

# Vintherbørn ApS

Nordre Ringgade 5, 9330 Dronninglund  
CVR no. 26 10 38 94

## Annual report for 2023

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 17.06.24

Ulrik Bjerre Rasmussen  
Dirigent

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Group information etc.	3 - 4
Statement by the Executive Board and Board of Directors on the annual report	5
Independent auditor's report	6 - 8
Management's review	9 - 24
Income statement	25
Balance sheet	26 - 27
Statement of changes in equity	28 - 29
Consolidated cash flow statement	30
Notes	31 - 54

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**The company**

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Vintherbørn ApS  
Nordre Ringgade 5  
9330 Dronninglund  
Registered office: Brønderslev  
CVR no.: 26 10 38 94  
Financial year: 01.01 - 31.12

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**Executive Board**

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Anne Vinther Morant

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**Board of Directors**

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Ulrik Bjerre Rasmussen, chairman  
Anne Vinther Morant  
Kirsten Vinther  
Søren Vinther Rasmussen  
Mona Karen Rasmussen

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

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**Banks**

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Jyske Bank  
Sydbank  
Sparekassen Danmark

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**Subsidiaries**

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Kangamiut Group A/S, Brønderslev  
Kangamiut Seafood A/S, Brønderslev  
Alimex Seafood A/S, Fredericia  
SN Seafood AS, Myre, Norge  
North Atlantic Seafood A/S, Brønderslev  
Danmarin A/S, Brønderslev  
Alimex International Limited, Hong Kong  
DanSea Nordic A/S, Furesø  
Northcoast Seafoods DK A/S, Brønderslev  
Fish and Feed Ltd., Ghana  
Kangamiut Green Land ApS, Brønderslev

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**Associates**

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G&K Seafood eht., Reykjavik, Island  
Boco Seafood A/S, Brønderslev  
Wihaprest, Wilmille, Frankrig  
Freshpack Holding SA, Saint-Martin-Bologne, Frankrig  
Halibut Greenland ApS, Ililissat, Grønland  
Uummannaq Seafood A/S, Ilulissat, Grønland  
Læsø Choice A/S, Brønderslev

## **Statement by the Executive Board and Board of Directors on the annual report**

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We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Vintherbørn ApS.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Dronninglund, June 17, 2024

### **Executive Board**

Anne Vinther Morant

### **Board of Directors**

Ulrik Bjerre Rasmussen  
Chairman

Anne Vinther Morant

Kirsten Vinther

Søren Vinther Rasmussen

Mona Karen Rasmussen

**To the capital owners of Vintherbørn ApS****Opinion**

We have audited the consolidated financial statements and financial statements of Vintherbørn ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 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 consolidated financial statements and financial statements" section of our report. We are independent of the group and 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.

**Statement on the management's review**

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company 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 the management's review is in accordance with the consolidated financial statements and financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

**Management's responsibilities for the consolidated financial statements and financial statements**

Management is responsible for the preparation of consolidated financial statements and 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 consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements and financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 consolidated financial statements and financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 group's and 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 consolidated financial statements and 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 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 financial statements and 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 group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. 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 internal control that we identify during our audit.

Aalborg, June 17, 2024

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Per Lindholt

State Authorized Public Accountant  
MNE-no. mne21381



## GROUPS FINANCIAL HIGHLIGHTS

## Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
<i>Profit/loss</i>					
Revenue	4,126,077	4,899,760	3,589,130	3,107,639	3,399,321
Index	121	144	106	91	100
Operating profit/loss	55,576	174,981	86,913	46,944	64,421
Index	86	272	135	73	100
Total net financials	-40,313	-10,444	5,437	2,114	-11,156
Index	361	94	-49	-19	100
Profit for the year	11,289	130,859	74,015	40,163	41,866
Index	27	313	177	96	100
Profit for the year, parent	3,178	81,137	48,004	29,421	26,459
Index	12	307	181	111	100
<i>Balance</i>					
Total assets	1,779,005	2,234,881	1,636,233	1,389,793	1,234,197
Index	144	181	133	113	100
Investments in property, plant and equipment	16,350	1,188	12,578	1,541	180
Index	9,083	660	6,988	856	100
Equity	620,704	618,103	506,957	444,430	409,614
Index	152	151	124	108	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	230,107	-185,038	-59,088	-107,751	77,198
Investing activities	-4,156	3,233	-920	63,486	-162,256
Financing activities	-246,000	184,555	51,391	56,227	95,742
Cash flows for the year	-20,049	2,750	-8,617	11,962	10,684

**Ratios**

	2023	2022	2021	2020	2019
<i>Profitability</i>					
Return on equity	1.8%	23.3%	15.6%	9.4%	9.3%
Profit margin	1.3%	3.6%	2.4%	1.5%	1.9%
Asset turnover	2.1	2.5	2.4	2.4	2.7

*Equity ratio*

Solvency ratio	34.9%	27.7%	31.0%	32.0%	33.2%
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*Others*

Number of employees (average)	118	84	77	53	45
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*Ratios definitions*

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Asset turnover:	$\frac{\text{Revenue}}{\text{Avg. total assets}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

**Primary activities**

The company's activities comprise in being holding company for the group companies.

The group companies activities comprise primarily of trading fish and seafood.

**Development in activities and financial affairs**

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 11,289k against DKK 130,859k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 620,704k.

The decrease in the in earnings is mainly due to the geopolitical situation and increasing interest rates. Furthermore the results is heavily impacted by significant post Brexit adjustments of import duties in one of the group subsidiaries.

The management considers the net profit for the year from operations across the group to be generally satisfactory. However the net profit was seriously negatively impacted by the post Brexit adjustments in one of the group subsidiaries, leading to an overall unsatisfactory group result in 2023

The earnings expectations for 2023 were a net profit of DKK 30,000k - DKK 50,000k. The objective was not met due to the reasons mentioned above.

**Outlook**

The group will continue to expand and develop new and existing business areas. The group expects a higher result in 2024 in the level between DKK 15,000k – DKK 20,000k.

**Financial risks***Interest rate risks*

As a result of its operation and finance, the group is exposed to risks associated with changes in the interest rate level and exchange rates. The parent company Kangamiut Group manages the financial risks for the group companies and coordinates the financial planning. The group has policies to secure that no significant financial risks are taken within the group.

Sales to customers are secured by credit insurance, prepayments, or documentary credit. Sales with calculated risks only occur to a limited extent.

**Subsequent events**

No important events have occurred after the end of the financial year.

**Corporate social responsibility**

Vintherbørn ApS functions solely as a holding company. All operational activities take place in the Kangamiut Group and its subsidiaries and associates. Therefore the below CSR report is identical to that of the Kangamiut Group.

This is the Group's corporate social responsibility (CSR) report, in accordance with the Danish Accounts Act §99a.

The reporting includes a brief description of the Group's business model in the context of environment, social and governance (ESG) and position on mandatory subjects: environment and climate; social and employment conditions; respect for human rights; and anti-corruption and bribery. The company wishes to operate in full compliance with Danish legislation, and act as a responsible company with focus on minimizing any negative influences on the environment and the community. ESG strategy and planning is integrated as part of the work of the Group's board of directors to ensure focus and prioritization of ESG projects.

The Group continues to maintain its high standards for employee and social relations as well as a zero tolerance for tax speculation, corruption, and bribery. Efforts concerning environment and climate have been significantly strengthened since 2021 with the allocation of both (wo)manpower and funding. The Group ESG unit reports directly to the Group CEO. As part of the environment and climate efforts a new subsidiary "Kangamiut Green Land ApS" was established in 2021 with the aim of acting as the Kangamiut Group's central function for strategic planning and operation of environmental projects. Where seafood related sustainability activities are a natural part of the daily operation of all group companies, Kangamiut Green Land constitutes the exception: Here, we prioritize and encapsulate terrestrial nature & forestry projects that do not have an inherent relation to our core business.

In 2023, our ESG activities have continued to focus mainly on preparing for the reporting requirements established by the EU Corporate Sustainability Reporting Directive (CSRD); further expanding our environment and climate efforts; and upgrading our ESG capabilities through formal and informal education.

While the CSRD entails a requirement for extending the scope of reporting to include the full value chain, our current ESG reporting remains limited mainly to our own direct ESG impacts.

As outlined in the auditors' "Statement on the management's review" the auditors' review of the Corporate Social Responsibility section is limited to ensuring the provision of the information required under the Danish Financial Statements Act. No further external review or assurance has been performed on this section.

*Business model*

The Kangamiut Group business model is based on a decentralized structure of partnerships, primarily focusing on trading of frozen fish and seafood.

The consolidated Group is composed mainly of trading companies based in Northern Europe. Each of these counts from a few to approximately 20 office-based employees, and the office facilities as well as company cars are the main contributors to direct carbon emissions. For these subsidiaries, direct negative ESG impacts are considered low, yet not to be neglected.

Three subsidiaries are exceptions to the above business model:

- Alimex Seafood A/S is a trading- and production company with offices in three different locations in Denmark and UK, and production outsourced to SMETA certified third party factories in China;
- Danmarin A/S / Fish & Feeds is a land-based aquaculture facility based in Ghana; and
- Kangamiut Green Land ApS is our 'green initiatives' subsidiary that as per 2023 consists of two sites in Denmark: a 38 hectares forest and associated buildings, as well as 76 hectares farmland of which approximately 60 hectares is being transformed into new forest.

Likewise, the associated companies consist mainly of trading companies along with a few minor shareholder ownerships in production companies.

The individual subsidiaries are governed by a board of directors with representation from the mother company and the local CEO. In associated companies, the Kangamiut Group typically has representation in the board of directors, depending on the proportion of shares owned.

Environment, social, and governance impacts and associated measures are elaborated below.

*ESG HIGHLIGHTS 2023*

- E,S & G: ASC certification of the Group's tilapia aquaculture facility in Ghana (<https://kangamiutgroup.com/articles/danmarin-s-tilapia-farm-in-ghana-obtains-asc-certification/>)
- E: Transition to electrical company vehicles 94% complete compared to 59% in 2022
- E: Acquisition of 76 hectares farmland for afforestation: trees planted on 20 hectares in 2023, and one half hectare lake established (<https://kangamiutgroup.com/articles/kangamiut-green-land-launches-afforestation-project/>)
- E: Installation of an additional 50 kWh solar panels on company grounds
- G: Strengthening the competences in the Group Board of Directors and at the same time improving the composition both in terms of number of external board members (75% compared to 25% in 2022) and gender distribution (50/50 compared to 25% female board members in 2022) (<https://kangamiutgroup.com/articles/the-kangamiut-group-welcomes-two-new-members-to-the-board-of-directors/>)

*Environmental matters*

The company does not yet have a formal, general policy governing impacts on environment and climate, as the main environmental and climate risks are to be found in the up- and downstream value chain rather than in the company's core business. Instead, specific policies guide explicit environment and climate actions.

In general, in these initial steps towards reducing our environmental impact, priority is placed on addressing the company's own activities, i.e., those where we have a direct impact and influence through majority ownership. Our efforts mainly focus on Climate Change; Marine Resources; and Biodiversity & Ecosystems. Pollution; Water; and Resource use and Circular Economy are not yet within the scope of our reporting. While preliminary work is being done to identify risks pertaining to our upstream and downstream value chain, these risks – on which we mostly have limited and indirect influence – will in general be systematically addressed only as a next step.

*Climate Change*

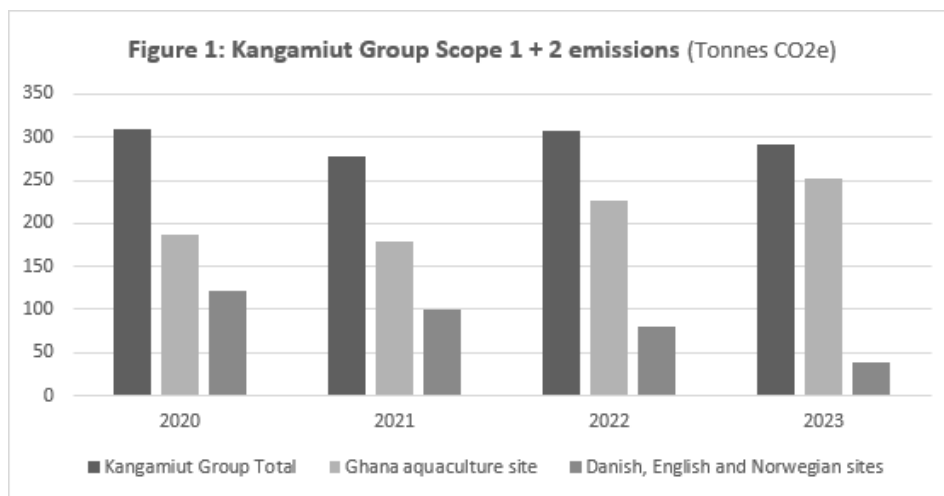
The Group's scope 1 and scope 2 CO<sub>2</sub>-e emissions from 2020 through 2023 are shown in Table 1 and illustrated in Figure 1. Scope 1 and 2 emissions are calculated according to the Greenhouse Gas Protocol (<https://ghgprotocol.org>) based on the operational control method.

*Table 1: Scope 1 + 2 greenhouse gas emissions (tonnes CO<sub>2</sub>e) 2020 through 2023*

Sites	Primary activity	2020	2021	2022	2023
Ghana <sup>1</sup>	Aquaculture	187	179	226	252
Denmark <sup>2,3,4</sup> & Norway & UK <sup>5</sup>	Trading	122	99	80	39
<b>Group total</b>	<b>Aquaculture and trading</b>	<b>309</b>	<b>278</b>	<b>306</b>	<b>291</b>

<sup>1</sup> Diesel consumption for 2020-2022 had erroneously been included in the carbon calculations for gasoline. This error has been corrected and new total figures for 2020-2022 are now included.  
<sup>2</sup> A minor correction to carbon emissions for Kangamiut Group – electricity, has been made. This is now included in the total figures presented here  
<sup>3</sup> Denmark/DanSea Nordic office: This site is a rental property. Property management for this site has not been able to provide total electricity and heating consumption figures. The figures for 2022 have therefore been used as estimation, to be corrected upon receipt of accurate information  
<sup>4</sup> Reduction in carbon emissions for Denmark caused primarily by transition to electrical company cars and transfer of surplus solar electricity  
<sup>5</sup> Figures for the UK office site were not previously available but have now been included and figures for 2020-2022 adjusted accordingly

*Figure 1: Scope 1 + 2 greenhouse gas emissions (tonnes CO<sub>2</sub>e) 2020 through 2023*



A range of initiatives for reducing the carbon footprint at the Group's Danish sites have been launched including ongoing transition to all-electrical company cars (94% complete as per 31.12.2023), energy optimization and installation of solar panels on company-owned buildings. New climate-related initiatives in 2023 include establishment of an additional 50 kWh solar panels on the company grounds as well as acquisition of a 76 hectares farmland for afforestation.

A plan for reduction of the carbon footprint at the Ghana aquaculture site (Fish & Feeds) is pending as focus has been on the below mentioned ASC project since the Group company Danmarin A/S became the majority shareholder in 2020. The gradual increase in carbon emission at the aquaculture site since 2020 are due to increase in activities. Please refer to the overview in Table 2.

#### *Marine Resources & Biodiversity Ecosystems*

The individual Group companies purchase raw material from a large range of suppliers across numerous countries; thus, the Group activities have a significant indirect environmental impact through the primary fisheries. Responsible fishing practices are key to preserving and strengthening fish and seafood stocks, and to securing both food and income basis for future generations.

The Marine Stewardship Council (MSC) is a non-profit organization whose certification scheme for wild catch fisheries sets standards for sustainable fishing significantly beyond the standards that are enforced by law. The Aquaculture Stewardship Council (ASC) is the counterpart for farmed seafood, who sets standards for responsible farming practices, entailing both environmental and social aspects. Both standards are verified by independent third party auditors, and both are recognized by the Global Sustainable Seafood Initiative (GSSI), a public-private partnership working to "ensure confidence in the supply and promotion of certified seafood as well as promote improvement efforts in seafood sustainability globally" (<https://www.ourgssi.org/>).

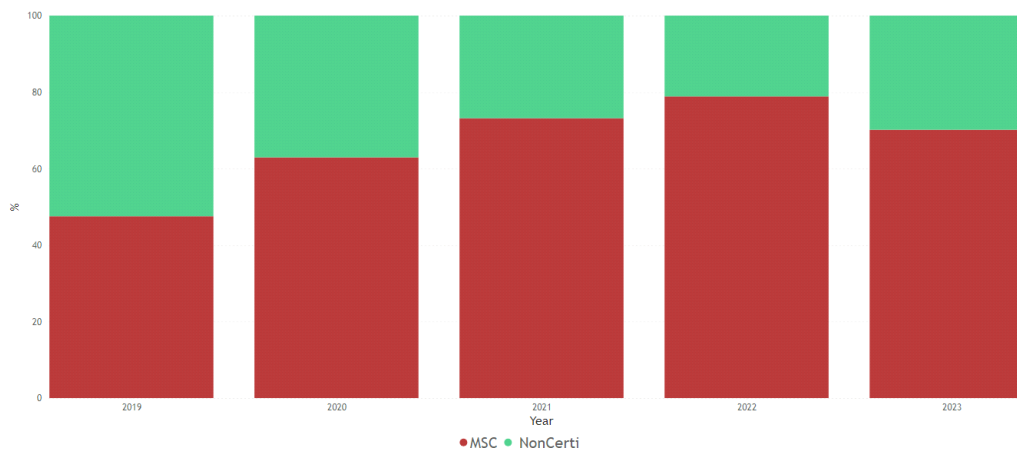
As described in our Responsible Fisheries Policy, the goal is to ensure that the majority of purchased products are derived from MSC or ASC certified fisheries. This is sustained 1) by actively encouraging certification, and by directly supporting suppliers in the certification process, and 2) by prioritizing procurement of MSC and ASC certified products.

However, as our business model entails partnering with suppliers to improve the environmental and social standards in the primary fisheries, or land-based productions depending on the nature of the supplier, any given fishery may not be certified upon initiation of the partnership. In such cases, and when other ESG issues for improvement are identified, we collaborate with the supplier to ensure movement in the right direction and use this as a means to strengthening the partnership. While many of our suppliers' fisheries have obtained certification over the years through a continued, stepwise, and collaborative effort, other – especially small scale – fisheries may not have the resources, or data may not be available to support a formal certification process. In such cases, we continue to promote improvement efforts, even if such efforts may not eventually result in certification.

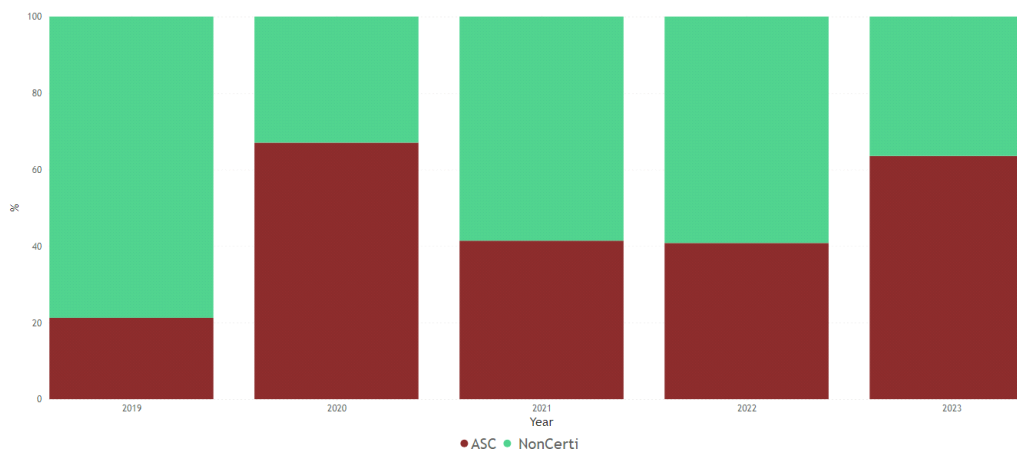
Figure 2 shows the proportion of wild caught (a) and farmed (b) seafood purchased since 2019 that was MSC or ASC certified, respectively, for the Danish subsidiaries with the exception of Alimex Seafood A/S (data not ready at the time of reporting). Data for Fish & Feeds in Ghana is included in figure 2b with the note that this is primary production and thus based on sold rather than purchased seafood.

Figure 2: Proportion of MSC and ASC certified seafood purchased in total in the following subsidiaries: Kangamiut Seafood A/S, North Atlantic Seafood A/S, Northcoast Seafoods A/S, Dansea Nordic A/S, and Danmarin/Fish & Feeds

(a) Wild caught products: MSC (red) versus non-MSC (green)



(b) Farmed products: ASC (red) versus non-ASC (green)



The Group's turnover of MSC and ASC certified products is subject to continuous audits by independent control agencies. In addition, to avoid any trade with IUU (Illegal, unreported, unregulated) products, the Group has an established traceability control, primarily based on catch certificates, and subject to continuous audits by the Danish Veterinary and Food Administration. Inspection reports are available via the individual subsidiary websites (<https://www.findsmiley.dk/Sider/Search.aspx?k=nordre%20ringgade%205%209330>).



Of note, while the primary activity of most Group companies is trading only, since Q4 2020 the Group company Danmarin A/S is a majority shareholder of Fish & Feeds which owns and runs an aquaculture facility in Ghana since 2018. The farm mainly produces tilapia as a quality source of seafood and protein for the local market. To comply with our own policy on prioritizing ASC certified farmed seafood, an ASC pre-assessment was completed in 2021 to identify areas for improvement. An ASC improvement project was launched in 2022 to improve the environmental and social measures of the farm to comply with ASC standards, and in April 2023, the farm obtained its ASC certification. Specific improvements include installation of bio filters for wastewater treatment. ASC certification is a rarity in Africa with only 6 farms ASC certified as per end 2023 according to ASC (<https://asc-aqua.org/find-a-farm/>).

Reference is made to the ASC website (<https://asc-aqua.org/>) for details of the standard.

#### *Social and employee matters*

For now, our reporting on social parameters is limited to our own workforce; as such, reporting on Workers in the Value Chain; Affected Communities; and Consumers and End-users is not yet within our scope, and pending double materiality assessment and reporting according to the CSRD.

#### *Own workforce*

The Group acknowledges the importance of the workplace for each employee's everyday life, and continues to work on improving the working conditions, also to limit illness and absence. The company cares about the individual employee: good health insurance plans are provided, and continuous development of employee qualifications is highly prioritized.

In 2022, the majority of the Danish Group companies completed an extensive employee satisfaction survey in which 97% of the employees reported a high or very high overall job satisfaction. In 2023, the survey was followed up with individual employee interviews conducted by an independent third-party provider, and an action plan implemented for further improvement of the working environment.

Group management recognizes the potential strengths found in diversity among its employees (including the management group itself), including but not limited to gender, nationality, education, and neurodiversity. This is described in the company's 'Diversity and Inclusion' policy and embraced when recruiting, entering new partnerships as well as by actively cooperating with public authorities to allocate jobs and/or training opportunities for professionals with special needs.

The Group does not yet have a system in place for systematic data collection pertaining to social and employee conditions; this work has been initiated in 2023 with the aim of reporting in compliance with the CSRD from the fiscal year 2025.

To allow anonymous reporting of reasonable suspicion of serious and objectionable facts or illegalities, including serious violations of employee rights or related policies, a company-wide whistleblower system was established in December 2021. In 2023 no reports were filed.

As mentioned, since Q4 2020 the Group company Danmarin A/S is a majority shareholder of Fish & Feeds which owns and runs a tilapia farm in Ghana. The farm creates rural jobs and has established local infrastructure in a rural area in Ghana and provides a valuable source of quality animal protein that is sold locally. An ASC pre-assessment was completed in 2021 to identify areas of improvement on both environmental and social aspects. An ASC improvement project was initiated in 2022 to correct the identified non-conformities and qualify the farm for ASC certification which was obtained in 2023. Specific social improvements as part of the ASC project include reducing the gender pay gap; change of job descriptions to allow for permanent (as opposed to ad hoc) jobs for female staff from local communities; formalized employee manual; and training of employees on environmental and safety matters, and whistleblower protection.

The identified risks and associated actions pertaining to social and employee conditions are summarized in Table 3.

#### *Gender distribution*

This topic is addressed separately below according to the Danish Financial Statements Act § 99b.

#### *Respect for human rights*

##### *Human rights: Own workforce*

Respect for human rights has been seen as implicit to all the Group's operations, and the risk of violation of human rights in our own main operations has been and remains low due to the nature of our business model and the fact that human rights and socially responsible behavior is regulated and institutionalized in national law in the regions in which we mainly operate. Therefore, to date the company does not have a general formal human rights policy (beyond the existing 'diversity and inclusion' and 'sexual harassment' policies as well as the 'whistleblower' policy).

An exception is the operations of Fish & Feeds in Ghana, where the risk of human rights violations is perceived as elevated compared to the countries in which the Group's main operations are located. Any risks of violation of human rights in connection with our Ghana operations have been actively addressed as part of the ASC improvement project leading to ASC certification in 2023, among others by implementation of policies and procedures addressing human rights and associated topics for Fish & Feeds specifically, including training of staff in whistleblower protection.

Given the size of the Kangamiut Group it is acknowledged that a formal general human rights policy should be defined and implemented. The shaping of this policy is ongoing as part of the preparations for reporting in compliance with CSRD. In contrast to the Group's core operations, it is recognized that there could be elevated risks of human rights violations in the value chain, i.e., pertaining to the primary fisheries, processing, etc. The risk of violation of human rights pertaining to Workers in the Value Chain as well as Affected Communities is therefore being evaluated as part of the development of this policy.

In 2023, there were no reports of violation of human rights via the Group's whistleblower system.

*Anti-corruption and bribery matters*

Management considers objection to all forms of violation of human rights, corruption, and bribery as an integral part of the Group's business practices.

*Anti-corruption and Bribery*

The Group has a policy implemented against anti-corruption and bribery as well as a whistleblower system and associated policy to facilitate reporting of any violations of the anti-corruption policy. A revision of this policy is ongoing as part of the preparations for reporting in compliance with CSRD. There were no reports of anti-corruption or bribery in 2023.

*Future ESG Efforts*

Management will increasingly prioritize environmental and climate initiatives to fulfill the Group's ambition to minimize the negative impacts on the surrounding community and environment. To ensure that ESG and - in particular - environment and climate issues are prioritized, this work is anchored in the Board of Directors in the Kangamiut Group and in selected subsidiaries at a strategic level. With the establishment of a Sustainability & CSR unit in 2021, reporting directly to the CEO and with representation in the Board of Directors, the road is paved for more systematic work with environment, social and governance initiatives. Focus areas include educational activities to upgrade our qualifications within ESG; and systematic data collection for transparent reporting of environmental and social impacts and progress on ESG projects in compliance with the CSRD. In terms of goal setting, this will be implemented where relevant and required, pending data collection and analysis.

**Gender composition of the management**

*Supreme management body*

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of members	5	*)	*)	*)	*)
Underrepresented sex (%)	40%	*)	*)	*)	*)

\*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company's Board of Directors consists of 3 women (60%) and 2 men (40%), as shown in the table above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of male board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

*Other management levels*

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	1	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)

\*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 1 manager, including the company's CEO who is a woman. Since the company has less than the statutory minimum of three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of male managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

**Data ethics**

The Group has activity globally. In a digitalized world, data processing has become a central part of the core business. In the Kangamiut Group, we are aware of our responsibility for data processing, and this applies to employees as well as partners, customers and suppliers. The Group has not formulated a policy for data ethics, as the Group does not collect and process critical data. However, the Group has rules for storing data responsibly, which continuously ensures that data is processed and stored in a secure manner, as well as setting a framework for the data ethics behavior that complies with current rules.

Table 2: Environment: challenges and associated actions

Challenge or risks <sup>6</sup>	Company policies <sup>7</sup>	Action <sup>8</sup>	UN SDGs
D: Climate action, scope 1, company cars	Company car policy	Company cars transitioning to electric since Q3 2020; transition 94% completed (compared to 59% end 2022) and expected fully completed by 2025	13
D: Climate action, scope 1 & 2, HQ office	Policy pending	Energy optimization of HQ office ongoing. Roof solar panels (30 kWh) installed in HQ in 2022 and another 50 kWh solar panels were installed on the company grounds in 2023.	13
D: Climate action, scope 1 & 2, Ghana aquaculture	Policy pending	Data collection initiated to serve as basis for future strategy for reduction of the carbon footprint	13
I: Climate action, scope 3, value chain	Policy pending	Efforts to identify risks initiated on a sporadic basis. Consequential life cycle analysis for cod and shrimp conducted by 2-0 LCA consultants (overall same method as applied for the CONCITO database) for Kangamiut Seafood A/S ( <a href="https://lca-net.com/projects/show/life-cycle-assessment-lca-of-kangamiut-seafood-products/">https://lca-net.com/projects/show/life-cycle-assessment-lca-of-kangamiut-seafood-products/</a> ).	13
D/I: Climate action, scope 3, air travel	Travel policy	All air travel booked through central agency to facilitate CO2-e data collection since 2021. Opportunities for sustainable aviation fuel programs being explored.	13
D: Climate action, biodiversity & environment, local nature	Policy pending	Kangamiut Green Land ApS established in 2021 to act as the Kangamiut Group's central function for strategic planning and operation of environmental initiatives aiming at climate change mitigation, and protecting and reestablishing ecosystems: 38 hectares local forest acquired August 2021 76 hectares (poor) farmland acquired January 2023: Of this, 5 hectares is established forest; new trees were planted on 20 hectares in 2023, and a half hectare lake established; another 40 hectares afforestation and two lakes to be established in 2024.	13, 15
D/I: Overfishing	Responsible fisheries policy	For wild caught products, priority is placed on sourcing from MSC certified fisheries. Systematic MSC data reporting initiated in 2023 (see "Biodiversity and Ecosystems" section). Continuously working with suppliers to support certification efforts. Zero tolerance policy for trading IUU (illegal, unreported, unregulated) products	14
I: Marine biodiversity, supplier primary fisheries	Responsible fisheries policy	Efforts to identify risks ongoing on a sporadic basis	14
D: Responsible aquaculture, Ghana fish farm	Responsible fisheries policy	ASC pre-assessment of tilapia farm in Ghana conducted 2021 (Fish & Feeds/ Danmarin A/S); ASC improvement project initiated in 2022; ASC certification obtained April 2023	12, 15
I: Responsible aquaculture, suppliers	Responsible fisheries policy	For farmed species, priority is placed on sourcing ASC certified products. Systematic ASC data reporting initiated in 2023 (see "Biodiversity and Ecosystems" section). Collaboration with WWF, customers and local shrimp farms to ASC certify small scale family-owned farms in Vietnam initiated in 2016 (Northcoast Seafoods A/S). 20+ farms ASC certified ( <a href="https://kangamiutgroup.com/articles/northcoast-seafoods-partnership-for-asc-certification-of-shrimp-farms-in-vietnam">https://kangamiutgroup.com/articles/northcoast-seafoods-partnership-for-asc-certification-of-shrimp-farms-in-vietnam</a> ). Project completed in 2022.	12, 15

<sup>6</sup> Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence.

<sup>7</sup> When applicable as not all areas are governed by formal policies

<sup>8</sup> Subsidiary specified in parenthesis means the activity is run at subsidiary level

Table 3: Social: general challenges and associated actions

Challenge or risks <sup>9</sup>	Company policies <sup>10</sup>	Action <sup>11</sup>	UN SDGs
D: Decent work and good health, HQ neurodiversity	Diversity and inclusion policy	The Group actively cooperates with public authorities to allocate job and/or training opportunities for professionals with special needs. As per 2023, one program is ongoing.	3, 8
D: Gender equality, salary disparity	N/A	Pending data collection. High disparity expected despite 'equal pay for equal work' policy, due to uneven gender distribution in management and chief procurement positions.	5
D: Decent work and good health, senior employees	Senior employee policy	Senior employee policy outlines potential scenarios for balancing remuneration and flexibility for employees >60 years old.	3, 8
D: Decent work and gender equality, sexual harassment	Sexual harassment policy	Sexual harassment policy (updated 2021) outlines the company policy and procedures for reporting potential cases. No cases were reported in 2023.	5, 8
D: Decent work and good health, all HQ employees	N/A	A set of internal guidelines define employee working conditions including but not limited to: Child's first day of illness granted by the company regardless of whether the other parent has used his/her right to child's first day of illness in his/her employment. Workplace assessment and physiotherapy counselling Health salary supplement introduced in 2023. Dental and health insurance Granting of supplementary days off for serious illness of close relatives Further employee flexibility introduced in 2023	8
D: Decent work and economic growth, Ghana aquaculture	N/A	ASC pre-assessment of tilapia farm in Ghana conducted 2021 (Fish & Feeds/ Danmarin A/S); ASC improvement project conducted 2022 to improve social measures with the aim of complying with ASC standards; ASC certification obtained 2023. Whistleblower system established and implemented early 2022; no reports received in 2023.	3, 8
I: Working conditions, value chain	N/A	Efforts to identify risks initiated on a sporadic basis. Several supplier and customer production facilities SMETA certified (overview in development).	8

<sup>9</sup> Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence

<sup>10</sup> When applicable as not all areas are governed by formal policies

<sup>11</sup> Subsidiary specified in parenthesis means the activity is run at subsidiary level

Accounting principles

ENVIRONMENT	DESCRIPTION	DEFINTION
TOTAL GHG EMISSIONS (SCOPE 1-2)	Total emissions of KG operations calculated according to the guidelines of the GHG protocol. <u>Scope:</u> The delimitation is according to operational control, which means that all emissions sources over which KG as KG has operational control are included in the climate accounts	Sum of Scope 1 & 2 emission calculations
Scope 1	Scope 1: Direct emissions from company's own sources: fuel consumption for heating or fleet of vehicles.  <u>Mobile combustion:</u> emissions from fuels used by cars owned or controlled (leased) by KG. <u>Stationary combustion:</u> Emissions from fossil fuels (natural gas) primarily used for space heating.	Scope 1 is the sum of below: <u>Mobile combustion:</u> Data has been collected by KG and subsidiaries. Calculations are based on specific fuel usage. <u>Stationary combustion DK:</u> Collection of data (usage of natural gas for heating of one DK rented building) has not been possible. Estimations based on previous year's data has therefore been used for this calculation. <u>Stationary combustion UK:</u> Data has been collected from utility bills.  <u>Sources:</u> DK: Fuels and natural gas: Klimakompasset. GB: Natural gas: UK Gov. GHG conversion Ghana. Diesel: UK Gov GHG conversion
Scope 2 (location based)	Scope 2: Indirect emissions related to purchased energy used by the company such as electricity for buildings and company cars, and heating.	<u>Purchased energy – Electricity:</u> Data has been collected from utility bills. Calculations are location-based. <u>Purchased energy – electricity cars:</u> Calculations based on km driven/electricity usage. <u>Purchased energy- district heating:</u> Data has been calculated from utility bills.

ENVIRONMENT	DESCRIPTION	DEFINTION
Scope 2 (location based) - continued	<p><u>Purchased energy:</u>  <u>Electricity:</u> Emissions from electricity purchased by KG and its subsidiaries.  <u>District heating:</u> Emissions from heating purchased to heat the relevant offices.</p>	<p><u>Sources:</u>  DK electricity: Klimakompasset  DK district heating: Klimakompasset  GB electricity: GHG conversion factors  Ghana electricity: IGES list of Grid Emission Factors  Norway electricity: Nowtricity.com</p>
Total Scope 1 & 2	Sum of direct GHG emissions from Scope 1 & indirect GHG emissions from Scope “	Sum of Scope 1 + Scope 2 emissions



Note	Group		Parent		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
2	<b>Revenue</b>	<b>4,126,077</b>	<b>4,899,760</b>	<b>0</b>	<b>0</b>
	Other operating income	13,017	9,194	0	0
	Costs of raw materials and consumables	-3,965,504	-4,591,254	0	0
	Cost of sales	0	-61	0	0
	Other external expenses	-53,099	-60,648	-266	-737
3	Staff costs	-52,934	-72,420	-209	-4
	<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>67,557</b>	<b>184,571</b>	<b>-475</b>	<b>-741</b>
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-11,981	-9,590	0	0
	<b>Operating profit/loss</b>	<b>55,576</b>	<b>174,981</b>	<b>-475</b>	<b>-741</b>
5	Income from equity investments in group enterprises	0	0	2,603	82,256
6	Income from equity investments in associates	9,026	25,102	0	0
	Income from other investments and receivables that are fixed assets	154	88	15	7
7	Financial income	13,184	6,794	1,210	292
8	Financial expenses	-62,677	-42,428	-3	-900
	<b>Total net financials</b>	<b>-40,313</b>	<b>-10,444</b>	<b>3,825</b>	<b>81,655</b>
	<b>Profit before tax</b>	<b>15,263</b>	<b>164,537</b>	<b>3,350</b>	<b>80,914</b>
9	Tax on profit for the year	-3,750	-33,570	-172	223
	Other taxes	-224	-108	0	0
	<b>Total tax</b>	<b>-3,974</b>	<b>-33,678</b>	<b>-172</b>	<b>223</b>
	<b>Profit for the year</b>	<b>11,289</b>	<b>130,859</b>	<b>3,178</b>	<b>81,137</b>

10 Proposed appropriation account

ASSETS		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
Note					
	Acquired rights	0	0	0	0
	Goodwill	6,844	17,396	0	0
11	<b>Total intangible assets</b>	<b>6,844</b>	<b>17,396</b>	<b>0</b>	<b>0</b>
	Land and buildings	34,827	19,853	0	0
	Plant and machinery	1,262	1,490	0	0
	Other fixtures and fittings, tools and equipment	2,187	2,982	0	0
12	<b>Total property, plant and equipment</b>	<b>38,276</b>	<b>24,325</b>	<b>0</b>	<b>0</b>
13	Equity investments in group enterprises	0	0	406,138	450,373
13	Equity investments in associates	101,805	103,722	0	0
14	Receivables from associates	4,889	5,793	0	0
13	Other investments	8,474	6,517	253	253
14	Other receivables	85,619	61,515	0	0
	<b>Total investments</b>	<b>200,787</b>	<b>177,547</b>	<b>406,391</b>	<b>450,626</b>
	<b>Total non-current assets</b>	<b>245,907</b>	<b>219,268</b>	<b>406,391</b>	<b>450,626</b>
	Raw materials and consumables	37,539	123,185	0	0
	Manufactured goods and goods for resale	784,271	1,012,363	0	0
	Prepayments for goods	221,101	194,308	0	0
	<b>Total inventories</b>	<b>1,042,911</b>	<b>1,329,856</b>	<b>0</b>	<b>0</b>
	Trade receivables	388,820	570,339	0	0
	Receivables from group enterprises	0	0	45,000	0
	Receivables from associates	3,439	100	0	0
18	Deferred tax asset	8,133	4,930	0	0
	Income tax receivable	0	0	5,329	4,607
	Other receivables	33,931	34,546	4,692	4,734
15	Prepayments	647	576	0	0
	<b>Total receivables</b>	<b>434,970</b>	<b>610,491</b>	<b>55,021</b>	<b>9,341</b>
	Other investments	5,616	10,033	5,616	10,033
	<b>Total securities and equity investments</b>	<b>5,616</b>	<b>10,033</b>	<b>5,616</b>	<b>10,033</b>
	<b>Cash</b>	<b>49,601</b>	<b>65,233</b>	<b>33,275</b>	<b>30,623</b>
	<b>Total current assets</b>	<b>1,533,098</b>	<b>2,015,613</b>	<b>93,912</b>	<b>49,997</b>
	<b>Total assets</b>	<b>1,779,005</b>	<b>2,234,881</b>	<b>500,303</b>	<b>500,623</b>

EQUITY AND LIABILITIES		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
Note					
16	Contributed capital	125	125	125	125
	Reserve for net revaluation according to the equity method	79,975	79,638	196,901	241,136
	Foreign currency translation reserve	-5,336	-3,083	0	0
	Retained earnings	407,710	414,453	285,446	249,871
	Proposed dividend for the financial year	10,000	5,000	10,000	5,000
	<b>Equity attributable to owners of the parent</b>	<b>492,474</b>	<b>496,133</b>	<b>492,472</b>	<b>496,132</b>
17	Non-controlling interests	128,230	121,970	0	0
	<b>Total equity</b>	<b>620,704</b>	<b>618,103</b>	<b>492,472</b>	<b>496,132</b>
19	Other provisions	20,072	0	0	0
	<b>Total provisions</b>	<b>20,072</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Payables to other credit institutions	777,352	996,794	0	0
	Trade payables	321,762	512,922	94	110
	Payables to group enterprises	0	0	7,537	4,381
	Payables to associates	0	3,937	0	0
	Income taxes	548	29,030	0	0
	Other payables	38,567	74,095	200	0
	<b>Total short-term payables</b>	<b>1,138,229</b>	<b>1,616,778</b>	<b>7,831</b>	<b>4,491</b>
	<b>Total payables</b>	<b>1,138,229</b>	<b>1,616,778</b>	<b>7,831</b>	<b>4,491</b>
	<b>Total equity and liabilities</b>	<b>1,779,005</b>	<b>2,234,881</b>	<b>500,303</b>	<b>500,623</b>
20	Fair value information				
21	Derivative financial instruments				
22	Contingent liabilities				
23	Charges and security				
24	Related parties				

## Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:								
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	125	68,245	-673	350,226	5,000	422,923	84,033	506,956
Foreign currency translation adjustment of foreign enterprises	0	-478	-2,410	0	0	-2,888	-1,346	-4,234
Distributed dividend from associates	0	-10,533	0	10,533	0	0	0	0
Dividend paid	0	0	0	0	-5,000	-5,000	-10,508	-15,508
Other changes in equity	0	141	0	-173	0	-32	62	30
Transfers to/from other reserves	0	-2,967	0	2,967	0	0	0	0
Net profit/loss for the year	0	25,230	0	50,900	5,000	81,130	49,729	130,859
Balance as at 31.12.22	125	79,638	-3,083	414,453	5,000	496,133	121,970	618,103
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	125	79,638	-3,083	414,453	5,000	496,133	121,970	618,103
Foreign currency translation adjustment of foreign enterprises	0	416	-2,253	0	0	-1,837	-1,029	-2,866
Distributed dividend from associates	0	-13,219	0	13,219	0	0	0	0
Dividend paid	0	0	0	0	-5,000	-5,000	-14,283	-19,283
Purchase of non-controlling interests	0	0	0	0	0	0	12,935	12,935
Other changes in equity	0	1,226	0	-1,226	0	0	527	527
Transfers to/from other reserves	0	2,888	0	-2,888	0	0	0	0
Net profit/loss for the year	0	9,026	0	-15,848	10,000	3,178	8,111	11,289
Balance as at 31.12.23	125	79,975	-5,336	407,710	10,000	492,474	128,231	620,705

## Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Parent:								
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	125	190,532	0	227,267	5,000	422,924	0	422,924
Foreign currency translation adjustment of foreign enterprises	0	-2,929	0	0	0	-2,929	0	-2,929
Distributed dividend from group enterprises	0	-28,723	0	28,723	0	0	0	0
Dividend paid	0	0	0	0	-5,000	-5,000	0	-5,000
Net profit/loss for the year	0	82,256	0	-6,119	5,000	81,137	0	81,137
Balance as at 31.12.22	125	241,136	0	249,871	5,000	496,132	0	496,132
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	125	241,136	0	249,871	5,000	496,132	0	496,132
Foreign currency translation adjustment of foreign enterprises	0	-1,838	0	0	0	-1,838	0	-1,838
Distributed dividend from group enterprises	0	-45,000	0	45,000	0	0	0	0
Dividend paid	0	0	0	0	-5,000	-5,000	0	-5,000
Net profit/loss for the year	0	2,603	0	-9,425	10,000	3,178	0	3,178
Balance as at 31.12.23	125	196,901	0	285,446	10,000	492,472	0	492,472

## Consolidated cash flow statement

Note	Group	
	2023 DKK '000	2022 DKK '000
	<b>11,289</b>	<b>130,859</b>
<b>Profit for the year</b>		
25 Adjustments	56,267	53,227
Change in working capital:		
Inventories	286,945	-467,852
Receivables	157,959	-119,073
Trade payables	-191,146	237,311
Other payables relating to operating activities	-26,087	34,998
Other provisions	20,072	0
<b>Cash flows from operating activities before net financials</b>	<b>315,299</b>	<b>-130,530</b>
Interest income and similar income received	13,184	6,794
Interest expenses and similar expenses paid	-62,676	-42,428
Income tax paid	-35,700	-18,874
<b>Cash flows from operating activities</b>	<b>230,107</b>	<b>-185,038</b>
Purchase of property, plant and equipment	-16,350	-1,188
Sale of property, plant and equipment	14	0
Purchase of securities and equity investments	-1,957	-6,112
Dividend received	13,234	10,533
Loans	903	0
<b>Cash flows from investing activities</b>	<b>-4,156</b>	<b>3,233</b>
Dividend paid	-19,283	-15,508
Arrangement of payables to credit institutions	0	201,794
Repayment of payables to credit institutions	-219,441	0
Repayment of payables to associates	-7,276	-923
Repayment of other long-term payables	0	-808
<b>Cash flows from financing activities</b>	<b>-246,000</b>	<b>184,555</b>
<b>Total cash flows for the year</b>	<b>-20,049</b>	<b>2,750</b>
Cash, beginning of year	65,233	61,592
Securities with no significant price risk, beginning of year	10,033	10,924
<b>Cash, end of year</b>	<b>55,217</b>	<b>75,266</b>
Cash, end of year, comprises:		
Cash	49,601	65,233
Securities with no significant price risk	5,616	10,033
<b>Total</b>	<b>55,217</b>	<b>75,266</b>

### 1. Subsequent events

No important events have occurred after the end of the financial year.

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

### 2. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Fish and shellfish	4,125,309	4,899,060	0	0
Guarantee fee	62	100	0	0
Management fee	705	600	0	0
<b>Total</b>	<b>4,126,076</b>	<b>4,899,760</b>	<b>0</b>	<b>0</b>

Revenue comprises the following geographical markets:

Revenue, Denmark	2,050,797	3,144,016	0	0
Revenue, export	2,154,409	1,871,269	0	0
Sales revenue deductions	-79,129	-115,524	0	0
<b>Total</b>	<b>4,126,077</b>	<b>4,899,761</b>	<b>0</b>	<b>0</b>

### 3. Staff costs

Wages and salaries	45,715	65,887	200	0
Pensions	4,418	3,606	0	0
Other social security costs	762	655	0	0
Other staff costs	2,039	2,272	9	4
<b>Total</b>	<b>52,934</b>	<b>72,420</b>	<b>209</b>	<b>4</b>

Average number of employees during the year	118	84	0	0
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	200	0	200	0
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	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

#### 4. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	672	641	8	8
Other assurance engagements	45	50	8	8
Tax advice	57	49	36	35
Other services	49	246	5	30
<b>Total</b>	<b>823</b>	<b>986</b>	<b>57</b>	<b>81</b>

#### 5. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	10,017	89,670
Amortisation of goodwill	0	0	-7,414	-7,414
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,603</b>	<b>82,256</b>

#### 6. Income from equity investments in associates

Share of profit or loss of associates	10,161	26,237	0	0
Amortisation of goodwill	-1,135	-1,135	0	0
<b>Total</b>	<b>9,026</b>	<b>25,102</b>	<b>0</b>	<b>0</b>



	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
<b>7. Financial income</b>				
Interest, associates	199	206	0	0
Other interest income	9,978	3,256	630	289
Foreign currency translation adjustments	2,426	3,267	0	0
Other financial income	581	65	580	3
<b>Total</b>	<b>13,184</b>	<b>6,794</b>	<b>1,210</b>	<b>292</b>

**8. Financial expenses**

Interest, associates	398	257	0	0
Other interest expenses	56,973	34,240	1	5
Foreign currency translation adjustments	4,281	5,383	0	0
Foreign exchange losses	0	10	0	0
Other financial expenses	1,025	2,538	2	895
<b>Total</b>	<b>62,677</b>	<b>42,428</b>	<b>3</b>	<b>900</b>

**9. Tax on profit for the year**

Current tax for the year	7,899	34,015	172	-223
Adjustment of deferred tax for the year	-3,203	-445	0	0
Adjustment of tax in respect of previous years	-946	0	0	0
<b>Total</b>	<b>3,750</b>	<b>33,570</b>	<b>172</b>	<b>-223</b>

**10. Proposed appropriation account**

Reserve for net revaluation according to the equity method	9,026	25,230	2,603	82,256
Proposed dividend for the financial year	10,000	5,000	10,000	5,000
Non-controlling interests	8,111	49,729	0	0
Retained earnings	-15,848	50,900	-9,425	-6,119
<b>Total</b>	<b>11,289</b>	<b>130,859</b>	<b>3,178</b>	<b>81,137</b>

**11. Intangible assets**

Figures in DKK '000	Acquired rights	Goodwill
Group:		
Cost as at 01.01.23	0	95,474
Cost as at 31.12.23	0	95,474
Amortisation and impairment losses as at 01.01.23	0	-78,078
Impairment losses during the year	0	-2,359
Amortisation during the year	0	-8,193
Amortisation and impairment losses as at 31.12.23	0	-88,630
Carrying amount as at 31.12.23	0	6,844

**12. Property, plant and equipment**

Figures in DKK '000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.01.23	20,956	1,557	8,724
Foreign currency translation adjustment of foreign enterprises	147	-595	115
Additions during the year	15,874	300	176
Cost as at 31.12.23	36,977	1,262	9,015
Depreciation and impairment losses as at 01.01.23	-1,104	-67	-5,742
Foreign currency translation adjustment of foreign enterprises	-420	67	-301
Depreciation during the year	-626	0	-785
Depreciation and impairment losses as at 31.12.23	-2,150	0	-6,828
Carrying amount as at 31.12.23	34,827	1,262	2,187

**13. Investments**

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates	Other invest- ments
Group:			
Cost as at 01.01.23	0	24,084	6,790
Additions during the year	0	0	1,957
Disposals during the year	0	-2,255	0
Cost as at 31.12.23	0	21,829	8,747
Revaluations as at 01.01.23	0	85,880	-73
Foreign currency translation adjustment of foreign enterprises	0	416	0
Reversal of revaluations of disposed assets	0	1,986	0
Net profit/loss from equity investments	0	10,316	0
Dividend relating to equity investments	0	-13,219	0
Other adjustments relating to equity investments	0	1,072	0
Transfers during the year to/from other items	0	902	0
Revaluations as at 31.12.23	0	87,353	-73
Depreciation and impairment losses as at 01.01.23	0	-6,242	-200
Amortisation of goodwill	0	-1,135	0
Depreciation and impairment losses as at 31.12.23	0	-7,377	-200
Carrying amount as at 31.12.23	0	101,805	8,474

**13. Investments** - continued -  
**Investments** - continued -

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates	Other invest- ments
Parent:			
Cost as at 01.01.23	209,237	0	253
Cost as at 31.12.23	209,237	0	253
Revaluations as at 01.01.23	315,761	0	0
Foreign currency translation adjustment of foreign enterprises	-1,838	0	0
Net profit/loss from equity investments	10,017	0	0
Dividend relating to equity investments	-45,000	0	0
Revaluations as at 31.12.23	278,940	0	0
Depreciation and impairment losses as at 01.01.23	-74,625	0	0
Amortisation of goodwill	-7,414	0	0
Depreciation and impairment losses as at 31.12.23	-82,039	0	0
Carrying amount as at 31.12.23	406,138	0	253
The item comprises goodwill as at 31.12.23 of	6,257	0	0

**13. Investments** - continued -

Name and registered office:	Ownership interest
Subsidiaries:	
Kangamiut Group A/S, Brønderslev	100%
Kangamiut Seafood A/S, Brønderslev	51%
Alimex Seafood A/S, Fredericia	75%
SN Seafood AS, Myre, Norge	70%
North Atlantic Seafood A/S, Brønderslev	83%
Danmarin A/S, Brønderslev	80%
Alimex International Limited, Hong Kong	100%
DanSea Nordic A/S, Furesø	60%
Northcoast Seafoods DK A/S, Brønderslev	85%
Fish and Feed Ltd., Ghana	85%
Kangamiut Green Land ApS, Brønderslev	100%
Associates:	
G&K Seafood eht., Reykjavik, Island	50%
Boco Seafood A/S, Brønderslev	42%
Wihaprest, Wilmille, Frankrig	33%
Freshpack Holding SA, Saint-Martin-Blogne, Frankrig	33%
Halibut Greenland ApS, Ilulissat, Grønland	23%
Uummanaq Seafood A/S, Ilulissat, Grønland	13%
Læsø Choice A/S, Brønderslev	50%

**14. Other non-current financial assets**

Figures in DKK '000	Receivables from associates	Other receivables
Group:		
Cost as at 01.01.23	7,550	67,053
Additions during the year	0	33,740
Disposals during the year	0	-9,482
Cost as at 31.12.23	7,550	91,311
Impairment losses as at 01.01.23	-1,759	-5,538
Impairment losses during the year	-902	-154
Impairment losses as at 31.12.23	-2,661	-5,692
Carrying amount as at 31.12.23	4,889	85,619

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
<hr/>				

**15. Prepayments**

Prepaid lease payments	0	21	0	0
Other prepayments	143	216	0	0
Prepaid exhibition costs	504	339	0	0
Total	647	576	0	0

**16. Share capital**

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	125	125
Total		125

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

**17. Non-controlling interests**

Non-controlling interests, beginning of year	121,969	84,033	0	0
Foreign currency translation adjustment of foreign enterprises	-1,029	-1,346	0	0
Dividend paid	-14,283	-10,508	0	0
Purchase of non-controlling interests	12,935	0	0	0
Other changes in equity	527	62	0	0
Net profit/loss for the year (distribution of net profit)	8,111	49,729	0	0
Total	128,230	121,970	0	0

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

**18. Deferred tax**

Provisions for deferred tax as at 01.01.23	4,931	4,486	0	0
Deferred tax recognised in the income statement	3,202	445	0	0
Provisions for deferred tax as at 31.12.23	8,133	4,931	0	0

Deferred tax is distributed as below:

Intangible assets	0	80	0	0
Property, plant and equipment	657	618	0	0
Inventories	224	565	0	0
Receivables	2,750	2,750	0	0
Provisions	3,470	0	0	0
Liabilities	1,032	918	0	0
Total	8,133	4,931	0	0

As at 31.12.23, the company has recognised a deferred tax asset of DKK 8,133k, which can primarily be attributed to tax losses carried forward and provisions. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.



**19. Other provisions**

Figures in DKK '000 Other provisions

Group:

Provisions during the year	20,072
Provisions as at 31.12.23	20,072

	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
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Other provisions are expected to be distributed as follows:

Non-current liabilities	12,272	0	0	0
Current liabilities	7,800	0	0	0
Total	20,072	0	0	0

**20. Fair value information**

Figures in DKK '000	Listed securities and equity investments	Derivative financial instruments	Total
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Group:

Fair value as at 31.12.23	5,768	34	5,802
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Unrealised changes of fair value recognised in the income statement for the year	459	34	493
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Forward exchange contracts are valued according to generally accepted valuation techniques based on relevant observable exchange rates. All forward contracts are with Jyske Bank and Sydbank, which is considered to have good expertise in the calculation of forward exchange contracts. The fair value of derivative financial instruments is calculated using valuation models, such as discounted cash flow models. The expected cash flows for the individual contract are based on observable market data, such as interest rate curves and exchange rates. The fair value is also based on unobservable data for own credit risk. Non-observable data do not have a significant effect on the fair value of the derivative financial instruments per. December 31, 2023.

## 21. Derivative financial instruments

Group:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The group concludes contracts for the sole purpose of hedging the currency risk on the future sale of goods in foreign currency. At the end of a 2023, a future sale of goods of NOK 56,605k for a period of up to 3 months. The fair value of the forward exchange contracts amounts to DKK 37,529k as at 31.12.23. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

## 22. Contingent liabilities

Group:

### *Lease commitments*

The group has concluded lease agreements with terms to maturity of 144 months and average lease payments of DKK 59k, a total of DKK 1,288k.

### *Recourse guarantee commitments*

The group has provided a guarantee whereby the guarantor assumes primary liability for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 777,614k at the balance sheet date.

The group has provided a guarantee whereby the guarantor assumes primary liability for associates' debt to credit institutions. The guarantee is unlimited. The associates' debt to the credit institutions concerned amounts to DKK 8k at the balance sheet date.

Parent:

### *Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

### 23. Charges and security

Group:

The group has provided a company charge of DKK 777,614k as security for debt to credit institutions on DKK 753,500k. As at 31.12.23, the company charge comprises the following assets with the following carrying amounts:

- Inventories, DKK 1,042,911k
- Trade receivables, DKK 388,820k

Parent:

The company has not provided any security over assets.

### 24. Related parties

Controlling influence	Basis of influence
Anne Vinther Morant	Real owner, based on voting rights

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 3. Staff costs.

	Group	
	2023 DKK '000	2022 DKK '000
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	11,981	9,590
Income from equity investments in associates	-9,026	-25,102
Income from other investments and receivables that are fixed assets	-153	-88
Financial income	-13,184	-6,794
Financial expenses	62,676	42,427
Tax on profit or loss for the year	3,749	33,571
Other taxes	224	108
Other adjustments	0	-485
Total	56,267	53,227

### 25. Adjustments for the cash flow statement

## 26. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

**26. Accounting policies** - continued -**Non-controlling interests**

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

**26. Accounting policies** - continued -**DERIVATIVE FINANCIAL INSTRUMENTS**

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

The company does not apply the hedge accounting rules under which changes in the fair value of derivative financial instruments are recognised under other net financials in the income statement.

**LEASES**

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

**GRANTS**

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

**INCOME STATEMENT****Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

**26. Accounting policies** - continued -**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

**Cost of sales**

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

**Other external expenses**

Other external expenses comprise production costs, selling costs, vehicle expenses, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

**Depreciation, amortisation and impairment losses**

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Acquired rights	5	0
Goodwill	5-7	0
Buildings	50	0
Plant and machinery	5-7	0
Other plant, fixtures and fittings, tools and equipment	3-7	0

Goodwill is amortised over 5-7 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

**26. Accounting policies** - continued -

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

**Income from equity investments in group enterprises and associates**

For equity investments in equity investments in associates and in the parent also equity investments in subsidiaries that are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For associates only the proportionate share of intercompany gains and losses is eliminated.

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

**Income from other investments and receivables that are fixed assets**

Interest income, dividends, unrealised capital gains and realised gains on disposal are recognised under this item.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

**Other net financials**

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies, gains and losses on other securities and equity investments etc. are recognised in other net financials.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

**Tax on profit/loss for the year**

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.



**26. Accounting policies** - continued -

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

**Other taxes**

Other taxes comprises tax amounts that are calculated on a basis other than the income for the year.

**BALANCE SHEET****Intangible assets***Acquired rights*

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

*Goodwill*

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

*Gains or losses on the disposal of intangible assets*

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

**Property, plant and equipment**

Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

**26. Accounting policies** - continued -

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

**Equity investments in group enterprises and associates***Equity investments in group enterprises*

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a consolidation method, and reference is made to the 'Equity method' section for further details.

*Equity investments in associates*

In the balance sheet, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

*Equity method*

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

**26. Accounting policies** - continued -

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5-7 years for equity investments in subsidiaries and 5-7 years for equity investments in associates. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

*Gains or losses on disposal of equity investments*

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

**Other investments**

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost. Other equity investments classified as current assets are written down to the lower of cost and net realisable value. Other equity investments that are traded in an active market are measured at fair value, equivalent to the market value at the balance sheet date.

**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

**26. Accounting policies** - continued -

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

**Inventories**

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Cash**

Cash includes deposits in bank accounts as well as operating cash.

**26. Accounting policies** - continued -**Equity**

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

**Provisions**

Other provisions comprise expected expenses incidental to restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

**26. Accounting policies** - continued -**Payables**

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

**CASH FLOW STATEMENT**

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.