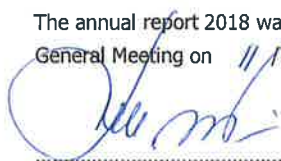


INSEPA A/S

**Kalvebod Brygge 39-41,
1560 København V**

Annual Report 2018

The annual report 2018 was adopted by the Annual
General Meeting on 11/14 2019



.....
(chairman)

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Insepa A/S for the financial year 1 January – 31 December 2018.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2018 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the parent company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 4 April, 2019

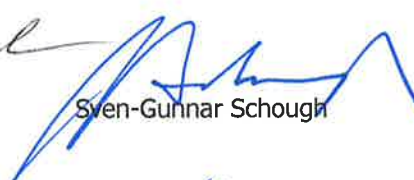
Executive Board:

Klaus B. Nielsen
CEO

Board of Directors:



Flemming Enevoldsen
Chairman



Sven-Gunnar Schough



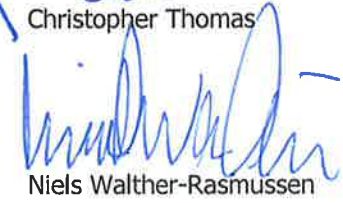
Christopher Thomas



Diane Hughes



Olav Holst-Dyrnes



Niels Walther-Rasmussen



Peter Kjær

Independent auditor's report

To the shareholders of Insepa A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Insepa A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the 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 financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the 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 of the Management's review.

Aarhus, 4 April, 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jes Lauritzen
State Authorised
Public Accountant
mne10121



Morten Friis
State Authorised
Public Accountant
mne32732

Management's review

Company details

Insepa A/S
Kalvebod Brygge 39-41
DK-1560 København V
Denmark

Telephone: +45 5690 6000
Fax: +45 5690 6001

Registration No.: 27 90 77 25
Established: 11.06.2004
Registered office: Copenhagen, Denmark

Board of Directors

Flemming Enevoldsen (Chairman)
Sven-Gunnar Schough
Christopher Thomas
Diane Hughes
Olav Holst-Dyrnes
Niels Walther-Rasmussen
Peter Kjær

Executive Board

Klaus B. Nielsen, CEO

Auditors

ERNST & YOUNG, Godkendt Revisionspartnerselskab, CVR. No. 30700228
Værkmestergade 25
Postboks 330
DK-8100 Aarhus C
Denmark

Annual general meeting

The annual general meeting is to be held on **11** April 2018.

Management's review

Financial highlights for the Group

(DKKm)	2018	2017	2016	2015	2014
Key figures					
Revenue	3.008	2.673	2.429	2.303	2.141
Operating profit before special items	62	54	67	2	82
Ordinary operating profit	16	54	67	2	82
Profit/loss before tax and extraordinary items	-25	5	35	-29	44
Non-controlling shareholders' interest	13	0	0	0	0
Profit/loss of the year	-23	2	19	-55	34
Non-current assets	563	544	411	445	414
Current assets	1.154	958	920	1.116	1.011
Total assets	1.717	1.502	1.331	1.561	1.425
Share capital	10	10	10	10	10
Equity	650	395	444	435	465
Non-controlling shareholders' interest	-99	0	0	0	0
Provisions	25	25	18	14	13
Non-current liabilities other than provisions	339	78	104	110	99
Current liabilities	803	1.004	766	1.002	848
Cash flows from operating activities	-144	38	339	21	-83
Cash flows from investing activities	59	-170	-40	-66	-91
Portion relating to investment in property, plant and equipment	-112	-73	-42	-53	-48
Cash flows from financing activities	98	145	-296	57	169
Total cash flows	13	14	3	12	-5
Key figures					
Solvency ratio	37,9	26,3	33,4	27,9	32,6
Return on equity	-7,0	0,5	4,3	-12,2	7,6
Average number of full-time Employees					
	3.004	2.742	2.430	2.215	2.016

Financial ratios are calculated in accordance with the Danish Finance Society.

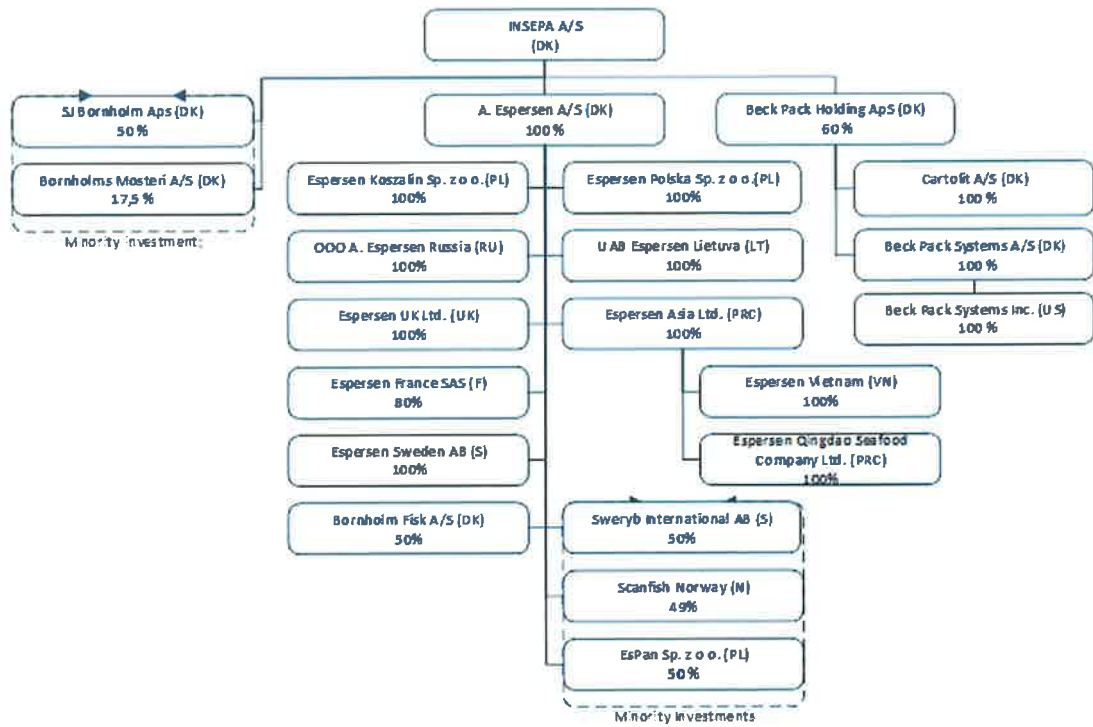
The financial ratios stated in the survey of financial highlights have been calculated as follows:

Solvency ratio: $\text{Equity at year end} \times 100 / \text{Total equity and liabilities at year end}$

Return on equity: $\text{Profit for the year after tax} \times 100 / \text{Average equity}$

Management's review

Group chart



Management's review

Principal activities of the Group

Insepa A/S' (International Seafood and Packaging A/S) principal activity is ownership of the subsidiaries A. Espersen A/S (Espersen Group) and Beck Pack Holding A/S (Beck Pack).

Espersen Groups activities are production of frozen and chilled fish products for retail and foodservice markets, primarily in Europe as well as BtB customers worldwide. The raw materials used are mostly imported frozen cod as well as other fish species and semi manufactured products from other parts of the world.

Beck Packs Systems activity is production and sale of packaging to the fish processing industries in Denmark and worldwide.

Local engagement

Through the Foundation of Director J.P.A. Espersen and wife, Mrs. Dagny Espersen, the Group contributes to charities in the local areas where Insepa operates.

Development in activities and financial position

Profit/loss for the year

In 2018, the Group realized an operating profit before special items of 62 mDKK compared with 54 mDKK the previous year, which is not considered satisfactory. However, this evolution is influenced by particularly one significant factor:

- In the 1st half of 2018 the most important rawmaterial to the Group – frozen and fresh Cod – saw a priceincrease of more than 25%. Due to the nature of our (then) commercial agreements these rawmaterial increases could only be passed on to customers with significant delay. The negative impact of rawmaterial priceincreases over 2017 performance is approx. 50 mDKK.

To significantly reduce the Espersen Groups earnings volatility of such rawmaterial price changes a much tighter risk management policy has been implemented in 2nd half of 2018. Measures to reduce volatility includes among other increasing inventory levels to create more alignment with the commercial risk as well as changing customer agreements towards more balanced risk sharing. For the avoidance of doubt this will in the future also mean less potential gain in the case of significant - and sudden – decreases in rawmaterial prices. This has – in part – been possible by the strengthened financial position of the parent Company and increase of equity of 150 mDKK in Espersen Group.

If adjusting for this unusual rawmaterial situation operating profit before special items would be 112 mDKK versus 54 mDKK in 2017 equalling an underlying operational performance improvement of 58 mDKK. These are among other due to the initiatives stated in last years report, most notably in Espersen Group:

- Moving production from – our now closed – facility in Fredericia, Denmark to Koszalin, Poland following the acquisition made in 2017 of Royal Greenlands facility there.
- Restructuring of our Primary Production facility in Poland which has significantly reshaped performance there.

Total 2018 investment against these two initiatives is in excess of 130 mDKK (capital expenditure and special items in the P&L as per note 18). These initiatives are now completed and gives the Group a unique competitive advantage.

In June 2018 the Group announced that a 40% share of Beck Pack was sold to Kirk Kapital at an attractive valuation which unfolded the significant valuecreation in Beck Pack in recent years. This has significantly reshaped and strengthened the balancesheet of the group. In accordance with the Danish Financial Statement Act, the profit on sale of the minority interest of 270 mDKK has been recognized in equity in the consolidated financial statements and in profit and loss in the parent financial statements.

Outlook

Espersen Group expects a significantly improved result for 2019 stemming from below two main factors:

- Full year effects of the industrial platform restructurings and competitiveness mentioned above
- Continued improvements in our operational performance and fixed cost structure and an continued optimization of our productmix

Beck Pack expects a result in 2019 at a continued very satisfactory level like 2018.

Espersen Group has significant trading with the UK (but no production in UK) and is as such exposed to potential implications following Brexit. Certain measures have been taken with both customers and suppliers, including stock building to partially countermeasure implications of an eventual no-deal Brexit.

It is not possible to assess the financial consequences of a no-deal Brexit, but it is a fact that UK imports more than 50% of food consumed and this can realistically not be significantly reduced in the short term by replacing imports with domestic products. Consequently we believe a swift resolution to potential tradebarriers in food will have high priority with both UK and EU.

So overall the Group expects a significantly better result in 2019.

Particular risks

General risks

Espersen Groups main exposure is its dependence on raw material procurement. Espersen depends on a good development of whitefish stocks, especially cod, and is working both locally and globally to ensure sustainable fishing. A further risk could be an environmental disaster and its consequences for global fishing.

Currency and financial risks

A considerable part of the Groups purchases and sales are performed in foreign currency, and fluctuations in the rates of exchange may have a short-term effect on the Company's results; in the long-term, these fluctuations are, however, included in the market. A defined policy is in place to mitigate significant short-term impacts of changes in exchange rates. Hedging of currency risks is mainly by use of foreign exchange forwards.

Credit risks

The credit risks of the Company primarily relates to trade debtors. As a rule, an international credit insurance institution insures all debtors in order to minimise credit risks.

Intellectual capital

The intellectual capital necessary for the current product development is available within the organization of the Group.

The production activities of the Group are primarily processed on standard production equipment and the high seniority of the staff is a contributing factor to the higher yield and profits.

Environmental issues

It is important for the Group to act in an ethical correct way, to support and work for sustainable fishing and to have a good image towards our business partners and in the local communities.

Social responsibility

The Insepa holding company has as such no individual corporate CSR policy nor any environmental and human rights policy, but the company's attitude towards these matters does not differ from the general policy stated for A. Espersen A/S.

Reference is therefore made to Insepa's primary subsidiary, A. Espersen A/S's CSR policy. The CSR report is available at Espersen's website:

<http://www.espersen.com/commitment/reports-awards>

Subsequent events

No events have occurred after the year-end closing which could significantly affect the evaluation of the financial position of the Company.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

The annual report of Insepa A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Insepa A/S, and subsidiaries in which Insepa A/S directly or indirectly holds more than 50% of the voting rights or over which it otherwise exercises control. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Business combinations

Recently acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Business Combinations

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the year of acquisition.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the

non-controlling interests' ownership share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis and is stated in the notes in connection with the description of acquired entities.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity.

Income statement

Revenue

Income from the sale of goods for resale and finished goods, comprising sale of fish is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Raw materials and consumables

Costs of raw materials and consumables comprise purchases for the year and the change in the inventory of raw materials and consumables.

Other external costs

Other external costs comprise all other costs, among these administration, bad debts and fixed costs.

Staff costs

Staff costs comprise wages and salaries, including holiday allowances and pensions, and other social security cost etc. for the Company's employees. Refund received from public authorities are deducted from staff costs.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses which comprise depreciation, amortisation and impairment losses regarding goodwill, intangible assets and property and equipment are provided on a straight-line basis over the expected useful lives of the assets, based on the assessed useful lives.

Profits/losses from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intra-group profits/losses.

Interest income and expenses

Interest income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation of Insepa A/S Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date when they are included in the consolidation of the consolidated financial statements and up to the date when they exit the consolidation.

The parent company Insepa A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Acquired rights

Acquired rights are measured at cost amortised over the remaining period and adjusted for impairment losses.

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 20 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	5-50 years
Plant and machinery	3-10 years
Fixtures and fittings, other plant and equipment	3-10 years

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

disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such entities are written down in so far as the amount receivable is considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation according to the equity method in equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of Insepa A/S is adopted are not taken to the net revaluation reserve.

The purchase method of accounting is applied to corporate acquisitions, see the above description under "Consolidated financial statements".

Securities and investments

Listed securities and investments are measured at fair value at the balance sheet date.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment and investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the weighted average cost method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected bad debt losses.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

In the parent financial statements, deferred income comprise the negative book value of subsidiaries that has arisen as a consequence of sale of minority interests.

Consolidated cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises including minority interests and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to only minor risks of changes in value.

INCOME STATEMENT
DKK'000

Note	CONSOLIDATED		PARENT		
	2018	2017	2018	2017	
3	Revenue	3.007.862	2.673.406	6.409	10.916
	Changes in inventories of finished goods	15.394	30.465	-	-
	Other operating income	5.701	5.124	-	-
		3.028.957	2.708.995	6.409	10.916
	Raw materials, consumables, etc.	-2.207.081	-1.944.202	-	-
	Other external costs	-321.249	-272.819	-9.526	-6.907
	Gross profit	500.627	491.974	-3.117	4.009
4	Staff costs	-411.870	-381.852	-3.614	-4.380
5/6	Depreciation, amortisation and impairment	-73.171	-56.515	-1.065	-761
	Operating profit/loss	15.586	53.607	-7.796	-1.132
7	Income from investments in subsidiaries	-	-	-31.815	9.230
7	Profit from sale of minority interest	-	-	269.766	-
8	Income from investments in associates	-961	507	-	-
10	Interest income and expense	-39.953	-49.134	2.114	-7.551
	Profit/loss before tax	-25.328	4.980	232.269	547
11	Corporation tax	1.869	-2.513	639	1.782
	Profit/loss for the year	-23.459	2.467	232.908	2.329
	Breakdown of Consolidated results of Operations:				
	Shareholders, Insepa A/S	-36.859	2.329		
	Non-controlling interests	13.400	138		
		-23.459	2.467		
	Proposed profit appropriation / distribution of loss:				
	Proposed dividends			3.000	3.000
	Retained earnings			229.908	-671
				232.908	2.329

Note	CONSOLIDATED		PARENT	
	2018	2017	2018	2017
	ASSETS			
	Non-current assets			
5	Intangible fixed assets			
	-	-	-	-
	-	-	-	-
	90.723	100.502	-	-
	3.084	4.625	1.705	2.484
	<u>93.807</u>	<u>105.127</u>	<u>1.705</u>	<u>2.484</u>
6	Tangible fixed assets			
	261.285	241.829	-	-
	162.927	138.156	-	-
	8.231	10.428	1.040	587
	21.577	32.691	1.212	1.045
	<u>454.020</u>	<u>423.104</u>	<u>2.252</u>	<u>1.632</u>
	Investments			
7	-	-	303.762	337.168
8	8.178	9.277	-	-
12	3.180	3.487	2.023	2.418
	3.406	3.327	1.750	1.750
	<u>14.764</u>	<u>16.091</u>	<u>307.535</u>	<u>341.336</u>
	<u>562.591</u>	<u>544.322</u>	<u>311.492</u>	<u>345.452</u>
	Current assets			
	Inventories			
	307.671	188.347	-	-
	258.999	243.605	-	-
	<u>566.670</u>	<u>431.952</u>	<u>-</u>	<u>-</u>
	Receivables			
	422.170	384.939	-	-
	-	-	846.420	663.887
	52.925	48.299	17.574	21.804
13	31.450	28.631	977	762
	12.020	6.806	-	1.345
9	1.716	2.923	576	2.126
	<u>520.281</u>	<u>471.598</u>	<u>865.547</u>	<u>689.924</u>
	<u>67.401</u>	<u>54.166</u>	<u>-</u>	<u>-</u>
	<u>1.154.352</u>	<u>957.716</u>	<u>865.547</u>	<u>689.924</u>
	<u>1.716.943</u>	<u>1.502.038</u>	<u>1.177.039</u>	<u>1.035.376</u>

Note	CONSOLIDATED		PARENT	
	2018	2017	2018	2017
<u>EQUITY AND LIABILITIES</u>				
Equity				
	10.000	10.000	10.000	10.000
	633.466	377.609	633.466	377.609
	3.745	4.844	3.745	4.844
	3.000	3.000	3.000	3.000
	650.211	395.453	650.211	395.453
	-99.393	379	-	-
	<u>550.818</u>	<u>395.832</u>	<u>650.211</u>	<u>395.453</u>
Provisions				
13	5.845	4.334	-	-
	18.988	20.186	-	-
	<u>24.833</u>	<u>24.520</u>	<u>-</u>	<u>-</u>
14 Non-current liabilities				
	329.164	51.065	-	-
	9.549	26.852	-	-
	<u>338.713</u>	<u>77.917</u>	<u>-</u>	<u>-</u>
Current liabilities				
	3.749	41.036	-	-
	416.409	560.527	261.831	576.029
	262.043	238.765	957	2.041
	12.366	4.373	8.806	-
	108.012	159.068	8.106	13.108
7	-	-	149.972	-
	-	-	97.156	48.745
	<u>802.579</u>	<u>1.003.769</u>	<u>526.828</u>	<u>639.923</u>
Total liabilities				
	<u>1.141.292</u>	<u>1.081.686</u>	<u>526.828</u>	<u>639.923</u>
TOTAL EQUITY AND LIABILITIES				
	<u>1.716.943</u>	<u>1.502.038</u>	<u>1.177.039</u>	<u>1.035.376</u>
1	Events after the balance sheet date			
2	Special items			
15	Distribution of profit			
16	Contingent liabilities and collateral			
17	Fees paid to the auditors appointed			
18	Currency and interest rate risks and the use of derivative financial instruments			
19	Related parties			

	Consolidated	
	2018	2017
Operating profit/loss	15.586	53.607
Depreciations	73.171	56.515
Adjustment from other non cash transactions	-2.694	-11.795
Cash flows from operations (operative activities) before changes in working capital	86.063	98.327
Changes in inventories	-140.438	-29.360
Changes in receivables	-39.068	27.578
Changes in trade and other payables	-5.551	10.196
Cash flows from operations (operating activities)	-98.994	106.741
Interest income and expense	-39.661	-48.789
Corporation tax paid	-5.166	-19.099
Cash flows from operating activities	-143.821	38.853
Acquisition of subsidiaries	-	-108.394
Sale of minority interest	156.500	-
Acquisition of property, plant and equipment	-112.485	-73.109
Disposal of property, plant and equipment	15.332	11.695
Cash flow from investing activities	59.347	-169.808
External financing		
Mortgage	-73.192	-18.553
Bank loans and overdrafts	169.981	188.445
Loans provided to associated companies	3.920	-21.464
Dividends paid/recieved	-3.000	-3.000
Cash flows from financing activities	97.709	145.428
Net cash flows for the year	13.235	14.473
Cash and cash equivalents at 1 January	54.166	39.693
20 Cash and cash equivalents at 31 December	67.401	54.166

Cash and cash equivalents represent the total of cash and securities.

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements as exchange rate adjustment is included in the individual balance sheet components.

STATEMENT OF CHANGES IN EQUITY

DKK'000

Consolidated

	Share capital	Reserve for reval under the equity method	Retained earnings	Dividend	Total	Non controlling interests
Equity at 1 January 2017	10.000	4.655	426.184	3.000	443.839	240
Dividends paid	-	-	-	-3.000	-3.000	-
Dividends proposed	-	-	-3.000	3.000	-	-
Transf. from profit/loss for the year	-	507	1.822	-	2.329	138
Foreign exchange rate adj. associated	-	-318	-	-	-318	-
Foreign exchange rate adj. subsidiaries	-	-	-6.629	-	-6.629	1
Derivative financial instr. at 31 Dec	-	-	-40.768	-	-40.768	-
Equity at 1 January 2018	10.000	4.844	377.609	3.000	395.453	379
Dividends paid	-	-	-	-3.000	-3.000	-
Dividends proposed	-	-	-3.000	3.000	-	-
Profit sale of minority interest	-	-	269.766	-	269.766	-
Sale of minority interest	-	-	-	-	-	-113.208
Transf. from profit/loss for the year	-	-961	-35.898	-	-36.859	13.400
Foreign exchange rate adj. associated	-	-138	-	-	-138	-
Foreign exchange rate adj. subsidiaries	-	-	-7.731	-	-7.731	546
Derivative financial instr. at 31 Dec	-	-	32.720	-	32.720	-510
Equity at 31 December 2018	10.000	3.745	633.466	3.000	650.211	-99.393

Parent Company

	Share capital	Reserve for reval under the equity method	Retained earnings	Dividend	Total
Equity at 1 January 2017	10.000	4.655	426.184	3.000	443.839
Dividends paid	-	-	-	-3.000	-3.000
Dividends proposed	-	-	-3.000	3.000	-
Transf. from profit/loss for the year	-	507	1.822	-	2.329
Foreign exchange rate adj. associated	-	-318	-	-	-318
Foreign exchange rate adj. subsidiaries	-	-	-6.629	-	-6.629
Derivative financial instr. at 31 Dec	-	-	-40.768	-	-40.768
Equity at 1 January 2018	10.000	4.844	377.609	3.000	395.453
Dividends paid	-	-	-	-3.000	-3.000
Dividends proposed	-	-	-3.000	3.000	-
Transf. from profit/loss for the year	-	-961	233.869	-	232.908
Foreign exchange rate adj. associated	-	-138	-	-	-138
Foreign exchange rate adj. subsidiaries	-	-	-7.731	-	-7.731
Derivative financial instr. at 31 Dec	-	-	32.719	-	32.719
Equity at 31 December 2018	10.000	3.745	633.466	3.000	650.211

The share capital consists of 20 shares of tDKK 500 and has been unchanged in the latest 5 year

1 Events after the balance sheet date

No events materially affecting the Group's financial position have occurred subsequent to the balance sheet date

2 Special items

Special items comprise significant expenses of a special nature relative to the Group's revenue generating operating activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses relating thereto and which over time are of significant importance. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's operating activities.

As disclosed in the Management's review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	Consolidated	
	2018	2017
Closure off Fredericia manufacturing facility and transferring production to site in Poland	42.701	-
Restructuring Primary production facility in Poland	3.606	-
Total exceptional costs	46.307	-
Reported in the Income Statement as below:		
Staff costs	13.530	-
Other external costs	21.869	-
Depreciation, amortisation and impairment	10.908	-
	46.307	-

For the parent entity special items include the gain of 270 mDKK as part of sale of minority interest in a subsidiary

3 Segment information -Group

	2018	2017
Fish products - domestic market	67.156	61.351
Fish products - export markets	2.940.706	2.612.055
	3.007.862	2.673.406

4 Staff costs

	Consolidated		Parent	
	2018	2017	2018	2017
Wages and salaries	349.120	323.298	3.614	4.380
Pensions	30.986	33.702	-	-
Other social security costs	31.764	24.852	-	-
	411.870	381.852	3.614	4.380

During the year under review the Group had 3.004 full-time employees (2.742 in 2017) of which 1 were employed in the parent company (1 in 2017).

Remuneration of the Executive Board and the Board of Directors in the parent company is DKK 4.215 thousand (4.042 in 2017). For the Group the remuneration of the Executive Board and the Board of Directors is DKK 10.494 thousand (12.043 in 2017)

5 Intangible fixed assets

Consolidated

	Patents	Acquired rights	Goodwill	Software	Total
Cost at 1 January 2018	162	21.773	183.519	14.371	219.663
Value adjustment in foreign companies	-	-	827	-33	794
Disposals	-162	-	-	-4.286	-4.286
Transfer from/to other assets	-	-	-	938	938
Cost at 31 December 2018	-	21.773	184.346	10.990	217.109
Depreciation at 1 January 2018	162	21.773	83.016	9.746	114.535
Value adjustment in foreign companies	-	-	188	-34	154
Disposals	-162	-	-	-3.383	-3.383
Depreciation	-	-	10.419	1.577	11.996
Depreciation at 31 December 2018	-	21.773	93.623	7.906	123.302
Carrying amount at 31 December 2018	-	-	90.723	3.084	93.807

Parent Company

	Software
Cost at 1 January 2018	3.879
Transfer from/to other assets	98
Cost at 31 December 2018	3.977
Depreciation at 1 January 2018	1.395
Depreciation	877
Depreciation at 31 December 2018	2.272
Carrying amount at 31 December 2018	1.705

6 Tangible fixed assets

Consolidated

	Buildings	Plant and machinery	Operating equipment	In course of constru.	Total
Cost at 1 January 2018	534.327	762.712	69.429	32.691	1.399.159
Value adjustment in foreign companies	-3.221	-6.535	-382	-817	-10.955
Additions	902	2.874	189	108.520	112.485
Disposals	-67.530	-27.827	-5.178	-171	-100.706
Transfer to other assets	58.375	56.970	1.145	-118.646	-2.156
Total cost at 31 December 2018	522.853	788.194	65.203	21.577	1.397.827
Total revaluations at 1 January 2018	3.834	-	-	-	3.834
Total revaluations at 31 December 2018	3.834	-	-	-	3.834
Depreciation at 1 January 2018	296.332	624.556	59.001	-	979.889
Value adjustment in foreign companies	-2.098	-4.945	-186	-	-7.229
Depreciation of disposed assets	-55.655	-24.974	-5.566	-	-86.195
Depreciation of the year	26.823	30.630	3.723	-	61.176
Total depreciation 31 December 2018	265.402	625.267	56.972	-	947.641
Carrying amount 31 December 2018	261.285	162.927	8.231	21.577	454.020

6 Tangible fixed assets (continued)

Parent company

	Opera- ting equipment	In cour- se of constru.	Total
Cost at 1 January 2018	784	1.045	1.829
Additions	-	906	906
Disposals	-	-	-
Transfer to other assets	642	-739	-97
Total cost at 31 December 2018	1.426	1.212	2.638
Depreciation at 1 January 2018	197	-	197
Depreciation of disposed assets	-	-	-
Depreciation of the year	189	-	189
Total depreciation 31 December 2018	386	-	386
Carrying amount 31 December 2018	1.040	1.212	2.252

7 Investment in subsidiaries

	2018	2017
Cost at 1 January	654.438	654.438
Additions (Capitalincrease in A. Espersen A/S)	150.000	-
Sale of Minority interest	-24.680	-
Cost at 31 December	<u>779.758</u>	<u>654.438</u>
Value adjustments at 1 January	-317.270	-234.093
Dividends	-43.000	-47.000
Currency translation	-6.446	-6.948
Derivatives	34.668	-38.458
Amortisation of Goodwill	-5.313	-5.313
Extraordinary dividend-in-kind	-400.000	-
Decrease, sale of minority interest	137.895	-
Profit/loss for the year after tax	-26.502	14.542
Value adjustments at 31 December	<u>-625.968</u>	<u>-317.270</u>
Carrying amount at 31 December	<u>153.790</u>	<u>337.168</u>
<u>Presented in the Balance sheet as below:</u>		
Investments in subsidiaries	303.762	337.168
Deferred income	-149.972	-
	<u>153.790</u>	<u>337.168</u>

During 2018, the Company has sold a 40% minority interest in Beck Pack Holding ApS. In accordance with the Danish Financial Statements Act, the gain on the transaction has been recognized as an equity transaction in the Group Financial Statements and in Profit and loss in the parent financial statements

As part of the transaction an extraordinary dividend-in-kind of DKK 400 mio was paid, leading to the book value of the investment being negative in parent financial statements which, in accordance with the accounting policies, has been presented as a deferred income.

	Reg. Office	Stake %	Share Cap.	Part of equity	Profit/(loss)
A. Espersen A/S	Rønne	100%	TDKK 35.000	254.921	-75.764
Beck Pack Holding ApS	Rønne	60%	TDKK 100	-149.972	49.262
				104.949	-26.502
Group goodwill				48.841	-5.313
				<u>153.790</u>	<u>-31.815</u>

8 Investment in associates		2018	2017		
Cost at 1 January		4,433	4,433		
Cost at 31 December		4,433	4,433		
Value adjustments at 1 January		4,844	4,655		
Adjustments exchange rates		-138	-318		
Profit/loss for the year after tax		-961	507		
Value adjustments at 31 December		3,745	4,844		
Carrying amount at 31 December		8,178	9,277		
	Reg. Office	Stake %	Share Cap.	Part of equity	Profit/(loss)
Scanfish AS	Norway	49%	TNOK 500	4,988	-243
Bornholm Fisk A/S	Denmark	50%	TDKK 500	664	-454
Sweryb International AB	Sweden	50%	TSEK 200	112	1
Espan Sp. z o.o.	Poland	50%	TPLN 4000	2,414	-265
				8,178	-961

9 Prepayments

Consists of various minor prepayments, notably rent and insurance

10 Interest income and expenses

	Consolidated		Parent	
	2018	2017	2018	2017
Income				
Interest income	111	276	15	191
Interest income from group enterprises	-	197	19,735	11,024
Foreign exchange adjustments	13,081	8,555	10,623	7,961
Other	112	235	-	-
	13,304	9,263	30,373	19,176
Expenses				
Interest expense	24,780	25,190	13,635	13,707
Interest expense to group enterprises	-	197	-	-
Foreign exchange adjustments	18,512	20,463	12,317	8,974
Loss and adjustments securities	5,938	6,603	-	-
Fees and other costs	4,027	5,944	2,307	4,046
	53,257	58,397	28,259	26,727
	-39,953	-49,134	2,114	-7,551

11 Tax on profit/loss for the year

	Consolidated		Parent	
	2018	2017	2018	2017
Expected current tax for the year	8,305	10,449	-694	-1,345
Tax on equity entries	359	628	-	651
Adjustment in respect of deferred tax	-13,128	-6,874	-191	-1,088
Impact from changed taxation per cent	-	-1,494	-	-
Tax in respect of previous years.	2,595	-196	246	-
Total tax for the year	-1,869	2,513	-639	-1,782

Tax analysis

Profit/loss before tax	-25,328	4,980
Higher taxation foreign subsidiaries	-	3,200
Depreciation goodwill	5,313	5,313
Profit/loss associates after tax	961	-507
Other adjustments	10,559	-1,563
Profit/loss before tax, adjusted	-8,495	11,423
Implied tax rate of the above	22%	22%

12 Other securities and investments

	Consolidated		Parent	
	2018	2017	2018	2017
Cost at 1 January	14.800	14.800	8.456	8.456
Total cost at 31 December	14.800	14.800	8.456	8.456
Value adjustment to fair value at 1 January	-11.313	-10.943	-6.038	-5.458
Other value adjustments	-	-580	-	-580
Value adjustments for the year to fair value	-307	210	-395	-
Value adjustments to fair value at 31 December	-11.620	-11.313	-6.433	-6.038
Carrying amount at 31 December	3.180	3.487	2.023	2.418

13 Provisions for deferred tax

The amount relating to debtors, foreign exchange contracts, properties, plant and machinery is provided at the expected tax rate for 2019.

At 31 December 2018, the Group recognised an asset totalling DKK 25.605 thousand. The tax asset consists of tax loss carry-forwards totalling DKK 15.396 thousand and non-utilised tax deductions in form of timing differences totalling DKK 10.209 thousand.

Based on the budgets until 2021, Management considers it likely that there will be future taxable income against which non-utilised tax losses and tax deductions can be offset.

The changes for the year are specified as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
Deferred tax liabilities at 1 January	4.334	12.505	-	326
Deferred tax assets at 1 January	-28.631	-	-762	-
Deferred tax net (asset)/liability at 1 January	-24.297	12.505	-762	326
Adjustments in respect of previous years	525	-	525	-
Opening adjustment, foreign exchange rates	-477	25	-	-
Deferred taxes acquired in business combination	-	-15.645	-	-
Deferred tax, equity items	-7.942	-12.814	-549	-
Impact of changed tax pct	-	-1.494	-	-
Adjustments for the year, income statement	6.586	-6.874	-191	-1.088
Deferred tax net at 31 December	-25.605	-24.297	-977	-762
Deferred tax liabilities at 31 December	5.845	4.334	-	-
Deferred tax assets at 31 December	-31.450	-28.631	-977	-762
	-25.605	-24.297	-977	-762

14 Non-current liabilities

	Consolidated	
	2018	2017
Falling due between 2 and 5 years	330.192	50.974
Falling due after more than 5 years	8.521	26.943
	338.713	77.917

15 Proposed profit appropriation/distribution of loss

	2018	2017
Proposed dividends	3.000	3.000
Retained earnings	229.908	-671
	232.908	2.329

16 **Contingent liabilities and collateral****Operational leasing - Consolidated**

	<u>Sites</u>	<u>Cars</u>	<u>Equipment</u>	<u>Total</u>
Falling due within one year	4.167	1.520	274	5.961
Falling due between 1-5 years	9.839	2.547	1.040	13.426
Falling due after more than 5 years	9.730	-	-	9.730
	<u>23.736</u>	<u>4.067</u>	<u>1.314</u>	<u>29.117</u>

Contingent liabilities

The company is unlimited and jointly liable with other group companies for corporate tax and withholding tax on dividends and interest within the jointly taxed group.

The company is jointly liable for any and all obligations that A. Espersen A/S and Espersen Polska Sp.zoo may have with the groups main bank. Shares in A. Espersen A/S and Beck Pack Holding A/S has been pledged as collateral with the groups main bank.

The company has provided a guarantee for a bank loan provided to the associate Scanfish A/S in the amount of 35 mNOK

Collateral

	<u>Consolidated</u>	<u>Parent</u>
Bankguarantee for customs duty	<u>5.500</u>	<u>-</u>

17 **Fees paid to the auditors appointed at the general meeting**

	<u>Consolidated</u>		<u>Parent</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Ordinary audit fee	1.496	1.290	44	43
Opinions with security	-	279	-	11
Tax consultancy	423	158	-	-
Other services	<u>2.262</u>	<u>3.570</u>	<u>97</u>	<u>33</u>
Total Ernst & Young	4.181	5.297	141	87
Other	<u>1.435</u>	<u>804</u>	<u>-</u>	<u>-</u>
TOTAL	<u>5.616</u>	<u>6.101</u>	<u>141</u>	<u>87</u>

18 **Currency and interest rate risks and the use of derivative financial instruments****Currency risks:**

Most revenues are invoiced in foreign currencies, most notably GBP, USD & EUR. A significant part of raw material purchases are made in USD and NOK. To mitigate impact of changes in exchange rates on short/mid term performance future cash flows are hedged in accordance with the Company's finance policy.

<u>Currency</u>	<u>Principal</u>	<u>Months</u>	<u>Fair Value</u>
GBP Sale	16.363	0 - 4	2.477
USD Sale	33.274	0 - 6	-5.716
EUR Purchase (against RUB)	390	0 - 5	75
NOK Purchase	74.500	0 - 3	-676
PLN Purchase	54.000	0 - 5	683
USD Purchase	62.239	0 - 25	<u>9.180</u>
TOTAL			<u>6.023</u>

Interest rate risks:

Effectively all interest bearing debt are based on variable interest rates, which means that changes in interest rates are rapidly reflected in the income statement. On the other hand, changes in interest rates will not result in any major changes to the fair value of interest-bearing debt.

As a December 31, 2018 had entered into 8 interest swaps totalling DKK 611 million with expiry between December 2020 and December 2030 at rates ranging from 0.10% - 5.43% (average rate 0.59%).

Fair value of these interest swaps December 31, 2018 totalled a negative of DKK 11.9 million, which has been recognised to equity

19 Related party disclosures

Insepa A/S is a wholly-owned subsidiary of

Direktør J.P.A. Espersen og hustru, fru Dagny Espersens Fond
Fiskerivej 1
DK-3700 Rønne

Related party transactions

	<u>2018</u>	<u>2017</u>
Parent		
Interest income from group enterprises	19.735	11.024
Receivables from group enterprises	846.420	663.887
Payables to group enterprises	97.156	48.745
Dividend to shareholders in the year	3.000	3.000

20 Cash and Cash equivalent at year-end

Cash according to the balance sheet	<u>67.401</u>	<u>54.166</u>
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