

Loejstrup Dambrug A/S

Strandvejen 101, 4281 Goerlev

Company reg. no. 19 39 10 78

Annual report

1 April 2021 - 31 March 2022

The annual report was submitted and approved by the general meeting on the 4 July 2022.

Michael Budtz
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Loejstrup Dambrug A/S for the financial year 1 April 2021 - 31 March 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Goerlev, 4 July 2022

Managing Director

Niels Ebbe Dalsgaard
Managing director

Board of directors

Michael Egede Budtz
Chairman of the board

Niels Ebbe Dalsgaard

Karl Iver Dahl-Madsen

Independent auditor's report

To the Shareholder of Loejstrup Dambrug A/S

Opinion

We have audited the financial statements of Loejstrup Dambrug A/S for the financial year 1 April 2021 - 31 March 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022, and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 4 July 2022

Redmark

Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Anders Schelde-Møllerup Funder

State Authorised Public Accountant
mne30220

Company information

The company	Loejstrup Dambrug A/S Strandvejen 101 4281 Goerlev
	Phone 58 85 90 07
	Company reg. no. 19 39 10 78
	Financial year: 1 April 2021 - 31 March 2022
Board of directors	Michael Egede Budtz, Chairman of the board Niels Ebbe Dalsgaard Karl Iver Dahl-Madsen
Managing Director	Niels Ebbe Dalsgaard, Managing director
Auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Spar Nord Bank A/S
Lawyer	Kromann Reumert
Parent company	Musholm A/S
Participating interests	Brejnholm Dambrug ApS, Toerring Vingsted-Kobberbaek A/S, Bredsten

Management's review

The principal activities of the company

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.

Development in activities and financial matters

The gross profit for the year totals DKK 12.514.454 against DKK 10.584.664 last year. The production was satisfactory. Loejstrup Dambrug A/S has realized a positive result of 0.1 mill. dkk after tax which must be characterized as satisfactory.

Financial risks and the use of financial instruments

The company group's risks can generally be divided into 2 categories that relate to aquaculture and political conditions.

Aquaculture with farming of trout at hatcheries, landbased fish farms and sea farms 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.

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, political stability on foreign markets, media campaigns and misinformation about trout and aquaculture.

Expected developments

A positive result is expected for the coming production year 2022/2023.

Events occurring after the end of the financial year

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

Income statement 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
Gross profit	12.514.454	10.584.664
1 Staff costs	-6.152.760	-5.552.401
Depreciation, amortisation, and impairment	-4.954.062	-4.700.963
Operating profit	1.407.632	331.300
Income from investments in participating interest	379.483	209.645
Other financial income from group enterprises	0	8.438
Other financial income	27.323	40.065
Profit/loss on sale of financial assets	0	-15.111
2 Other financial costs	-1.829.965	-1.079.438
Pre-tax net profit or loss	-15.527	-505.101
3 Tax on net profit or loss for the year	92.591	126.223
Net profit or loss for the year	77.064	-378.878
 Proposed appropriation of net profit:		
Reserves for net revaluation according to the equity method	379.483	-90.355
Allocated from retained earnings	-302.419	-288.523
Total allocations and transfers	77.064	-378.878

Balance sheet at 31 March

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
4 Farming licenses and rights	3.013.533	2.937.444
Total intangible assets	<u>3.013.533</u>	<u>2.937.444</u>
5 Property	20.321.784	14.880.722
6 Plant and machinery	31.794.245	34.770.682
7 Other fixtures and fittings, tools and equipment	1.076.486	706.113
8 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	419.092	1.820.569
Total property, plant, and equipment	<u>53.611.607</u>	<u>52.178.086</u>
9 Investments in participating interests	3.685.174	3.505.691
Total investments	<u>3.685.174</u>	<u>3.505.691</u>
Total non-current assets	<u>60.310.314</u>	<u>58.621.221</u>
Current assets		
Raw materials and consumables	457.292	747.116
Biological assets	39.469.120	29.355.854
Total inventories	<u>39.926.412</u>	<u>30.102.970</u>
Trade receivables	898.200	364.140
Receivables from participating interests	0	1.502.095
Income tax receivables	664.950	596.794
Other receivables	2.812.154	3.079.903
Prepayments and accrued income	96.850	116.879
Total receivables	<u>4.472.154</u>	<u>5.659.811</u>
Cash on hand and demand deposits	0	284.103
Total current assets	<u>44.398.566</u>	<u>36.046.884</u>
Total assets	<u>104.708.880</u>	<u>94.668.105</u>

Balance sheet at 31 March

All amounts in DKK.

Equity and liabilities	<u>2022</u>	<u>2021</u>
<u>Note</u>		
Equity		
Contributed capital	500.000	500.000
Reserve for net revaluation according to the equity method	2.703.213	2.523.730
Retained earnings	5.100.879	5.203.298
Total equity	<u>8.304.092</u>	<u>8.227.028</u>
Provisions		
Provisions for deferred tax	4.609.845	4.037.486
Total provisions	<u>4.609.845</u>	<u>4.037.486</u>
Liabilities other than provisions		
Mortgage loans	6.436.776	7.039.943
Other mortgage loans	3.615.606	4.631.187
Bank debts	2.392.500	0
Lease liabilities	1.253.063	1.390.821
Other debts	411.890	455.243
10 Total long term liabilities other than provisions	<u>14.109.835</u>	<u>13.517.194</u>
10 Current portion of long term payables	2.127.377	2.048.060
Bank debts	3.674.790	0
Trade payables	3.971.139	3.122.873
11 Payables to group enterprises	67.282.053	63.090.184
Other payables	629.749	625.280
Total short term liabilities other than provisions	<u>77.685.108</u>	<u>68.886.397</u>
Total liabilities other than provisions	<u>91.794.943</u>	<u>82.403.591</u>
Total equity and liabilities	<u>104.708.880</u>	<u>94.668.105</u>
12 Charges and security		
13 Contingencies		
14 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity 1 April 2021	500.000	2.523.730	5.203.298	8.227.028
Share of results	0	379.483	-302.419	77.064
Dividend from participating interests	0	-200.000	200.000	0
	<u>500.000</u>	<u>2.703.213</u>	<u>5.100.879</u>	<u>8.304.092</u>

Notes

All amounts in DKK.

	<u>2021/22</u>	<u>2020/21</u>
1. Staff costs		
Salaries and wages	5.557.532	5.000.697
Pension costs	427.030	383.145
Other costs for social security	168.198	168.559
	<u>6.152.760</u>	<u>5.552.401</u>
Average number of employees	<u>11</u>	<u>10</u>
2. Other financial costs		
Financial costs, group enterprises	1.132.748	467.731
Other financial costs	697.217	611.707
	<u>1.829.965</u>	<u>1.079.438</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year	-664.950	-596.794
Adjustment for the year of deferred tax	572.359	470.571
	<u>-92.591</u>	<u>-126.223</u>
	<u>31/3 2022</u>	<u>31/3 2021</u>
4. Farming licenses and rights		
Cost 1 April 2021	3.934.855	3.724.927
Additions during the year	272.832	209.928
Cost 31 March 2022	<u>4.207.687</u>	<u>3.934.855</u>
Amortisation and writedown 1 April 2021	-997.411	-805.917
Amortisation for the year	-196.743	-191.494
Amortisation and writedown 31 March 2022	<u>-1.194.154</u>	<u>-997.411</u>
Carrying amount, 31 March 2022	<u>3.013.533</u>	<u>2.937.444</u>

Notes

All amounts in DKK.

	<u>31/3 2022</u>	<u>31/3 2021</u>
5. Property		
Cost 1 April 2021	17.893.740	16.271.574
Additions during the year	4.341.766	1.622.166
Transfers	1.636.869	0
Cost 31 March 2022	<u>23.872.375</u>	<u>17.893.740</u>
Depreciation and writedown 1 April 2021	-3.013.018	-2.516.815
Depreciation for the year	-537.573	-496.203
Depreciation and writedown 31 March 2022	<u>-3.550.591</u>	<u>-3.013.018</u>
Carrying amount, 31 March 2022	<u>20.321.784</u>	<u>14.880.722</u>
6. Plant and machinery		
Cost 1 April 2021	56.981.943	52.486.095
Additions during the year	920.169	6.521.051
Disposals during the year	-13.596	-2.025.203
Cost 31 March 2022	<u>57.888.516</u>	<u>56.981.943</u>
Revaluation 1 April 2021	1.800.000	1.800.000
Revaluation 31 March 2022	<u>1.800.000</u>	<u>1.800.000</u>
Depreciation and writedown 1 April 2021	-24.011.261	-20.506.684
Depreciation for the year	-3.893.094	-3.682.333
Reversal of depreciation, amortisation and writedown, assets disposed of	10.084	177.756
Depreciation and writedown 31 March 2022	<u>-27.894.271</u>	<u>-24.011.261</u>
Carrying amount, 31 March 2022	<u>31.794.245</u>	<u>34.770.682</u>
Right of use assets (financial leases) depreciation for the year	237.461	301.652
Right of use assets (financial leases) are recognised at a carrying amount of	1.409.275	1.541.032

Notes

All amounts in DKK.

	<u>31/3 2022</u>	<u>31/3 2021</u>
7. Other fixtures and fittings, tools and equipment		
Cost 1 April 2021	3.171.532	2.944.032
Additions during the year	<u>697.025</u>	<u>227.500</u>
Cost 31 March 2022	<u>3.868.557</u>	<u>3.171.532</u>
Depreciation and writedown 1 April 2021	-2.465.419	-2.134.486
Depreciation for the year	<u>-326.652</u>	<u>-330.933</u>
Depreciation and writedown 31 March 2022	<u>-2.792.071</u>	<u>-2.465.419</u>
Carrying amount, 31 March 2022	<u>1.076.486</u>	<u>706.113</u>
8. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment		
Cost 1 April 2021	1.820.569	1.682.460
Additions during the year	235.392	1.636.869
Disposals during the year	0	-1.498.760
Transfers	<u>-1.636.869</u>	<u>0</u>
Cost 31 March 2022	<u>419.092</u>	<u>1.820.569</u>
Carrying amount, 31 March 2022	<u>419.092</u>	<u>1.820.569</u>

Notes

All amounts in DKK.

	<u>31/3 2022</u>	<u>31/3 2021</u>
9. Investments in participating interests		
Cost 1 April 2021	981.961	266.850
Additions during the year	<u>0</u>	<u>715.111</u>
Cost 31 March 2022	<u>981.961</u>	<u>981.961</u>
Revaluations, opening balance 1 April 2021	2.523.730	2.638.796
Net profit or loss for the year	379.483	184.934
Dividend	<u>-200.000</u>	<u>-300.000</u>
Revaluation 31 March 2022	<u>2.703.213</u>	<u>2.523.730</u>
Carrying amount, 31 March 2022	<u>3.685.174</u>	<u>3.505.691</u>
Participating interests:		
	Domicile	Equity interest
Brejnholm Dambrug ApS	Toerring	33,33 %
Vingsted-Kobberbaek A/S	Bredsten	30 %

10. Liabilities other than provision

	<u>Total payables 31 Mar 2022</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Mar 2022</u>	<u>Outstanding payables after 5 years</u>
Mortgage loans	7.039.943	603.167	6.436.776	4.201.263
Other mortgage loans	4.631.187	1.015.581	3.615.606	1.037.009
Bank debts	2.682.500	290.000	2.392.500	1.232.500
Lease liabilities	1.471.692	218.629	1.253.063	526.596
Other debts	<u>411.890</u>	<u>0</u>	<u>411.890</u>	<u>411.890</u>
	<u>16.237.212</u>	<u>2.127.377</u>	<u>14.109.835</u>	<u>7.409.258</u>

Notes

All amounts in DKK.

	<u>31/3 2022</u>	<u>31/3 2021</u>
11. Payables to group enterprises		
Intercompany account with Musholm A/S	<u>67.282.053</u>	<u>63.090.184</u>
	<u>67.282.053</u>	<u>63.090.184</u>

12. Charges and security

As collateral for mortgage loans security has been granted on property, plant and machinery representing a carrying amount of TDKK 18.152 at 31 March 2022.

Spar Nord Bank A/S has as security for debt received letter of indemnity nom. TDKK 6.500 secured by property registration number 5a Loejstrup HGD which represent a book value of TDKK 2.356 at 31 March 2022.

Spar Nord Bank A/S has a security for debt received letter of indemnity nom. TDKK 3.435 secured by property registration number 1 in Tostrup By which represent a book value of TDKK 7.586 at 31 March 2022.

Spar Nord Bank A/S has a security for debt received letter of indemnity nom. TDKK 1.200 secured by property registration number 38h Sdr. Rind By which represent a book value of TDKK 1.869 at 31 March 2022.

Spar Nord Bank A/S has a security for debt received letter of indemnity nom. TDKK 1.000 secured by property registration number 7o Fogstrup By which represent a book value of TDKK 3.790 at 31 March 2022.

Loejstrup Dambrug A/S has provided suretyship for Musholm A/S in respect of all accounts with Spar Nord Bank A/S.

13. Contingencies

Joint taxation

With Musholm A/S, company reg. no 17895907 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

Notes

All amounts in DKK.

13. Contingencies (continued)

Joint taxation (continued)

The total tax payable under the joint taxation scheme is shown in the annual report for the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

14. Related parties

Controlling interest

Musholm A/S

Majority shareholder

Strandvejen 101

4281 Goerlev

Denmark

Consolidated financial statements

The company is included in the consolidated financial statements of Musholm A/S, Strandvejen 101, Goerlev, Denmark.

Accounting policies

The annual report for Loejstrup Dambrug A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Accounting policies

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the individual participating interests are recognised in the income statement as a proportional share of the participating interest' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

Accounting policies

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

Statement of financial position

Intangible assets

Farming licences and rights

Licenses are measured at cost with deduction of accrued amortisation and are amortised over the contract period, however, for a maximum of 20 years.

Profit and loss from the sale of licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

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

Accounting policies

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	20 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	5-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Right-of-use assets

The enterprise will be applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Accounting policies

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000. (low-value assets)

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Participating interest

Participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner company with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

To the extent the equity exceeds the cost, the net revaluation of participating interest transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in participating interest.

Accounting policies

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Inventories

Inventories (raw materials and consumables) are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Biological assets (biomass)

IAS 41 requires biomass to be accounted for at the estimated fair value net of sales costs.

Biological assets are trouts produced on land in fresh water.

Historical cost is deemed a reasonable approach to fair value, as there is little biological transformation. This assessment must be seen in the light of the fact that smolts are currently released to sea at a stage, when their weight is still relatively low.

Estimated future costs are based on the Group's prognoses per locality. Cost comprises mainly feed- and production costs.

In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Accounting policies

According to the rules of joint taxation, Loejstrup Dambrug A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.