

# Musholm A/S

Strandvejen 101, 4281 Goerlev

Company reg. no. 17 89 59 07

## Annual report

**1 April 2016 - 31 March 2017**

The annual report have been submitted and approved by the general meeting on the 21 August 2017.

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**Michael Budtz**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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The board of directors and the managing director have today presented the annual report of Musholm A/S for the financial year 1 April 2016 to 31 March 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 March 2017, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 April 2016 to 31 March 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Goerlev, 21 August 2017

### **Managing Director**

Niels Ebbe Dalsgaard  
CEO

### **Board of directors**

Michael Budtz  
Chairman

Niels Ebbe Dalsgaard

Koichi Okamura

Jacob Stenholm Jensen

## Independent auditor's report

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### To the shareholders of Musholm A/S

#### Opinion

We have audited the consolidated annual accounts and the annual accounts of Musholm A/S for the financial year 1 April 2016 to 31 March 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 March 2017 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 April 2016 to 31 March 2017 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### The management's responsibilities for the consolidated annual accounts and the annual accounts

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

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

## Independent auditor's report

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### **Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts**

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group's and 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 consolidated annual accounts and the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

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- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts and the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts or the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 21 August 2017

### Redmark

State Authorised Public Accountants  
Company reg. no. 29 44 27 89

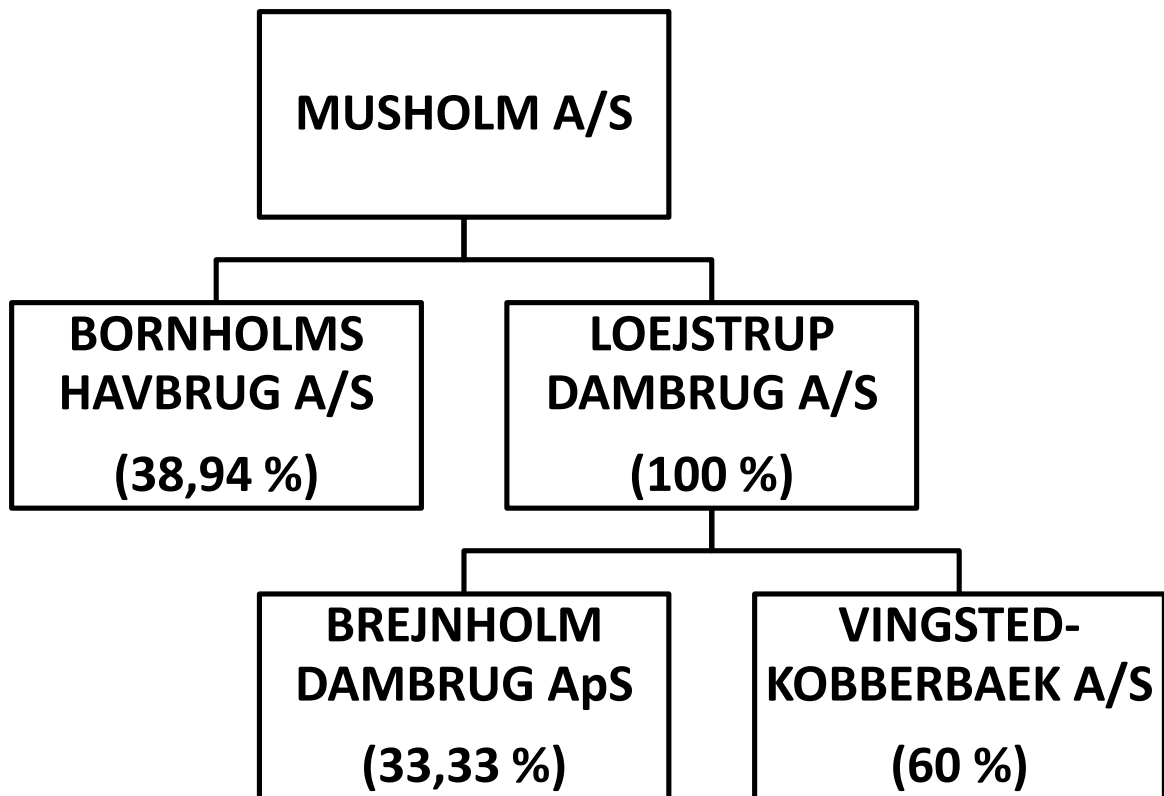
Anders Schelde-Mollerup Funder

State Authorised Public Accountant

## Company data

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|                               |  |
|-------------------------------|--|
| <b>The company</b>            | Musholm A/S<br>Strandvejen 101<br>4281 Goerlev   |
|                               | Phone +45 58 85 90 07  |
|                               | Company reg. no. 17 89 59 07   |
|                               | Financial year: 1 April - 31 March<br>33rd financial year  |
| <b>Board of directors</b>     | Michael Budtz, Chairman<br>Niels Ebbe Dalsgaard<br>Koichi Okamura<br>Jacob Stenholm Jensen       |
| <b>Managing Director</b>      | Niels Ebbe Dalsgaard, CEO  |
| <b>Auditors</b>               | Redmark, Statsautoriseret Revisionspartnerselskab<br>Dirch Passers Allé 76<br>2000 Frederiksberg |
| <b>Bank</b>                   | Spar Nord Bank A/S, Slotsvolden 7, 4300 Holbaek  |
| <b>Lawyer</b>                 | Kromann Reumert Advokatfirma, Sundkrogsgade 5, 2100<br>Copenhagen                                |
| <b>Subsidiaries</b>           | Loejstrup Dambrug A/S, Goerlev<br>Vingsted-Kobberbaek A/S, Bredsten                              |
| <b>Associated enterprises</b> | Brejnholm Dambrug ApS, Toerring<br>Bornholms Havbrug A/S, Nexoe                                  |





## Consolidated financial highlights

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| DKK in thousands.                     | <u>2016/17</u> | <u>2015/16</u> | <u>2014/15</u> | <u>2013/14</u> | <u>2012/13</u> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Profit and loss account:</b>       |                |                |                |                |                |
| Net turnover                          | 256.529        | 216.169        | 204.953        | 244.587        | 200.413        |
| Results from operating activities     | 22.089         | 5.435          | 7.515          | 16.322         | 7.619          |
| Net financials                        | -1.605         | -2.476         | -2.756         | -1.977         | -1.979         |
| Results for the year                  | 16.024         | 2.236          | 3.430          | 11.466         | 4.315          |
| <b>Balance sheet:</b>                 |                |                |                |                |                |
| Balance sheet sum                     | 108.558        | 97.530         | 108.457        | 93.546         | 81.574         |
| Investments in tangible fixed assets  | 16.906         | 9.933          | 10.821         | 12.827         | 7.641          |
| Equity                                | 62.313         | 46.087         | 43.851         | 40.421         | 28.954         |
| <b>Cash flow:</b>                     |                |                |                |                |                |
| Operating activities                  | 24.858         | 23.098         | -1.325         | 10.693         | 10.238         |
| Investment activities                 | -17.129        | -11.610        | -9.489         | -11.668        | -7.693         |
| Financing activities                  | -3.662         | -11.364        | 10.908         | 162            | -2.997         |
| Cash flow in total                    | 4.067          | 124            | 94             | -813           | -452           |
| <b>Employees:</b>                     |                |                |                |                |                |
| Average number of full time employees | 45             | 47             | 46             | 43             | 40             |
| <b>Key figures in %:</b>              |                |                |                |                |                |
| Gross margin                          | 14,6           | 9,3            | 9,4            | 12,3           | 10,0           |
| Profit margin                         | 8,6            | 2,5            | 3,7            | 6,7            | 3,8            |
| Solvency ratio                        | 57,2           | 47,3           | 40,4           | 43,2           | 35,5           |
| Return on equity                      | 29,6           | 9,7            | 8,1            | 33,1           | 16,1           |

\*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.

## Financial highlights for the parent company

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| DKK in thousands.                     | <u>2016/17</u> | <u>2015/16</u> | <u>2014/15</u> | <u>2013/14</u> | <u>2012/13</u> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Profit and loss account:</b>       |                |                |                |                |                |
| Net turnover                          | 255.735        | 215.702        | 204.122        | 243.888        | 200.372        |
| Results from operating activities     | 21.092         | 4.036          | 6.208          | 15.153         | 6.238          |
| Net financials                        | -684           | -1.206         | -1.548         | -754           | -649           |
| Results for the year                  | 15.998         | 2.236          | 3.430          | 11.466         | 4.315          |
| <b>Balance sheet:</b>                 |                |                |                |                |                |
| Balance sheet sum                     | 99.950         | 87.465         | 94.523         | 82.209         | 73.308         |
| Investments in tangible fixed assets  | 6.457          | 5.887          | 10.035         | 11.294         | 6.498          |
| Equity                                | 62.085         | 46.087         | 43.851         | 40.421         | 28.955         |
| <b>Employees:</b>                     |                |                |                |                |                |
| Average number of full time employees | 37             | 39             | 41             | 39             | 37             |
| <b>Key figures in %:</b>              |                |                |                |                |                |
| Gross margin                          | 13,4           | 7,9            | 7,9            | 11,2           | 8,6            |
| Profit margin                         | 8,2            | 1,9            | 3,0            | 6,2            | 3,1            |
| Solvency ratio                        | 62,1           | 52,7           | 46,4           | 49,2           | 39,5           |
| Return on equity                      | 29,6           | 5,0            | 8,1            | 33,1           | 16,1           |

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

$$\text{Gross margin} = \frac{\text{Gross results} \times 100}{\text{Net turnover}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Net turnover}}$$

$$\text{Return on equity} = \frac{\text{*Results} \times 100}{\text{Average equity exclusive of minority interests}}$$

**\*Results** Results for the year with deduction of minority interests' share of same

## Management's review

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### The principal activities of the group

Musholm A/S is an aquaculture company - farming, processing and selling trout and trout roe. The aquaculture activities are carried out at smolt stations in Jutland and sea farms in the Great Belt. The processing activities are taking place at factories in Reersoe and Korsoer.

Furthermore, the company is trading fish products from other Danish and foreign producers. Approx. 88% of the annual turnover came from export sales primarily to markets in Western and Eastern Europe and Southeast Asia.

### Development in activities and financial matters

#### Musholm A/S

The production of trout on the sea farms – from start in April, feeding and growth until the harvest from October was less than expected due to very high water temperatures in the late summer.

The global market for salmon and roe was characterized by very high prices and strong demand through the whole year. The turnover was approx. 19% higher than the year before.

A positive annual result for the Musholm group of approx. 16 mill. dkk after tax was realized, which must be characterized as very satisfactory.

The company group has realized a better result than outlined in the annual report for 2015/2016. Musholm continues the process of completing the environmental certification of new sea farms and smolt stations.

#### Loejstrup Dambrug A/S

The production of trout on the smolt stations was negatively affected by the warm summer. Loejstrup Dambrug A/S is a subsidiary company of Musholm A/S and produces mainly trout eggs, juveniles and smolt to the mother company on several hatcheries and smolt stations. Loejstrup Dambrug A/S has realized a result of approx. 0,2 mill.dkk after tax which must be characterized as satisfactory.

### General risks

The company group's risks can generally be divided into 4 categories that relate to aquaculture, processing, commercial and political conditions.

#### Aquaculture

Aquaculture with farming of trout at hatchery, smolt stations and sea farm contains varying risks. Among the most significant challenges are disease, extreme weather conditions, breakdown of machinery, natural flora and fauna, biological conditions (growth, genetics, breeding, feed quality) and physical damages. These risks are all fundamental conditions in aquaculture and prevention of them are a part of the daily operations. Damages and losses can be partly covered by insurance agreements.

## Management's review

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### Processing

Processing involves risks related to quality at the same level as other food producers. To cover these risks work is being done with food safety, traceability and HACCP-procedures in the processing and the risks can to some extent be covered with insurances for product responsibility.

### Commercial risks

Exports sales of trout and roe is, among other things, challenged by debtor – and currency risks, technical trade barriers, price dumping of salmon and trout from foreign producers and changing international market conditions. Debtors can be credit insured and currency positions can be hedged with forward exchange transactions.

### Political risks

Political risks include the especially restrictive Danish environmental regulations, which increase the cost level and limit the possibilities for development compared with competing producers in Europe, protectionism on foreign markets and negative media campaigns about salmon and aquaculture.

### The expected development

#### Musholm A/S

A positive result is expected for the coming production year 2017/2018 with good demand for sea farmed trout and an improvement in the market situation for trout roe.

#### Loejstrup Dambrug A/S

A positive result is expected for the coming production year 2017/2018.

### Events subsequent to the financial year

No events materially affecting the assessment of the Annual report have occurred after the balance sheet day.

## **Accounting policies used**

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The annual report for Musholm A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

### **Annual reassessment of residual values of tangible assets**

Going forward the residual values of tangible assets will be subject to an annual reassessment. Previously, the estimated residual value was established at the time of commencement of use of the asset, and could only in exceptional circumstances be changed. The change is made in accordance with the transitional clause section 4 and has only prospectively effect as a change in accounting estimate and has no effect on equity.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

## Accounting policies used

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Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

### **The consolidated annual accounts**

The consolidated annual accounts comprise the parent company Musholm A/S and those group enterprises of which Musholm A/S directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

### **Minority interests**

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

## The profit and loss account

### **Net turnover**

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

### **Cost of sales**

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

## **Accounting policies used**

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### **Other operating income/costs**

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.

### **Other external costs**

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### **Net financials**

Financial income and expenses include interest as well as realised and unrealised foreign exchange adjustments on receivables and liabilities. Net financials are recognised with the amounts concerning the financial year.

### **Results from equity investments in group enterprises and associated enterprises**

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual associated enterprises are recognised in the profit and loss account at a proportional share of the associated enterprises' results after tax.

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The parent enterprise and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent enterprise acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

## Accounting policies used

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The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### The balance sheet

#### Intangible fixed assets

##### Farming licenses and rights

Farming licenses and rights are measured at cost with deduction of accrued amortisation. Farming licenses and rights are amortised on a straight-line basis over 20 years.

Farming licenses and rights are without any time limit and depreciation is therefore according to maximum of useful life.

##### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

|  |            |
|--|------------|
| Buildings  | 20 years   |
| Production equipment                                   | 10 years   |
| Production facilities                                  | 5-10 years |
| Other plants, operating assets, fixtures and furniture | 5 years    |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.



## **Accounting policies used**

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Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

### **Leasing contracts**

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

### **Decoration of rented premises**

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

### **Financial fixed assets**

#### **Equity investments in group enterprises and associated enterprises**

Equity investments in group enterprises and associated enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition.

### **Inventories**

Raw materials and auxiliaries are measured at cost.

Works in progress and manufactured goods are measured at cost comprising costs of raw materials and auxiliaries with the addition of production costs as well as other costs that can directly or indirectly be attributed to the produced goods.

Trade goods are measured at cost or net realization value if this is lower.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

## Accounting policies used

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### Available funds

Available funds comprise cash at bank and in hand.

### Equity

#### Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Musholm A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Musholm A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### Other provisions

Provisions comprise expected costs for restructuring, group enterprise etc. Provisions are recognised when the group has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the group.

### Liabilities

Financial liabilities are recognised at the borrowing proceeds received less incurred transaction costs. In subsequent periods, financial liabilities are measured at amortized cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

## **Accounting policies used**

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### **Loans in foreign currencies**

Loans in foreign currencies are recognised in the balance sheet at the exchange rate of the day of transaction, to the extent there has been no hedging.

### **The cash flow statement**

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

### **Cash flow from operating activities**

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

### **Cash flow from investment activities**

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

### **Cash flow from financing activities**

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

## Profit and loss account 1 April - 31 March

DKK in thousands.

| Note  | Group         |               | Parent enterprise |               |
|---|---------------|---------------|-------------------|---------------|
|   | 2016/17       | 2015/16       | 2016/17           | 2015/16       |
| 1   | 256.529       | 216.169       | 255.735           | 215.702       |
| Change in inventories of finished goods and work in progress                              | 656           | 1.422         | -3.972            | 3.441         |
| Other operating costs   | -100          | 0             | -75               | 0             |
| Raw materials and consumables used  | -215.438      | -193.952      | -214.183          | -199.333      |
| Other external costs  | -4.140        | -3.492        | -3.242            | -2.858        |
| <b>Gross results</b>  | <b>37.507</b> | <b>20.147</b> | <b>34.263</b>     | <b>16.952</b> |
| 2   | -7.534        | -6.883        | -7.052            | -6.759        |
| Depreciation, amortisation and writedown relating to tangible and intangible fixed assets | -7.884        | -7.829        | -6.119            | -6.157        |
| <b>Operating profit</b>   | <b>22.089</b> | <b>5.435</b>  | <b>21.092</b>     | <b>4.036</b>  |
| Income from equity investments in group enterprises                                       | 0             | 0             | 354               | 963           |
| Income from equity investments in associated enterprises                                  | 325           | -292          | 160               | -790          |
| Other financial income from group enterprises   | 0             | 0             | 254               | 294           |
| Other financial income  | 17            | 44            | 17                | 44            |
| 3   | -1.947        | -2.228        | -1.469            | -1.717        |
| <b>Results before tax</b>   | <b>20.484</b> | <b>2.959</b>  | <b>20.408</b>     | <b>2.830</b>  |
| 4   | -4.460        | -723          | -4.410            | -594          |
| <b>5 Results for the year</b>   | <b>16.024</b> | <b>2.236</b>  | <b>15.998</b>     | <b>2.236</b>  |
| The group results are presented as follows:   |               |               |                   |               |
| Shareholders in Musholm A/S   | 15.998        | 2.236         |                   |               |
| Minority interests  | 26            | 0             |                   |               |
|   | <b>16.024</b> | <b>2.236</b>  |                   |               |

## Balance sheet 31 March

DKK in thousands.

| <u>Note</u>                  | Group         |               | Parent enterprise |               |
|------------------------------|---------------|---------------|-------------------|---------------|
|                              | <u>2017</u>   | <u>2016</u>   | <u>2017</u>       | <u>2016</u>   |
| <b>Assets</b>                |               |               |                   |               |
| <b>Fixed assets</b>          |               |               |                   |               |
| 6                            | 4.095         | 4.489         | 858               | 1.076         |
|                              |               |               |                   |               |
|                              | 4.095         | 4.489         | 858               | 1.076         |
| 7                            | 5.758         | 5.677         | 1.958             | 2.179         |
| 8                            | 31.857        | 31.530        | 26.491            | 25.463        |
| 9                            | 5.297         | 5.137         | 1.048             | 1.360         |
| 10                           | 8.820         | 90            | 0                 | 0             |
| 11                           | 102           | 154           | 102               | 154           |
|                              | 51.834        | 42.588        | 29.599            | 29.156        |
| 12                           | 0             | 0             | 6.625             | 6.271         |
| 13                           | 1.977         | 1.863         | 0                 | 0             |
|                              | 1.977         | 1.863         | 6.625             | 6.271         |
| <b>Fixed assets in total</b> | <b>57.906</b> | <b>48.940</b> | <b>37.082</b>     | <b>36.503</b> |

## Balance sheet 31 March

DKK in thousands.

| <b>Assets</b>         |  | Group          |               | Parent enterprise |               |
|-----------------------|--|----------------|---------------|-------------------|---------------|
|                       |  | 2017           | 2016          | 2017              | 2016          |
| <u>Note</u>           |  |                |               |                   |               |
| <b>Current assets</b> |  |                |               |                   |               |
| 14                    | Inventory                              | 35.155         | 38.129        | 16.156            | 24.044        |
|                       | Inventories in total                   | 35.155         | 38.129        | 16.156            | 24.044        |
|                       | Trade debtors                          | 4.887          | 5.858         | 4.643             | 5.607         |
|                       | Amounts owed by group enterprises      | 0              | 0             | 33.357            | 18.373        |
|                       | Amounts owed by associated enterprises | 610            | 0             | 610               | 0             |
|                       | Receivable corporate tax               | 0              | 595           | 0                 | 595           |
|                       | Other debtors                          | 2.749          | 1.931         | 1.116             | 431           |
| 15                    | Accrued income and deferred expenses   | 2.878          | 1.771         | 2.642             | 1.607         |
|                       | Debtors in total                       | 11.124         | 10.155        | 42.368            | 26.613        |
|                       | Available funds                        | 4.373          | 306           | 4.344             | 305           |
|                       | <b>Current assets in total</b>         | <b>50.652</b>  | <b>48.590</b> | <b>62.868</b>     | <b>50.962</b> |
|                       | <b>Assets in total</b>                 | <b>108.558</b> | <b>97.530</b> | <b>99.950</b>     | <b>87.465</b> |

## Balance sheet 31 March

DKK in thousands.

|                               |   | Group                |                      | Parent enterprise    |                      |
|-------------------------------|---|----------------------|----------------------|----------------------|----------------------|
|                               |   | 2017                 | 2016                 | 2017                 | 2016                 |
| <b>Equity and liabilities</b> |   |                      |                      |                      |                      |
| <u>Note</u>                   |   |                      |                      |                      |                      |
| <b>Equity</b>                 |   |                      |                      |                      |                      |
| 16                            | Contributed capital                                   | 714                  | 714                  | 714                  | 714                  |
|                               | Reserves for net revaluation as per the equity method | 1.749                | 1.096                | 4.994                | 4.481                |
|                               | Results brought forward                               | <u>59.622</u>        | <u>44.277</u>        | <u>56.377</u>        | <u>40.892</u>        |
|                               | Equity before non-controlling interest.               | 62.085               | 46.087               | 62.085               | 46.087               |
|                               | Minority interests                                    | <u>228</u>           | <u>0</u>             | <u>0</u>             | <u>0</u>             |
|                               | <b>Equity in total</b>                                | <b><u>62.313</u></b> | <b><u>46.087</u></b> | <b><u>62.085</u></b> | <b><u>46.087</u></b> |
| <b>Provisions</b>             |   |                      |                      |                      |                      |
| 18                            | Provisions for deferred tax                           | 5.246                | 5.462                | 3.470                | 3.875                |
| 19                            | Other provisions                                      | <u>0</u>             | <u>550</u>           | <u>0</u>             | <u>550</u>           |
|                               | <b>Provisions in total</b>                            | <b><u>5.246</u></b>  | <b><u>6.012</u></b>  | <b><u>3.470</u></b>  | <b><u>4.425</u></b>  |
| <b>Liabilities</b>            |   |                      |                      |                      |                      |
| 20                            | Subordinate loan capital                              | 11.668               | 11.668               | 11.668               | 11.668               |
| 21                            | Mortgage debt   | 5.164                | 5.724                | 3.408                | 3.563                |
| 22                            | Debt certificate                                      | 1.717                | 2.576                | 0                    | 0                    |
| 23                            | Bank debts  | <u>2.856</u>         | <u>4.222</u>         | <u>2.856</u>         | <u>4.222</u>         |
|                               | Long-term liabilities in total                        | <u>21.405</u>        | <u>24.190</u>        | <u>17.932</u>        | <u>19.453</u>        |

## Balance sheet 31 March

DKK in thousands.

### Equity and liabilities

| Note                                     | Group          |               | Parent enterprise |               |
|--|----------------|---------------|-------------------|---------------|
|  | 2017           | 2016          | 2017              | 2016          |
| Short-term part of long-term liabilities | 2.898          | 2.780         | 1.636             | 1.531         |
| Bank debts                               | 1              | 1.249         | 1                 | 616           |
| Trade creditors                          | 9.890          | 14.513        | 7.733             | 13.224        |
| Debt to associated enterprises           | 200            | 200           | 200               | 200           |
| Corporate tax                            | 3.922          | 0             | 3.904             | 0             |
| Tax payables to group enterprises        | 0              | 0             | 158               | 0             |
| Other debts                              | 2.683          | 2.499         | 2.831             | 1.929         |
| Short-term liabilities in total          | 19.594         | 21.241        | 16.463            | 17.500        |
| <b>Liabilities in total</b>              | <b>40.999</b>  | <b>45.431</b> | <b>34.395</b>     | <b>36.953</b> |
| <b>Equity and liabilities in total</b>   | <b>108.558</b> | <b>97.530</b> | <b>99.950</b>     | <b>87.465</b> |

24 Mortgage and securities

25 Contingencies



## Consolidated statement of changes in equity

DKK in thousands.

|  | Contributed<br>capital | Revaluation<br>reserve | Reserves for net<br>revaluation as<br>per the equity<br>method | Results brought<br>forward | Minority<br>interests |
|--|------------------------|------------------------|--|----------------------------|-----------------------|
| Equity 1 April<br>2015                               | 714                    | 1.296                  | 648  | 41.193                     | 0                     |
| Transferred to<br>results brought<br>forward         | 0                      | -1.296                 | 0  | 1.296                      | 0                     |
| Share of results                                     | 0                      | 0                      | 498  | 0                          | 0                     |
| Profit or loss for<br>the year<br>brought<br>forward | 0                      | 0                      | 0  | 1.788                      | 0                     |
| Dividend from<br>associated<br>company               | 0                      | 0                      | -50  | 0                          | 0                     |
| Equity 1 April<br>2016                               | 714                    | 0                      | 1.096  | 44.277                     | 0                     |
| Share of results                                     | 0                      | 0                      | 704  | 0                          | 0                     |
| Profit or loss for<br>the year<br>brought<br>forward | 0                      | 0                      | 0  | 15.345                     | 0                     |
| Dividend from<br>associated<br>company               | 0                      | 0                      | -51  | 0                          | 0                     |
| Minority<br>interests                                | 0                      | 0                      | 0  | 0                          | 228                   |
| <b>Equity 31<br/>March 2017</b>                      | <b>714</b>             | <b>0</b>               | <b>1.749</b>   | <b>59.622</b>              | <b>228</b>            |

## Statement of changes in equity of the parent enterprise

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DKK in thousands.

|   | Contributed<br>capital | Reserves for net<br>revaluation as<br>per the equity<br>method | Results brought<br>forward |
|---|------------------------|--|----------------------------|
|   | <u>          </u>      | <u>          </u>  | <u>          </u>          |
| Equity 1 April 2015                         | 714                    | 4.308  | 38.829                     |
| Share of results                            | 0                      | 173  | 0                          |
| Profit or loss for the year brought forward | <u>0</u>               | <u>0</u>   | <u>2.063</u>               |
| Equity 1 April 2016                         | 714                    | 4.481  | 40.892                     |
| Share of results                            | 0                      | 513  | 0                          |
| Profit or loss for the year brought forward | <u>0</u>               | <u>0</u>   | <u>15.485</u>              |
| <b>Equity 31 March 2017</b>                 | <b><u>714</u></b>      | <b><u>4.994</u></b>  | <b><u>56.377</u></b>       |

## Cash flow statement 1 April - 31 March

DKK in thousands.

| <u>Note</u>   | Group          |                |
|---|----------------|----------------|
|   | <u>2016/17</u> | <u>2015/16</u> |
| Results for the year                                      | 16.024         | 2.236          |
| 26 Adjustments  | 13.949         | 11.028         |
| 27 Change in working capital                              | -2.430         | 12.019         |
| Cash flow from operating activities before net financials | 27.543         | 25.283         |
| Interest received and similar amounts                     | 16             | 43             |
| Interest paid and similar amounts                         | -1.947         | -2.228         |
| Cash flow from ordinary activities                        | 25.612         | 23.098         |
| Corporate tax paid  | -754           | 0              |
| <b>Cash flow from operating activities</b>                | <b>24.858</b>  | <b>23.098</b>  |
| Purchase of intangible fixed assets                       | 0              | -2.165         |
| Sale of intangible fixed assets                           | 0              | 85             |
| Purchase of tangible fixed assets                         | -16.906        | -9.933         |
| Sale of tangible fixed assets                             | 167            | 643            |
| Purchase of financial fixed assets                        | 0              | -240           |
| Other cash flows from investment activities               | -390           | 0              |
| <b>Cash flow from investment activities</b>               | <b>-17.129</b> | <b>-11.610</b> |
| Raising of debts  | 0              | 2.911          |
| Repayments of debt  | -3.915         | -14.325        |
| Dividend paid   | 51             | 50             |
| Available funds   | 0              | 0              |
| Cash in group enterprise - minority (opening)             | 202            | 0              |
| <b>Cash flow from financing activities</b>                | <b>-3.662</b>  | <b>-11.364</b> |
| <b>Changes in available funds</b>                         | <b>4.067</b>   | <b>124</b>     |
| Available funds 1 April 2016                              | 306            | 182            |
| <b>Available funds 31 March 2017</b>                      | <b>4.373</b>   | <b>306</b>     |
| <b>Available funds</b>                                    |                |                |
| Available funds   | 4.373          | 306            |
| <b>Available funds 31 March 2017</b>                      | <b>4.373</b>   | <b>306</b>     |

## Notes

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DKK in thousands.

|   | Group          |                | Parent enterprise |                |
|---|----------------|----------------|-------------------|----------------|
|   | 2016/17        | 2015/16        | 2016/17           | 2015/16        |
| <b>1. Net turnover</b>                                    |                |                |                   |                |
| Denmark   | 30.666         | 33.551         | 29.872            | 33.084         |
| Outside Denmark   | 225.863        | 182.618        | 225.863           | 182.618        |
|   | <b>256.529</b> | <b>216.169</b> | <b>255.735</b>    | <b>215.702</b> |
| <b>2. Staff costs</b>                                     |                |                |                   |                |
| Salaries and wages  | 21.354         | 22.517         | 17.598            | 18.948         |
| Pension costs   | 1.526          | 1.619          | 1.297             | 1.348          |
| Other costs for social security                           | 212            | 229            | 194               | 213            |
| Other staff costs   | 1.343          | 1.665          | 1.041             | 1.477          |
|   | <b>24.435</b>  | <b>26.030</b>  | <b>20.130</b>     | <b>21.986</b>  |
| <b>Total personnel expenses are presented as follows:</b> |                |                |                   |                |
| Raw materials and consumables used                        | 16.901         | 19.147         | 13.078            | 15.227         |
| Staff costs   | 7.534          | 6.883          | 7.052             | 6.759          |
|   | <b>24.435</b>  | <b>26.030</b>  | <b>20.130</b>     | <b>21.986</b>  |
| <br>  |                |                |                   |                |
| Average number of employees                               | 45             | 47             | 37                | 39             |
| <b>3. Other financial costs</b>                           |                |                |                   |                |
| Other financial costs                                     | 1.947          | 2.228          | 1.469             | 1.717          |
|   | <b>1.947</b>   | <b>2.228</b>   | <b>1.469</b>      | <b>1.717</b>   |

## Notes

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DKK in thousands.

|   | Group               |                   | Parent enterprise   |                   |
|---|---------------------|-------------------|---------------------|-------------------|
|   | <u>2016/17</u>      | <u>2015/16</u>    | <u>2016/17</u>      | <u>2015/16</u>    |
| <b>4. Tax on ordinary results</b>               |                     |                   |                     |                   |
| Tax on the results for the year, parent company | 4.717               | 0                 | 4.815               | 0                 |
| Adjustment for the year of deferred tax         | -216                | 723               | -405                | 594               |
| Utilization of tax losses from previous years   | <u>-41</u>          | <u>0</u>          | <u>0</u>            | <u>0</u>          |
|   | <b><u>4.460</u></b> | <b><u>723</u></b> | <b><u>4.410</u></b> | <b><u>594</u></b> |

|   | Parent enterprise    |                     |
|---|----------------------|---------------------|
|   | <u>2016/17</u>       | <u>2015/16</u>      |
| <b>5. Proposed distribution of the results</b>        |                      |                     |
| Reserves for net revaluation as per the equity method | 513                  | 173                 |
| Allocated to results brought forward                  | <u>15.485</u>        | <u>2.063</u>        |
| <b>Distribution in total</b>                          | <b><u>15.998</u></b> | <b><u>2.236</u></b> |

## Notes

DKK in thousands.

|  | Group          |                | Parent enterprise |                |
|--|----------------|----------------|-------------------|----------------|
|  | 31/3 2017      | 31/3 2016      | 31/3 2017         | 31/3 2016      |
| <b>6. Farming licenses and rights</b>                |                |                |                   |                |
| Cost 1 April 2016                                    | 8.463          | 6.398          | 4.948             | 5.048          |
| Additions during the year                            | 0              | 2.165          | 0                 | 0              |
| Disposals during the year                            | 0              | -100           | 0                 | -100           |
| <b>Cost 31 March 2017</b>                            | <b>8.463</b>   | <b>8.463</b>   | <b>4.948</b>      | <b>4.948</b>   |
| Amortisation and<br>writedown 1 April 2016           | -3.974         | -3.691         | -3.872            | -3.669         |
| Amortisation and<br>writedown for the year           | -394           | -298           | -218              | -218           |
| Amortisation and<br>writedown, assets disposed<br>of | 0              | 15             | 0                 | 15             |
| <b>Amortisation and<br/>writedown 31 March 2017</b>  | <b>-4.368</b>  | <b>-3.974</b>  | <b>-4.090</b>     | <b>-3.872</b>  |
| <b>Book value 31 March 2017</b>                      | <b>4.095</b>   | <b>4.489</b>   | <b>858</b>        | <b>1.076</b>   |
| <b>7. Land and property</b>                          |                |                |                   |                |
| Cost 1 April 2016                                    | 19.751         | 18.397         | 14.854            | 14.836         |
| Additions during the year                            | 467            | 1.354          | 0                 | 18             |
| Disposals during the year                            | -35            | 0              | -35               | 0              |
| <b>Cost 31 March 2017</b>                            | <b>20.183</b>  | <b>19.751</b>  | <b>14.819</b>     | <b>14.854</b>  |
| Depreciation and<br>writedown 1 April 2016           | -14.074        | -13.716        | -12.675           | -12.454        |
| Depreciation and<br>writedown for the year           | -386           | -358           | -221              | -221           |
| Depreciation and<br>writedown, assets disposed<br>of | 35             | 0              | 35                | 0              |
| <b>Depreciation and<br/>writedown 31 March 2017</b>  | <b>-14.425</b> | <b>-14.074</b> | <b>-12.861</b>    | <b>-12.675</b> |
| <b>Book value 31 March 2017</b>                      | <b>5.758</b>   | <b>5.677</b>   | <b>1.958</b>      | <b>2.179</b>   |

## Notes

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DKK in thousands.

|  | Group                 |                       | Parent enterprise     |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <u>31/3 2017</u>      | <u>31/3 2016</u>      | <u>31/3 2017</u>      | <u>31/3 2016</u>      |
| <b>8. Production plant and machinery</b>             |                       |                       |                       |                       |
| Cost 1 April 2016                                    | 76.445                | 70.827                | 64.312                | 59.734                |
| Additions during the year                            | 6.206                 | 6.421                 | 6.206                 | 5.381                 |
| Disposals during the year                            | <u>-10.186</u>        | <u>-803</u>           | <u>-10.185</u>        | <u>-803</u>           |
| <b>Cost 31 March 2017</b>                            | <b><u>72.465</u></b>  | <b><u>76.445</u></b>  | <b><u>60.333</u></b>  | <b><u>64.312</u></b>  |
| Revaluation 1 April 2016                             | <u>1.800</u>          | <u>1.800</u>          | <u>0</u>              | <u>0</u>              |
| <b>Revaluation 31 March 2017</b>                     | <b><u>1.800</u></b>   | <b><u>1.800</u></b>   | <b><u>0</u></b>       | <b><u>0</u></b>       |
| Depreciation and<br>writedown 1 April 2016           | -46.715               | -41.215               | -38.849               | -33.998               |
| Depreciation and<br>writedown for the year           | -5.765                | -5.760                | -5.065                | -5.111                |
| Depreciation and<br>writedown, assets disposed<br>of | <u>10.072</u>         | <u>260</u>            | <u>10.072</u>         | <u>260</u>            |
| <b>Depreciation and<br/>writedown 31 March 2017</b>  | <b><u>-42.408</u></b> | <b><u>-46.715</u></b> | <b><u>-33.842</u></b> | <b><u>-38.849</u></b> |
| <b>Book value 31 March 2017</b>                      | <b><u>31.857</u></b>  | <b><u>31.530</u></b>  | <b><u>26.491</u></b>  | <b><u>25.463</u></b>  |

## Notes

DKK in thousands.

|   | Group         |               | Parent enterprise |               |
|---|---------------|---------------|-------------------|---------------|
|   | 31/3 2017     | 31/3 2016     | 31/3 2017         | 31/3 2016     |
| <b>9. Other plants, operating assets, and fixtures and furniture</b>                          |               |               |                   |               |
| Cost 1 April 2016   | 14.857        | 12.977        | 4.621             | 4.321         |
| Additions during the year   | 1.462         | 2.068         | 210               | 488           |
| Disposals during the year   | -1.352        | -188          | -1.107            | -188          |
| <b>Cost 31 March 2017</b>   | <b>14.967</b> | <b>14.857</b> | <b>3.724</b>      | <b>4.621</b>  |
| Amortisation and<br>writedown 1 April 2016  | -9.720        | -8.499        | -3.261            | -2.846        |
| Depreciation and<br>writedown for the year  | -1.249        | -1.309        | -522              | -503          |
| Depreciation and<br>writedown, assets disposed<br>of  | 1.299         | 88            | 1.107             | 88            |
| <b>Amortisation and<br/>writedown 31 March 2017</b>   | <b>-9.670</b> | <b>-9.720</b> | <b>-2.676</b>     | <b>-3.261</b> |
| <b>Book value 31 March 2017</b>   | <b>5.297</b>  | <b>5.137</b>  | <b>1.048</b>      | <b>1.360</b>  |
| <b>10. Tangible assets under<br/>construction and<br/>prepayments for tangible<br/>assets</b> |               |               |                   |               |
| Cost 1 April 2016   | 90            | 0             | 0                 | 0             |
| Additions during the year   | 8.730         | 90            | 0                 | 0             |
| <b>Cost 31 March 2017</b>   | <b>8.820</b>  | <b>90</b>     | <b>0</b>          | <b>0</b>      |
| <b>Book value 31 March 2017</b>   | <b>8.820</b>  | <b>90</b>     | <b>0</b>          | <b>0</b>      |



## Notes

DKK in thousands.

|   | Group       |             | Parent enterprise |             |
|---|-------------|-------------|-------------------|-------------|
|   | 31/3 2017   | 31/3 2016   | 31/3 2017         | 31/3 2016   |
| <b>11. Decoration rented premises</b>           |             |             |                   |             |
| Cost 1 April 2016                               | 519         | 519         | 519               | 519         |
| Additions during the year                       | 41          | 0           | 41                | 0           |
| <b>Cost 31 March 2017</b>                       | <b>560</b>  | <b>519</b>  | <b>560</b>        | <b>519</b>  |
| Depreciation and writedown 1 April 2016         | -365        | -261        | -365              | -261        |
| Depreciation and writedown for the year         | -93         | -104        | -93               | -104        |
| <b>Depreciation and writedown 31 March 2017</b> | <b>-458</b> | <b>-365</b> | <b>-458</b>       | <b>-365</b> |
| <b>Book value 31 March 2017</b>                 | <b>102</b>  | <b>154</b>  | <b>102</b>        | <b>154</b>  |

|  | Parent enterprise |              |
|--|-------------------|--------------|
|  | 31/3 2017         | 31/3 2016    |
| <b>12. Equity investments in group enterprises</b> |                   |              |
| Acquisition sum, opening balance 1 April 2016      | 500               | 500          |
| <b>Cost 31 March 2017</b>                          | <b>500</b>        | <b>500</b>   |
| Revaluations, opening balance 1 April 2016         | 5.771             | 4.808        |
| Results for the year                               | 354               | 963          |
| <b>Revaluation 31 March 2017</b>                   | <b>6.125</b>      | <b>5.771</b> |
| <b>Book value 31 March 2017</b>                    | <b>6.625</b>      | <b>6.271</b> |

### Group enterprises:

|                         | Domicile | Share of ownership |
|-------------------------|----------|--------------------|
| Loejstrup Dambrug A/S   | Goerlev  | 100 %              |
| Vingsted-Kobberbaek A/S | Bredsten | 60 %               |

## Notes

DKK in thousands.

|   | Group         |               | Parent enterprise |                           |
|---|---------------|---------------|-------------------|---------------------------|
|   | 31/3 2017     | 31/3 2016     | 31/3 2017         | 31/3 2016                 |
| <b>13. Equity investments in associated enterprises</b>       |               |               |                   |                           |
| Acquisition sum, opening balance 1 April 2016                 | 1.007         | 767           | 740               | 500                       |
| Additions during the year                                     | 0             | 240           | 0                 | 240                       |
| <b>Cost 31 March 2017</b>                                     | <b>1.007</b>  | <b>1.007</b>  | <b>740</b>        | <b>740</b>                |
| Revaluation, opening balance 1 April 2016                     | 306           | 648           | -1.290            | -500                      |
| Results for the year  | 325           | -292          | 160               | -790                      |
| Dividend  | -51           | -50           | 0                 | 0                         |
| <b>Revaluation 31 March 2017</b>                              | <b>580</b>    | <b>306</b>    | <b>-1.130</b>     | <b>-1.290</b>             |
| Offsetting against debtors                                    | 390           | 0             | 390               | 0                         |
| Transferred to provisions                                     | 0             | 550           | 0                 | 550                       |
| <b>Set off against debtors and provisions for liabilities</b> | <b>390</b>    | <b>550</b>    | <b>390</b>        | <b>550</b>                |
| <b>Book value 31 March 2017</b>                               | <b>1.977</b>  | <b>1.863</b>  | <b>0</b>          | <b>0</b>                  |
| <b>Associated enterprises:</b>                                |               |               |                   |                           |
|   |               |               | <b>Domicile</b>   | <b>Share of ownership</b> |
| Brejnholm Dambrug ApS   |               |               | Toerring          | 33,33 %                   |
| Bornholms Havbrug A/S   |               |               | Nexoe             | 38,94 %                   |
| <b>14. Inventory</b>  |               |               |                   |                           |
| Raw materials and consumables                                 | 26.826        | 26.967        | 8.633             | 13.745                    |
| Indirect production cost concerning fish production           | 3.838         | 2.699         | 3.838             | 2.699                     |
| Produced and purchased trade goods                            | 2.207         | 5.404         | 2.207             | 5.404                     |
| Raw materials   | 2.284         | 3.059         | 1.478             | 2.196                     |
|   | <b>35.155</b> | <b>38.129</b> | <b>16.156</b>     | <b>24.044</b>             |

## Notes

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DKK in thousands.

|   | Group               |                     | Parent enterprise   |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | <u>31/3 2017</u>    | <u>31/3 2016</u>    | <u>31/3 2017</u>    | <u>31/3 2016</u>    |
| <b>15. Accrued income and deferred expenses</b> |                     |                     |                     |                     |
| Other prepayments                               | 623                 | 394                 | 387                 | 230                 |
| Prepaid tax                                     | 255                 | 377                 | 255                 | 377                 |
| Prepayment Brejnholm Dambrug ApS                | 2.000               | 1.000               | 2.000               | 1.000               |
|   | <u><b>2.878</b></u> | <u><b>1.771</b></u> | <u><b>2.642</b></u> | <u><b>1.607</b></u> |

### 16. Contributed capital

|                                  |                   |                   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Contributed capital 1 April 2016 | <u>714</u>        | <u>714</u>        | <u>714</u>        | <u>714</u>        |
|                                  | <u><b>714</b></u> | <u><b>714</b></u> | <u><b>714</b></u> | <u><b>714</b></u> |

The share capital consists of 714,000 shares, each with a nominal value of DKK 1.00. No shares hold particular rights.

### 17. Revaluation reserve

|  |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| Revaluation reserve 1 April 2016       | 0               | 1.296           | 0               | 0               |
| Transferred to results brought forward | <u>0</u>        | <u>-1.296</u>   | <u>0</u>        | <u>0</u>        |
|  | <u><b>0</b></u> | <u><b>0</b></u> | <u><b>0</b></u> | <u><b>0</b></u> |

## Notes

DKK in thousands.

|  | Group               |                     | Parent enterprise   |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 31/3 2017           | 31/3 2016           | 31/3 2017           | 31/3 2016           |
| <b>18. Provisions for deferred tax</b>   |                     |                     |                     |                     |
| Provisions for deferred tax<br>1 April 2016  | 5.462               | 4.739               | 3.875               | 3.281               |
| Deferred tax of the results<br>for the year  | <u>-216</u>         | <u>723</u>          | <u>-405</u>         | <u>594</u>          |
|  | <b><u>5.246</u></b> | <b><u>5.462</u></b> | <b><u>3.470</u></b> | <b><u>3.875</u></b> |
| The following items are<br>subject to deferred tax:  |                     |                     |                     |                     |
| Intangible fixed assets  | 391                 | 367                 | 189                 | 236                 |
| Tangible fixed assets  | 2.751               | 2.712               | 2.245               | 2.198               |
| Current assets   | 2.104               | 2.444               | 1.036               | 1.461               |
| Losses brought forward<br>from previous years  | <u>0</u>            | <u>-61</u>          | <u>0</u>            | <u>-20</u>          |
|  | <b><u>5.246</u></b> | <b><u>5.462</u></b> | <b><u>3.470</u></b> | <b><u>3.875</u></b> |
| <b>19. Other provisions</b>  |                     |                     |                     |                     |
| Provisions for associated<br>enterprises   | <u>0</u>            | <u>550</u>          | <u>0</u>            | <u>550</u>          |
|  | <b><u>0</u></b>     | <b><u>550</u></b>   | <b><u>0</u></b>     | <b><u>550</u></b>   |
| <b>20. Subordinate loan capital</b>  |                     |                     |                     |                     |
| Okamura Trading Co. Ltd. agrees to rank below in priority of any claims of other creditors with TDKK 11.668. The loan has in July 2017 been redeemed and replaced with a bank loan in Mizuho bank. |                     |                     |                     |                     |
| <b>21. Mortgage debt</b>   |                     |                     |                     |                     |
| Mortgage debt in total   | 5.723               | 6.265               | 3.564               | 3.714               |
| Share of amount due<br>within 1 year   | <u>-559</u>         | <u>-541</u>         | <u>-156</u>         | <u>-151</u>         |
|  | <b><u>5.164</u></b> | <b><u>5.724</u></b> | <b><u>3.408</u></b> | <b><u>3.563</u></b> |
| Share of liabilities due after<br>5 years  | <u>3.059</u>        | <u>3.372</u>        | <u>2.728</u>        | <u>2.907</u>        |

## Notes

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DKK in thousands.

|  | Group        |              | Parent enterprise |              |
|--|--------------|--------------|-------------------|--------------|
|  | 31/3 2017    | 31/3 2016    | 31/3 2017         | 31/3 2016    |
| <b>22. Debt certificate</b>            |              |              |                   |              |
| Debt certificate in total              | 2.576        | 3.435        | 0                 | 0            |
| Share of amount due within 1 year      | -859         | -859         | 0                 | 0            |
|  | <u>1.717</u> | <u>2.576</u> | <u>0</u>          | <u>0</u>     |
| Share of liabilities due after 5 years | 0            | 0            | 0                 | 0            |
| <b>23. Bank debts</b>                  |              |              |                   |              |
| Bank debts in total                    | 4.336        | 5.602        | 4.336             | 5.602        |
| Share of amount due within 1 year      | -1.480       | -1.380       | -1.480            | -1.380       |
|  | <u>2.856</u> | <u>4.222</u> | <u>2.856</u>      | <u>4.222</u> |
| Share of liabilities due after 5 years | 2.728        | 2.907        | 2.728             | 2.907        |

## 24. Mortgage and securities

Spar Nord Bank A/S has, as collateral for all debt with the parent company (Musholm A/S), received a letter of indemnity (business mortgages) nom. TDKK 30.000.

Spar Nord Bank A/S has, as collateral for debt concerning the parent company (Musholm A/S), received a letter of indemnity nom. TDKK 5.848 in feeding fleet Niels Bjoern, which under production equipment has a book value of TDKK 2.655.

Spar Nord Bank A/S has, as collateral for debt concerning the parent company (Musholm A/S), received a letter of indemnity nom. TDKK 4.358 in feeding fleet Thor Anton, which under production equipment has a book value of TDKK 303.

Spar Nord Bank A/S has, as collateral for debt concerning the parent company (Musholm A/S), received a mortgage deed nom. TDKK 11.000 with pledge in buildings on cadastre no. 90b Reersoe By, which has a book value of TDKK 1.144.

## Notes

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DKK in thousands.

### **Mortgage and securities (continued)**

Spar Nord Bank A/S has, as collateral for debt concerning the parent company (Musholm A/S), received a letter of indemnity nom. TDKK 4.000 with pledge in leasehold rights in buildings on leased land cadastre no. 90b Reersoe By.

Spar Nord Bank A/S has, as collateral for debt concerning the parent company (Musholm A/S), received a letter of indemnity nom. TDKK 4.000 in working boat Mari, which under production equipment has a book value of TDKK 3.650.

### **Group**

Spar Nord Bank A/S has, as collateral for debt concerning the group, received a letter of indemnity nom. TDKK 6.500 with pledge in cadastre no. 5a Løjstrup Hgd with a book value of TDKK 2.135.

### **Parent company**

As security for mortgage debt is given a pledge in buildings, which has a book value of TDKK 896.

## **25. Contingencies**

### **Contingent liabilities**

The company guarantees for the subsidiary's debt to Spar Nord Bank A/S. As of 31/3 2017 the debt amounts to TDKK 0. The company has also submitted a statement of support towards the subsidiary in terms of making the necessary liquidity available for the implementation of the subsidiary's operating and investing activities so far to the end of March 2018.

### **Operating leases**

The group has entered into operating and rent leases with residual obligations in the period of irrevocability of TDKK 3.180.

### **Joint taxation**

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

## Notes

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DKK in thousands.

• **Contingencies (continued)**

**Joint taxation (continued)**

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

|  | Group                |                      |
|--|----------------------|----------------------|
|  | <u>2016/17</u>       | <u>2015/16</u>       |
| <b>26. Adjustments</b>                                   |                      |                      |
| Depreciation and amortisation                            | 7.884                | 7.829                |
| Income from equity investments in group enterprises      | 0                    | 0                    |
| Income from equity investments in associated enterprises | -325                 | 292                  |
| Other financial income                                   | -17                  | -44                  |
| Other financial costs                                    | 1.947                | 2.228                |
| Tax on ordinary results                                  | 4.460                | 723                  |
|  | <u><b>13.949</b></u> | <u><b>11.028</b></u> |
| <b>27. Change in working capital</b>                     |                      |                      |
| Change in inventories                                    | 2.974                | 10.152               |
| Change in debtors  | -969                 | 4.888                |
| Change in trade creditors and other liabilities          | -4.435               | -3.021               |
|  | <u><b>-2.430</b></u> | <u><b>12.019</b></u> |