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***Werner Larsson***  
***Fiskeeksport A/S***

Galeasevej 3, DK-9990 Skagen

**Annual Report for 1 October  
2019 - 30 September 2020**

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CVR No 12 80 31 92

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
20/11 2020

Mads Larsson  
Chairman of the General  
Meeting



**pwc**

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## **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 2019 - 30 September 2020.

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 2020 of the Company and of the results of the Company operations for 2019/20.

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

Skagen, 20 November 2020

### **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 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020 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 2019 - 30 September 2020, 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.

## 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.

## Independent Auditor's Report

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.

# Independent Auditor's Report

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, 20 November 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Rasmus Møllgaard Stenskov

statsautoriseret revisor

mne34161

## **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  
Incorporated: 23 February 1989  
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	2019/20 DKK	2018/19 DKK
<b>Gross profit/loss</b>		<b>10,919,912</b>	<b>13,375,948</b>
Staff expenses	3	-5,833,205	-5,971,406
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1,006,462	-1,526,308
<b>Profit/loss before financial income and expenses</b>		<b>4,080,245</b>	<b>5,878,234</b>
Income from investments in subsidiaries		140,805	284,089
Financial income		226,085	0
Financial expenses		-44,082	-34,616
<b>Profit/loss before tax</b>		<b>4,403,053</b>	<b>6,127,707</b>
Tax on profit/loss for the year	4	-957,239	-1,311,967
<b>Net profit/loss for the year</b>		<b>3,445,814</b>	<b>4,815,740</b>

## Distribution of profit

### Proposed distribution of profit

Reserve for net revaluation under the equity method	140,805	284,090
Retained earnings	3,305,009	4,531,650
	<b>3,445,814</b>	<b>4,815,740</b>



# Balance Sheet 30 September

## Assets

	Note	2020 DKK	2019 DKK
Land and buildings		2,095,822	1,818,639
Plant and machinery		1,676,535	1,481,646
Other fixtures and fittings, tools and equipment		462,643	690,681
<b>Property, plant and equipment</b>	5	<b>4,235,000</b>	<b>3,990,966</b>
Investments in subsidiaries	6	6,011,927	5,871,122
Other investments	7	257,067	30,982
<b>Fixed asset investments</b>		<b>6,268,994</b>	<b>5,902,104</b>
<b>Fixed assets</b>		<b>10,503,994</b>	<b>9,893,070</b>
Raw materials and consumables		1,255,859	1,496,545
Finished goods and goods for resale		12,647,221	13,953,191
<b>Inventories</b>		<b>13,903,080</b>	<b>15,449,736</b>
Trade receivables		1,932,665	2,915,182
Receivables from group enterprises		3,511,524	2,679,415
Other receivables		0	116,630
Deferred tax asset		172,348	264,328
Corporation tax receivable from group enterprises		42,504	92,674
Prepayments		150,986	97,407
<b>Receivables</b>		<b>5,810,027</b>	<b>6,165,636</b>
<b>Cash at bank and in hand</b>		<b>17,054,726</b>	<b>10,939,039</b>
<b>Currents assets</b>		<b>36,767,833</b>	<b>32,554,411</b>
<b>Assets</b>		<b>47,271,827</b>	<b>42,447,481</b>

# Balance Sheet 30 September

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		1,860,000	1,860,000
Reserve for net revaluation under the equity method		3,603,858	3,463,053
Retained earnings		32,548,669	29,243,660
<b>Equity</b>		<b>38,012,527</b>	<b>34,566,713</b>
Trade payables		984,228	789,988
Payables to group enterprises		5,157,100	5,336,090
Corporation tax		457,160	901,785
Other payables		2,660,812	852,905
<b>Short-term debt</b>		<b>9,259,300</b>	<b>7,880,768</b>
<b>Debt</b>		<b>9,259,300</b>	<b>7,880,768</b>
<b>Liabilities and equity</b>		<b>47,271,827</b>	<b>42,447,481</b>
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## Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 October	1,860,000	3,463,053	29,243,660	34,566,713
Net profit/loss for the year	0	140,805	3,305,009	3,445,814
<b>Equity at 30 September</b>	<b>1,860,000</b>	<b>3,603,858</b>	<b>32,548,669</b>	<b>38,012,527</b>

# Notes to the Financial Statements

## 1 Unusual circumstances

The consequences of Covid-19, in which many governments around the world have decided to "shut down the countries", are having a major impact on the world economy.

The company has so far been negatively impacted by the effects of Covid-19. Some customer groups have canceled orders and the company has incurred several costs related to compliance with guidelines regarding Covid-19. Revenue and earnings have been affected by this in 2019/20.

There is a risk that Covid-19 also will have negative consequences for the company's revenue and earnings in 2020/21. Management is following developments closely, but it is still too early to say what effect Covid-19 will have on revenue and earnings in 2020/21.

## 2 Key activities

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

## 3 Staff expenses

	<u>2019/20</u> DKK	<u>2018/19</u> DKK
Wages and salaries	5,222,940	5,349,350
Pensions	471,525	469,612
Other social security expenses	<u>138,740</u>	<u>152,444</u>
	<b><u>5,833,205</u></b>	<b><u>5,971,406</u></b>
<b>Average number of employees</b>	<b><u>11</u></b>	<b><u>11</u></b>

## 4 Tax on profit/loss for the year

Current tax for the year	865,656	1,263,306
Deferred tax for the year	91,980	48,661
Adjustment of tax concerning previous years	<u>-397</u>	<u>0</u>
	<b><u>957,239</u></b>	<b><u>1,311,967</u></b>

## Notes to the Financial Statements

### 5 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 October	13,788,956	28,225,892	1,140,190
Additions for the year	507,080	743,416	0
Cost at 30 September	<u>14,296,036</u>	<u>28,969,308</u>	<u>1,140,190</u>
Impairment losses and depreciation at 1 October	11,970,317	26,744,246	449,509
Depreciation for the year	229,897	548,527	228,038
Impairment losses and depreciation at 30 September	<u>12,200,214</u>	<u>27,292,773</u>	<u>677,547</u>
<b>Carrying amount at 30 September</b>	<b><u>2,095,822</u></b>	<b><u>1,676,535</u></b>	<b><u>462,643</u></b>

## Notes to the Financial Statements

	2020 DKK	2019 DKK
<b>6 Investments in subsidiaries</b>		
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	3,463,052	3,178,963
Net profit/loss for the year	140,805	284,089
Value adjustments at 30 September	3,603,857	3,463,052
<b>Carrying amount at 30 September</b>	<b>6,011,927</b>	<b>5,871,122</b>

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%

### 7 Other fixed asset investments

	Other investments DKK
Cost at 1 October	36,032
Cost at 30 September	36,032
Revaluations at 1 October	0
Revaluations for the year	221,035
Revaluations at 30 September	221,035
Impairment losses at 1 October	5,050
Reversal for the year of previous years' impairment losses	-5,050
Impairment losses at 30 September	0
<b>Carrying amount at 30 September</b>	<b>257,067</b>

# Notes to the Financial Statements

## 8 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Company has entered into operating leases with a remaining maturity of 6 months with a total remaining residual of lease payments of DKK 172,072.

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

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.

## 9 Related parties

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the ultimate Parent Company:

Name	Place of registered office
B.V. Kennemervis Groep	Palingweg 18 3750 GD Spakenburg The Netherlands

# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Werner Larsson Fiskeeksport A/S for 2019/20 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 2019/20 are presented in DKK.

### Consolidated financial statements

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

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### 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.



# Notes to the Financial Statements

## 10 Accounting Policies (continued)

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

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

## Income Statement

### Revenue

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

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.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### 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.

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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

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.

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.

### Other investments

Other 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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### **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.

### **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.