List of Signatures

INSEPA Annual Report 2021.pdf

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INSEPA A/S

Kalvebod Brygge 39-41,
1560 Copenhagen V

Annual Report 2021

The Annual Report 2021 was adopted by the Annual General Meeting on 8 April 2022

Chair

CVR-nr. 27 90 77 25

Contents

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 2021.

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 2021 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 2021.

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.

Copenhagen, 8 April 2022

Executive Board:

Klaus B. Nielsen
CEO

Board of Directors:

Flemming Enevoldsen Chair	Christopher Thomas	Peter Kjær
Niels Walther-Rasmussen	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 INSEPA A/S for the financial year 1 January - 31 December 2021, 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 Statement 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 2021 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 2021 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 responsiblities 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 review

Management is responsible for the Management review.

Our opinion on the financial statements does not cover the Management 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 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 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, 8 April 2022
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR. no. 30700228

Morten Friis State Authorised Public Accountant mne32732	Tobias Oppermann State Authorised Public Accountant mne46362

Management review

Company details

INSEPA A/S
Kalvebod Brygge 39-41
DK-1560 Copenhagen V
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
Niels Walther-Rasmussen
Bettina Fürstenberg
Jacek Migrala

Executive Board

Klaus B. Nielsen, CEO

Auditors

ERNST & YOUNG, Godkendt Revisionspartnerselskab
CVR. no. 30700228
Værkmestergade 25
Postboks 330
DK-8000 Aarhus C
Denmark

Annual General Meeting

The Annual General Meeting is held on 8 April 2022

Management review

Financial highlights for the Group

DKKm	2021	2020	2019	2018	2017

Key figures

Revenue	3.003	3.131	3.064	3.008	2.673
Operating profit before special items (Note 2)	147	132	136	62	54
Ordinary operating profit	127	123	124	16	54
Result before tax	98	72	90	-25	5
Non-controlling shareholders' interest	30	27	26	13	0
Result for the year	**83**	**54**	**63**	**-23**	**2**

Non-current assets	551	522	535	563	544
Current assets	1.194	1.190	1.205	1.154	958
Total assets	**1.745**	**1.712**	**1.740**	**1.717**	**1.502**
Share capital	10	10	10	10	10
Equity	**733**	**639**	**686**	**650**	**395**
Non-controlling shareholder's interest	-110	-59	-79	-99	0
Provisions	6	5	7	25	25
Non-current liabilities other than provisions	361	276	292	339	78
Current liabilities other than provisions	755	850	834	803	1.004

Cash flow from operating activites	68	108	153	-144	38
Cash flow from investing activites, net	-73	-73	-40	59	-170
Hereof investments in tangible assets	-67	-75	-55	-112	-73
Cash flow from financing activities	-12	1	-115	98	145
Total cash flow	**-17**	**36**	**-2**	**13**	**14**

Financial ratios

Solvency ratio	42,0 %	37,3 %	39,4 %	37,9 %	26,3 %
Return on equity	+12,1 %	+8,2 %	+9,4 %	-4,4 %	+0,5 %

Average number of full-time employees	**3.211**	**3.052**	**2.992**	**3.004**	**2.742**

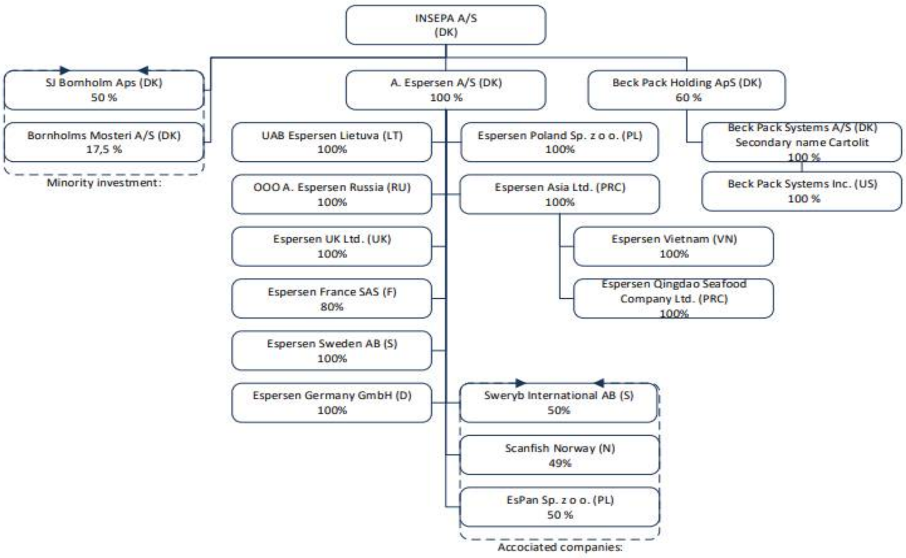
The financial ratios stated in the financial highlights overview have been calculated as follows:

Solvency ratio: Equity at year end x 100 / Total equity and liabilities at year end

Return on equity: Result for the year after tax x 100 / Average equity

Management review

Group chart



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 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, Russia (temporarily closed) and Vietnam.

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.

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.

Development in activities and financial position

2021 saw a good development in the underlying demand for our products. In particular, the first half of 2021 delivered strong top- and bottom-line development compared to 2020.

However, during the second half of 2021 we experienced major negative implications from Covid-19 as well as from the global supply chain challenges. The imbalances in the global supply chain led to significant cost inflation. Accordingly, all elements of the production of the Espersen Group's products (fish, ingredients, packaging, utilities, warehousing, and salaries as well as logistics costs) were significantly higher in Q4 2021 compared with 2020. This also applied to Beck Pack's production costs.

This led to implementation of sales price increases to our customers, but the full impact of these come with a time delay due to existing contracts. As a consequence, the profit in Q4 was negatively impacted in Espersen.

Espersen Group and Royal Greenland entered into a long-term sales contract covering the foodservice market in Europe commencing 1 January 2022.

Espersen Group completed the implementation of a new ERP-system in all companies in the Espersen Group.

The Group's revenue decreased 4.1% in 2021 to DKK 3,003m (2020: DKK 3,131m) mainly due to lower average fish prices and changed product mix compared with 2020 in Espersen Group. Beck Pack realized higher revenue than in 2020.

Management review

Special items – particularly Covid-19 impact

On 12 July 2021 our Vietnamese factory in Espersen Group had to close due to Covid-19 restrictions by the Vietnamese government, ref. more details below. These restrictions applied to all companies in the region.

The factory was allowed to reopen mid-October and was back at full production capacity by mid-December.

The closure impacted our operating profit in 2021 negatively by DKK 24.5m compared with 2020 of which DKK 9.5m are incurred Covid-19 cost and DKK 15m is estimated lost profit from inability to deliver on customer demands during closure.

The Espersen Group incurred extra costs in total of DKK 16.2m directly related to Covid-19 (2020: DKK 9.1m), which amongst others comprise salaries to employees in quarantine and costs to protect employees (facemasks, test, hand sanitizer, extra cleaning, extra space in production etc.) external storage of raw materials etc.

The Group's adjusted/normalized operating profit for 2021 is DKK 162.2m compared with DKK 131.6m in 2020, equal to an increase of DKK 30.6m, ref. below table.

Adjusted / normalised Operating profit

DKKm	2021	2020
Reported Operating profit	126,6	122,5
Adjustment for incurred Covid-19 costs	16,2	9,1
Adjustment for other special items (cost)	4,4	0,0
	147,2	**131,6**
Adjustment for lost Operating profit due to Vietnam closure	15,0	0,0
Adjusted / normalised Operating profit	**162,2**	**131,6**

Ordinary operating profit for 2021 (reported) is DKK 126.6m compared with DKK 122.5m in 2020, equal to an increase of DKK 4.1m.

Result for the year is DKK 83.4m compared with DKK 53.7m in 2020, equal to an increase of DKK 29.7m.

The Group's cash flow from operating activities was positive by DKK 67.7m compared with DKK 108.3 in 2020, equal to a decrease of DKK 40.6m.

The development in the financial performance and cash flow in 2021 is considered satisfactory when adjusting for the significant impacts from Covid-19 in 2021 as well as the other special items in 2021.

The Group's solvency increased to 42.0% at 31 December 2021 (2020: 37.3%).

Covid-19 impact

The outbreak of Covid-19 in 2020 continued to negatively impact the Group's business in 2021 – some areas negative others positive. Overall, Covid-19 directed most focus and time on securing a safe environment for our employees and securing supply of raw materials in order to secure production of goods to our customers. Beck Pack was less impacted than Espersen Group.

Overall, also in 2021 Covid-19 had a negative impact on our financial performance as well as our ability to develop and expand our business as originally included in our plans for 2021. However, we have seen an improved robustness in the Group's financial performance in 2020 and 2021 during the Covid-19 challenges, and the operating profit for 2021 is better than both 2020 and the record operating profit in 2019 when adjusting for the significant negative Covid-19 impacts.

The Group has in 2021 incurred extra costs of DKK 16.2m directly related to Covid-19 (2020: DKK 9.1m), which i.a. comprise salaries to employees in quarantine and costs to protect employees (facemasks, tests, hand sanitizer, extra cleaning, extra space in production etc.), external storage of raw materials etc.

The increase in direct Covid-19 costs in 2021 is caused by Espersen Group's Vietnamese factory which was not impacted in 2020, but in 2021 has incurred direct Covid-19 costs of DKK 9.5m. Additionally, the temporary closure of the Vietnamese factory resulted in estimated lost operating profit in 2021 of DKK 15m as the reduced production capacity could not meet customer's demand. We refer to the below section for more details on the Vietnam factory situation in 2021.

The direct incurred costs in 2021 of DKK 16.2m (2002: DKK 9.1m) are viewed as Special costs. Similar, the lost operating profit in 2021 of estimated DKK 15m has lowered the operating profit in 2021 compared to 2020 where the Vietnamese factory was not impacted by Covid-19.

Management review

Temporary closure and phased reopening of Vietnamese factory due to imposed Covid restrictions

On 12 July 2021 Espersen Group's Vietnamese factory unfortunately had to close due to Covid-19 restrictions imposed by the Vietnamese government. Vietnam had in 2020 applied a "Covid-19 isolation strategy" and vaccinations were not deemed necessary, whereby the country had no Covid-19 challenges in 2020 and thus the production capacity and costs of operation on our Vietnamese factory were not negatively impacted by Covid-19 in 2020. When mutations arose and started to spread in Vietnam, the lack of vaccinations made the Vietnamese government impose harsh Corona restrictions until vaccination programs were completed, which meant that we had to fully close our factory on 12 July 2021. We were allowed to gradually reopen our factory in 2nd half of October 2021 under strict rules, and the factory was only back at full production capacity mid December 2021. During this period we have incurred DKK 9.5m in extra costs to salaries (where we could not produce), safety measures, external storage of raw materials (as we could not access our factory) etc. Further, the significantly reduced production capacity also caused that we could not meet our customer's demand for products, which result in lost operating profit of estimated DKK 15m. Consequently, the temporary closure and phased reopening of our Vietnamese factory has isolated a negative impact on our operating profit in 2021 of estimated DKK 24.5m compared with 2020.

Covid-19 insurance cover

In 2020 and 2021 our insurance contained an "Epidemic clause" which provided coverage for property damage and loss of profit caused by contagious diseases or epidemics or denial of access based on these. We reported the Covid-19 situations to our insurance company in 2020 and again in 2021 claiming coverage under the policy. In March 2022 our insurance company confirmed coverage under the insurance. We are currently in discussions with our insurance company as to the size of the insurance cover. No insurance reimbursement is recognized as of 31 December 2021.

Outlook

As per the balance sheet date (31 December 2021) our outlook for 2022 showed topline, and particularly bottom-line growth.

However, the terrible situation in Ukraine has led to international sanctions against Russia, and these sanctions will have a material impact on our outlook for the year.

The financial impact is dependent on how long the situation will continue. The impact will clearly be felt by our Russian factory in Novgorod in Espersen Group, which we 17 March 2022 decided to close down temporarily.

Furthermore, Russia holds a significant share of the world quota for cod and haddock, which are important fish species used by Espersen Group. Although there are not any sanctions on fish or other food products at present, the situation has already led to further price increases for non-Russian alternatives.

We are implementing contingency plans – both for the short and for the longer term.

INSEPA Group has sufficient liquidity to continue its business.

Expected development

Due to the terrible situation in Ukraine and the uncertainty following sanctions against Russia the outlook for 2022 is highly uncertain. Accordingly, with current knowledge we estimate 2022 revenue in the range DKK 3,180m - 4,015m and operating result before special items of DKK 86m - 156m.

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.

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 minimise credit risks.

Management review

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.

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, Russia (temporarily closed) and Vietnam. 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 Espersens 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 we work 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.

- 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.

Management review

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.

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 work to ensure that all or suppliers follow our strict code of conduct. This work in 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.

  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 for employees.

- 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 behaviour.

  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 behaviour.

- Expectations to the future: In the future, we do not expect any reports of corruption.

Worker health & welfare

One of the main challenges we have faced in 2021 has been protecting our employees during the pandemic. We take our duty of care for our employees' safety very seriously, and our number one objective is to care for all our people.

To cope with the pandemic, Espersen established a corporate governance structure 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.

Management review

Worker health & welfare (continued)

Espersen has developed special occupational safety procedures for every site; covering both offices and manufacturing sites. Our intranet, along with notice boards, helps to keep our employees informed. To mitigate risk of infection, we have been offering personal protective equipment (PPE) and made measurements to create physical distance between both the individuals, teams and shifts. Furthermore, Espersen has created a policy on national and international business visits, travel and external auditing during the pandemic to protect our employees.

During Q1, Espersen's plants in Poland suffered with low productivity due to the spread of the virus. In Q3, Espersen's plant in Vietnam was closed for 12 weeks due to governmental actions applying to all manufacturing businesses. We have been paying our Vietnamese employees 60-70% of their normal gross salaries as financial support.

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

Gender distribution in management

INSEPA believes in equal opportunities and picking the best candidate for all management positions. Management has set a target that minimum 1/3 of the Board should consist of the underrepresented gender in 2025. In 2021, the Board consisted of five men and one woman. In 2021, no new board members were elected. Due to that, the target figure was not reached in 2021.

Since INSEPA has less than 50 employees, no policies have been established for other management levels.

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/sustainability-reports

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 2021 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, intragroup income and expenses, shareholdings, intercompany balances and dividends, and realised and unrealised gains on intercompany 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.

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 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 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

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.

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 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 intercompany 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 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 dis-posal. Gains or losses are recognised in the income statement by off-setting in depreciation for the year.

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 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 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 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 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 pur-chase 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.

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 instru-ments” 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.

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.

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

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 dis-posals 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, 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 2021	Consolidated 2020	Parent 2021	Parent 2020
	Revenue	3.002.605	3.130.877	8.428	4.832
	Changes in inventories of finished goods	30.671	-84.437	0	0
	Other operating income	6.925	2.848	0	0
		3.040.201	3.049.288	8.428	4.832
	Raw materials, consumables, etc.	-2.146.905	-2.157.661	0	0
	Other external costs	-299.806	-304.591	-9.658	-5.878
	Gross profit	593.490	587.036	-1.230	-1.046
3	Staff costs	-409.802	-407.881	-4.168	-5.041
4+5	Depreciation, amortisation and impairment	-57.079	-56.633	-1.177	-884
	Operating profit / (loss)	126.609	122.522	-6.575	-6.971
6	Share of result after tax in subsidiaries	0	0	46.741	26.972
7	Share of result after tax in associates	2.978	978	448	0
8	Financial income and expenses	-32.068	-51.891	13.539	6.472
	Result before tax	97.519	71.609	54.153	26.473
9	Corporation tax	-14.098	-17.925	-355	239
	Result for the year	83.421	53.684	53.798	26.712

Breakdown of consolidated result for the year:

	Consolidated 2021	Consolidated 2020
Shareholders, INSEPA A/S	53.798	26.712
Non-controlling interests	29.623	26.972
	83.421	53.684

Proposed profit / loss appropriation

	Parent 2021	Parent 2020
Proposed dividends	5.000	4.000
Retained earnings	48.798	22.712
	53.798	26.712

BALANCE SHEET

DKK'000

Note		Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
	ASSETS				
	Non-current assets				
4	**Intangible fixed assets**				
	Acquired rights	0	0	0	0
	Goodwill	55.611	61.750	0	0
	Software	49.647	940	10.106	600
	Development projects in progress	0	0	0	0
		105.258	62.690	10.106	600
5	**Tangible fixed assets**				
	Buildings	208.903	217.270	0	0
	Plant and machinery	182.211	156.128	0	0
	Other fixtures and operating equipment	11.201	10.234	1.759	633
	Tangible assets in progress	26.979	64.068	0	9.503
		429.294	447.700	1.759	10.136
	Investments				
6	Investments in subsidiaries	0	0	385.335	347.520
7	Investments in associates	11.028	7.698	0	0
10	Other securities	4.527	4.079	3.228	2.779
11	Other receivables	1.108	169	0	169
		16.663	11.946	388.563	350.468
	Non-current assets	551.215	522.336	400.428	361.204
	Current assets				
	Inventories				
	Raw materials and consumables	319.080	326.264	0	0
	Finished goods and goods for resale	266.666	235.995	0	0
		585.746	562.259	0	0
	Receivables				
	Trade receivables	406.654	422.953	0	3
	Receivables from group enterprises	0	0	772.076	711.077
	Other receivables	67.141	45.907	7.818	6.993
12	Deferred tax	21.632	31.259	320	371
	Corporate tax receivable	28.078	23.302	0	0
13	Prepayments	347	3.134	0	650
		523.852	526.555	780.214	719.094
	Cash at bank and in hand	83.924	101.186	0	363
	Current assets	1.193.522	1.190.000	780.214	719.457
	TOTAL ASSETS	1.744.737	1.712.336	1.180.642	1.080.661

BALANCE SHEET

DKK'000

Note		Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
	EQUITY AND LIABILITIES				
	Equity				
14	Share capital	10.000	10.000	10.000	10.000
	Retained earnings	762.310	715.671	722.315	632.924
	Reserve for net revaluation under the equity method	7.293	3.265	0	0
	Translation reserve	-51.362	-93.570	-4.074	-7.558
	Proposed dividends	5.000	4.000	5.000	4.000
		733.241	639.366	733.241	639.366
	Non-controlling interests	-109.518	-58.520	0	0
		623.723	580.846	733.241	639.366
	Provisions				
12	Deferred tax	5.704	5.444	0	0
		5.704	5.444	0	0
15	**Non-current liabilities**				
	Mortgage debt	360.604	276.360	0	0
	Other payables	164	0	0	0
		360.768	276.360	0	0
	Current liabilities				
	Mortgage debt	1.260	3.210	0	0
	Bank loans and overdrafts	368.136	374.121	255.287	312.222
	Trade payables	289.095	327.527	5.295	4.655
	Corporate tax payable	16.108	19.096	15.952	13.306
	Other payables	64.164	108.842	5.441	22.064
	Deferred income	15.779	16.890	165.426	89.048
		754.542	849.686	447.401	441.295
	Total liabilities	1.115.310	1.126.046	447.401	441.295
	TOTAL EQUITY AND LIABILITIES	1.744.737	1.712.336	1.180.642	1.080.661

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

CASH FLOW STATEMENT

DKK'000

Note		Consolidated 2021	Consolidated 2020
	Operating profit/(loss)	126.609	122.522
	Depreciation	57.079	56.633
	Adjustment from other non cash transactions	1.471	1.250
	Cash flows from operations before changes in working capital	**185.159**	**180.405**
	Changes in inventories	-23.487	68.625
	Changes in trade receivables and other receivables	-5.874	-38.749
	Changes in trade payables and other payables	-56.604	-29.425
	Cash flows from operations (operating activities)	**99.194**	**180.856**
	Interest income and expense, net	-13.830	-56.294
	Corporation tax received/(paid)	-17.662	-16.261
	Cash flows from operating activities	**67.702**	**108.301**
	Purchase of tangible and intangible assets	-80.262	-75.020
	Disposal of tangible and intangible assets	6.989	1.081
	Dividend from associates	0	443
	Cash flow to/from investments	**-73.273**	**-73.496**
	Mortgage	76.309	4.436
	Dividends paid	-88.000	-3.000
	Cash flows to/from financing	**-11.691**	**1.436**
	Net cash flows for the year	**-17.262**	**36.241**
	Cash and cash equivalents at 1 January	101.186	64.945
20	**Cash and cash equivalents at 31 December**	**83.924**	**101.186**

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 2020	**10.000**	**3.223**	**0**	**670.258**	**3.000**	**686.481**
Dividend paid	0	-443	0	443	-3.000	-3.000
Dividend proposed	0	0	0	-4.000	4.000	0
Transfer from profit/loss for the year	0	978	0	25.734	0	26.712
FX rate adj. associates	0	-493	0	0	0	-493
FX rate adj. subsidiaries	0	0	-58.517	0	0	-58.517
Other adjustments	0	0	0	-1.326	0	-1.326
Derivative financial instr. at 1 Jan	0	0	0	24.562	0	24.562
Derivative financial instr. at 31 Dec	0	0	-35.053	0	0	-35.053
Equity at 1 January 2021	**10.000**	**3.265**	**-93.570**	**715.671**	**4.000**	**639.366**
Transfer	0	736	0	-736	0	0
Dividend paid	0	0	0	0	-4.000	-4.000
Dividend proposed	0	0	0	-5.000	5.000	0
Transfer from profit/loss for the year	0	2.978	0	50.820	0	53.798
FX rate adj. associates	0	314	0	0	0	314
FX rate adj. subsidiaries	0	0	14.454	0	0	14.454
Other adjustments	0	0	0	1.555	0	1.555
Derivative financial instr. at 1 Jan	0	0	35.053	0	0	35.053
Derivative financial instr. at 31 Dec	0	0	-7.299	0	0	-7.299
Equity at 31 December 2021	**10.000**	**7.293**	**-51.362**	**762.310**	**5.000**	**733.241**

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 derivates recognized in equity. The Translation and hedging reserve is dissolved at disposal of such foreign group entities or changes in derivates.

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	**Total**
Carrying amount at 1 January 2020	**-78.619**
Dividend paid	-4.000
Transfer from profit/loss for the year	26.972
Other adjustment	84
FX rate adj. subsidiaries	-3.291
Derivative financial instr. at 1 Jan	1.107
Derivative financial instr. at 31 Dec	-773
Carrying amount at 1 January 2021	**-58.520**
Dividend paid	-84.000
Transfer from profit/loss for the year	29.623
Other adjustment	-91
FX rate adj. subsidiaries	3.064
Derivative financial instr. at 1 Jan	773
Derivative financial instr. at 31 Dec	-367
Carrying amount at 31 December 2021	**-109.518**

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 2020	**10.000**	**3.223**	**0**	**670.258**	**3.000**	**686.481**
Transfer	0	-3.223	0	3.223	0	0
Dividend paid	0	0	0	0	-3.000	-3.000
Dividend proposed	0	0	0	-4.000	4.000	0
Transf. from profit/loss for the year	0	0	0	26.712	0	26.712
FX rate adj. associates	0	0	0	0	0	0
FX rate adj. subsidiaries	0	0	0	-59.010	0	-59.010
Other adjustments	0	0	0	-1.325	0	-1.325
Derivative financial instr. at 1 Jan	0	0	0	24.561	0	24.561
Derivative financial instr. at 31 Dec	0	0	-7.558	-27.495	0	-35.053
Equity at 1 January 2021	**10.000**	**0**	**-7.558**	**632.924**	**4.000**	**639.366**
Dividend paid	0	0	0	0	-4.000	-4.000
Dividend proposed	0	0	0	-5.000	5.000	0
Transf. from profit/loss for the year	0	0	0	53.798	0	53.798
FX rate adj. associates	0	0	0	314	0	314
FX rate adj. subsidiaries	0	0	0	14.454	0	14.454
Other adjustments	0	0	0	1.555	0	1.555
Derivative financial instr. at 1 Jan	0	0	7.558	27.495	0	35.053
Derivative financial instr. at 31 Dec	0	0	-4.074	-3.225	0	-7.299
Equity at 31 December 2021	**10.000**	**0**	**-4.074**	**722.315**	**5.000**	**733.241**

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. However, reference is made to comments on the terrible situation in Ukraine provided in the Outlook section in Management review.

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	
	2021	2020
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.))	6.700	9.133
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.	9.500	0
Advisor costs and other costs in connection with acquisitions, sale of buildings etc	3.132	0
Cost in connection with implementation of new ERP system	1.257	0
Total special items	**20.589**	**9.133**
Reported in the Income Statement as below:		
Staff costs	6.065	3.215
Other external costs	14.524	5.918
	20.589	**9.133**

Lost EBITDA of DKK 15m in 2021 due to temporarily Covid-19 closure of Vietnamese factory

The Covid-19 virus was not impacting Vietnam in 2020 as the Vietnamese government had applied the isolation strategy. In Q2/2021 Covid-19 mutations hit Vietnam and our factory was closed on 12 July 2021 based on governmental rules. The factory reopened again in October 2021 at low capacity. The closure of our factory in Vietnam has resulted in an estimated lost EBITDA of DKK 15m as our produced products were significantly below the demand from 12 July - 31 December 2021.

3 Staff costs

	Consolidated		Parent	
	2021	2020	2021	2020
Wages and salaries	336.498	350.396	3.715	5.039
Pensions	12.793	12.047	450	0
Other social security costs	60.511	45.438	3	2
	409.802	**407.881**	**4.168**	**5.041**

The Group had 3,211 full-time employees in 2021 (2020: 3,052) of which 1 were employed in the parent company (2020: 1).

Remuneration of the Executive Board and the Board of Directors in the parent company is DKK 4,028k (2020: DKK 4,579k). For the Group the remuneration of the Executive Board and the Board of Directors is DKK 7,470k (2020: DKK 8,029k).

NOTES **DKK'000**

4 Intangible assets

Consolidated	Acquired rights	Goodwill	Software	Development projects in progress	Total
Cost at 1 January 2021	21.773	175.713	10.258	0	207.744
Currency adjustments	0	1.351	-12	0	1.339
Additions	0	0	44	13.016	13.060
Disposals	0	0	0	0	0
Transfer from/to other assets	0	0	50.303	-13.016	37.287
Cost at 31 December 2021	**21.773**	**177.064**	**60.593**	**0**	**259.430**
Depreciation at 1 January 2021	21.773	113.963	9.318	0	145.054
Currency adjustments	0	501	-12	0	489
Depreciation on disposed assets	0	0	0	0	0
Depreciation of the year	0	6.989	957	0	7.946
Transfer from/to other assets	0	0	683	0	683
Depreciation at 31 December 2021	**21.773**	**121.453**	**10.946**	**0**	**154.172**
Carrying amount at 31 December 2021	**0**	**55.611**	**49.647**	**0**	**105.258**

Parent company	Software	Development projects in progress	Total
Cost at 1 January 2021	3.977	0	3.977
Additions	44	0	44
Disposals	0	0	0
Transfer from/to other assets	9.959	0	9.959
Cost at 31 December 2021	**13.980**	**0**	**13.980**
Depreciation at 1 January 2021	3.377	0	3.377
Depreciation on disposed assets	0	0	0
Depreciation of the year	497	0	497
Depreciation at 31 December 2021	**3.874**	**0**	**3.874**
Carrying amount at 31 December 2021	**10.106**	**0**	**10.106**

5 Tangible assets

Consolidated	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2021	406.278	643.529	55.900	64.068	1.169.775
Changes to previous years	0	0	-886	0	-886
Currency adjustments	2.308	3.892	4	-161	6.043
Additions	348	9.779	1.508	55.567	67.202
Disposals	-414	-5.260	-1.315	0	-6.989
Transfer from/to other assets	5.363	44.025	5.820	-92.495	-37.287
Cost at 31 December 2021	**413.883**	**695.965**	**61.031**	**26.979**	**1.197.858**
Depreciation at 1 January 2021	189.008	487.401	45.666	0	722.075
Changes to previous years	0	0	255	0	255
Currency adjustments	530	4.165	25	0	4.720
Depreciation on disposed assets	-281	-4.690	-1.282	0	-6.253
Depreciation of the year	15.472	30.448	2.530	0	48.450
Transfer from/to other assets	251	-3.570	2.636	0	-683
Depreciation at 31 December 2021	**204.980**	**513.754**	**49.830**	**0**	**768.564**
Carrying amount at 31 December 2021	**208.903**	**182.211**	**11.201**	**26.979**	**429.294**

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5 Tangible assets (continued)

Parent company	**Operating equipment**	**Tangible assets in progress**	**Total**
Cost at 1 January 2021	1.691	9.503	11.194
Additions	1.806	456	2.262
Disposals	0	0	0
Transfer from/to other assets	0	-9.959	-9.959
Cost at 31 December 2021	**3.497**	**0**	**3.497**
Depreciation at 1 January 2021	1.058	0	1.058
Depreciation on disposed assets	0	0	0
Depreciation of the year	680	0	680
Depreciation at 31 December 2021	**1.738**	**0**	**1.738**
Carrying amount at 31 December 2021	**1.759**	**0**	**1.759**

6 Investments in subsidiaries

	2021	2020
Cost at 1 January and 31 December	**904.758**	**904.758**
Value adjustment at 1 January	-646.286	-596.118
Currency adjustments	8.617	-39.311
Dividends	-126.000	-6.000
Derivatives recognised in equity in subsidiaries	25.928	-12.130
Other equity postings in subsidiaries	6.151	-19.699
Amortisation of goodwill	-5.313	-5.313
Share of Result after tax for the year	52.054	32.285
Value adjustment at 31 December	**-684.849**	**-646.286**
Carrying amount at 31 December	**219.909**	**258.472**

Presented in the Balance sheet as below:

	2021	2020
Investment in subsidiaries	385.335	347.520
Deferred income	-165.426	-89.048
	219.909	**258.472**

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
A. Espersen A/S	Denmark	100%	TDKK 39.000	352.440	7.646
Beck Pack Holding ApS	Denmark	60%	TDKK 1.000	-165.435	44.408
				187.005	52.054
Group goodwill				32.904	-5.313
				219.909	**46.741**

Specification of Beck Pack Holding ApS:	2021	2020
Beck Pack Holding ApS equity at 31 December	294.246	456.275
INSEPA's 60% share hereof	176.548	273.765
Elimination of internal unrealised goodwill, INSEPA's 60% share	-341.983	-362.813
Deferred income in INSEPA A/S	**-165.435**	**-89.048**

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7 Investments in associates

	2021	2020
Consolidated		
Cost at 1 January	4.433	4.433
Disposals	-250	0
Cost at 31 December	**4.183**	**4.433**
Value adjustments at 1 January	3.265	3.223
Currency adjustments	314	-493
Disposals	736	0
Dividend paid	0	-443
Share of Result after tax for the year	2.530	978
Value adjustments at 31 December	**6.845**	**3.265**
Carrying amount at 31 December	**11.028**	**7.698**

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
Scanfish Norway AS	Norway	49%	TNOK 500	7.404	975
Sweryb International AB	Sweden	50%	TSEK 200	1.101	1.700
EsPan Sp. z o.o.	Poland	50%	TPLN 4,000	2.523	-145
				11.028	**2.530**

8 Financial income and expenses

	Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
Financial income				
Interest income	531	202	0	94
Interest income from group enterprises	0	0	21.138	20.050
Unrealized foreign exchange adjustments, net	14.231	0	0	0
Realized foreign exchange adjustments, net	0	0	1.296	969
Other financial income	33	94	0	0
	14.795	**296**	**22.434**	**21.113**
Financial expenses				
Interest expense	19.782	26.955	8.612	13.225
Realized foreign exchange adjustments, net	21.102	15.899	0	0
Capital losses on securities and adjustments	4.378	5.991	0	1.191
Other financial costs	1.601	3.342	283	225
	46.863	**52.187**	**8.895**	**14.641**
Financial income and expenses, net	**-32.068**	**-51.891**	**13.539**	**6.472**

9 Corporation tax

	Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
Current tax for the year	12.340	16.488	1.209	-294
Hereof to be recognised directly in equity 1)	-2.470	-2.044	-954	-77
Movement in deferred tax for the year	10.770	3.065	178	100
Adjustment to previous years	-6.542	416	-78	32
Total tax for the year	**14.098**	**17.925**	**355**	**-239**
Tax analysis				
Result before tax	97.519	71.609	54.153	26.473
Depreciation of goodwill	6.989	8.697	0	0
Adjustments previous years	-29.736	1.891	-355	145
Other	-7.712	258	-4.996	-733
Share of result in subsidiaries and associates	-2.978	-978	-47.189	-26.972
Result before tax, adjusted	**64.082**	**81.477**	**1.614**	**-1.086**
Implied tax rate of the above	22%	22%	22%	22%

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10 Other securities

	Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
Cost at 1 January and 31 December	14.800	14.800	8.456	8.456
Value adjustment to fair value at 1 January	-10.721	-11.558	-5.677	-6.532
Value adjustments for the year	448	837	449	855
Value adjustments to fair value at 31 December	**-10.273**	**-10.721**	**-5.228**	**-5.677**
Carrying amount at 31 December	**4.527**	**4.079**	**3.228**	**2.779**

11 Other receivables

	Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
Falling due between 2 and 5 years	1.108	169	0	169
	1.108	**169**	**0**	**169**

12 Deferred tax

At 31 December 2021, the Group recognised a deferred tax asset of DKK 21,632k (2020: DKK 31,259k). The tax asset include tax losses carry forward of DKK 0k (2020: DKK 3,724). Based on the Group's budgets, Management expect that the Group in the 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 2021	Consolidated 2020	Parent 2021	Parent 2020
Deferred tax liabilities at 1 January	5.444	7.086	0	0
Deferred tax assets at 1 January	-31.259	-31.508	-371	-478
Deferred tax (asset)/liability, net at 1 January	**-25.815**	**-24.422**	**-371**	**-478**
Opening adjustment, foreign exchange rates	1.805	962	0	0
Adjustments in respect of previous years	-8.896	110	-127	7
Movement for the year, equity items	6.208	-5.530	0	0
Movement for the year, income statement	10.770	3.065	178	100
Deferred tax (asset)/liability, net at 31 December	**-15.928**	**-25.815**	**-320**	**-371**
Deferred tax liabilities at 31 December	5.704	5.444	0	0
Deferred tax assets at 31 December	-21.632	-31.259	-320	-371
	-15.928	**-25.815**	**-320**	**-371**

13 Prepayments

Consists of various minor prepayments, mainly rent and insurance.

14 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.

15 Non-current liabilities

	Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
Falling due between 2 and 5 years	360.768	269.483	0	0
Falling due after 5 years	0	6.877	0	0
	360.768	**276.360**	**0**	**0**

NOTES **DKK'000**

16 Contingent liabilities and collateral

Operational leasing - Consolidated	Sites	Cars	Equipment	Total
Falling due within one year	4.259	1.828	1.221	7.308
Falling due between 1-5 years	12.405	2.127	3.365	17.897
Falling due after more than 5 years	3.889	0	17	3.906
	20.553	**3.955**	**4.603**	**29.111**

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 802k (2020: DKK 6,943k) A. Espersen has provided guarantees in its buildings with a carrying amount of DKK 8,165k at 31 December 2021 (2020: DKK 9,917k).

The company has provided a guarentee for a bank loan provided to the associated company Scanfish Norway AS in the amount of NOK 35m (2020: NOK 35m).

Collateral	Consolidated		Parent	
	2021	2020	2021	2020
Bank guarantee for customs duty	5.500	5.500	0	0
	5.500	**5.500**	**0**	**0**

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

	Consolidated		Parent	
	2021	2020	2021	2020
Ordinary audit fee	1.479	1.755	50	46
Tax consultancy	746	961	11	12
Other services *	2.056	518	0	100
Total EY	4.281	3.234	61	158
Other	981	1.089	0	0
Total	**5.262**	**4.323**	**61**	**158**

* Mainly due diligence advisory work on a non-completed acquisition in 2021 in the Group.

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18 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 2021 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Sale	7.141	0 - 3	-1.158
SEK	Sale	15.650	0 - 3	115
USD	Sale	40.391	0 - 6	-5.630
USD	Purchase	61.241	0 - 12	11.103
USD	Purchase	3.960	0 - 4	707
NOK	Sale	47.550	0 - 2	278
PLN	Purchase	40.000	0 - 4	-422
Total				**4.993**

At 31 December 2020 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Sale	7.330	0 - 7	121
SEK	Sale	38.750	0 - 6	-561
USD	Purchase	382	0 - 1	251
NOK	Purchase	46.600	0 - 3	474
PLN	Purchase	100.000	0 - 12	-688
USD	Sale	14.335	0 - 6	3.461
USD	Purchase	79.819	0 - 24	-25.869
Total				**-22.811**

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.

At 31 December 2021 the Group had entered into 6 interest rate swaps totalling DKK 479 million with expiry between June 2022 and December 2030 at rates ranging from 0.25% - 3.74% (average rate 0.46%).

Fair value at 31 December 2021 of these interest rate swaps was negative by DKK 5.0 million (2020: DKK 17.6 million), which has been recognised in equity.

19 Related parties

INSEPA A/S is wholly-owned subsidiary of:

Direktør J.P.A Espersen og hustru, fru Dagny Espersen Fond
Sydhavnsvj 12
DK-3700 Rønne
Denmark

Related party transactions	2021	2020
Parent		
Sale of services to group enterprises	8.428	4.832
Interest income from group enterprises	21.138	20.050
Receivables from group enterprises	772.076	711.077
Dividend paid to shareholders in the year	4.000	3.000

Remuneration to members of the Executive Board and the Board of Directors of the Parent Company is disclosed in note 3.

NOTES **DKK'000**

20 Cash and Cash equivalent at year-end - Consolidated

	2021	2020
Cash according to the balance sheet	83.924	101.186

21 Proposed profit/loss appropriation:

	2021	2020
Proposed dividends	5.000	4.000
Retained earnings	48.798	22.712
	53.798	**26.712**