

Royal Danish Fish A/S

Nordre Strandvej 60, 7730 Hanstholm

Company reg. no. 25 18 84 89

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 28 June 2023.

Mads Balsby Wilkens
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Royal Danish Fish A/S for the financial year 1 January - 31 December 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 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 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.

Hanstholm, 28 June 2023

Managing Director

Mogens Mathiasen

Board of directors

Mads Balby Wilkens

Jens Jørgen Kollerup

Mogens Mathiasen

Independent auditor's report

To the Shareholders of Royal Danish Fish A/S

Opinion

We have audited the financial statements of Royal Danish Fish A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 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.

Hanstholm, 28 June 2023

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Lennart Mouritzen

State Authorised Public Accountant
mne33195

Company information

The company

Royal Danish Fish A/S
Nordre Strandvej 60
7730 Hanstholm

Phone 96 55 07 00
Web site www.royaldanishfish.com
E mail info@royaldanishfish.com

Company reg. no. 25 18 84 89
Established: 14 January 2000
Domicile: Thisted
Financial year: 1 January - 31 December

Board of directors

Mads Balby Wilkens
Jens Jørgen Kollerup
Mogens Mathiasen

Managing Director

Mogens Mathiasen

Auditors

RSM Danmark Statsautoriseret Revisionspartnerselskab
Bytorvet 34
7730 Hanstholm

Parent company

Royal Danish Fish Group A/S

Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:					
Gross profit	11.410	6.202	1.226	2.921	9.765
Profit from operating activities	8.211	3.357	-624	1.083	7.931
Net financials	-413	-681	-1.319	-858	374
Net profit or loss for the year	6.522	2.097	-1.523	177	6.469
Statement of financial position:					
Balance sheet total	44.162	53.280	76.642	74.983	72.258
Investments in property, plant and equipment	3.952	1.784	1.193	306	920
Equity	29.592	33.012	30.828	32.229	31.920
Employees:					
Average number of full-time employees	9	11	12	12	12
Key figures in %:					
Acid test ratio	580,9	584,1	237,5	203,0	187,1
Solvency ratio	67,0	62,0	40,2	43,0	44,2
Return on equity	20,8	6,6	-4,8	0,6	18,2

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management's review

Description of key activities of the company

Like previous years, the main activities consist of raising fish which is sold to smokehouses and fishmongers in Europe as well as the company's own webshop www.alogco.dk.

In May 2011, Royal Danish Fish A/S was the first ever company in the world to be certified with the Sustainable Eel Standard by the independent MacAlister Elliot and Partners Ltd. in England. This is an important seal of approval for the company's many years of efforts to rebuild the population of the European eel - i.a. by letting out approx. 2 million eels in the wild yearly in several European countries and at the same time have the world's most environmentally friendly aquaculture facilities.

Uncertainties connected with recognition or measurement

Apart from a focus on assessing the value of the company's biomass there has been no significant uncertainty or unusual circumstances that have affected the recognition or measurement.

Development in activities and financial matters

The gross profit for the year totals DKK'000 11.410 and income from ordinary activities after tax totals DKK'000 6.522. Management considers the net profit for the year satisfactory.

The total equity amounts to DKK'000 29.592.

Financial risks and the use of financial instruments

The main activity consist of raising fish whereby diseases in the herd are a significant operational risk. This risk has been countered by the entire herd being insured for an amount that exceeds the book value.

Environmental issues

At the end for 2002, the company's environmental approval from Viborg/Thisted Municipality for abstraction and extraction of water was extended indefinitely. It is the company's goal to always be the breeding facility in the world with least possible environmental impact on the surrounding nature.

Knowledge resources

The company's expertise is aquaculture production in recirculated facilities with the best possible quality of fish and at the samt time the greatest possible consideration for the surrounding nature. This knowledge and experience is built up throughout the organization through continuous education of all employess.

Expected developments

The management expects an unchanged level of activity and results in the coming year.

Global Compact

Royal Danish Fish A/S and associated subsidiaries have entered into an agreement with the UN on the Global Compact and henceforth, the group will report separately on the their efforts regarding human rights, employee relations, the environment and anti-corruption.

Management's review

Events occurring after the end of the financial year

No events have occurred after the balance sheet date to this date which would significantly influence the evaluation of this annual report.

Accounting policies

The annual report for Royal Danish Fish 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, write-downs 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.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they are measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Income statement

Gross profit

Gross profit comprises revenue, production costs, and other operating income.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct and indirect manufacturing costs are recognised, including costs for raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation on production facilities, with adjustments for changes in finished goods inventories and work in progress.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Accounting policies

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise.

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.

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.

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

Property, plant, and equipment

Land and buildings is measured at cost plus revaluations and less accrued depreciation and write-down for impairment.

Land and buildings 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.

Accounting policies

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down 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.

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	10-20 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 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 under depreciation.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

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

Accounting policies

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

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

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

Inventories

Inventories 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.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Accounting policies

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

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 "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Royal Danish Fish A/S is proportionally 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.

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

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Accounting policies

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

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	11.409.501	6.202.005
Distribution costs	-740.702	-154.144
Administration expenses	-2.457.389	-2.472.349
Other operating expenses	0	-218.046
Operating profit	8.211.410	3.357.466
Other financial income from group enterprises	251.990	151.400
Other financial income	143.989	400.676
Other financial expenses	-809.002	-1.233.395
Financing, net	-413.023	-681.319
Pre-tax net profit or loss	7.798.387	2.676.147
Tax on net profit or loss for the year	-1.276.423	-579.147
Net profit or loss for the year	6.521.964	2.097.000
Proposed distribution of net profit:		
Dividend for the financial year	10.000.000	10.000.000
Allocated from retained earnings	-3.478.036	-7.903.000
Total allocations and transfers	6.521.964	2.097.000

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
Land and buildings	4.841.214	1.898.672
Plant and machinery	2.564.125	3.712.206
Total property, plant, and equipment	<u>7.405.339</u>	<u>5.610.878</u>
Total non-current assets	<u>7.405.339</u>	<u>5.610.878</u>
Current assets		
Raw materials and consumables	3.463.944	18.568.447
Manufactured goods and goods for resale	0	145.553
Total inventories	<u>3.463.944</u>	<u>18.714.000</u>
Trade receivables	411.493	7.707.921
Receivables from group enterprises	14.542.496	8.266.607
Deferred tax assets	0	330.530
Other receivables	1.101.833	662.341
Prepayments	402.924	590.482
Total receivables	<u>16.458.746</u>	<u>17.557.881</u>
Cash and cash equivalents	<u>16.834.292</u>	<u>11.397.054</u>
Total current assets	<u>36.756.982</u>	<u>47.668.935</u>
Total assets	<u>44.162.321</u>	<u>53.279.813</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	2.600.000	2.600.000
Retained earnings	16.992.228	20.411.918
Proposed dividend for the financial year	10.000.000	10.000.000
Total equity	<u>29.592.228</u>	<u>33.011.918</u>
Provisions		
Provisions for deferred tax	231.180	0
Total provisions	<u>231.180</u>	<u>0</u>
Long term liabilities other than provisions		
Mortgage debt	2.687.410	5.417.337
Bank loans	5.324.376	6.689.063
2 Total long term liabilities other than provisions	<u>8.011.786</u>	<u>12.106.400</u>
2 Current portion of long term liabilities	1.882.285	2.161.747
Trade payables	1.905.079	2.042.132
Payables to group enterprises	643.929	41.470
Income tax payable to group enterprises	731.170	2.031.524
Other payables	1.156.616	1.801.771
Deferred income	8.048	82.851
Total short term liabilities other than provisions	<u>6.327.127</u>	<u>8.161.495</u>
Total liabilities other than provisions	<u>14.338.913</u>	<u>20.267.895</u>
Total equity and liabilities	<u>44.162.321</u>	<u>53.279.813</u>
1 Employee issues		
3 Charges and security		
4 Contingencies		
5 Financial risks		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	2.600.000	20.411.918	10.000.000	33.011.918
Distributed dividend	0	0	-10.000.000	-10.000.000
Retained earnings for the year	0	-3.478.036	10.000.000	6.521.964
Fair value adjustments of hedging instruments	0	74.803	0	74.803
Tax regarding equity transactions	0	-16.457	0	-16.457
	2.600.000	16.992.228	10.000.000	29.592.228

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Employee issues		
Salaries and wages	3.268.936	4.505.671
Pension costs	453.906	267.349
Other cost for social security	199.916	211.594
Other staff costs	41.819	35.731
	<u>3.964.577</u>	<u>5.020.345</u>
 Average number of employees	 <u>9</u>	 <u>11</u>

2. Long term liabilities other than provisions

	<u>Total payables 31 Dec 2022</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2022</u>	<u>Outstanding payables after 5 years</u>
Mortgage debt	3.194.695	507.285	2.687.410	1.916.139
Bank loans	6.699.376	1.375.000	5.324.376	0
	<u>9.894.071</u>	<u>1.882.285</u>	<u>8.011.786</u>	<u>1.916.139</u>

3. Charges and security

As collateral for mortgage loans, DKK'000 3.195, security has been granted on land and buildings representing a carrying amount of DKK'000 1.091 at 31 December 2022.

The company has issued mortgages registered to the owners totalling DKK'000 3.000 as security for mortgage loans. The mortgages registered to the owners provide security on the above land and buildings located at Nordre Strandvej 60.

For bank loans, the company has provided security in company assets representing a nominal value of DKK'000 34.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Inventories	3.463.944
Plant and machinery	6.314.767
Trade receivables	411.493

Notes

All amounts in DKK.

4. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into leases with a total outstanding lease payments total DKK'000 95.

Recourse guarantee commitments:

The company has guaranteed the debt of the group enterprises.

Joint taxation

With AHK nr. 203 ApS, company reg. no 26615887 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

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

5. Financial risks

Interest rate risks

The company has entered into an interest rate swap agreement to secure future payments on loans in foreign currency. On the balance sheet date, the contracts have a negative value of DKK'000 8. The hedging transactions concerning interest rate swap agreements is recognised directly in equity. The negative fair value is recognised under deferred income.