


List of Signatures

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 INSEPA Annual Report 2023.pdf

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INSEPA A/S
Amager Strandvej 403, 2770 Kastrup
Annual Report 2023

The Annual Report 2023 was adopted by the Annual
General Meeting on 18th of April 2024

.....
Chair

CVR-nr. 27 90 77 25

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Statement of 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 2023.

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 Parent Company's financial position at 31 December 2023 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 2023.

Further, in our opinion, the Management review gives a fair review of the development in the Group's and the Parent 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.

Kastrup, 11th of April 2024

Executive Board:

Klaus B. Nielsen
CEO

Board of Directors:

Flemming Enevoldsen
Chair

Christopher Thomas

Peter Kjær

Bettina Fürstenberg

Jacek Migrala



Independent auditor's report

To the shareholder of INSEPA A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of A. Espersen A/S for the financial year 1 January – 31 December 2023, 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 2023 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 2023 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' 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.

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 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, 11th of April 2024
EY Godkendt Revisionspartnerselskab
CVR. no. 30 70 02 28

Morten Friis
State Authorised Public Accountant
mne32732

Tobias Oppermann
State Authorised Public Accountant
mne46362



Management review

Company details

INSEPA A/S
Amager Strandvej 403
DK-2770 Kastrup
Denmark

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

Registration No.: 27 90 77 25
Established: 11 June 2004
Registered office: Copenhagen, Denmark

Board of Directors

Flemming Enevoldsen (Chair)
Christopher Thomas
Peter Kjær
Bettina Fürstenberg
Jacek Migrala

Executive Board

Klaus B. Nielsen, CEO

Auditors

EY Godkendt Revisionspartnerselskab
CVR. no. 30700228
Værkmestergade 25
Postboks 330
DK-8000 Aarhus C
Denmark

Annual General Meeting

The Annual General Meeting is held on 18th of April 2024



Management review

Financial highlights for the Group

DKKkm	2023	2022	2021	2020	2019
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Key figures

Revenue	3,796	3,650	3,003	3,131	3,064
Operating profit before special items (Note 2)	171	53	147	132	136
Ordinary operating profit	167	42	127	123	124
Result before tax	128	28	98	72	90
Non-controlling shareholders' interest	30	44	30	27	26
Result for the year	108	25	83	54	63

Non-current assets	578	541	551	522	535
Current assets	1,442	1,587	1,194	1,190	1,205
Total assets	2,020	2,128	1,745	1,712	1,740
Share capital	10	10	10	10	10
Equity	836	732	733	639	686
Non-controlling shareholder's interest	-35	-63	-110	-59	-79
Provisions	5	5	6	5	7
Non-current liabilities other than provisions	271	310	361	276	292
Current liabilities other than provisions	943	1,143	755	850	834

Cash flow from operating activities	393	-226	68	108	153
Cash flow from investing activities, net	-44	-62	-73	-73	-40
Hereof investments in tangible assets	-79	-72	-67	-75	-55
Cash flow from financing activities	-311	272	-12	1	-115
Total cash flow	37	-16	-17	36	-2

Financial ratios

Solvency ratio	41.4 %	34.4 %	42.0 %	37.3 %	39.4 %
Return on equity	+13.8 %	+3.4 %	+12.1 %	+8.2 %	+9.4 %

Average number of full-time employees	3,390	3,346	3,211	3,052	2,992
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The financial ratios stated in the financial highlights overview have been calculated as follows:

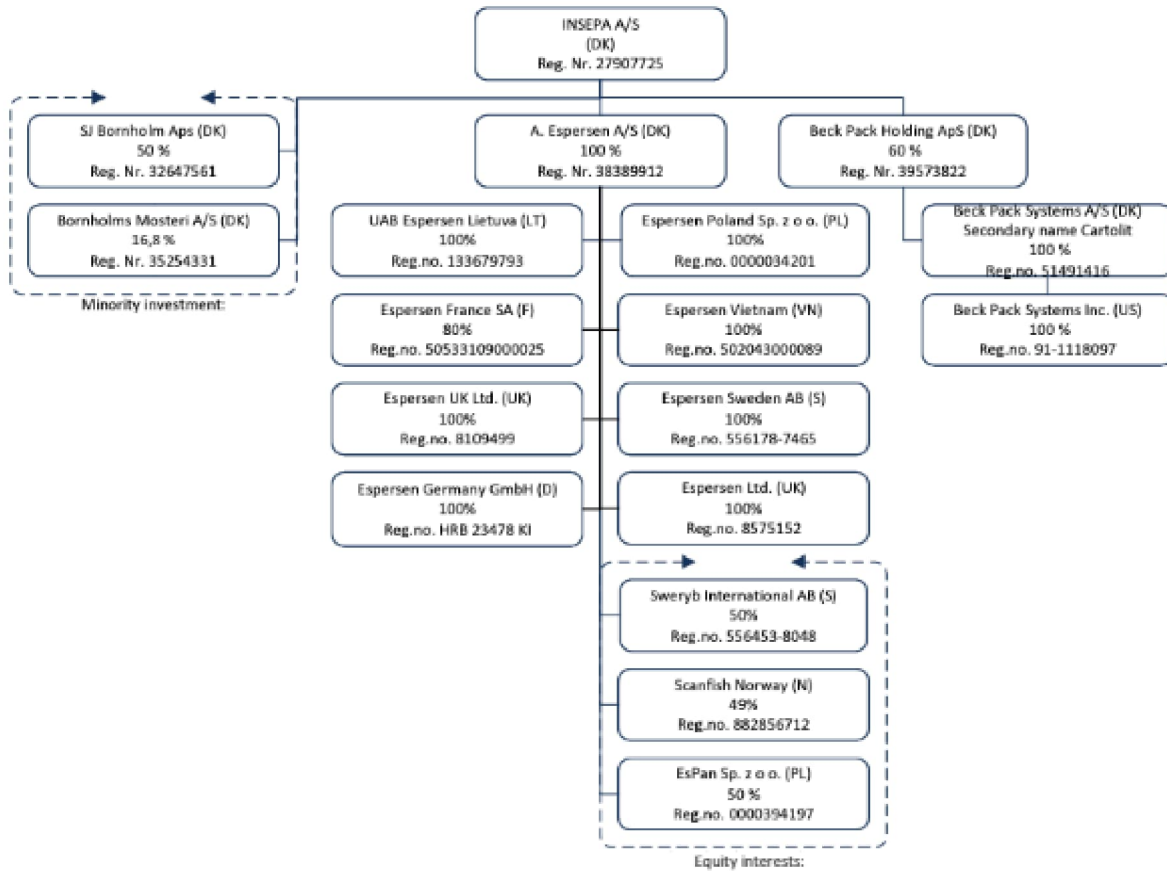
Solvency ratio: $\text{Equity at year end} \times 100 / \text{Total equity and liabilities at year end}$

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



Management review

Group chart pr. 31st of December 2023



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 ApS (Beck Pack).

Espersen is a global supplier of frozen and chilled seafood products for the retail and foodservice markets, supplying international customer groups like Aldi, Lidl, Tesco and McDonald's as well and other international and large retail chains, foodservice chains and B2B customers, with whom Espersen have a long-lasting business relationship. Espersen operates manufacturing plants in Denmark, Lithuania, Poland and Vietnam. The main raw material for Espersen products is frozen fish sourced globally.

Beck Pack's activity is production and sale of packaging to the fish processing industry worldwide.

Local engagement

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



Management review

Development in activities and financial position

In 2023 both Espersen and Beck delivered strong profitable results contributing to an annual result for INSEPA above both budget and the result of 2022. Espersen saw a growth in revenue of 7% compared to 2022 to the level of DKK 3465m impacted by higher average sales prices and the acquisition of the Grimsby facility in the United Kingdom. Despite a slowdown in demand of Espersen products the combination of higher sales prices, lower raw material prices and tight cost control improved the profit result for the year of 2023 compared to 2022 improving the result before tax with DKK 135m including the acquisition of the Grimsby plant.

Beck had a strong year in 2023 though behind the record performance both on revenue and profit in 2022, 2023 ended up being the second strongest result in history. The demand for liners saw a drop in the last part of the year, especially for the US market due to slower demand and inventory reductions. The lower demand in liners compared to 2022 resulted in an overall drop in revenue of 21% to DKK 326m and a drop in profitability of 31% to DKK 74m.

The revenue in the INSEPA group for 2023 is therefore a bit lower than the expected range in the outlook for 2023, but on par with the total revenue level for 2022. The operating results before special items for 2023 amount to DKK 171m and are therefore higher than in the outlook for 2023 for the reasons described above. The result is satisfactory and the highest ever for the INSEPA group.

The Group's solvency increased to 41.4% at 31 December 2023 (2022: 34.4%).

Outlook

As per the balance sheet dated (31 December 2023) our outlook for 2024 shows both top-line and bottom-line growth for the INSEPA group.

Although there are not any sanctions on fish or other food products at present related to Russia, the situation has already led to further price increases for non-Russian alternatives and the uncertainty regarding availability based on existing quotas for such alternatives remains an unstable risk for Espersen in 2024. The Liners from Beck saw a drop in demand in the late part of 2023 due to overall inventory reductions in the industry but are expected to pick up again in 2024.

Cost and efficiency plans have been executed in 2023 for both Espersen and Beck and depending on the development of 2024 further contingency plans has been developed as part of the budgeting process and are ready for implementation – both for the shorter and for the longer term.

INSEPA Group has sufficient liquidity to continue its business.

Expected development

Due to the impact of the global macro-political situation as well as the uncertainty following sanctions against Russia the outlook for 2024 is highly uncertain. Accordingly, with current knowledge we estimate 2024 revenue in the range DKK 3,400m - 4,200m and operating result before special items of DKK 130m - 180m.

Particular risks

General risk

The Group's main exposure is its dependence on raw material procurement. The Group 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, as well as further sanctions against Russia if it involves the Russian fisheries.

Currency and financial risks

A considerable part of the Group's purchases and sales are performed in foreign currency, and fluctuations in the rates of exchange may have a short-term effect on the Group'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 risk

The credit risks of the Group primarily relates to trade receivables. As a rule, an international credit insurance institution insures all trade receivables in order to minimize credit risks.

Intellectual capital

The intellectual capital necessary for the current product development is available within the organization of the Group, and there is a high seniority and industry insight within the Group's employees.

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



Management review

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

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

INSEPA has assessed that the most material impacts on the environment, climate, social and employee-related matters, and human rights are related to Espersen Group's activities. Hence, INSEPA's statement on corporate social responsibility is based on the subsidiary's activities.

Espersen Group is a global supplier of frozen and chilled seafood products for the retail and foodservice markets. Espersen Group operates manufacturing plants in Denmark, Lithuania, Poland, Vietnam, and United Kingdom (acquired in 2023). The main raw material is frozen fish sourced globally. Our customers are mainly international and large retail chains, fast food chains, foodservice chains as well as B2B customers, with whom we have long-lasting business relationship.

An evaluation of our sustainability risks was undertaken to identify areas which pose a significant risk to our business. The analysis resulted in eight priority areas.

Below describes Espersen group's sustainability risks in the areas of marine biodiversity, climate change, sustainable sourcing, resource use, human rights, personnel, food safety and governance. The results of the analysis have informed Espersen's future sustainability program.

Marine Biodiversity

- **Risk:** Ocean biodiversity has decreased because of the destruction of habitats by pollution and eutrophication, poor fishing practices and climate change. Biodiversity plays a vital role in maintaining the functionality and productivity of marine ecosystems, making habitats more resilient to environmental change.
- **Steering:** We work to promote sustainable sourcing and fishing methods. The work is guided by our sustainability program "Our Sea, Our Fish, Our Food".

Climate change

- **Risks:** Climate change is affecting our producers both locally and globally, and has negative consequences such as sea ice loss, rising sea temperature, moving fish stocks and extreme weather conditions such as torrential rain, floods, heat waves and dry wells.
- **Steering:** Risk mitigation plays a big role when choosing a supplier, and both Espersen and Beck have worked diligently in 2023 to ensure we spread the risks as much as possible. The work is guided by our sourcing plan and supplier risk assessment.
- **Results:** Consequently, we have reduced our environmental and climate footprint, in areas like total energy consumption, water consumption and total waste we noted a decrease in 2023 compared to 2022.
- **Expectations to the future:** Our goal is to continuously decrease our impact on the environment and climate.

Sustainable sourcing

- **Risks:** The global demand for material goods and food continues to grow. Sourcing sustainably requires strategic planning and innovation to avoid negative impacts on ecosystems and communities.
- **Steering:** Mapping our supply chain and working closely with our suppliers. Monitor scientific advice of each of our resources help interpret future trends and guide our procurement decisions. This work is guided by our sourcing plan and our supplier risk assessment.

Resource use

- **Risks:** Over consumption of natural resources, results in environmental degradation, fresh water reserves, fish stocks and forests are decreasing.
- **Steering:** Promote efficient production methods and water management for long-term sustainable production. The work is managed through our sustainability program, the Mission Climate Friendly initiative, risk and vulnerability analysis.



Management review

Human rights in the supply chain

- **Risks:** Risk of human rights violations in global supply chains.
- **Steering:** We are committed to conducting business in a socially responsible manner that encompasses concerns about labour and human rights issues as set out in the United Nations Universal Declaration of Human Rights. We conduct our operations with honesty, integrity, openness, respect and are committed to upholding human rights as set out in the United Nations Universal Declaration of Human Rights.

In 2023 we have continued our work to ensure that all our suppliers follow our strict code of conduct. This work is guided by our code of conduct, supplier approval process and third and second party supplier audits.

- **Results:** 100% of facilities are audited against the ETI Base Code using the SMETA methodology or audited to customer specific higher standards. In 2023, no severe human right violations were identified in our supply chain (forced labour, human trafficking or child labour).

Expectations to the future: In the future we seek to continue to monitor our suppliers to make sure that there are no human right breaches.

Retain and recruit personnel

- **Risks:** Espersen Group's future is, to a significant extent, depending on the ability to retain, recruit and skills development of employees. Lack of a diverse and equal workforce is a strategic business risk, reducing the variety of skills, motivations and experiences within the company.
- **Steering:** We are building a supportive and inclusive workplace. This work is guided by our personal development plan (PDP), succession planning and talent management program.

Food Safety

- **Risks:** Deficient food safety during handling, processing and storage of our products can lead to health risks at consumption.
- **Steering:** We work actively with quality assurance through: HACCP, self-assessment and third-party certification, for our suppliers, production sites and through second party supplier auditing.

Corruption, fraud, threats & sabotage

- **Risks:** Driving responsible business practices is of high importance to the Espersen Group, where unethical behavior such as corruption and/or bribery, fraud, threats and sabotage poses a risk in the workplace and supply chain.
- **Steering:** The work is guided by our code of conduct, anti-corruption policy, whistleblowing system and training all relevant employees by mandatory internal and external training courses conducted in 2023.
- **Results:** In line with the Espersen Code of Conduct, all employees and partners are encouraged to report concerns or misconduct within the company to lower the risk of unethical business behavior.

To support the Espersen Code of Conduct, a safe system (Espersen Whistleblower System) is provided for employees and partners to report concerns or illegal activities in the workplace. The supply chain is regularly assessed to evaluate any risks of unethical behavior.

- **Expectations to the future:** In the future, we will continue to develop and conduct training for all relevant employees as well as supporting government institutions to limit corruption, fraud, threats & sabotage.

Worker health & welfare

We take our duty of care for our employees' safety very seriously, and our number one objective is to care for all our people. Both Espersen and Beck in 2023 continued their work on corporate governance structures to develop risk scenarios and action plans, and to ensure implementation of all corporate and local policies and procedures as well as fast and transparent communication chains.

INSEPA has developed special occupational safety procedures for all main sites; covering both offices and manufacturing sites. Our intranet, along with noticeboards, helps to keep our employees informed. In 2023, Vietnam and two of our Polish facilities carried out SMETA re-audits, we have carried out Group-wide reporting and response procedure for accidents in the workplace in 2023.

For the future, we seek to drastically reduce the impact of sickness amount with our employees.



Management review

Gender distribution in management

INSEPA believes in equal opportunities and picking the best candidate for all management positions. INSEPA strive to ensure that board members and managers have the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. Additionally, in the financial year, we have established clear and transparent criteria for board nominations, emphasizing the importance of diversity and actively considering qualified female candidates in the selection process.”

Management has set a target that minimum 33% of the Board should consist of the underrepresented gender in 2025. In 2023, the Board has five members and consisted of 20% women. In 2023, no new board members were elected. Due to that, the target figure was not reached in 2023.

Other managerial positions consist of 1 member, who is a man, which means that the underrepresented gender constitutes 0%. Since INSEPA has had an average number of full-time employees of less than 50 in the recent financial year, no policies have been established for other management levels.

5 years overview:

	2023 (Base year)
Board members	5
Women (under-represented gender)	20%
Men	80%
Goal of underrepresented gender in percentage	33%
Year for fulfillment	2025
Other Managerial positions, Directors and senior managers, reporting directly to directors (1 and 2)	1
Women	0%
Men	100%

The number of employees is calculated as the number of full-time employees registered in INSEPA's HR system. Employee indicators and the share of women in the board of directors are calculated based on headcounts at end of the reporting period. In our current organizational structure, we do not have an established management layer with personnel situated below the Board of Directors

To read about our subsidiary A. Espersen's activities in this regard, A. Espersen's Sustainability Report is available at Espersen's website: <https://www.espersen.com/commitment/reports-awards>

To read about our subsidiary Beck Pack System's activities in this regard please visit website: https://beck-liner.dk/about_us/sustainability

Data Ethics

The Group has not expressed a specific Data Ethics policy, as the subject has been found sufficiently covered by the Group's general CSR and GDPR policies.

The Group will however reconsider the need of a specific Data Ethics policy during the current financial year.

Events after the balance sheet date

No events have occurred after the year-end closing, which could significantly affect the evaluation of the financial position of the Group and the Parent Company. However, reference is made to comments on the terrible situation in Ukraine provided in the Outlook section on the previous page.



Consolidated and parent company financial statements for the period 1 January - 31 December

Accounting policies

The annual report of INSEPA A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000).

Control

The consolidated financial statements comprise the Parent Company INSEPA A/S and group entities controlled by INSEPA A/S (control).

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as equity interests. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Consolidated financial statements

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, intragroup income and expenses, shareholdings, intercompany balances and dividends, and realised and unrealised gains on intercompany transactions are eliminated. Unrealised gains on transactions with equity interests 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 equity interests 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.

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.



Consolidated and parent company financial statements for the period 1 January - 31 December

Intercompany 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 equity interests 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 intercompany 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.



Consolidated and parent company financial statements for the period 1 January - 31 December

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition. 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 at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue

Other operating income

Other operating income comprises items secondary to the activities of the Company, including income from renting out properties.

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, fixed costs and operational leases.

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.

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.

Income from investments in subsidiaries and equity interests

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 intercompany profits/losses.

The proportionate share of the results after tax of the equity interests is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intercompany profits/losses.

Financial income and expenses

Financial 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.



Consolidated and parent company financial statements for the period 1 January - 31 December

Balance sheet

Intangible assets

Acquired rights

Acquired rights are measured at cost amortised over the remaining period and adjusted for impairment losses. Useful life vary between 1-5 years.

Software

Software is measured at cost and amortised over the expected useful live and adjusted for impairment losses. Useful vary between 1-15 years.

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.

Development projects in progress

Development projects in progress include expenses, salaries and amortisation, which can be directly attributed to development projects.

Tangible assets

Land and buildings, plant and machinery and other fixtures and operating 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	3-20 years
Other fixtures and operating 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 by off-setting in depreciation for the year.

Investments in subsidiaries and equity interests

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

Investments in subsidiaries and equity interests 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 intercompany 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 equity interests 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 equity interests 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 other investments

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



Consolidated and parent company financial statements for the period 1 January - 31 December

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment and investments in subsidiaries and equity interests 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. The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments comprise costs concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and equity interests 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.

Translation and hedging reserve

The Translation reserve comprise the share of exchange rate adjustments arising from the translation into Danish Kroner at consolidation of the results and net assets in foreign group entities with a functional currency other than Danish Kroner. Further, currency exchange rate adjustments of receivables and liabilities, which are deemed part of the Company's net investment in such foreign group entities are also recognised directly in the Translation reserve in the equity. The Translation reserve is dissolved at disposal of such foreign group entities.

In the parent company's accounts the exchange rate adjustments of such foreign group entities will instead be included as part of the Reserve for revaluation under the equity method.

More elaborate explanation of "Foreign currency translation" and "Derivative financial instruments" is provided in separate sections elsewhere in these accounting policies.

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.



Consolidated and parent company financial statements for the period 1 January - 31 December

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

The Company has chosen IAS 39 Financial instruments: Recognition and measurement as interpretation for recognition and measurement of liabilities.

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

Financial liabilities also include the capitalised residual lease commitment in respect of finance leases.

Other liabilities are measured at net realizable value.

Leases

The Company has chosen IAS 17 Leases as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

- Level 1: Value based on the fair value of similar assets/liabilities in an active market.
- Level 2: Value based on generally accepted valuation methods on the basis of observable market information.
- Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.



Consolidated and parent company financial statements for the period 1 January - 31 December

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 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 and 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.

Due to the nature of the cash pool, balances in the Group's cash pool are not regarded as cash and cash equivalents, but are included in the payables to group enterprises.



INCOME STATEMENT		DKK'000			
Note	Consolidated		Parent		
	2023	2022	2023	2022	
3 Revenue	3.795.603	3.650.269	0	11.385	
Changes in inventories of finished goods	-53.827	161.957	0	0	
Other operating income	8.826	19.948	0	0	
	<u>3.750.602</u>	<u>3.832.174</u>	<u>0</u>	<u>11.385</u>	
Raw materials, consumables, etc.	-2.740.092	-2.983.866	0	0	
Other external costs	-285.727	-258.543	-1.088	-11.844	
Gross profit	<u>724.783</u>	<u>589.765</u>	<u>-1.088</u>	<u>-459</u>	
4 Staff costs	-490.017	-459.133	-3.910	-4.563	
5+6 Depreciation, amortisation and impairment	-65.506	-63.540	-1.796	-2.801	
Other operating expenses	-1.882	-25.405	0	-175	
Operating profit/(loss)	<u>167.378</u>	<u>41.687</u>	<u>-6.794</u>	<u>-7.998</u>	
7 Share of result after tax in subsidiaries	0	0	66.066	-22.054	
8 Income from equity interests	2.856	1.131	269	762	
9 Financial income and expenses	-42.081	-14.766	17.585	10.966	
Result before tax	<u>128.153</u>	<u>28.052</u>	<u>77.126</u>	<u>-18.324</u>	
10 Corporation tax	-20.478	-3.154	649	-284	
Result for the year	<u>107.675</u>	<u>24.898</u>	<u>77.775</u>	<u>-18.608</u>	
Breakdown of consolidated result for the year:					
Shareholders, INSEPA A/S	77.775	-18.608			
Non-controlling interests	29.900	43.506			
	<u>107.675</u>	<u>24.898</u>			
Proposed profit/loss appropriation					
Proposed dividends			10.000	4.500	
Retained earnings			<u>67.775</u>	<u>-23.108</u>	
			<u>77.775</u>	<u>-18.608</u>	



BALANCE SHEET		DKK'000			
Note		Consolidated		Parent	
		2023	2022	2023	2022
ASSETS					
Non-current assets					
5 Intangible fixed assets					
	Goodwill	41.949	49.254	0	0
	Software	45.230	45.298	6.801	7.938
	Development projects in progress	0	162	0	0
		<u>87.179</u>	<u>94.714</u>	<u>6.801</u>	<u>7.938</u>
6 Tangible fixed assets					
	Buildings	229.696	205.392	0	0
	Plant and machinery	203.621	188.597	0	0
	Other fixtures and operating equipment	13.482	10.212	408	1.067
	Tangible assets in progress	26.658	25.990	0	79
		<u>473.457</u>	<u>430.191</u>	<u>408</u>	<u>1.146</u>
Investments					
7	Investments in subsidiaries	0	0	618.832	312.174
8	Equity investments in equity interests	15.290	13.819	3.496	3.990
11	Other securities	1.953	1.299	0	0
12	Other receivables	21	1.244	0	0
		<u>17.264</u>	<u>16.362</u>	<u>622.328</u>	<u>316.164</u>
Non-current assets					
		<u>577.900</u>	<u>541.267</u>	<u>629.537</u>	<u>325.248</u>
Current assets					
Inventories					
	Raw materials and consumables	440.543	474.315	0	0
	Finished goods and goods for resale	374.796	428.623	0	0
		<u>815.339</u>	<u>902.938</u>	<u>0</u>	<u>0</u>
Receivables					
	Trade receivables	408.728	497.263	0	0
	Receivables from group enterprises	0	0	270.499	1.142.965
	Other receivables	62.414	76.874	4.662	5.252
13	Deferred tax	26.129	14.796	0	0
10	Corporate tax receivable	17.487	25.745	0	0
14	Prepayments	7.077	1.198	0	0
		<u>521.835</u>	<u>615.876</u>	<u>275.161</u>	<u>1.148.217</u>
Cash at bank and in hand					
		<u>105.321</u>	<u>67.903</u>	<u>1.576</u>	<u>0</u>
Current assets					
		<u>1.442.495</u>	<u>1.586.717</u>	<u>276.737</u>	<u>1.148.217</u>
TOTAL ASSETS					
		<u>2.020.395</u>	<u>2.127.984</u>	<u>906.274</u>	<u>1.473.465</u>



BALANCE SHEET

DKK'000

Note	Consolidated		Parent		
	2023	2022	2023	2022	
EQUITY AND LIABILITIES					
Equity					
15	Share capital	10.000	10.000	10.000	10.000
	Retained earnings	810.244	744.159	816.421	717.668
	Reserve for net revaluation under the equity method	2.651	1.180	0	0
	Translation reserve	3.526	-27.671	0	0
	Proposed dividends	10.000	4.500	10.000	4.500
		<u>836.421</u>	<u>732.168</u>	<u>836.421</u>	<u>732.168</u>
	Non-controlling interests	-35.103	-62.647	0	0
		<u>801.318</u>	<u>669.521</u>	<u>836.421</u>	<u>732.168</u>
Provisions					
13	Deferred tax	4.649	4.905	242	190
		<u>4.649</u>	<u>4.905</u>	<u>242</u>	<u>190</u>
16	Non-current liabilities				
	Mortgage debt	250.000	310.178	0	0
	Lease commitments	21.493	0	0	0
	Other payables	0	164	0	0
		<u>271.493</u>	<u>310.342</u>	<u>0</u>	<u>0</u>
Current liabilities					
	Mortgage debt	50.891	1.262	0	0
	Lease commitments	8.446	0	0	0
	Bank loans and overdrafts	436.053	695.419	0	620.182
	Trade payables	305.555	325.365	0	1.717
10	Corporate tax payable	14.425	23.310	14.363	22.180
	Deferred tax	0	0	0	0
	Other payables	112.536	83.302	47	1.171
	Deferred income	15.029	14.558	55.201	95.857
		<u>942.935</u>	<u>1.143.216</u>	<u>69.611</u>	<u>741.107</u>
	Total liabilities	<u>1.214.428</u>	<u>1.453.558</u>	<u>69.611</u>	<u>741.107</u>
	TOTAL EQUITY AND LIABILITIES	<u>2.020.395</u>	<u>2.127.984</u>	<u>906.274</u>	<u>1.473.465</u>

- 1 Events after the balance sheet date
- 2 Special items
- 18 Contingent liabilities and collateral
- 19 Fees paid to the statutory auditor appointed at the general meeting
- 20 Currency and interest rate risks and the use of derivative financial instruments
- 21 Related parties
- 22 Cash and Cash equivalent at year-end - Consolidated
- 23 Proposed profit/loss appropriation:



CASH FLOW STATEMENT

DKK'000

Note	Consolidated	
	2023	2022
Operating profit/(loss)	167.378	41.687
Depreciation	65.506	63.540
Adjustment from other non cash transactions	-5.527	26.575
Cash flows from operations before changes in working capital	227.357	131.802
Changes in inventories	87.599	-317.192
Changes in trade receivables and other receivables	104.218	-100.478
Changes in trade payables and other payables	9.260	55.408
Cash flows from operations (operating activities)	428.434	-230.460
Interest income and expense, net	-38.226	4.235
Corporation tax received/(paid)	2.439	56
Cash flows from operating activities	392.647	-226.169
Purchase of tangible and intangible assets	-45.064	-72.794
Disposal of tangible and intangible assets	189	348
Investment in subsidiaries	-9	9.667
Dividend from equity interests	507	1.068
Cash flow to/from investments	-44.377	-61.711
Mortgage, net	-11.794	-50.424
Bank loans and overdrafts	-294.558	327.283
Dividends paid	-4.500	-5.000
Cash flows to/from financing	-310.852	271.859
Net cash flows for the year	37.418	-16.021
Cash and cash equivalents at 1 January	67.903	83.924
22 Cash and cash equivalents at 31 December	105.321	67.903

Cash and cash equivalents represent the total of cash.

The cash flow statement cannot be directly derived from the consolidated financial statements.



STATEMENT OF CHANGES IN EQUITY

DKK'000

Consolidated

	Share capital	Reserve for reval under the equity method	Translation and hedging reserve	Retained earnings	Dividend	Total
Equity at 1 January 2022	10.000	7.293	-51.362	762.310	5.000	733.241
Dividend paid	0	-1.068	0	0	-5.000	-6.068
Dividend proposed	0	0	0	-4.500	4.500	0
Transfer from profit/loss for the year	0	1.131	0	-19.739	0	-18.608
FX rate adj. equity interests	0	-499	0	0	0	-499
FX rate adj. subsidiaries	0	0	8.658	0	0	8.658
Other adjustments	0	-5.677	0	6.088	0	411
Derivative financial instr. at 1 Jan	0	0	7.299	0	0	7.299
Derivative financial instr. at 31 Dec	0	0	7.734	0	0	7.734
Equity at 1 January 2023	10.000	1.180	-27.671	744.159	4.500	732.168
Dividend paid	0	-507	0	0	-4.500	-5.007
Dividend proposed	0	0	0	-10.000	10.000	0
Transfer from profit/loss for the year	0	2.856	0	74.919	0	77.775
FX rate adj. equity interests	0	-115	115	0	0	0
FX rate adj. subsidiaries	0	0	34.839	0	0	34.839
Other adjustments	0	-763	0	1.166	0	403
Derivative financial instr. at 1 Jan	0	0	-7.734	0	0	-7.734
Derivative financial instr. at 31 Dec	0	0	3.977	0	0	3.977
Equity at 31 December 2023	10.000	2.651	3.526	810.244	10.000	836.421

The Translation and hedging reserve comprise the share of exchange rate adjustments arising from the translation into Danish Kroner at consolidation of the results and net assets in foreign group entities with a functional currency other than Danish Kroner as well as the value of derivatives recognized in equity. The Translation and hedging reserve is dissolved at disposal of such foreign group entities or changes in derivatives.

In the parent company's accounts the exchange rate adjustments of such foreign group entities will instead be included as part of the Reserve for revaluation under the equity method.

Non-controlling interests

Carrying amount at 1 January 2022	-109.518
Transfer from profit/loss for the year	43.505
FX rate adj. subsidiaries	2.340
Derivative financial instr. at 1 Jan	367
Derivative financial instr. at 31 Dec	659
Carrying amount at 1 January 2023	-62.647
Transfer from profit/loss for the year	29.900
FX rate adj. subsidiaries	-1.697
Derivative financial instr. at 1 Jan	-659
Carrying amount at 31 December 2023	-35.103



STATEMENT OF CHANGES IN EQUITY

DKK'000

Parent Company

	Share capital	Reserve for reval under the equity method	Translation and hedging reserve	Retained earnings	Dividend	Total
Equity at 1 January 2022	10.000	0	-4.074	722.316	5.000	733.242
Dividend paid	0	0	0	0	-5.000	-5.000
Dividend proposed	0	0	0	-4.500	4.500	0
Transf. from profit/loss for the year	0	0	0	-18.608	0	-18.608
FX rate adj. equity interests	0	0	0	-499	0	-499
FX rate adj. subsidiaries	0	0	0	8.658	0	8.658
Other adjustments	0	0	0	-658	0	-658
Derivative financial instr. at 1 Jan	0	0	4.074	3.225	0	7.299
Derivative financial instr. at 31 Dec	0	0	0	7.734	0	7.734
Equity at 1 January 2023	10.000	0	0	717.668	4.500	732.168
Dividend paid	0	0	0	0	-4.500	-4.500
Dividend proposed	0	0	0	-10.000	10.000	0
Transf. from profit/loss for the year	0	0	0	77.775	0	77.775
FX rate adj. equity interests	0	0	0	0	0	0
FX rate adj. subsidiaries	0	0	0	34.839	0	34.839
Other adjustments	0	0	0	-104	0	-104
Derivative financial instr. at 1 Jan	0	0	0	-7.734	0	-7.734
Derivative financial instr. at 31 Dec	0	0	0	3.977	0	3.977
Equity at 31 December 2023	10.000	0	0	816.421	10.000	836.421



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NOTES

DKK'000

1 Events after the balance sheet date

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

2 Special items

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

As disclosed in the Management 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 recurring operating activities.

Special items for the year are specified below, and also the line items under which they are recognised in the income statement.

	Consolidated	
	2023	2022
Direct costs incurred due to Covid-19 (salaries to employees in quarantine and costs to keep employees safe (facemasks; Covid-19 tests; establishing extra space in production etc.))	0	-3.929
Direct Covid-19 costs in connection with temporarily closure of Vietnam factory on 12 July 2021, including extra storage costs etc. The Vietnam factory was not Covid-19 impacted in 2020.	0	-5.571
Advisor costs and other costs in connection with acquisitions, sale of buildings etc	3.179	2.500
Moving to new Headoffice	0	9.205
Divestment of Russia	0	9.389
Total special items	3.179	11.594
Reported in the Income Statement as below:		
Other external costs	3.179	11.705
Other operating expenses	0	9.389
Other operating income	0	-9.500
	3.179	11.594

3 Segment note

	Consolidated		Parent	
	2023	2022	2023	2022
IT services	0	0	0	11.385
Fish products related to consumers and packaging - domestic market	89.060	90.617	0	0
Fish products related to consumers and packaging - export markets	3.706.543	3.559.652	0	0
	3.795.603	3.650.269	0	11.385

4 Staff costs

	Consolidated		Parent	
	2023	2022	2023	2022
Wages and salaries	412.467	398.488	3.871	4.550
Pensions	55.162	29.710	21	0
Other social security costs	22.388	30.935	18	13
	490.017	459.133	3.910	4.563

The Group had 3,390 full-time employees in 2023 (2022: 3,346) of which 1 were employed in the parent company (2022: 1).

Remuneration of the Executive Board and the Board of Directors in the parent company is DKK 3,910k (2022: DKK 4,512k). For the Group the remuneration of the Executive Board and the Board of Directors is DKK 7,351k (2022: DKK 7,949k).



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5 Intangible assets

Consolidated	Goodwill	Software	Develop- ment projects in progress	Total
Cost at 1 January 2023	156.371	56.227	162	212.760
Currency adjustments	-603	324	0	-279
Additions	0	3.793	521	4.314
Disposals	0	0	-230	-230
Transfer from/to other assets	0	453	-453	0
Cost at 31 December 2023	155.768	60.797	0	216.565
Depreciation at 1 January 2023	107.117	10.929	0	118.046
Currency adjustments	-272	145	0	-127
Depreciation of the year	6.974	4.493	0	11.467
Depreciation at 31 December 2023	113.819	15.567	0	129.386
Carrying amount at 31 December 2023	41.949	45.230	0	87.179

Parent company	Software	Total
Cost at 1 January 2023	13.921	13.921
Cost at 31 December 2023	13.921	13.921
Depreciation at 1 January 2023	5.983	5.983
Depreciation of the year	1.137	1.137
Depreciation at 31 December 2023	7.120	7.120
Carrying amount at 31 December 2023	6.801	6.801

6 Tangible assets

Consolidated	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2023	416.415	674.646	36.668	25.990	1.153.719
Currency adjustments	19.395	33.763	2.112	617	55.887
Additions	11.834	23.637	1.448	41.610	78.529
Disposals	0	-2.691	-801	0	-3.492
Transfer from/to other assets	20.413	16.149	4.997	-41.559	0
Cost at 31 December 2023	468.057	745.504	44.424	26.658	1.284.643
Depreciation at 1 January 2023	211.023	486.049	26.456	0	723.528
Currency adjustments	10.009	24.689	1.365	0	36.063
Depreciation on disposed assets	0	-2.306	-138	0	-2.444
Depreciation of the year	17.329	33.451	3.259	0	54.039
Depreciation at 31 December 2023	238.361	541.883	30.942	0	811.186
Carrying amount at 31 December 2023	229.696	203.621	13.482	26.658	473.457

Property, plant and equipment include assets held under finance leases with a carrying amount totalling

10.868	19.071			29.939
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Interest recognised in the year and borrowing costs

180	69			249
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Depreciated over

4 Years	5 Years			
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6 Tangible assets (continued)

	Operating equipment	Tangible assets in progress	Total
Parent company			
Cost at 1 January 2023	3.497	79	3.576
Disposals	0	-79	-79
Cost at 31 December 2023	3.497	0	3.497
Depreciation at 1 January 2023	2.430	0	2.430
Depreciation of the year	659	0	659
Depreciation at 31 December 2023	3.089	0	3.089
Carrying amount at 31 December 2023	408	0	408

7 Investments in subsidiaries

	2023	2022
Cost at 1 January	904.758	904.758
Additions (through conversion of loan into shares)	250.000	0
Cost at 31 December	1.154.758	904.758
Cost at 1 January and 31 December		
Value adjustment at 1 January	-688.441	-684.849
Currency adjustments	34.839	8.159
Other movements	-491	0
Derivatives recognised in equity in subsidiaries	-3.100	10.303
Amortisation of goodwill	-5.313	-5.313
Share of Result after tax for the year	71.379	-16.741
Value adjustment at 31 December	-591.127	-688.441
Carrying amount at 31 December	563.631	216.317

Presented in the Balance sheet as below:

Investment in subsidiaries	618.832	312.174
Deferred income	-55.201	-95.857
	563.631	216.317

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
A. Espersen A/S	Denmark	100%	TDKK 41.500	596.553	27.182
Beck Pack Holding ApS	Denmark	60%	TDKK 1.000	-55.201	44.197
				541.352	71.379
Group goodwill				22.279	-5.313
				563.631	66.066

Specification of Beck Pack Holding ApS:

Beck Pack Holding ApS equity at 31 December	408.519	375.477
INSEPA's 60% share hereof	245.111	225.286
Elimination of internal unrealised goodwill, INSEPA's 60% share	-300.312	-321.143
Deferred income in INSEPA A/S	-55.201	-95.857



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8 Equity investments in equity interests

	Consolidated		Parent	
	2023	2022	2023	2022
Consolidated				
Cost at 1 January	12.639	12.639	8.456	8.456
Cost at 31 December	12.639	12.639	8.456	8.456
Value adjustments at 1 January	1.180	1.616	-4.466	-5.228
Currency adjustments	-115	-499	0	0
Adjustment to prior years	-763	0	-763	0
Dividend paid	-507	-1.068	0	0
Share of Result after tax for the year	2.856	1.131	269	762
Value adjustments at 31 December	2.651	1.180	-4.960	-4.466
Carrying amount at 31 December	15.290	13.819	3.496	3.990

	Reg. office	Ownership- %	Share capital	Share of equity	Share of result after tax
Scanfish Norway AS	Norway	49,0%	TNOK 500	7.147	670
Sweryb International AB	Sweden	50,0%	TSEK 200	1.722	1.351
EsPan Sp. z o.o.	Poland	50,0%	TPLN 4,000	2.925	566
SJ Bornholm APS	Denmark	50,0%	TDKK 425	2.607	384
Bornholms Møsteri A/S	Denmark	16,8%	TDKK 4,822	889	-115
				15.290	2.856

9 Financial income and expenses

	Consolidated		Parent	
	2023	2022	2023	2022
Financial income				
Interest income	2.218	8.748	1	8.642
Interest income from group enterprises	0	0	56.082	22.564
Realized foreign exchange adjustments, net	27.774	13.232	7.169	0
Other financial income	158	28	0	0
	30.150	22.008	63.252	31.206
Financial expenses				
Interest expense	64.824	29.984	36.147	18.548
Interest expense from group enterprises	0	0	12	45
Realized foreign exchange adjustments, net	0	0	9.867	1.132
Capital losses on securities and adjustments	0	3.173	0	0
Other financial costs	7.407	3.617	-359	515
	72.231	36.774	45.667	20.240
Financial income and expenses, net	-42.081	-14.766	17.585	10.966



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10 Corporation tax

Current tax for the year	19.074	2.812	72	1.578
Hereof to be recognised directly in equity 1)	0	0	0	-1.149
Movement in deferred tax for the year	5.648	1.920	53	158
Adjustment to previous years	-4.244	-1.579	-774	-303
Total tax for the year	20.478	3.153	-649	284

Tax analysis

Result before tax	128.153	28.052	77.126	-18.324
Adjustments previous years	-19.291	-7.177	-3.518	-1.377
Other	-12.924	-5.412	-10.223	-300
Share of result in subsidiaries and equity interests	-2.856	-1.131	-66.335	21.292
Result before tax, adjusted	93.082	14.332	-2.950	1.291
Implied tax rate of the above	22%	22%	22%	22%

1) Relates to financial instruments (hedging), which accounting wise is recognised directly in equity, and accordingly the tax impact should also be recognised directly in equity. At 31 December 2023 it is a tax payable of DKK 1.122k (31 December 2022: tax payable of DKK 1.862k), which is recognised directly in the equity.

11 Other securities

	Consolidated		Parent	
	2023	2022	2023	2022
Cost at 1 January and 31 December	69	69	0	0
Value adjustment to fair value at 1 January	1.231	1.231	0	0
Value adjustments for the year	653	0	0	0
Value adjustments to fair value at 31 December	1.884	1.231	0	0
Carrying amount at 31 December	1.953	1.300	0	0

12 Other receivables

	Consolidated		Parent	
	2023	2022	2023	2022
Falling due between 2 and 5 years	21	1.244	0	0
Total	21	1.244	0	0

13 Deferred tax

At 31 December 2023, the Group recognised a deferred tax asset of DKK -26,129k (2022: DKK -14,796k). The tax asset include tax losses carry forward of DKK 56,912k (2022: DKK 3,074). Based on the Group's budgets, Management expect that the Group in nearest future will generate possible taxable income against which the tax losses carry forward can be utilised.

The changes for the year are specified as follows:	Consolidated		Parent	
	2023	2022	2023	2022
Deferred tax liabilities at 1 January	4.905	5.704	190	0
Deferred tax assets at 1 January	-14.796	-21.632	0	-320
Deferred tax (asset)/liability, net at 1 January	-9.891	-15.928	190	-320
Opening adjustment, foreign exchange rates	-985	-248	0	0
Adjustments in respect of previous years	-4.956	4.105	0	351
Movement for the year, equity items	0	610	0	0
Movement for the year, income statement	-5.648	1.570	52	159
Deferred tax (asset)/liability, net at 31 December	-21.480	-9.891	242	190
Deferred tax liabilities at 31 December	4.649	4.905	242	190
Deferred tax assets at 31 December	-26.129	-14.796	0	0
Total	-21.480	-9.891	242	190



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14 Prepayments

Consists of various minor prepayments, mainly rent and insurance.

15 Share capital

The share capital consists of 10,000 shares of DKK 1.000 each. There have been no change to the share capital the last 5 years.

16 Non-current liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
Falling due between 1 and 5 years	271.493	310.342	0	0
	271.493	310.342	0	0

Lease commitments

	Consolidated					
	2023			2022		
	Lease payment	Interest	Carrying Amount	Lease payment	Interest	Carrying Amount
0-1 Years	9.261	815	8.446	0	0	0
1-5 Years	22.293	800	21.493	0	0	0
>5 Years	0	0	0	0	0	0

17 Cash pool

The INSEPA group has entered into an agreement on a cash pool arrangement with Jyske Bank A/S, where INSEPA A/S is the group account owner and A. Espersen A/S is sub-account holder together with the group's other enterprises.

The agreed conditions in the cash pool arrangement gives Jyske Bank A/S the right to be able to settle withdrawals and deposits between the companies in the INSEPA group, whereby only the net balance of the total cash pool accounts constitutes INSEPA A/S' balance with the bank.

18 Contingent liabilities and collateral

Operational leasing - Consolidated

	Sites	Cars	Equipment	Total
Falling due within one year	5.951	1.945	7.208	15.104
Falling due between 1-5 years	19.501	2.561	15.790	37.852
Falling due after more than 5 years	8.101	0	0	8.101
	33.553	4.506	22.998	61.058

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 Poland Sp. z o.o. may have with the group's main bank. Shares in A. Espersen A/S and Beck Pack Holding ApS have been pledged as collateral with the groups main bank.

As collateral for A. Espersen A/S' mortgage lending, amounting to DKK 0k (2022: DKK 367k) A. Espersen has provided guarantees in its buildings with a carrying amount of DKK 3,117k at 31 December 2023 (2022: DKK 4,531k).

The company has provided a guarantee for a bank loan provided to the associated company Scanfish Norway AS in the amount of NOK 35m (2022: NOK 35m).

Collateral

	Consolidated		Parent	
	2023	2022	2023	2022
Bank guarantee for customs duty	5.500	5.500	0	0
	5.500	5.500	0	0



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19 Fees paid to the statutory auditor appointed at the general meeting

	Consolidated		Parent	
	2023	2022	2023	2022
Ordinary audit fee	1.682	1.559	54	52
Tax consultancy	1.464	760	37	102
Other services *	2.713	2.336	276	0
Total EY	5.860	4.655	367	154
Other	2.151	3.607	0	0
Total	8.011	8.262	367	154

* Mainly due diligence advisory work on acquisition of UK factory.

20 Currency and interest rate risks and the use of derivative financial instruments

Currency risks:

Most revenues are invoiced in foreign currencies, mainly GBP, USD & EUR. A significant part of raw material purchases are made in USD, EUR 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. All hedging of currency risks in the Group is carried out in the Parent Company.

At 31 December 2023 the Company and the Group had the following open currency forward contracts:

Currency	Principal	Months	Fair value
GBP Company - Sale	35.547	0 - 8	-191
USD Company - Sale	9.297	0 - 6	-71
USD Company - Purchase	393.568	0 - 8	-5.065
NOK Company - Purchase	105.735	0 - 4	4.471
PLN Company - Purchase	79.642	0 - 9	5.511
USD Group - Purchase	38.399	0 - 7	2.882
Total			7.537

At 31 December 2022 the Company and the Group had the following open currency forward contracts:

Currency	Principal	Months	Fair value
GBP Company - Sale	24.322	0 - 8	440
SEK Company - Sale	11.175	0 - 1	383
USD Company - Sale	272.697	0 - 6	8.387
USD Company - Purchase	522.132	0 - 9	-16.160
NOK Company - Purchase	99.996	0 - 5	-107
PLN Company - Purchase	189.165	0 - 6	10.845
Total			3.788

Interest rate risks:

Effectively all interest bearing debt is based on variable interest rates, which means that changes in interest rates are reflected in the income statement. Hedging of interest rate risks is both done in the Parent Company as well as in the subsidiaries.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

	Derivative financial instruments
Group	
Fair value at year end	7.537
Unrealised fair value adjustments for the year, recognised in the income statement	0
Unrealised fair value adjustments for the year, recognised in hedging reserve	4.144
Fair value level	2

The derivative financial instruments are categorised in level 2 in the fair value hierarchy, and no significant unobservable input is included in the valuation.



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21 Related parties

INSEPA A/S is wholly-owned subsidiary of:
Direktør J.P.A Espersen og hustru, fru Dagny Espersen Fond
Sydhavnsvej 12
DK-3700 Rønne
Denmark

Related party transactions

	2023	2022
Group		
Dividend paid to shareholders in the year (Parent and Group)	4.500	5.000
Parent		
Sale of services to group enterprises	0	11.385
Interest income from group enterprises	56.082	22.564
Receivables from group enterprises	270.499	1.142.965
Dividend paid to shareholders in the year	4.500	5.000

Remuneration to members of the Executive Board and the Board of Directors of the Parent Company is disclosed in note 4.

22 Cash and Cash equivalent at year-end - Consolidated

	2023	2022
Cash according to the balance sheet	105.321	67.903

23 Proposed profit/loss appropriation:

	2023	2022
Proposed dividends	10.000	4.500
Retained earnings	67.775	-23.108
	77.775	-18.608

