
Werner Larsson
Fiskeeksport A/S

Galeasevej 3, DK-9990 Skagen

**Annual Report for 1 October
2017 - 30 September 2018**

CVR No 12 80 31 92

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/11 2018

Mads Larsson
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Financial Statements	
Income Statement 1 October - 30 September	6
Balance Sheet 30 September	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Werner Larsson Fiskeeksport A/S for the financial year 1 October 2017 - 30 September 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2018 of the Company and of the results of the Company operations for 2017/18.

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

Skagen, 19 November 2018

Executive Board

Mads Larsson

Board of Directors

Eugène Scholten

Jacobus Johan Coljee

Mads Larsson

Independent Auditor's Report

To the Shareholder of Werner Larsson Fiskeeksport A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2018 and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Werner Larsson Fiskeeksport A/S for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

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.

Independent Auditor's Report

- 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.

Aalborg, 19 November 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Marianne Fog Jørgensen

statsautoriseret revisor

mne21405

Company Information

The Company

Werner Larsson Fiskeeksport A/S
Galeasevej 3
DK-9990 Skagen

CVR No: 12 80 31 92
Financial period: 1 October - 30 September
Municipality of reg. office: Frederikshavn

Board of Directors

Eugène Scholten
Jacobus Johan Coljee
Mads Larsson

Executive Board

Mads Larsson

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skelagervej 1A
DK-9000 Aalborg

Income Statement 1 October - 30 September

	Note	2017/18 DKK	2016/17 DKK
Gross profit/loss		15,655,820	18,183,958
Staff expenses	2	-6,172,826	-7,754,158
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2,006,238	-2,035,319
Profit/loss before financial income and expenses		7,476,756	8,394,481
Income from investments in subsidiaries		70,875	185,236
Financial income		19,346	1,519
Financial expenses		-50,901	-45,283
Profit/loss before tax		7,516,076	8,535,953
Tax on profit/loss for the year	3	-1,653,559	-1,852,186
Net profit/loss for the year		5,862,517	6,683,767

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	15,000,000	0
Reserve for net revaluation under the equity method	809,610	185,236
Retained earnings	-9,947,093	6,498,531
	5,862,517	6,683,767

Balance Sheet 30 September

Assets

	Note	2018 DKK	2017 DKK
Land and buildings		1,616,215	1,680,358
Plant and machinery		1,553,680	2,769,490
Other fixtures and fittings, tools and equipment		918,719	988,992
Property, plant and equipment	4	4,088,614	5,438,840
Investments in subsidiaries	5	5,587,033	5,516,158
Other investments		43,554	25,033
Fixed asset investments		5,630,587	5,541,191
Fixed assets		9,719,201	10,980,031
Raw materials and consumables		1,348,222	851,262
Finished goods and goods for resale		12,244,804	14,259,441
Inventories		13,593,026	15,110,703
Trade receivables		2,257,681	1,301,841
Receivables from group enterprises		1,488,407	2,353,954
Other receivables		0	115,112
Deferred tax asset		312,989	186,000
Corporation tax receivable from group enterprises		51,810	111,000
Prepayments		129,556	213,959
Receivables		4,240,443	4,281,866
Cash at bank and in hand		25,454,236	17,264,320
Currents assets		43,287,705	36,656,889
Assets		53,006,906	47,636,920

Balance Sheet 30 September

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		1,860,000	1,860,000
Reserve for net revaluation under the equity method		3,178,963	2,369,353
Retained earnings		24,712,010	34,659,103
Proposed dividend for the year		15,000,000	0
Equity		44,750,973	38,888,456
Trade payables		769,172	1,122,222
Payables to group enterprises		4,933,070	3,849,746
Corporation tax		1,434,815	1,575,850
Other payables		877,515	2,014,434
Deferred income		241,361	186,212
Short-term debt		8,255,933	8,748,464
Debt		8,255,933	8,748,464
Liabilities and equity		53,006,906	47,636,920
Key activities	1		
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 October	1,860,000	2,369,353	34,659,103	0	38,888,456
Net profit/loss for the year	0	809,610	-9,947,093	15,000,000	5,862,517
Equity at 30 September	1,860,000	3,178,963	24,712,010	15,000,000	44,750,973

Notes to the Financial Statements

1 Key activities

The company's principal activities are in line with previous year and comprised of production and marketing of edible fish.

	<u>2017/18</u>	<u>2016/17</u>
	DKK	DKK
2 Staff expenses		
Wages and salaries	5,603,552	6,896,396
Pensions	455,200	704,082
Other social security expenses	<u>114,074</u>	<u>153,680</u>
	<u>6,172,826</u>	<u>7,754,158</u>
Average number of employees	<u>11</u>	<u>12</u>
3 Tax on profit/loss for the year		
Current tax for the year	1,780,548	1,879,186
Deferred tax for the year	<u>-126,989</u>	<u>-27,000</u>
	<u>1,653,559</u>	<u>1,852,186</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 October	13,221,591	26,906,427	1,540,964
Additions for the year	157,180	300,990	679,680
Disposals for the year	0	0	-1,080,454
Cost at 30 September	<u>13,378,771</u>	<u>27,207,417</u>	<u>1,140,190</u>
Impairment losses and depreciation at 1 October	11,541,233	24,136,937	551,972
Depreciation for the year	221,323	1,516,800	268,115
Reversal of impairment and depreciation of sold assets	0	0	-598,616
Impairment losses and depreciation at 30 September	<u>11,762,556</u>	<u>25,653,737</u>	<u>221,471</u>
Carrying amount at 30 September	<u>1,616,215</u>	<u>1,553,680</u>	<u>918,719</u>

Notes to the Financial Statements

	2018 DKK	2017 DKK
5 Investments in subsidiaries		
Cost at 1 October	2,408,070	2,408,070
Cost at 30 September	2,408,070	2,408,070
Value adjustments at 1 October	3,108,088	2,922,852
Net profit/loss for the year	70,875	185,236
Value adjustments at 30 September	3,178,963	3,108,088
Carrying amount at 30 September	5,587,033	5,516,158

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Truck-Kompagniet Skagen ApS	Frederikshavn	350,000	100%

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The Company has entered into operating leases with a remaining maturity of 30 months with a total remaining residual of lease payments of DKK 885.543.

Other contingent liabilities

The company has issued mortgage deeds of nominal 7,500,000 DKK. The mortgage deeds serve as security for bank commitments.

The company has provided subrogation in leasehold rights as security for bank debt.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. 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.

Notes to the Financial Statements

7 Related parties

Transactions

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

Ownership

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

B.V Kennermervis Groep

Consolidated Financial Statements

The entity is included in the Consolidated Financial Statements of

Name	Place of registered office
B.V Kennemervis Groep	Palingweg 18, 3751 BJ Spakenburg, Holland

The Group Annual Report of B.V Kennemervis Groep may be obtained at the following address:

Palingweg 18, 3751 BJ Spakenburg, Holland

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Werner Larsson Fiskeeksport A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017/18 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Translation policies

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

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

8 Accounting Policies (continued)

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

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

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

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

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:

Production buildings	20 years
Plant and machinery	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market 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.

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

Receivables

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

Prepayments

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

Equity

Dividend

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

Notes to the Financial Statements

8 Accounting Policies (continued)

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

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

Deferred income

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