
FS DK ApS

Prinsessens Kvarter 5D, DK-7000 Fredericia

Annual Report for 2022

CVR No. 27 16 22 74

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/5 2023

Niels Rune Herse
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of FS DK ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Fredericia, 4 May 2023

Executive Board

Niels Rune Herse
CEO

Board of Directors

Michael Mattias Salenstedt
Chairman

Lilia Bergendorff

Niels Rune Herse

Independent Auditor's report

To the shareholders of FS DK ApS

Opinion

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

We have audited the Financial Statements of FS DK ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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.

Trekantområdet, 4 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Henrik Forthoft Lind

State Authorised Public Accountant

mne34169

Company information

The Company	FS DK ApS Prinsessens Kvarter 5D DK-7000 Fredericia Website: www.fsgfoods.dk CVR No: 27 16 22 74 Financial period: 1 January - 31 December Municipality of reg. office: Fredericia
Board of Directors	Michael Mattias Salenstedt, chairman Lilia Bergendorff Niels Rune Herse
Executive board	Niels Rune Herse
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	38,330	45,580	30,901	25,284	25,655
Profit/loss before financial income and expenses	3,842	11,931	1,569	257	4,425
Profit/loss of financial income and expenses	656	-270	147	142	-514
Net profit/loss	3,437	9,107	1,329	334	3,039
Balance sheet					
Balance sheet total	92,977	109,890	74,479	65,979	56,977
Investment in property, plant and equipment	5,108	10,385	6,056	6,311	-1,455
Equity	41,619	38,182	29,075	27,745	27,412
Number of employees	52	53	49	47	42
Ratios					
Return on assets	4.1%	10.9%	2.1%	0.4%	7.8%
Solvency ratio	44.8%	34.7%	39.0%	42.1%	48.1%
Return on equity	8.6%	27.1%	4.7%	1.2%	15.8%

Management's review

Key activities

The Company's main activities consist of import and sale of primarily food for restaurants and wholesalers in the Scandinavian sushi market.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 3,437,004, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 41,618,622.

The past year and follow-up on development expectations from last year

The development in 2022 has been as expected. Covid-19 and the worldwide logistic situation and the situation in Ukraine has made it challenging to ensure that we have all goods in the warehouse in time and some has been postponed. Further to this we have seen a wide range of price increases due to inflation which affects the overall market situation.

The management is satisfied with the result.

Targets and expectations for the year ahead

The expectations for 2023 is a result in line with 2022. We expect the worldwide situation and inflation to stabilize during the year, which will support the business and make it possible for us to improve our ability to service our customers even more.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		38,330,464	45,579,917
Staff expenses	1	-30,343,033	-30,384,378
Depreciation and impairment losses of property, plant and equipment		-4,145,928	-3,264,969
Profit/loss before financial income and expenses		3,841,503	11,930,570
Financial income	2	1,409,604	399,363
Financial expenses	3	-753,364	-669,708
Profit/loss before tax		4,497,743	11,660,225
Tax on profit/loss for the year	4	-1,060,739	-2,553,451
Net profit/loss for the year	5	3,437,004	9,106,774

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		9,341,002	10,249,479
Leasehold improvements		1,438,595	2,441,281
Property, plant and equipment	6	10,779,597	12,690,760
Fixed assets		10,779,597	12,690,760
Finished goods and goods for resale		41,164,058	62,846,661
Inventories		41,164,058	62,846,661
Trade receivables		18,428,079	23,541,286
Receivables from group enterprises		2,507,222	4,110,316
Other receivables		849,072	1,274,936
Deferred tax asset	7	67,241	41,746
Corporation tax receivable from group enterprises		1,481,818	0
Prepayments	8	353,135	264,587
Receivables		23,686,567	29,232,871
Cash at bank and in hand		17,346,613	5,119,954
Current assets		82,197,238	97,199,486
Assets		92,976,835	109,890,246

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		512,000	512,000
Retained earnings		41,106,622	37,669,618
Equity		41,618,622	38,181,618
Lease obligations		4,658,408	5,267,018
Other payables		1,484,748	1,420,740
Long-term debt	9	6,143,156	6,687,758
Credit institutions		556,229	5,059
Lease obligations	9	4,126,110	4,990,937
Trade payables		29,243,544	42,763,426
Payables to group enterprises		0	3,569
Corporation tax		0	1,461,944
Other payables	9	11,289,174	15,795,935
Short-term debt		45,215,057	65,020,870
Debt		51,358,213	71,708,628
Liabilities and equity		92,976,835	109,890,246
Contingent assets, liabilities and other financial obligations	10		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	512,000	37,669,618	38,181,618
Net profit/loss for the year	0	3,437,004	3,437,004
Equity at 31 December	512,000	41,106,622	41,618,622

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	26,502,087	27,034,819
Pensions	2,775,574	2,432,335
Other social security expenses	466,616	444,211
Other staff expenses	598,756	473,013
	<u>30,343,033</u>	<u>30,384,378</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u>52</u>	<u>53</u>
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	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Financial income		
Interest received from group enterprises	163,398	300,601
Other financial income	78,416	98,762
Exchange gains	1,167,790	0
	<u>1,409,604</u>	<u>399,363</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Financial expenses		
Other financial expenses	398,996	279,814
Exchange adjustments, expenses	354,368	389,894
	<u>753,364</u>	<u>669,708</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
4. Income tax expense		
Current tax for the year	1,018,182	1,461,944
Deferred tax for the year	-25,495	1,091,507
Adjustment of tax concerning previous years	68,052	0
	<u>1,060,739</u>	<u>2,553,451</u>
Calculated 22.00% tax on profit/loss for the year before tax	989,503	2,565,250
	<u>0</u>	<u>0</u>
	<u>989,503</u>	<u>2,565,250</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
5. Profit allocation		
Retained earnings	3,437,004	9,106,774
	<u>3,437,004</u>	<u>9,106,774</u>

Notes to the Financial Statements

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	16,799,876	5,653,974
Additions for the year	5,107,629	0
Disposals for the year	-5,646,820	-1,052,464
Cost at 31 December	<u>16,260,685</u>	<u>4,601,510</u>
Impairment losses and depreciation at 1 January	6,550,396	3,212,693
Depreciation for the year	3,142,662	1,002,686
Reversal of impairment and depreciation of sold assets	-2,773,375	-1,052,464
Impairment losses and depreciation at 31 December	<u>6,919,683</u>	<u>3,162,915</u>
Carrying amount at 31 December	<u>9,341,002</u>	<u>1,438,595</u>
Amortised over	<u>3-6 years</u>	<u>6 years</u>
Including assets under finance leases amounting to	<u>8,007,955</u>	<u>950,345</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK

7. Deferred tax asset

Deferred tax asset at 1 January	41,746	1,520,271
Amounts recognised in the income statement for the year	25,495	-1,091,507
Deferred tax asset at 31 December	<u>67,241</u>	<u>41,746</u>

The recognised tax asset expected to be utilised in 2022

8. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	<u>4,658,408</u>	<u>5,267,018</u>
Long-term part	4,658,408	5,267,018
Within 1 year	<u>4,126,110</u>	<u>4,990,937</u>
	<u>8,784,518</u>	<u>10,257,955</u>
Other payables		
After 5 years	0	0
Between 1 and 5 years	<u>1,484,748</u>	<u>1,420,740</u>
Long-term part	1,484,748	1,420,740
Within 1 year	0	0
Other short-term payables	<u>11,289,174</u>	<u>15,795,935</u>
	<u>12,773,922</u>	<u>17,216,675</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK

10. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

The following assets have been placed as security with floating charge TDKK 5.000:	32,563,970	41,637,923
Unsecured claims from sale of goods and services, operating equipment and fixtures and fittings, tools and equipment with a carrying amount of		

Rental and lease obligations

Rental obligations, period of interminability up to 2031	34,067,305	35,348,707
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Notes to the Financial Statements

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of FSG Foods ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

11. Related parties and disclosure of consolidated financial statements

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

FSG Foods ApS, Prinsessens Kvarter 5D, 7000 Fredericia

Consolidated Financial Statements

The Company is included in the consolidated report for the ultimate parent company

<u>Name</u>	<u>Place of registered office</u>
Nordward Seafood Holding AB, Org nr. 559145-1702	Sweden

Notes to the Financial Statements

12. Accounting policies

The Annual Report of FS DK ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of ODELAV 18 AB, Org nr. 559145-1702, the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

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

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

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

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

Notes to the Financial Statements

Income statement

Net sales

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-6 years

Leasehold improvements 5-6 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$