

CM BIOMASS PARTNERS A/S

ANNUAL REPORT

2023

2024

The Annual General Meeting adopted the Annual Report on 12 July 2024.



Chairman of the meeting,
Christian Pagaard Junker

Financial year: 1 May 2023 - 30 April 2024

CM Biomass Partners A/S
Sundkrogsgade 11, 2.
DK-2100 Copenhagen Ø

Company reg. no. 32 28 38 53

CONTENTS

MANAGEMENT'S REVIEW

Management's Review	3
Financial Highlights	5
Board of Directors	6

FINANCIAL STATEMENTS

Financial Statements	8
Notes	14

REPORTS

Management's Statement	43
Independent Auditor's report	44

Company details	47
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MANAGEMENT'S REVIEW

Key activities

The Company supplies utilities and distributors by acting as the main aggregator between manufacturers and customers in the Biomass industry.

Development in the year

The income statement of the Company for 2023/24 shows a profit of TEUR 39,130, and at 30 April 2024 the balance sheet of the Company shows equity of TEUR 120,736.

The management considers the net profit for the year to be satisfactory.

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

In 2023/24, the company delivered a result that was higher than the expectations stated in the annual report for 2022/23.

The improved result was driven by increase in volumes. Volatility between segments and markets implying good opportunities for arbitrage.

Operating risks and financial risks

Foreign exchange risks

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

Targets and expectations for the year ahead

Considering the geopolitical climate and its potential effect on CM Biomass' supply

lines, the forecast for 2024/25 is uncertain. The completion of ongoing projects and optimization of production as well as further development of production capacity constitute key targets for the upcoming year. In addition, we consider further penetration of the Asian market a key target.

Taking these factors into consideration, management expects EBT at the same level.

External environment

The Company's activities are not considered to have an extensive impact on the external environment.

Statement of corporate social responsibility in Accordance with Section 99a of the Danish Financial Statements Act

For a statement on corporate social responsibility, we refer to our Parent Company CM Biomass Holding A/S, which prepares consolidated financial statements.

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

Targets for the Highest Management Body and Other Management Levels

CM Biomass Partners 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 on extraordinary general meeting during 2023/2024 elected one woman and one man to the board. The board has actively sought suitable female candidates within industry networks and continues to work towards recommending qualified female candidates for future general meetings to meet the goal.

CM Biomass Partners 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 below.

Five year overview of targets	
HIGHEST MANAGEMENT BODY	
Total members	8
Underrepresented gender	12.5%
Target 2028	25%
Target 2032	40%
OTHER MANAGEMENT LEVELS	
Total members	10
Underrepresented gender	20%
Target 2028	25%
Target 2032	40%

CM Biomass Partners' Policy for Diversity at Other Management Levels

CM Biomass Partners 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 Partners 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.

Statement on Data Ethics of Management in Accordance with Section 99 d of the Danish Financial Statements Act

For a statement on data ethics, we refer to our Parent Company CM Biomass Holding A/S, which prepares consolidated financial statements.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 30 April 2024 of the Company and the results of the activities of the Company for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

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

FINANCIAL HIGHLIGHTS

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

EUR'000	2023/24	2022/23	2021/22	2020	2019
Profit/loss					
Revenue	835,257	798,533	707,251	405,497	362
Gross profit	51,706	60,736	50,777	22,614	14,983
Profit before financial income and expenses	35,877	46,574	40,879	18,918	11,967
Net financials	-5,551	-3,475	-3,057	-1,730	-1,339
Net profit for the year	39,130	26,032	28,618	13,441	8,251
Balance sheet					
Balance sheet total	256,665	220,554	141,638	100,540	80,171
Equity	120,736	82,599	58,126	37,803	21,744
Investments in property, plant and equipment	-1,011	-423	-431	-542	-307
Number of employees	60	31	24	16	12
Ratios					
Gross margin	6.2%	7.6%	7.2%	5.6%	4.1%
Profit margin	4.3%	5.8%	5.8%	4.7%	3.3%
Return on assets	14.0%	21.1%	29.5%	18.8%	14.9%
Solvency ratio	47.0%	37.5%	42.0%	37.6%	27.1%
Return on equity	29.7%	38.6%	59.6%	45.1%	47.3%

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

The comparative figures for 2021/22, 2020 and 2019 are presented in accordance with the Danish Financial Statement Act. The main difference in accounting policies is that all lease agreements are recognized in the Financial Statements.

The ratios have been prepared in accordance with the definitions set out in note 21 to the Financial Statements.

For definitions, see notes.

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

FINANCIAL STATEMENTS

INCOME STATEMENT

1 May - 30 April

EUR'000	Note	2023/24	2022/23
Revenue	1	835,257	798,533
Other operating income		-	19
Expenses for raw materials and consumables		773,607	728,108
Other external expenses		9,944	9,708
Gross profit		51,706	60,736
Staff expenses	2	11,945	11,189
Depreciation, amortisation and impairment	3	3,884	2,973
Profit before financial items (EBIT)		35,877	46,574
Income from investments in subsidiaries		15,555	-8,194
Financial income	4	3,407	2,874
Financial expenses	4	-8,958	-6,349
Profit before tax (EBT)		45,881	34,905
Tax expense	5	6,751	8,873
Profit for the year		39,130	26,032

STATEMENT OF COMPREHENSIVE INCOME

1 May - 30 April

EUR'000	Note	2023/24	2022/23
Profit for the year		39,130	26,032
Exchange adjustment		1,489	177
Cash flow hedges		1,442	3,329
Total items that may be reclassified to profit or loss		2,931	3,506
Other comprehensive income, net of tax		2,931	3,506
Total comprehensive income for the year		42,061	29,538

BALANCE SHEET

30 April

ASSETS

EUR'000	Note	30 April 2024	30 April 2023	As at 1 May 2022
Non-current assets				
Intangible assets	6	38	-	-
Property, plant and equipment	7	2,409	2,327	1,443
Right-of-use assets	8	3,040	3,946	3,038
Investments in subsidiaries	9	62,478	51	122
Receivables from group enterprises		40,300	73,990	40,187
Deferred tax assets	5	167	102	33
Deposits		204	45	31
Total non-current assets		108,636	80,461	44,854
Current assets				
Inventories	10	81,351	80,292	42,040
Trade receivables	15	53,596	50,039	45,997
Receivables from group enterprises		6,068	1,482	369
Other receivables		6,085	5,970	5,502
Prepayments		867	2,262	2,758
Cash at bank and in hand		62	48	118
Total current assets		148,029	140,093	96,784
Total assets		256,665	220,554	141,638

BALANCE SHEET

30 April

EQUITY AND LIABILITIES

EUR'000	Note	30 April 2024	30 April 2023	As at 1 May 2022
Equity and liabilities				
Share capital	11	286	286	286
Reserves		5,402	-1,153	-5,493
Retained earnings		111,048	79,466	61,833
Proposed dividend		4,000	4,000	1,500
Total equity		120,736	82,599	58,126
Non-current liabilities				
Credit institutions	15	59,744	17,868	-
Lease liabilities	8	1,776	1,894	1,784
Provisions		-	-	1,800
Total non-current liabilities		61,520	19,762	3,584
Current liabilities				
Credit institutions	15	6,904	56,373	16,907
Lease liabilities	8	1,355	2,131	1,270
Prepayments received from customers		73	1,734	-
Trade payables		24,935	25,712	28,165
Payables to group enterprises		15,573	10,705	3,536
Payables to associates		-	-	2
Corporation tax		9,938	10,785	5,003
Other payables		15,631	10,753	25,045
Total current liabilities		74,409	118,193	79,928
Total liabilities		135,929	137,955	83,512
Total equity and liabilities		256,665	220,554	141,638

STATEMENT OF CHANGES IN EQUITY

1 May - 30 April

2023/24

EUR'000	Share capital	Hedging reserve	Valuation & Other reserves	Retained earnings	Proposed dividend	Equity, owners of the parent
Equity at 1 May 2023	286	-1,442	289	79,466	4,000	82,599
Profit for the year	-	-	3,624	31,506	4,000	39,130
Other comprehensive income, net of tax	-	1,442	1,489	-	0	2,931
Total comprehensive income	-	1,442	5,113	31,506	4,000	42,061
Ordinary dividend paid	-	-	-	-	-4,000	-4,000
Other equity movements	-	-	-	76	-	76
Total transactions with shareholders	-	-	-	76	-4,000	-3,924
Equity at 30 April 2024	286	-	5,402	111,048	4,000	120,736

2022/23

EUR'000	Share capital	Hedging reserve	Valuation & Other reserves	Retained earnings	Proposed dividend	Equity, owners of the parent
Equity at May 2022	286	-5,605	112	62,268	1,500	58,561
Profit for the year	-	-	-	22,032	4,000	26,032
Other comprehensive income, net of tax	-	4,163	177	-834	-	3,506
Total comprehensive income	-	4,163	177	21,198	4,000	29,538
Ordinary dividend paid	-	-	-	-	-1,500	-1,500
Ekstraordinary dividend paid	-	-	-	-4,000	-	-4,000
Total transactions with shareholders	-	-	-	-4,000	-1,500	-5,500
Equity at 30 April 2023	286	-1,442	289	79,466	4,000	82,599

CASH FLOW STATEMENT

1 May - 30 April

EUR'000	Note	2023/24	2022/23
Net profit/loss for the year		39,130	26,032
Adjustments	18	-188	23,681
Change in working capital	18	-3,514	-53,746
Cash flows from operating activities before financial items and tax		35,428	-4,033
Financial income		3,407	2,874
Financial expenses		-8,958	-6,349
Corporation tax paid		-7,664	-3,115
Cash flows from operating activities		22,213	-10,623
Purchase of intangible assets		-52	-
Purchase of property, plant and equipment		-1,011	-424
Fixed asset investments made etc.		-	-14
Business acquisitions		-	-1,506
Capital increase		-54,789	-9,695
Cash flows from investing activities		-55,852	-11,639
Repayment of loans from credit institutions	18	-7,593	-
Repayment of payables to group enterprises		-	-34,915
Repayment of payables to associates		-	-2
Raising of loans from credit institutions	18	-	57,334
Raising of loans from group enterprises		40,300	7,169
Installment on leases	18	-3,054	-1,894
Dividends paid		4,000	-5,500
Net cash from financing activities		33,653	22,192
Change in cash and cash equivalents		14	-70
Cash and cash equivalents at 1 May		48	118
Cash and cash equivalents at 30 April		62	48
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		62	48
Cash and cash equivalents at 30 April		62	48

NOTES TO THE FINANCIAL STATEMENTS

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

Note 1	Revenue from contracts with customers	16
Note 2	Staff expenses	16
Note 3	Depreciation, amortisation and impairment losses	17
Note 4	Financial income and expenses	17
Note 5	Taxes	18
Note 6	Intangible assets	19
Note 7	Property, plant and equipment	20
Note 8	Leases	21
Note 9	Investments in subsidiaries	22
Note 10	Inventories	22
Note 11	Share capital	23
Note 12	Capital management	23
Note 13	Fair value	24
Note 14	Financial instruments by category	25
Note 15	Financial instruments and risks	26
Note 16	Contingent assets, liabilities and assets pledged as security	31
Note 17	Related parties	31
Note 18	Cash flow specifications	33
Note 19	Fee to auditors appointed at the general meeting	34
Note 20	Subsequent events	34
Note 21	First time adoption of IFRS	35
Note 22	Material accounting policies	36
Note 23	Material accounting estimates and judgements	41

NOTE 1 — REVENUE FROM CONTRACTS WITH CUSTOMERS

1 May - 30 April

The Group derives revenue from a single product type and from a single type of customers. Revenue recognised relates to biomass recognised at a point in time.

Revenue is derived from the following geographical regions:

EUR'000	2023/24	2022/23
Revenue recognized from geographical regions:		
Denmark	122,502	145,358
Europe	640,756	587,195
Other regions	71,999	65,980
Total revenue	835,257	798,533
Timing of revenue recognition:		
Revenue recognized at a point in time	835,257	798,533
Revenue recognized over time	-	-
Total revenue	835,257	798,533

All contracts are for periods of one year or less or are billed based on time incurred. 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
Remuneration of employees:		
Wages and salaries	11,168	9,927
Pension costs, defined contribution plans	532	329
Other social security costs	88	44
Other staff expenses	157	889
Total remuneration	11,945	11,189
Average number of employees	60	31

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	14	-
Depreciation of property, plant and equipment	803	1,048
Depreciation of right-of-use assets	3,147	1,957
Gain and loss on disposal	-80	-32
Depreciation, amortisation and impairment losses	3,884	2,973

NOTE 4 — FINANCIAL INCOME AND EXPENSES

1 May - 30 April

EUR'000	2023/24	2022/23
Financial income		
Interest received from group enterprises	3,233	2,854
Other financial income	174	20
Total financial income	3,407	2,874
Financial expenses		
Exchange losses	1,392	3,005
Interest on right-of-use assets	244	150
Interest paid to group enterprises	-	21
Other financial expenses	7,322	3,173
Total financial expenses	8,958	6,349

NOTE 5 — TAXES

1 May - 30 April

EUR'000	Income statement	Other comprehensive income	Total
2023/24			
Current tax for the year	9,531	407	9,938
Current tax concerning previous years	-2,715	-	-2,715
Deferred tax for the year	-65	-	-65
Total tax for the year	6,751	407	7,158

2022/23			
Current tax for the year	9,593	1,174	10,767
Current tax concerning previous years	-695	-	-695
Deferred tax for the year	-25	-	-25
Total tax for the year	8,873	1,174	10,047

EUR'000	2023/24	2022/23
Reconciliation of tax expenses:		
Profit before tax	45,881	34,905
Shares of profit/loss in associated companies	-4,039	8,143
Non-deductible expenses, net	1,191	84
Other adjustments	1,849	5,449
Profit before tax adjusted	44,882	48,581
Tax using the Danish corporation tax rate (22%)	9,873	10,688
Adjustment to previous years current taxes	-2,715	25
Other adjustments	-	54
Total income tax	7,158	10,767
Deferred taxes:		
Deferred tax at 1 May	102	-18
Acquired in business combinations	-	44
Recognised in the income statement	65	76
Deferred tax at 30 April	167	102
Deferred taxes is recognised on the balance sheet as follows:		
Deferred tax assets	167	102
Deferred tax liabilities	-	-
Deferred tax at 30 April	167	102

NOTE 5 — TAXES (CONTINUED)

1 May - 30 April

The balance comprises temporary differences attributable to:

EUR'000	DEFERRED TAX ASSETS			DEFERRED TAX LIABILITIES		
	2023/24	2022/23	As at 1 May 2022	2023/24	2022/23	As at 1 May 2022
Property, plant and equipment	167	102	-	-	-	18
Deferred tax at 30 April	167	102	-	-	-	18
Expected to be utilised as follows:						
Within 12 months	-	-	-	-	-	-
After 12 months	167	102	-	-	-	18
Total	167	102	-	-	-	18

NOTE 6 — INTANGIBLE ASSETS

30 April

EUR'000	Software	Total
2023/24		
Additions	52	52
Cost at 30 April	52	52
Amortisation	14	14
Impairment losses and amortisation at 30 April	14	14
Carrying amount at 30 April	38	38

NOTE 7 — PROPERTY, PLANT AND EQUIPMENT

30 April

EUR'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
2023/24			
Cost at 1 May	847	4,969	5,816
Additions	231	780	1,011
Disposals	-	192	192
Cost at 30 April	1,078	5,557	6,635
Impairment losses and amortisation at 1 May	53	3,436	3,489
Depreciation	60	744	804
Reversed impairment and depreciation of disposals	-	-67	-67
Impairment losses and amortisation at 30 April	113	4,113	4,226
Carrying amount at 30 April	965	1,444	2,409
2022/23			
Cost at 1 May	-	3,961	3,961
Additions	-	424	424
Acquired in business combinations	847	659	1,506
Disposals	-	75	75
Cost at 30 April	847	4,969	5,816
Impairment losses and amortisation at 1 May	-	2,516	2,516
Depreciation	53	995	1,048
Reversed impairment and depreciation of disposals	-	-75	-75
Impairment losses and amortisation at 30 April	53	3,436	3,489
Carrying amount at 30 April	794	1,533	2,327

NOTE 8 — LEASES

30 April

EUR'000	2023/24	2022/23	As at 1 May 2022
Land and buildings	3,040	3,919	3,038
Fixtures and fittings, tools and equipment	-	27	-
Right-of-use assets at 30 April	3,040	3,946	3,038
Current lease liabilities	1,355	2,131	1,270
Non-current lease liabilities	1,776	1,894	1,784
Lease liabilities at 30 April	3,131	4,025	3,054
Depreciation charge of right-of-use assets			
Land and buildings	3,147	1,953	
Fixtures and fittings, tools and equipment	-	4	
Total	3,147	1,957	
Interest expense (included in finance costs)	244	150	
Expenses related to short-term leases	6,819	3,497	
Additions to right-of-use assets	2,833	2,865	
Total cash outflow related to leases	10,117	5,541	

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

The average lease maturity is 1.6 years, but may have extension- and/or termination options.

For the maturity analysis of lease payments please refer to note 15.

NOTE 9 — INVESTMENTS IN SUBSIDIARIES

30 April

EUR'000	2023/24	2022/23
Cost at 1 May	2,287	2,287
Additions	54,789	-
Cost at 30 April	57,076	2,287
Value adjustments at 1 May	-11,931	-3,913
Exchange rate adjustment	1,778	176
Share of profit/loss for the year	15,555	-8,194
Value adjustments at 30 April	5,402	-11,931
Equity investments with negative net assets value amortised over receivables	-	9,695
Carrying amount at 30 April	62,478	51

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
CM Biomass Ltd. St. Petersburg	St. Petersburg	100%
CM Biomass Hamburg GmbH	Hamburg	100%
CMB North America Holding LLC	Delaware	100%
CM Biomass Korea Ltd	Soul	100%
CMB Asia Ltd	Singapore	100%

NOTE 10 — INVENTORIES

EUR'000	2023/24	2022/23	As at 1 May 2022
Raw materials	575	333	-
Finished goods and goods for resale	72,846	74,099	35,816
Prepayments for goods	7,930	5,860	6,224
Total inventories	81,351	80,292	42,040

Inventories recognised as an expense during the year 2023/24 amounted to EUR '000 762.005 (2022/23: EUR '000 728.108).

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
The share capital comprise:				
Ordinary shares (fully paid)	2,133,333	287	2,133,333	287

IN NUMBER OF SHARES

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

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	1.88	2.58
Total dividend proposed for the year	1.88	1.88

NOTE 12 — CAPITAL MANAGEMENT

30 April

Capital management takes place at group level. The objectives when managing capital are to:- safeguard the 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 positive headrooms on all 3.

NOTE 13 — FAIR VALUE

30 April

The following table shows the company'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
2023/24				
Financial assets				
Derivatives	-	137	-	137
Total	-	137	-	137
2022/23				
Financial liabilities				
Derivatives	0	1,849	0	1,849
Total	0	1,849	0	1,849

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
2023/24			
Financial assets			
Trade receivables and other receivables	-	106,916	106,916
Derivative financial instruments	137	-	137
Cash and cash equivalents	-	62	62
Total	137	106,978	107,115
Financial liabilities			
Trade and other receivables	-	56,212	56,212
Credit institutions	-	66,648	66,648
Lease liabilities	-	3,131	3,131
Total	-	125,991	125,991
2022/23			
Financial assets			
Trade receivables and other receivables	-	133,743	133,743
Cash and cash equivalents	-	48	48
Total	-	133,791	133,791
Financial liabilities			
Trade and other receivables	-	48,904	48,904
Credit institutions	-	74,241	74,241
Lease liabilities	-	4,025	4,025
Derivative financial instruments	1,849	-	1,849
Total	1,849	127,170	129,019
AS AT 1 MAY 2022			
Financial assets			
Trade receivables and other receivables	-	94,813	94,813
Cash and cash equivalents	-	118	118
Total	-	94,931	94,931
Financial liabilities			
Trade and other receivables	-	56,748	56,748
Credit institutions	-	16,907	16,907
Lease liabilities	-	3,054	3,054
Derivative financial instruments	7,182	-	7,182
Total	7,182	76,709	83,891

NOTE 15 — FINANCIAL INSTRUMENTS AND RISKS

30 April

FINANCIAL RISK MANAGEMENT

The company 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 company is exposed through financial instruments. Market risks are regularly assessed. The company's risk management programme seeks to minimise the potential adverse effects on the company'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 company 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 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 company 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 company operating in countries with different local currencies. Revenue is primarily denominated in EUR, the functional currency of all material entities in the company, while related operating expenses are incurred in both EUR and local currencies. The company'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 company'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	34,816	4,760	14,020	19,670	14,941	15,428
Bank loans	-34,574	-29,639	-2,435	-53,342	-19,110	-1,789
Trade payables	-12,637	-7,731	-4,567	-18,750	-1,690	-5,272

NOTE 15 — FINANCIAL INSTRUMENTS AND RISKS

(CONTINUED)

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	-396	-671
EUR/USD - 10% decrease	396	671	396	671
EUR vs. other currencies - 10% increase	11	0	11	0
EUR vs. other currencies - 10% decrease	-11	0	-11	0

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	69,779	100%	100%	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	619	588	619	588
Interest rate - 1% decrease	-619	-588	-588	-588

An increase in interest rates by one percentage point is estimated to decrease profit for the year by EUR 0.62m and increase other comprehensive income (and thereby equity) by EUR 0.62m (2022/23: decrease profit for the year by EUR 0.59m and increase other comprehensive income (and thereby equity) by EUR 0.59m). 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.

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
2023/24				
Receivables not due	52,430	0%	-	52,430
Less than 90 days overdue	1,084	0%	-	1,084
More than 90 days overdue	286	71%	204	82
Carrying amount	53,800	0%	204	53,596
2022/23				
Receivables not due	43,890	0%	-	43,890
Less than 90 days overdue	6,167	0%	18	6,149
More than 90 days overdue	152	100%	152	-
Carrying amount	50,209	0%	170	50,039

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

NOTE 15 — FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

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.

To ensure focus on managing the risks related to funding and liquidity, the company'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 company'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
2023/24					
Non-derivatives					
Credit institutions	66,648	6,841	60,079	-	66,920
Lease liabilities	3,131	1,793	1,644	-	3,437
Payables to related parties	15,573	11,573	-	-	11,573
Trade payables	24,935	24,935	-	-	24,935
Other payables	15,631	15,631	-	-	15,631
Non-derivative financial instruments	125,918	60,773	61,723	-	122,496
Derivatives					
Gross settled foreign currency contracts, pay leg (EUR)	-	-	-	-	-
Gross settled foreign currency contracts, receive leg (USD)	137	137	-	-	137
Derivative financial instruments	137	137	-	-	137
2022/23					
Non-derivatives					
Credit institutions	74,241	56,373	17,868	-	74,241
Lease liabilities	4,025	2,235	1,902	-	4,137
Payables to group enterprises	10,705	10,705	-	-	10,705
Trade payables	25,712	25,712	-	-	25,712
Other payables	10,753	10,751	-	-	10,751
Non-derivative financial instruments	125,436	105,776	19,770	-	125,546
Derivatives					
Gross settled foreign currency contracts, pay leg (EUR)	-	-	-	-	-
Gross settled foreign currency contracts, receive leg (USD)	1,849	1,849	-	-	1,849
Derivative financial instruments	1,849	1,849	-	-	1,849

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	100.00%	100.00%

The Company is included in the Consolidated Financial Statements of the immediate Parent Company CM Biomass Holding A/S, 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 Partners A/S (2022/23: 60%).

Controlling interest is exercised through the Company's immediate Parent Company, CM Biomass Holding A/S. 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	Subsidiaries
2023/24			
Income statement			
Operating costs	-	-	116,366
Other external expenses	5,481	-	3,909
Financials, net	-	-	3,233
Assets			
Trade receivables	-	-	6,374
Liabilities			
Trade payables	-	1,451	10,122
Dividends paid	-	4,000	-
2022/23			
Income statement			
Operating costs	-	-	50,215
Other external expenses	3,675	-	8,381
Financials, net	-	-	2,854
Assets			
Trade receivables	-	-	1,482
Liabilities			
Trade payables	-	5,004	5,701
Dividends paid	-	5,500	-

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.

NOTE 18 — CASH FLOW SPECIFICATIONS

30 April

EUR'000	2023/24	2022/23
Adjustments		
Financial income	-3,407	-2,874
Financial expenses	8,958	6,349
Depreciation, amortisation and impairment losses	3,884	2,973
Income from investments in subsidiaries	-15,555	8,194
Tax on profit/loss for the year	6,751	8,873
Other adjustments	-819	166
	-188	23,681
Change in working capital		
Change in inventories	-1,059	-38,252
Change in trade receivables	-3,557	-4,042
Change in other receivables	-115	28
Change in other provisions	-	-1,800
Change in trade payables	-777	-2,453
Change in payables to Group entities	-4,868	-
Other payables	4,878	-12,561
Fair value adjustments of hedging instruments	1,984	5,334
	-3,514	-53,746

NOTE 18 — CASH FLOW SPECIFICATIONS (CONTINUED)

CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

EUR'000	Credit institutions	Lease liabilities	Total
2023/24			
Debt as at 1 May 2023	74,241	4,025	78,266
Repayment, net of interest	-7,593	-3,054	-10,647
Cash flows	-7,593	-3,054	-10,647
New leases	-	2,161	2,161
Non-cash flows	-	2,161	2,161
Debt as at 30 April 2024	66,648	3,132	69,780
2022/23			
Debt as at 1 May 2022	16,907	3,054	19,961
New debt	57,334	-	57,334
Repayment, net of interest	-	-1,894	1,894
Change in borrowings	-	-	-
Cash flows	57,334	-1,894	55,440
New leases	-	2,865	2,865
Non-cash flows	-	2,865	2,865
Debt as at 30 April 2023	74,241	4,025	78,266

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 Partners 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 company's financial position.

NOTE 21 — FIRST TIME ADOPTION OF IFRS

30 April

The financial statements for the year ended 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 company 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 company'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 company 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 (e.g. property rentals and leases for vehicles) to be recognized in the balance sheet. The company 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 company 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.

Investments in subsidiaries

Investments in subsidiaries have been adjusted due to the transition to IFRS as a result of leasing activities under IFRS 16 in the subsidiaries. The effect is shown in table below:

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	138,618	80,459	58,159	26,146	216,676	133,928	82,748
IFRS adjustments							
Leases	3,038	3,054	-16	-62	3,947	4,025	-78
Investments in subsidiaries	-18	-	-18	-51	-69	-	-69
Total	3,020	3,054	-34	-113	3,878	4,025	-147
According to IFRS	141,638	83,513	58,125	26,033	220,554	137,953	82,601

NOTE 22 — MATERIAL ACCOUNTING POLICIES

1 May - 30 April

Basis of preparation

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

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

The financial statements for the year financial year 1 May 2023 to 30 April 2024 for CM Biomass Partners 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 company 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 company has prepared in accordance with IFRS. Refer to Note 23 for information on how the company adopted IFRS.

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 Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the company 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 between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Foreign currency translation

Euro is used as the presentation and functional currency of the company. All other currencies are regarded as foreign currencies. Unless otherwise stated the financial statements are presented in TEUR

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

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

Non-current assets acquired in foreign currencies are measured at the transaction date rates.

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

NOTE 22 — MATERIAL ACCOUNTING POLICIES (CONTINUED)

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) 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 geographical segments is based on the Group's risks and returns and its internal financial reporting system.

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, property, plant and equipment, and right-of-use assets.

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

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

Financial income and expenses

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

Tax on profit/loss for the year

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

The company is jointly taxed with the Group's other Danish Companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

BALANCE SHEET

Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis up to 3 years.

Property, plant and equipment

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

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

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

Buildings	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.

NOTE 22 — MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. This is, if the contract conveys the right to control the use of an identified asset 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 an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payment also includes 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.

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 subsidiaries

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

The item "Investments in subsidiaries" in the balance sheet includes 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.

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

NOTE 22 — MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

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

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the

balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

Loans, such as 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 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 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.

NOTE 22 — MATERIAL ACCOUNTING POLICIES (CONTINUED)

CASH FLOW STATEMENT

The cash flow statement shows the company'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 company'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 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	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

NOTE 23 — MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

1 May - 30 April

In preparing the 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 company 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.

REPORTS

MANAGEMENT'S STATEMENT

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

The 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 Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Company and of the results of the Company operations and cash flows for 2023/24.

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

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

Middelfart, 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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CM Biomass Partners A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2024, and of the results of the Company's operations and cash flows for the financial year 1 May 2023 - 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 Financial Statements of CM Biomass Partners A/S for the financial year 1 May - 30 April 2024, which comprise income statement and] statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including material accounting policy information ("financial statements").

Basis for Opinion

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

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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

COMPANY DETAILS

CM BIOMASS PARTNERS A/S

Sundkrogsgade 11, 2.
DK-2100 København Ø

CVR No. 32 28 28 53

Registrered in: Copenhagen
Registration date: 1 July 2009
Accounting period: 1 May 2023 - 30 April 2024

BOARD OF DIRECTORS

Christian Pagaard Junker
Jan Flemming Bech Andersen
Nina Østergaard Borris
Simon Christensen
Louise Koch
Søren Fournaise Eriksen

EXECUTIVE BOARD

Morten Hultberg Buchgreitz
Michael Hjorth Christensen
Ask Michael Munck

AUDITORS

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle
Denmark

CVR No. 33 77 12 31

CM BIOMASS PARTNERS A/S
Sundkrogsgade 11, 2.
DK-2100 Copenhagen
CVR No: 32 28 28 53