	4,092	175	7,958
Payables to owners and Management	16,430	0	19,996	0	19,996
Trade payables	30,989	30,989	0	0	30,989
Other payables	18,242	18,242	0	0	18,242
<b>Non-derivative financial instruments</b>	<b>155,129</b>	<b>62,763</b>	<b>96,567</b>	<b>175</b>	<b>159,505</b>
<b>Derivatives</b>					
Gross settled foreign currency contracts, receive leg (USD)	-137	-137	0	0	-137
<b>Derivative financial instruments</b>	<b>-137</b>	<b>-137</b>	<b>0</b>	<b>0</b>	<b>-137</b>
<b>2022/23</b>					
<b>Non-derivatives</b>					
Credit institutions	91,897	59,389	32,508	0	91,897
Lease liabilities	6,421	3,040	3,468	292	6,800
Payables to owners and Management	15,119	0	19,996	0	19,996
Trade payables	40,544	0	40,544	0	40,544
Other payables	14,898	14,422	476	0	14,898
<b>Non-derivative financial instruments</b>	<b>168,879</b>	<b>76,851</b>	<b>96,992</b>	<b>292</b>	<b>174,135</b>
<b>Derivatives</b>					
Gross settled foreign currency contracts, receive leg (USD)	1,849	1,849	0	0	1,849
<b>Derivative financial instruments</b>	<b>1,849</b>	<b>1,849</b>	<b>0</b>	<b>0</b>	<b>1,849</b>

## GROUP

## NOTE 16 – CONTINGENT ASSETS, LIABILITIES AND ASSETS PLEDGED AS SECURITY

### 30 April

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SelfGenerations T ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## NOTE 17 – RELATED PARTIES

### 30 April

The group is controlled by the following entity:

Name	Place of incorporation	Type	OWNERSHIP INTEREST	
			2023/24	2022/23
SelfGenerations T ApS	Denmark	Ultimate parent entity	22,29%*	20,00%*
A/S United Shipping & Trading Company	Denmark	Intermediate parent entity	66.87%	60.00%

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company, and the ultimate parent company, SelfGenerations T ApS.

\*Torben Østergaard Nielsen holds through Selfgenerations T ApS 66,88% of the voting rights in CM Biomass Holding A/S (2022/23: 60%).

Controlling interest is exercised through the Company's immediate Parent Company, A/S United Shipping & Trading Company. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is SelfGenerations T ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

## NOTE 17 – RELATED PARTIES (CONTINUED)

The following transactions occurred with related parties:

EUR'000	Key Management	Parent company/ Owner
<b>2023/24</b>		
<b>Income statement</b>		
Other external expenses	7,645	0
Financials, net	0	-1,136
<b>Liabilities</b>		
Other payables	0	16,430
<b>2022/23</b>		
<b>Income statement</b>		
Other external expenses	4,900	0
Financials, net	0	-680
<b>Liabilities</b>		
Other payables	0	15,119

All transactions, receivables and payables with related parties have been carried out at ordinary business terms.

There have been no transactions with key management personnel in 2023/24 and 2022/23 other than ordinary remunerations.

In the amount to key management is included remunerations to Board of Directors of TEUR 151 and to the Executive Board of TEUR 3,665. In 2022/23 the amount to Board of Directors and Executive Board was TEUR 1,477.

## GROUP

## NOTE 18 – CASH FLOW SPECIFICATIONS

30 April

EUR'000	2023/24	2022/23
<b>Adjustments</b>		
Financial income	-1,020	0
Financial expenses	12,362	7,977
Depreciation, amortisation and impairment losses	12,384	8,392
Income from investments in associates	-71	-3,254
Tax on profit/loss for the year	6,059	9,656
Other adjustments	625	-676
	<b>30,339</b>	<b>22,095</b>
<b>Change in working capital</b>		
Change in inventories	2,328	-45,159
Change in trade receivables	-7,635	2,382
Change in receivables from associates	1,143	-1,800
Change in payables to associates	1,978	0
Change in other receivables	2,505	268
Change in other provisions	0	-1,800
Change in trade payables	-9,555	8,534
Change in other payables	3,820	-11,666
Fair value adjustments of hedging instruments	1,984	5,334
	<b>-3,432</b>	<b>-43,907</b>



## NOTE 18 – CASH FLOW SPECIFICATIONS (CONTINUED)

## CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

EUR'000	Credit institutions	Payables to owners and management	Lease liabilities	Total
<b>2023/24</b>				
<b>Debt as at 1 May 2023</b>	<b>91,897</b>	<b>15,119</b>	<b>6,422</b>	<b>113,438</b>
Repayment, net of interest	-9,577	0	- 4,503	-14,080
Change in borrowings	0	0	0	0
<b>Cash flows</b>	<b>-9,577</b>	<b>0</b>	<b>-4,503</b>	<b>-14,080</b>
New leases	0	0	5,230	5,230
Interest	0	1,311	0	1,311
<b>Non-cash flows</b>	<b>0</b>	<b>1,311</b>	<b>5,230</b>	<b>6,541</b>
<b>Debt as at 30 April 2024</b>	<b>82,320</b>	<b>16,430</b>	<b>7,149</b>	<b>105,899</b>
<b>2022/23</b>				
<b>Debt as at 1 May 2022</b>	<b>37,469</b>	<b>14,612</b>	<b>6,255</b>	<b>58,336</b>
Proceeds	54,428	0	0	54,428
Repayment	0	0	-2,608	-2,608
<b>Cash flows</b>	<b>54,428</b>	<b>0</b>	<b>-2,608</b>	<b>51,820</b>
New leases	0	0	2,857	2,857
Interest	0	507	0	507
Other	0	0	-82	-82
<b>Non-cash flows</b>	<b>0</b>	<b>507</b>	<b>2,775</b>	<b>3,282</b>
<b>Debt as at 30 April 2023</b>	<b>91,897</b>	<b>15,119</b>	<b>6,422</b>	<b>113,438</b>

## GROUP

## NOTE 19 – FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

In accordance with the Danish financial statements act §96, subsection 3, the fee to auditors appointed at the general meeting is not disclosed in CM Biomass Holding A/S. Reference is made to the consolidated financial statements of Selfinvest ApS.

## NOTE 20 – SUBSEQUENT EVENTS

No events have occurred since the balance sheet date which could materially affect the Group's financial position.



## NOTE 21 – FIRST TIME ADOPTION OF IFRS

### 30 April

The financial statements for the year ending 30 April 2024 are the first that the group has prepared in accordance with IFRS. For periods up to the group prepared its financial statements in accordance with The Danish Financial Statements Act ('Danish GAAP')

The Group has prepared financial statements that comply with IFRS applicable as at 30 April 2024, together with the comparative period information for the year ended 30 April 2023.

In preparing these financial statements, the group's opening statement of financial position was prepared as at 1 May 2022 (date of transition to IFRS).

The disclosures required by IFRS 1 First-time Adoption of IFRS explaining the principal adjustments made by the group in restating Danish GAAP financial statements are provided below.

### NOTES TO THE RECONCILIATION FROM DANISH GAAP TO IFRS

#### Leases

Unlike Danish GAAP, IFRS 16 Leases requires all leases other than short term leases and leases of low value assets (e.g. property rentals and leases for vehicles) to be recognized in the balance sheet. The group is required to recognize a lease liability that equals the present value of the future lease payments. The lease liability is subsequently measured at amortized cost with interest expenses recognized in the income statement. The group is also required to recognize a right-of-use asset in the balance sheet. The right-of-use asset is subsequently depreciated over the lease term.

#### Goodwill

Unlike Danish GAAP, IFRS determines goodwill to have an indefinite useful lifetime, hence it is not amortised. As such all goodwill amortisations are reversed in the first IFRS financial statements. All non-current assets with indefinite useful lifetimes are subject to annual impairment tests, and may require the need to be tested for impairment more than once a year if any indications of impairment exists.

### GROUP RECONCILIATION

Set out below is an analysis of the financial statements have been impacted by the transition to IFRS:

EUR'000	AS AT 1 MAY 2022			FOR THE YEAR ENDED 30 APRIL 2023	AS AT 30 APRIL 2023		
	Assets	Liabilities	Equity	Profit for the year	Assets	Liabilities	Equity
According to Danish GAAP	210,111	140,163	69,948	20,456	290,847	175,502	115,345
<b>IFRS adjustments</b>							
Leases	6,221	6,255	-34	-115	6,276	6,421	-149
Goodwill	2,072	0	2,072	3,108	5,180	0	5,180
<b>Total</b>	<b>8,293</b>	<b>6,255</b>	<b>2,038</b>	<b>2,993</b>	<b>11,456</b>	<b>6,421</b>	<b>5,031</b>
<b>According to IFRS</b>	<b>218,404</b>	<b>146,418</b>	<b>71,986</b>	<b>23,449</b>	<b>302,303</b>	<b>181,923</b>	<b>120,376</b>

## GROUP

## NOTE 22 – MATERIAL ACCOUNTING POLICIES

1 May - 30 April

**Basis of preparation**

This section sets out the material accounting policies for the Group that relate to the financial statements as a whole.

Further, details are provided on the new accounting pronouncements that the Group will adopt in future years and the Group's current view of the impact such pronouncements will have on the financial reporting.

The consolidated financial statements for the year financial year 1 May 2023 to 30 April 2024 for CM Biomass Holding A/S have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU as well as the Danish disclosure requirements applying to entities of reporting class C for large enterprises.

For all periods up to and including the year ended 30 April 2023, the Group prepared its financial statements in accordance with the Danish Financial Statements Act. These financial statements for the year ended 30 April 2024 are the first the Group has prepared in accordance with IFRS. Refer to Note 24 for information on how the Group adopted IFRS.

On 17 June 2024 the board of directors and the executive management considered and approved the 2023/24 annual report of CM Biomass Holding A/S. The annual report will be presented to the shareholders of CM Biomass Holding A/S for approval at the ordinary general meeting on 17 June 2024.

**Consolidation**

The consolidated financial statements comprise the parent company, CM Biomass Holding A/S, and its subsidiaries. Subsidiaries are entities controlled by CM Biomass Holding A/S. Control is based on the power to direct the relevant activities of an entity and the exposure, or right, to variable returns arising from it. In that connection, relevant activities are those that significantly affect the investee's returns. Control is usually achieved by directly or indirectly owning or in other ways controlling more than 50% of the voting rights or by other rights, such as agreements on management control.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries in accordance with CM Biomass Holding A/S's accounting policies. Intra-group income and expenses, shareholdings, dividends, intra-group balances and gains on intra-group transactions are

eliminated. Unrealised gains on transactions with associated companies are eliminated in proportion to CM Biomass Holding A/S's ownership share. Unrealised losses are eliminated in the same way unless they indicate impairment.

Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included as part of CM Biomass Holding A/S's profit and equity respectively but shown as separate items.

**Business combinations**

Acquisitions of subsidiaries are accounted for in accordance with IFRS 3 - *Business Combinations* under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference

## NOTE 22 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

### Foreign currency translation

The consolidated financial statements are presented in EUR, the functional currency of the parent company and the Group. Unless otherwise stated the financial statements are presented in EUR thousands (000). In the translation to the presentation currency for the most significant subsidiaries and associates with functional currencies other than EUR, the total comprehensive income is translated into EUR at average exchange rates, and the balance sheet is translated at the exchange rates as at the balance sheet date. Exchange rate differences arising from such translations are recognised directly in other comprehensive income.

For CM Biomass Holding A/S, the functional and presentation currency is EUR. Unless otherwise stated the financial statements are presented in TEUR.

Transactions in currencies other than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as at the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or expenses.

### New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 April 2024 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## INCOME STATEMENT

### Revenue

The Group produces and sells biomass products, i.e. wood pellets. Revenue from the sale these goods is recognised when the control relating to the goods sold have been transferred to the purchaser (being when the products are delivered to the customer and the risks of obsolescence and loss have been transferred to the customer), 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.

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.

### 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, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Income from investments in subsidiaries and associates

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

### Financial income and expenses

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

## GROUP

## NOTE 22 – MATERIAL 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 the Group's other Danish Companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

**BALANCE SHEET****Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets:

Customer relation .....	up to 3 years
Software .....	up to 3 years
Goodwill .....	indefinite

**Property, plant and equipment**

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

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

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

Buildings .....	30 years
Plant and machinery .....	5-10 years

Other fixtures and fittings, tools and equipment .....

5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

**Leases**

The Group assesses at contract inception whether a contract is, or contain, a lease. This is, if the contract conveys the right to control the use of an

identified assets for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date for the leases. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value for lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on a index or a rate, and amounts expected to be paid under residual value guarantees. The lease payment also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the implied interest of the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

## NOTE 22 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Short term leases and low-value assets

The Group applies the short-term recognition exemption to its short-term leases insofar the leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Furthermore, the Group applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term and low value assets are recognised as expenses on a straight-line basis over the lease term.

### Impairment of intangible and tangible 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.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs of disposal. Goodwill is attributed to cash-generating units on acquisition and impaired before other assets.

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment. However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives.

### Investments in associates

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

The item "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.

Associates with a negative net asset value are recognised at EUR 0.

### Deposits

Deposits are measured at cost price.

### 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, raw materials and consumables equals landed cost.

### 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 expected credit losses.

### Prepayments

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

### Equity

#### Dividend

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

#### Provision

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.



Onsite at Ideal facility



## NOTE 22 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Current tax receivables and liabilities

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

### Financial debts

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

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

### Derivative financial instruments

Derivative financial instruments are initially recognised at fair value 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.

### 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	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
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	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

*Onsite at Jasper facility*



## NOTE 23 — MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

1 May - 30 April

### Material accounting estimates and judgements

In preparing the consolidated financial statements, Management makes various significant accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements.

These estimates are based on professional judgement, historical data and other factors that management considers appropriate under the given circumstances, but which are inherently uncertain or unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Group is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. Though by their nature, estimates include a degree of uncertainty, and actual results may therefore deviate from the estimates at the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period. Management regards the following as the key accounting estimates and judgements used in the preparation of the consolidated financial statements:

down by first reducing the value of any goodwill allocated to the CGU and then pro rata reducing the value of the other assets of the CGU on the basis of the carrying amount of each asset. The assets are not written down to a lower amount than the individual assets net selling price.

The present value of expected future cash flows (value in use) is based on budgets and business plans. Key parameters are annual growth rate in the first five years, EBIT-margin and growth expectations beyond the next five years, including the estimation of WACC.

### Estimates

#### Goodwill

The unallocated purchase price (positive amount) is recognised in the statement of financial position as goodwill, which is allocated to the Group's cash-generating units. Management determines the acquired cash-generating units, the cash-generating units that already existed in the Group and the allocation of goodwill. The allocation of goodwill is based on the expected future cash flows for the business.

Management's assessment of indication of impairment is based on the cash-generating units (CGUs). If there are indications that the carrying amount of assets exceeds the value of future cash flows from the assets (recoverable amount), an impairment test must be carried out.

The recoverable value is calculated as the highest value of the net selling price (fair value less selling costs) and the value in use at continued use.

The impairment test is carried out within the Group's CGUs. The impairment test is done by estimating the recoverable amount at value in use calculated as the present value of the total expected cash flows within the CGU. If the value in use is lower than the carrying amounts of the assets in the CGU, the assets are written

# PARENT COMPANY FINANCIAL STATEMENTS

## INCOME STATEMENT

1 May - 30 April

EUR'000	Note	2023/24	2022/23
Other external expenses		-50	-43
<b>Profit/loss before financial items (EBIT)</b>		<b>-50</b>	<b>-43</b>
Income from investments in subsidiaries		37,212	24,535
Financial income	24	0	24
Financial expenses	24	-2,540	-1,373
<b>Profit/loss before tax (EBT)</b>		<b>34,622</b>	<b>23,143</b>
Tax expense	25	570	306
<b>Profit/loss for the year</b>		<b>35,192</b>	<b>23,449</b>

## STATEMENT OF COMPREHENSIVE INCOME

1 May - 30 April

EUR'000	Note	2023/24	2022/23
<b>Profit/loss for the year</b>		<b>35,192</b>	<b>23,449</b>
Other equity movements		1,143	3,764
Exchange differences on translation of foreign entities		1,775	176
<b>Total items that may be reclassified to profit or loss</b>		<b>2,918</b>	<b>3,940</b>
<b>Other comprehensive income, net of tax</b>		<b>2,918</b>	<b>3,940</b>
<b>Total comprehensive income for the year</b>		<b>38,110</b>	<b>27,389</b>

## PARENT

## BALANCE SHEET

30 April

## ASSETS

EUR'000	Note	30 April 2024	30 April 2023	As at 1 May 2022
<b>Non-current assets</b>				
Investments in subsidiaries	26	184,733	147,821	123,788
Deferred tax assets		43	43	0
<b>Total non-current assets</b>		<b>184,776</b>	<b>147,864</b>	<b>123,788</b>
<b>Current assets</b>				
Receivables from subsidiaries		5,452	5,006	3,434
Prepayments		590	0	0
Corporation tax		570	306	193
Cash at bank and in hand		0	40	720
<b>Total current assets</b>		<b>6,612</b>	<b>5,352</b>	<b>4,347</b>
<b>Total assets</b>		<b>191,388</b>	<b>153,216</b>	<b>128,135</b>

## BALANCE SHEET

30 April

## EQUITY AND LIABILITIES

EUR'000	Note	30 April 2024	30 April 2023	As at 1 May 2022
Share capital	27	287	287	287
Share premium		0	0	60,371
Reserves		71,899	34,987	12,012
Retained earnings		87,082	85,102	-683
<b>Equity attributable to owners of the parent</b>		<b>159,268</b>	<b>120,376</b>	<b>71,987</b>
<b>Non-current liabilities</b>				
Credit institutions		12,411	14,640	17,561
Payables to owners and Management		16,430	15,119	14,612
Other payables		0	0	19,941
<b>Total non-current liabilities</b>		<b>28,841</b>	<b>29,759</b>	<b>52,114</b>
<b>Current liabilities</b>				
Credit institutions		3,000	3,000	3,000
Payables to group enterprises		0	0	1,016
Other payables		279	81	18
<b>Total current liabilities</b>		<b>3,279</b>	<b>3,081</b>	<b>4,034</b>
<b>Total liabilities</b>		<b>32,120</b>	<b>32,840</b>	<b>56,148</b>
<b>Total equity and liabilities</b>		<b>191,388</b>	<b>153,216</b>	<b>128,135</b>

## PARENT

## STATEMENT OF CHANGES IN EQUITY

1 May - 30 April

## 2023/24

EUR'000	Share capital	Share premium	Revaluation reserve	Retained earnings	Equity, owners of the parent
<b>Equity at 1 May 2023</b>	<b>287</b>	<b>0</b>	<b>34,987</b>	<b>85,102</b>	<b>120,376</b>
Profit for the year	0	0	37,212	-2,020	35,192
Other comprehensive income net of tax	0	0	2,918	0	2,918
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>40,130</b>	<b>-2,020</b>	<b>38,110</b>
Dividends to shareholders	0	0	-4,000	4,000	0
Other equity movements	0	0	782	0	782
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>-3,218</b>	<b>4,000</b>	<b>782</b>
<b>Equity at 30 April 2024</b>	<b>287</b>	<b>0</b>	<b>71,899</b>	<b>87,082</b>	<b>159,268</b>

## 2022/23

EUR'000	Share capital	Share premium	Revaluation reserve	Retained earnings	Equity, owners of the parent
<b>Equity at 1 May 2022</b>	<b>287</b>	<b>60,371</b>	<b>12,012</b>	<b>-683</b>	<b>71,987</b>
Profit for the year	0	0	24,535	-1,086	23,449
Other comprehensive income net of tax	0	0	3,940	0	3,940
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>28,475</b>	<b>-1,086</b>	<b>27,389</b>
Transfer from share premium account	0	-60,371	0	60,371	0
Dividend from group enterprises	0	0	-5,500	5,500	0
Capital increases	0	0	0	21,000	21,000
<b>Total transactions with shareholders</b>	<b>0</b>	<b>-60,371</b>	<b>-5,500</b>	<b>86,871</b>	<b>21,000</b>
<b>Equity at 30 April 2023</b>	<b>287</b>	<b>0</b>	<b>34,987</b>	<b>85,102</b>	<b>120,376</b>



## CASH FLOW STATEMENT

1 May - 30 April

EUR'000	Note	2022/23	2022/23
Net profit/loss for the year		35,192	23,449
Adjustments		-34,936	-23,229
Change in working capital	31	473	-21,958
<b>Cash flows from operating activities before financial items and tax</b>		<b>729</b>	<b>-21,738</b>
Financial income		0	24
Financial expenses		-2,540	-1,373
Corporation tax paid		0	-113
<b>Cash flows from operating activities</b>		<b>-1,811</b>	<b>-23,200</b>
Investments made etc.		0	-1,059
Dividends received from subsidiaries		4,000	5,500
<b>Cash flows from investing activities</b>		<b>4,000</b>	<b>4,441</b>
Repayment of loans from credit institutions		-2,229	-2,921
Cash capital increase		0	21,000
<b>Net cash from financing activities</b>		<b>-2,229</b>	<b>18,079</b>
<b>Change in cash and cash equivalents</b>		<b>-40</b>	<b>-680</b>
Cash and cash equivalents at 1 May		40	720
<b>Cash and cash equivalents at 30 April</b>		<b>0</b>	<b>40</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		0	40
<b>Cash and cash equivalents at 30 April</b>		<b>0</b>	<b>40</b>

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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## PARENT

## NOTE 24 – FINANCIAL INCOME AND EXPENSES

1 May - 30 April

EUR'000	2023/24	2022/23
<b>Financial income</b>		
Other financial income	0	24
<b>Total financial income</b>	<b>0</b>	<b>24</b>
<b>Financial expenses</b>		
Interest on debts and borrowings (credit institutions)	683	0
Other financial expenses	1,857	1,373
<b>Total financial expenses</b>	<b>2,540</b>	<b>1,373</b>

## NOTE 25 – TAXES

1 May - 30 April

EUR'000	Income statement	Total
<b>2023/24</b>		
Current tax for the year	-570	-570
<b>Total tax for the year</b>	<b>-570</b>	<b>-570</b>
<b>2022/23</b>		
Current tax for the year	-306	-306
Current tax concerning previous years	43	43
Deferred tax concerning previous years	-43	-43
<b>Total tax for the year</b>	<b>-306</b>	<b>-306</b>

EUR'000	2023/24	2022/23
<i>Reconciliation of tax expenses:</i>		
Profit before tax	34,622	20,149
Shares of profit/loss in associated companies	-37,212	-21,542
<b>Profit before tax adjusted</b>	<b>-2,590</b>	<b>-1,393</b>
Tax using the Danish corporation tax rate (22%)	-570	-306
<b>Total income tax</b>	<b>-570</b>	<b>-306</b>
<i>Deferred taxes:</i>		
Deferred tax at 1 May	-43	-43
<b>Deferred tax at 30 April</b>	<b>-43</b>	<b>-43</b>
<i>Deferred taxes is recognised on the balance sheet as follows:</i>		
Deferred tax liabilities	-43	-43
<b>Deferred tax at 30 April</b>	<b>-43</b>	<b>-43</b>

## PARENT

## NOTE 26 – INVESTMENTS IN SUBSIDIARIES

30 April

EUR'000	2023/24	2022/23
Cost at 1 May	<b>112,834</b>	111,775
Additions	0	1,059
<b>Cost at 30 April</b>	<b>112,834</b>	<b>112,834</b>
Value adjustments at 1 May	34,987	12,012
Exchange rate adjustment	1,775	176
Share of profit/loss for the year	37,212	24,535
Dividends received	-4,000	-5,500
Other equity movements, net	1,925	3,764
<b>Value adjustments at 30 April</b>	<b>71,899</b>	<b>34,987</b>
<b>Carrying amount at 30 April</b>	<b>184,733</b>	<b>147,821</b>

*Investments in subsidiaries are specified as follows:*

Name	Place of registered office	Share capital	Votes and ownership
CM Biomass Partners A/S	Nordhavn, Denmark	DKK 2,133,333	100%

## NOTE 27 – SHARE CAPITAL

30 April

Please refer to note 11 of the Consolidated Financial Statements for the disclosure of share capital for the Parent Company.

## NOTE 28 – CAPITAL MANAGEMENT

30 April

Capital management is carried out on group level. Please refer to note 12 of the Consolidated Financial Statements for the disclosure of capital management within the group.

## NOTE 29 – FINANCIAL INSTRUMENTS AND RISKS

30 April

### FINANCIAL RISK MANAGEMENT

Exposure to financial risk is an embedded part of doing business. However, due to the limited activities of the Parent Company, its exposure to market risk and credit risk is insignificant.

Market risk and credit risk is handled within the risk management processes and framework of the Group. Please refer to note 15 to the Consolidated Financial Statements.

### LIQUIDITY RISK

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations when they occur or ceasing to have access to adequate funding to pursue its strategic ambitions. The overall objective is to maintain adequate liquidity reserves to meet the company's obligations and to withstand volatility in cash flow from operations.

The maturities of the company's liabilities and commitments are illustrated in the chart below.

### NON-DISCOUNTED CONTRACTUAL CASH FLOWS

EUR'000	Carrying amount	0-1 year	1-5 years	After 5 years	Total
<b>2023/24</b>					
<b>Non-derivatives</b>					
Credit institutions	15,411	3,000	12,411	0	15,411
Payables to owners and Management	16,430	0	19,996	0	19,996
Other payables	279	279	0	0	279
<b>Non-derivative financial instruments</b>	<b>32,120</b>	<b>3,279</b>	<b>32,407</b>	<b>0</b>	<b>35,686</b>
<b>2022/23</b>					
<b>Non-derivatives</b>					
Credit institutions	17,640	3,000	14,640	0	17,640
Payables to owners and Management	15,119	0	19,996	0	19,996
Other payables	81	81	0	0	81
<b>Non-derivative financial instruments</b>	<b>32,840</b>	<b>3,081</b>	<b>34,636</b>	<b>0</b>	<b>37,717</b>

## NOTE 30 – CONTINGENT ASSETS, LIABILITIES AND ASSETS PLEDGED AS SECURITY

The parent company as well as the group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SelfGenerations T ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## PARENT

## NOTE 31 – CASH FLOW SPECIFICATIONS

30 April

EUR'000	2023/24	2022/23
<b>Adjustments</b>		
Financial income	0	-24
Financial expenses	2,540	1,373
Income from investments in subsidiaries	-37,212	-24,535
Tax on profit/loss for the year	-570	-306
Other adjustments	306	263
	<b>-34,936</b>	<b>-23,229</b>
<b>Change in working capital</b>		
Change in receivables	-446	-1,571
Change in prepayments	-590	0
Change in trade payables, etc.	1,509	-20,387
	<b>473</b>	<b>-21,958</b>

## CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

EUR'000	Credit institutions	Payables to owners and management	Total
<b>2023/24</b>			
<b>Debt as at 1 May 2023</b>	<b>17,640</b>	<b>15,119</b>	<b>32,759</b>
Repayment, net of interest	-2,229	0	-2,229
<b>Cash flows</b>	<b>-2,229</b>	<b>0</b>	<b>-2,229</b>
Interest	0	1,311	1,311
<b>Non-cash flows</b>	<b>0</b>	<b>1,311</b>	<b>1,311</b>
<b>Debt as at 30 April 2024</b>	<b>15,411</b>	<b>16,430</b>	<b>31,841</b>
<b>2022/23</b>			
<b>Debt as at 1 May 2022</b>	<b>20,561</b>	<b>14,612</b>	<b>35,173</b>
Repayment, net of interest	-2,921	0	-2,921
<b>Cash flows</b>	<b>-2,921</b>	<b>0</b>	<b>-2,921</b>
Interest	0	507	507
<b>Non-cash flows</b>	<b>0</b>	<b>507</b>	<b>507</b>
<b>Debt as at 30 April 2023</b>	<b>17,640</b>	<b>15,119</b>	<b>32,759</b>



## NOTE 32 — FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

In accordance with the Danish financial statements act §96, subsection 3, the fee to auditors appointed at the general meeting is not disclosed in CM Biomass Holding A/S. Reference is made to the consolidated financial statements of Selfinvest ApS.

## NOTE 33 — SUBSEQUENT EVENTS

No events have occurred since the balance sheet date which could materially affect the company's financial position.

## NOTE 34 — FIRST TIME ADOPTION OF IFRS

30 April

### COMPANY RECONCILIATION

Set out below is an analysis of the financial statements have been impacted by the transition to IFRS:

EUR'000	AS AT 1 MAY 2022			FOR THE YEAR ENDED 30 APRIL 2023	AS AT 30 APRIL 2023		
	Assets	Liabilities	Equity	Profit for the year	Assets	Liabilities	Equity
According to Danish GAAP	126,097	56,148	69,949	20,456	148,184	32,839	115,345
<b>IFRS adjustments</b>							
Investments in subsidiaries	2,038	0	2,038	0	5,031	0	5,031
Income from investments in subsidiaries	0	0	0	2,993	0	0	0
<b>Total</b>	<b>2,038</b>	<b>0</b>	<b>2,038</b>	<b>2,993</b>	<b>5,031</b>	<b>0</b>	<b>5,031</b>
<b>According to IFRS</b>	<b>128,135</b>	<b>56,148</b>	<b>71,987</b>	<b>23,449</b>	<b>153,215</b>	<b>32,839</b>	<b>120,376</b>

## PARENT

## NOTE 35 – MATERIAL ACCOUNTING POLICIES

1 May - 30 April

This note provides a list of the material accounting policies adopted in the preparation of the financial statements. Only the material accounting policies that differ from the consolidated financial statements are presented in this section. Otherwise refer to the consolidated financial statements.

**Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year.

**Investments in subsidiaries**

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

The item "Investments in subsidiaries" 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 intercompany 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.

## NOTE 36 – MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

1 May - 30 April

**Material accounting estimates and judgements**

In preparing the consolidated financial statements, Management makes various significant accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements.

**Judgements**

Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments will be tested for impairment, involving various estimates on future cashflows, growth, discount rates, etc.

On 30 April 2024 no impairment indicators were identified.

# CM BIOMASS



Product display at new head office in Copenhagen, Denmark

The background of the page is a close-up, slightly blurred image of numerous light-brown wood pellets. The pellets are cylindrical and piled together, creating a textured, organic appearance. The lighting is soft and even, highlighting the natural grain and color of the wood.

# MANAGEMENT'S STATEMENT

# MANAGEMENT'S STATEMENT

The Board of Directors and Executive Board have today considered and adopted the Annual Report of CM Biomass Holding A/S for the financial year 1 May 2023 - 30 April 2024.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

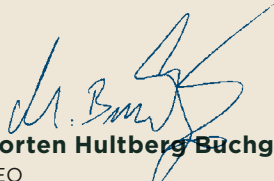
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Copenhagen, 17 June 2024

## Executive Board



**Morten Hultberg Buchgreitz**  
CEO



**Michael Hjorth Christensen**  
CCO



**Ask Michael Munck**  
Group CFO

## Board of Directors



**Christian Pagaard Junker**  
Chairman



**Jan Flemming Bech Andersen**



**Nina Østergaard Borris**



**Simon Christensen**



**Louise Koch**



**Søren Fournaise Eriksen**

The background of the page is a dark, textured image of biomass pellets, which are small, cylindrical pieces of compressed organic material. The pellets are light-colored, possibly tan or grey, and are scattered across the entire page, creating a sense of depth and texture. The lighting is soft, highlighting the individual pellets and their irregular shapes.

# INDEPENDENT AUDITOR'S REPORT

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of CM Biomass 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 Group's and the Parent Company's financial position at 30 April 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 May 2023 to 30 April 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of CM Biomass Holding-Group for the financial year 1 May 2023 to 30 April 2024, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for both the Group and the Parent Company ("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 IFRS Accounting Standards as adopted by the EU and further requirements in 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.

#### **Trekantområdet, 17 June 2024**

PricewaterhouseCoopers  
Statsautoriseret  
Revisionspartnerselskab

**CVR No 33 77 12 31**



**Jens Weiersøe Jakobsen**  
State Authorised Public Accountant  
mne30152



**Lasse Berg**  
State Authorised Public Accountant  
mne35811





CAUTION  
NO SIDE LADDER



**CM BIOMASS HOLDING A/S**  
**Sundkrogsgade 11, 2.**  
**DK-2100 Copenhagen**  
**CVR No: 41722614**