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INSEPA Annual Report 2020, signed by chair.pdf

Signers:

Name	*Method*	*Date*
Lena Lauridsen	NEMID	2021-04-09 14:47 GMT+2

INSEPA A/S

Kalvebod Brygge 39-41,
1560 København V

Annual Report 2020

The Annual Report 2020 was adopted by the Annual
General Meeting on 9 April 2021

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(Chairman)

CVR-nr. 27 90 77 25

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of INSEPA A/S for the financial year 1 January – 31 December 2020.

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 2020 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 2020.

Further, in our opinion, the Management's 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, 25 March 2021

Executive Board:

Klaus B. Nielsen
CEO

Board of Directors:

Flemming Enevoldsen *Chairman*	Christopher Thomas	Peter Kjær
Niels Walther-Rasmussen	Bettina Fürstenberg	Jacek Migrala

Independent auditors' 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 2020, 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 2020 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 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Aarhus, 25 March 2021
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis
State Authorised
Public Accountant
mne32732

Tobias Oppermann
State Authorised
Public Accountant
mne46362

Management's review

Company details

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

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

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

Board of Directors

Flemming Enevoldsen (Chairman)
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-8100 Aarhus C
Denmark

Annual General Meeting

The Annual General Meeting is to be held on 9 April 2021.

Management's review

Financial highlights for the Group

DKKm	2020	2019	2018	2017	2016
Key figures					
Revenue	3,131	3,064	3,008	2,673	2,429
Operating profit before special items (Note 2)	132	136	62	54	67
Ordinary operating profit	123	124	16	54	67
Result before tax	72	90	-25	5	35
Non-controlling shareholders' interest	27	26	13	0	0
Result for the year	**54**	**63**	**-23**	**2**	**19**
Non-current assets	522	535	563	544	411
Current assets	1,190	1,205	1,154	958	920
Total assets	**1,712**	**1,740**	**1,717**	**1,502**	**1,331**
Share capital	10	10	10	10	10
Equity	**639**	**686**	**650**	**395**	**444**
Non-controlling shareholders' interest	-59	-79	-99	0	0
Provisions	5	7	25	25	18
Non-current liabilities other than provisions	276	292	339	78	104
Current liabilities other than provisions	850	834	803	1,004	766
Cash flows from operating activities	109	153	-144	38	339
Cash flows from investing activities, net	-74	-40	59	-170	-40
Hereof investments in tangible assets	-75	-55	-112	-73	-42
Cash flows from financing activities	1	-115	98	145	-296
Total cash flows	**36**	**-2**	**13**	**14**	**3**
Key figures					
Solvency ratio	37.3	39.4	37.9	26.3	33.4
Return on equity	+8.2	+9.5	-7.0	+0.5	+4.3
Average number of full-time Employees	3,052	2,992	3,004	2,742	2,430

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

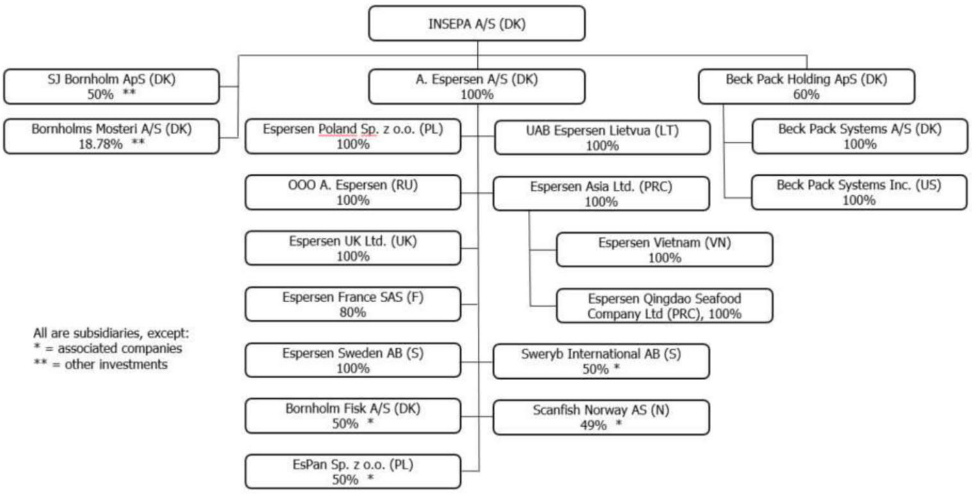
The financial ratios stated in the financial highlights overview have been calculated as follows:

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

Beck 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 Group contributes to charities in the local areas where INSEPA operates.

Management's review

Development in activities and financial position

Financial performance and position for the year

In 2020, the Group's revenue increased 2.2% to DKK 3,131m (2019: DKK 3,064m) and the Group's operating profit before special items for 2020 is DKK 132m compared with DKK 136m in 2019, equal to a decrease of DKK 4m.

Ordinary operating profit for 2020 is DKK 123m compared with DKK 124m in 2019, equal to a decrease of DKK 1m.

Result for the year is DKK 54m compared with DKK 63m in 2019, equal to a decrease of DKK 9m.

The outbreak of Covid-19 has impacted the Group's business in most areas – 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 products to our customers, as well as on constantly adapting to the ever changing developments in the countries we are operating and trading in. Beck Pack was less impacted than Espersen Group.

Some of our customers were positively impacted by Covid-19 and others were negatively impacted. Overall, Covid-19 has 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 2020. Accordingly, Covid-19 prevented the Group from continuing the improvements in the financial performance that started in 2019. However, the significantly improved financial performance achieved in 2019 improved the Group's robustness, which meant that the operational result achieved in a turbulent Covid-19 year is on level with 2019.

The Group has incurred extra costs of DKK 9m directly related to Covid-19, 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.). These costs are viewed as Special costs.

The Group's cash flow from operating activities was positive by DKK 109m in 2020 compared with DKK 153m in 2019, equal to a decrease of DKK 44m.

The development in the financial performance and cash flow in 2020 is considered satisfactory considering the impacts from Covid-19.

The Group's solvency decreased to 37.3% at 31 December 2020 (2019: 39.4%).

Outlook

The outbreak of Covid-19 in 2020 had significant impact on the world trade and on the consumers' "usual" ways of buying and eating seafood. Most countries still have many Covid-19 restrictions in force, which continue to impact how and where seafood is bought and enjoyed.

Covid-19 vaccines have been developed and vaccination programmes are running in most countries in which we are selling our products. Accordingly, more stability and normality in societies is expected to come during first half of 2021, where societies slowly are lifting the Covid-19 restrictions and thereby slowly re-opening and getting back to "normality", however, expectedly to a "new normality". INSEPA follows the development closely and is in close dialogue with customers and suppliers to understand the current demand and supply in its markets.

There is still uncertainty as to the development and consequences of Covid-19, but with our current knowledge, we overall expect, that the Group's revenue and earnings for 2021 will increase compared with 2020 – for revenue and increase of around 1-5% is expected while earnings is expected to increase around 5-10%, but both will vary depending on in particular the development in fish prices. Further, the revenue and earnings estimates for 2021 are subject to high uncertainty due to the continued Covid-19 uncertainties which are impacting most parts of the Group's activities.

We have prepared contingency plans for our business, including securing our production plants etc. We have also prepared financial models for scenario analysis, which we will update as and when needed.

The Group has significant exports into UK. The vast majority of the exports will not be subject to import duties, while some products will be subject to import duties at different rates from 4% to 18%. We expect to pass on the import duties to our customers, and generally the market is expecting that market prices for the products subject to import duties will align during 1st half 2021. Brexit has resulted in new and more comprehensive and cumbersome paperwork to be completed for exports into UK. The INSEPA Group was well prepared for this extra paperwork, and have after Brexit managed to deliver timely to its customers. Brexit is not expected to have material impact on the Group's financial performance.

INSEPA Group has sufficient liquidity to continue its business.

Particular risks

General risks

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 risks

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.

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's activities are production of frozen and chilled seafood products for retail and foodservice markets, primarily in Europe as well as B2B customers worldwide. The raw materials used are mostly imported frozen cod as well as other fish species and semi manufactured products from other parts of the world.

Environment and Climate

- Risks: The Group has identified energy use and greenhouse gas emissions from production activities as the most material climate risks. Environmental risks related to resource use primarily arise from water use for processing and food loss and waste.

- Policies: Espersen's ambition is to use resources responsibly with the aim to decouple waste, water and energy use from the production footprint. The company is committed to addressing its climate impacts, using valuable tools such as LCA to gain new insights into the impacts of specific activities in the supply chain and guide its mitigation strategy.

- 2020 actions and results: Espersen is committed to leading by example in the fight against food waste by continuously quantifying and monitoring its food loss and waste and pursuing strategies to reduce it. In 2020, 77% of all purchased raw materials were used for human consumption. Of the 23%, or more than 16,846 ton, not used for human consumption, 14,894 ton was sold as by-product for animal feed and the remaining 1,952 ton is our food waste, which was used for biogas or heat production.

  Espersen continually works to reduce its CO2 emissions and energy use. In 2020, CO2 equivalent emissions per kg of product decreased by 13% compared to last year.

Social and employee-related matters

- Risks: The most significant social risks are related to health and safety in processing. Ensuring a good working environment and avoiding accidents is a key priority.

- Policies: Espersen works to ensure that all employees recognise Espersen as a good and safe place to work.

- 2020 actions and results: The Group continuously works to reduce the number of accidents. In 2020, there was an increased focus on "near accidents" and more detailed reporting. This year, Espersen experienced fewer accidents, however, the accidents experienced caused more absence.

  COVID-19: One of the main challenges in 2020 was how to protect employees during the Covid-19 pandemic. In order to ensure the employees' safety, Espersen implemented a central strategy governing the global operations. The strategy included requirements about Covid-19 risk assessments, social distancing, increased cleaning, and extra personal protective equipment. Fortunately, none of the employees were infected by Covid-19 in 2020.

Human Rights

- Risks: A key human rights risk is related to the use of suppliers who may not adhere to or respect international standards and conventions for human rights.

- Policies: Espersen is 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. This commitment is part of the company's history and culture, which permeates the entire management team.

- 2020 actions and results: To minimize risks in the supply chain, all suppliers are monitored continuously. The supplier monitoring process includes self-assessments as well as site visits and uses a risk rating tool to allow Espersen to focus our resources on areas of its supply chain with the highest potential risk. 100% of facilities are audited against the ETI Base Code using the SMETA methodology or audited to customer specific higher standards.

Anti-corruption

- Risks: Driving responsible business practices is of high importance to the Group, where unethical behavior such as corruption poses a risk in the workplace and supply chain.

- Policies: Espersen is against corruption in all its forms, including bribery and facilitation payments.

- 2020 actions and 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 behavior.

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 2020, the Board consisted of 5 men and 1 woman.

In 2020 one female member replaced another female member and one new male member was elected for the Board of Directors. The candidates were elected due to their specific capabilities and knowledge. Due to the net additional member being a male, the target figure was not reached in 2020.

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 CSR Report is available at Espersen's website: http://www.espersen.com/Files/Images/Espersen/Sustainability/Espersen%20sustainability_Report_2020%20Final.pdf

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 comment on Brexit and the COVID-19 situation provided in the outlook on the previous page.

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

Accounting policies

The annual report of INSEPA A/S for 2020 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Changes in accounting policies

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

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

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, INSEPA A/S, and subsidiaries in which INSEPA A/S directly or indirectly holds more than 50% of the voting rights or over which it otherwise exercises control. Entities in which the Group holds between 20%

and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

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

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

Business combinations

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

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

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

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

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

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

Intra-group business combinations

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

Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Non-controlling interests

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

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis and is stated in the notes in connection with the description of acquired entities.

Foreign currency translation

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

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

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

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

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

Derivative financial instruments

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

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

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

Income statement
Revenue

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

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 intra-group profits/losses.

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

Interest income and expenses

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

Tax on profit/loss for the year

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

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

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

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

Balance sheet

Intangible assets

Acquired rights

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

Property, plant and equipment

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

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

Buildings	5-50 years
Plant and machinery	3-20 years
Fixtures and fittings, other plant and equipment	3-10 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement 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 intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

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

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

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

Securities and other investments

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

Impairment of non-current assets

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

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

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

Inventories

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

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

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

Receivables

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

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

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

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

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.

Corporation tax and deferred tax

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

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

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

Liabilities

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

Other liabilities are measured at net realisable value.

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

Consolidated cash flow statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

INCOME STATEMENT **DKK'000**

Note		CONSOLIDATED		PARENT	
		2020	2019	2020	2019
3	**Revenue**	3.130.877	3.064.438	4.832	5.618
	Changes in inventories of finished goods	-84.437	61.433	-	-
	Other operating income	2.848	5.946	-	-
		3.049.288	3.131.817	4.832	5.618
	Raw materials, consumables, etc.	-2.157.661	-2.254.382	-	-
	Other external costs	-304.591	-302.071	-5.878	-5.291
	Gross profit	587.036	575.364	-1.046	327
4	Staff costs	-407.881	-385.332	-5.041	-4.293
5+6	Depreciation, amortisation and impairment	-56.633	-65.564	-884	-893
	Operating profit/(loss)	122.522	124.468	-6.971	-4.859
7	Share of result after tax in subsidiaries	-	-	26.972	35.343
8	Share of result after tax in associates	978	-580	-	-
9	Financial income and expenses	-51.891	-33.879	6.472	6.540
	Result before tax	71.609	90.009	26.473	37.024
10	Corporation tax	-17.925	-26.796	239	-192
	Result for the year	53.684	63.213	26.712	36.832
	Breakdown of consolidated result for the year:				
	Shareholders, INSEPA A/S	26.712	36.832		
	Non-controlling interests	26.972	26.381		
		53.684	63.213		
	Proposed profit/loss appropriation:				
	Proposed dividends			4.000	3.000
	Retained earnings			22.712	33.832
				26.712	36.832

BALANCE SHEET **DKK'000**

Note		CONSOLIDATED		PARENT	
		2020	2019	2020	2019
	ASSETS				
	Non-current assets				
5	**Intangible fixed assets**				
	Goodwill	61.750	71.540	-	-
	Software	940	2.299	600	1.146
		62.690	73.839	600	1.146
6	**Tangible fixed assets**				
	Buildings	217.270	245.366	-	-
	Plant and machinery	156.128	165.657	-	-
	Other fixtures and operating equipment	10.234	7.107	633	971
	Property, plant and equipment under construction	64.068	30.780	9.503	6.739
		447.700	448.910	10.136	7.710
	Investments				
7	Investments in subsidiaries	-	-	347.520	427.407
8	Investments in associates	7.698	7.656	-	-
11	Other securities	4.079	3.242	2.779	1.924
	Other receivables	169	1.750	169	1.750
		11.946	12.648	350.468	431.081
	Non-current assets	522.336	535.397	361.204	439.937
	Current assets				
	Inventories				
	Raw materials and consumables	326.264	341.104	-	-
	Finished goods and goods for resale	235.995	320.432	-	-
		562.259	661.536	-	-
	Receivables				
	Trade receivables	422.953	388.368	3	200
	Receivables from group enterprises	-	-	711.077	653.019
	Other receivables	45.907	48.467	6.993	18.096
12	Deferred tax	31.259	31.508	371	478
	Corporate tax receivable	23.302	8.706	-	-
13	Prepayments	3.134	1.805	650	701
		526.555	478.854	719.094	672.494
	Cash at bank and in hand	101.186	64.945	363	-
	Current assets	1.190.000	1.205.335	719.457	672.494
	TOTAL ASSETS	1.712.336	1.740.732	1.080.661	1.112.431

BALANCE SHEET **DKK'000**

Note		CONSOLIDATED		PARENT	
		2020	2019	2020	2019
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	10.000	10.000	10.000	10.000
	Retained earnings	715.671	670.258	632.924	670.258
	Reserve for net revaluation under the equity method	3.265	3.223	-	3.223
	Translation and hedging reserve	-93.570	-	-7.558	-
	Proposed dividends	4.000	3.000	4.000	3.000
	Shareholders, INSEPA A/S	639.366	686.481	639.366	686.481
	Non-controlling interests	-58.520	-78.619	-	-
		580.846	607.862	639.366	686.481
	Provisions				
12	Deferred tax	5.444	7.086	-	-
		5.444	7.086	-	-
14	**Non-current liabilities**				
	Bank loans and mortgages	276.360	289.504	-	-
	Other payables	-	2.288	-	-
		276.360	291.792	-	-
	Current liabilities				
	Mortgage debt	3.210	3.752	-	-
	Bank loans and overdrafts	374.121	355.999	312.222	283.105
	Trade payables	327.527	356.941	4.655	2.238
	Corporate tax payable	19.096	16.261	13.306	11.885
	Other payables	108.842	82.890	22.064	9.955
	Deferred income	16.890	18.149	89.048	118.767
		849.686	833.992	441.295	425.950
	Total liabilities	1.126.046	1.125.784	441.295	425.950
	TOTAL EQUITY AND LIABILITIES	1.712.336	1.740.732	1.080.661	1.112.431

1 Events after the balance sheet date
2 Special items
15 Proposed profit/loss appropriation
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

CASH FLOW STATEMENT **DKK'000**

	Consolidated	2020	2019
	Operating profit/(loss)	122.522	124.468
	Depreciation	56.633	65.564
	Adjustment from other non cash transactions	1.693	-9.315
	Cash flows from operations before changes in working capital	180.848	180.717
	Changes in inventories	68.625	-52.624
	Changes in trade receivables and other receivables	-38.749	29.327
	Changes in trade payables and other payables	-29.425	51.608
	Cash flows from operations (operating activities)	181.299	209.028
	Interest income and expense, net	-56.294	-33.811
	Corporation tax received/(paid)	-16.261	-22.301
	Cash flows from operating activities	**108.744**	**152.916**
	Acquisition of property, plant and equipment	-75.020	-55.091
	Disposal of property, plant and equipment	1.081	14.881
	Dividend from associates	443	-
	Cash flow to/from investments	**-73.939**	**-40.210**
	Mortgage, bank loans and overdrafts	4.436	-114.643
	Loans provided to associated companies	-	-519
	Dividends recieved/paid, net	-3.000	-
	Cash flows to/from financing	**1.436**	**-115.162**
	Net cash flows for the year	**36.241**	**-2.456**
	Cash and cash equivalents at 1 January	64.945	67.401
20	**Cash and cash equivalents at 31 December**	**101.186**	**64.945**

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 2019	10.000	3.745	-	633.466	3.000	650.211
Dividend paid	-	-	-	-	-3.000	-3.000
Dividend proposed	-	-	-	-3.000	3.000	-
Transf. from profit/loss for the year	-	-580	-	37.412	-	36.832
Foreign exchange rate adj. associates	-	58	-	-	-	58
Foreign exchange rate adj. subsidiaries	-	-	-	7.735	-	7.735
Other adjustments	-	-	-	-415	-	-415
Derivative financial instr. at 1 Jan	-	-	-	4.256	-	4.256
Derivative financial instr. at 31 Dec	-	-	-	-9.196	-	-9.196
Equity at 1 January 2020	10.000	3.223	-	670.258	3.000	686.481
Dividend paid	-	-443	-	443	-3.000	-3.000
Dividend proposed	-	-	-	-4.000	4.000	-
Transf. from profit/loss for the year	-	978	-	25.734	-	26.712
Foreign exchange rate adj. associates	-	-493	-	-	-	-493
Foreign exchange rate adj. subsidiaries	-	-	-58.517	-	-	-58.517
Other adjustments	-	-	-	-1.326	-	-1.326
Derivative financial instr. at 1 Jan	-	-	-	24.562	-	24.562
Derivative financial instr. at 31 Dec	-	-	-35.053	-	-	-35.053
Equity at 31 December 2020	**10.000**	**3.265**	**-93.570**	**715.671**	**4.000**	**639.366**

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

Non-controlling interests

Equity at 1 January 2020	-78.619
Equity at 31 December 2020	-58.520

Parent Company

	Share capital	Reserve for reval under the equity method	Translation and hedging reserve	Retained earnings	Dividend	Total
Equity at 1 January 2019	10.000	3.745	-	633.466	3.000	650.211
Dividend paid	-	-	-	-	-3.000	-3.000
Dividend proposed	-	-	-	-3.000	3.000	-
Transf. from profit/loss for the year	-	-580	-	37.412	-	36.832
Foreign exchange rate adj. associates	-	58	-	-	-	58
Foreign exchange rate adj. subsidiaries	-	-	-	7.735	-	7.735
Other adjustments	-	-	-	-415	-	-415
Derivative financial instr. at 1 Jan	-	-	-	4.256	-	4.256
Derivative financial instr. at 31 Dec	-	-	-	-9.196	-	-9.196
Equity at 1 January 2020	10.000	3.223	-	670.258	3.000	686.481
Transfer	-	-3.223	-	3.223	-	-
Dividend paid	-	-	-	-	-3.000	-3.000
Dividend proposed	-	-	-	-4.000	4.000	-
Transf. from profit/loss for the year	-	-	-	26.712	-	26.712
Foreign exchange rate adj. associates	-	-	-	-	-	-
Foreign exchange rate adj. subsidiaries	-	-	-	-59.010	-	-59.010
Other adjustments	-	-	-	-1.325	-	-1.325
Derivative financial instr. at 1 Jan	-	-	-	24.561	-	24.561
Derivative financial instr. at 31 Dec	-	-	-7.558	-27.495	-	-35.053
Equity at 31 December 2020	**10.000**	**-**	**-7.558**	**632.924**	**4.000**	**639.366**

The share capital consists of 20 shares of DKK 500,000 each and has been unchanged in the latest 5 year

NOTES **DKK'000**

1 **Events after the balance sheet date**

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

2 **Special items**

Special items comprise significant 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 relating there to 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's review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the recurring operating activities.

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

	Consolidated	
	2020	2019
Direct costs incurred due to Covid-19 (salaries to employees in quarantine and costs to keep employees safe (facemasks; Covid-19 tests; extra cleaning, establishing extra space in production etc.))	9.133	-
Closure off Fredericia manufacturing facility and moving production to site in Poland	-	2.931
Restructuring Primary production facility in Poland	-	960
Cost related to strategic initiatives and projects as part of executing on Setting Sails 22	-	4.276
Accounting loss on sale of property in Hirtshals	-	3.755
Total Special items	**9.133**	**11.922**
Reported in the Income Statement as below:		
Staff costs *	3.215	4.624
Other external costs	5.918	3.543
Depreciation, amortisation and impairment	-	3.755
	9.133	**11.922**

* the DKK 3,251k in 2020 is after having deducted DKK 2,018k in Covid-19 reimbursement from the Danish Government.

3 **Segment information -Group**

	Consolidated	
	2020	2019
Fish products - domestic market (Denmark)	52.181	69.445
Fish products - export markets	3.078.696	2.994.993
	3.130.877	**3.064.438**

4 **Staff costs**

	Consolidated		Parent	
	2020	2019	2020	2019
Wages and salaries	350.396	338.901	5.039	4.293
Pensions	30.711	22.865	-	-
Other social security costs	26.774	23.566	2	-
	407.881	385.332	5.041	4.293

The Group had 3,052 full-time employees in 2020 (2019: 2,992) of which 1 was employed in the Parent Company (2019: 1).

Remuneration of the Executive Board and the Board of Directors in the parent company is DKK 4,579k (2019: DKK 4,293).
For the Group the remuneration of the Executive Board and the Board of Directors is DKK 8,029k (2019: DKK 7,730k).

NOTES **DKK'000**

5 **Intangible assets**

Consolidated	**Acquired rights**	**Goodwill**	**Software**	**Total**
Cost at 1 January 2020	21.773	174.728	10.936	207.437
Currency adjustments	-	985	-94	891
Additions	-	-	117	117
Disposals	-	-	-701	-701
Cost at 31 December 2020	**21.773**	**175.713**	**10.258**	**207.744**
Depreciation at 1 January 2020	21.773	103.188	8.637	133.598
Currency adjustments	-	2.078	-90	1.988
Depreciation for the year	-	8.697	771	9.468
Depreciation at 31 December 2020	**21.773**	**113.963**	**9.318**	**145.054**
Carrying amount at 31 December 2020	**-**	**61.750**	**940**	**62.690**

Parent Company	**Software**
Cost at 1 January 2020	3.977
Additions	-
Transfer from/to other assets	-
Cost at 31 December 2020	**3.977**
Depreciation at 1 January 2020	2.831
	-
Depreciation for the year	546
Depreciation at 31 December 2020	**3.377**
Carrying amount at 31 December 2020	**600**

6 **Tangible assets**

Consolidated	**Buildings**	**Plant and machinery**	**Opera-ting equipment**	**Tangible assets in progress**	**Total**
Cost at 1 January 2020	510.788	820.207	65.813	30.780	1.427.588
Currency adjustments	-19.448	-42.587	888	-9.957	-71.104
Additions	-	900	1.894	72.109	74.903
Disposals	-86.959	-161.690	-14.939	257	-263.331
Transfer to/from other assets	1.897	26.699	2.244	-29.121	1.719
Cost at 31 December 2020	**406.278**	**643.529**	**55.900**	**64.068**	**1.169.775**
Depreciation at 1 January 2020	269.256	654.550	58.706	-	982.512
Currency adjustments	-9.105	-34.418	-799	-	-44.322
Depreciation on disposed assets	-86.959	-155.767	-14.790	-	-257.516
Depreciation for the year 1)	15.816	23.036	2.549	-	41.401
Depreciation at 31 December 2020	**189.008**	**487.401**	**45.666**	**-**	**722.075**
Carrying amount at 31 December 2020	**217.270**	**156.128**	**10.234**	**64.068**	**447.700**

1) Accounting loss on disposal of assets included with DKK 0.5m

NOTES **DKK'000**

6 **Tangible assets (continued)**

Parent company	**Opera-ting equipment**	**Tangible assets in progress**	**Total**
Cost at 1 January 2020	1.691	6.739	8.430
Additions	-	2.764	2.764
Total cost at 31 December 2020	**1.691**	**9.503**	**11.194**
Depreciation at 1 January 2020	720	-	720
Depreciation for the year	338	-	338
Total depreciation at 31 December 2020	**1.058**	**-**	**1.058**
Carrying amount at 31 December 2020	**633**	**9.503**	**10.136**

7 **Investments in subsidiaries**

	2020	2019
Cost at 1 January	904.758	779.758
Additions (Capital increase in A. Espersen A/S)	-	125.000
Cost at 31 December	**904.758**	**904.758**
Value adjustments at 1 January	-596.118	-625.968
Currency adjustments	-39.311	7.793
Dividends	-6.000	-11.400
Derivatives recognised in equity in subsidiaries	-12.130	-1.471
Other equity postings in subsidiaries	-19.699	-415
Amortisation of Goodwill	-5.313	-5.313
Share of Result after tax for the year	32.285	40.656
Value adjustments at 31 December	**-646.286**	**-596.118**
Carrying amount at 31 December	**258.472**	**308.640**
Presented in the Balance sheet as below:		
Investments in subsidiaries	347.520	427.407
Deferred income	-89.048	-118.767
	258.472	**308.640**

	Reg. Office	**Stake %**	**Share Cap.**	**Share of equity**	**Share of result after tax**
A. Espersen A/S	Rønne	100%	TDKK 39.000	309.304	-7.870
Beck Pack Holding ApS	Rønne	60%	TDKK 100	-89.048	40.155
				220.256	32.285
Group goodwill				38.216	-5.313
				258.472	26.972

Specification of Beck Pack Holding ApS:	2020	2019
Beck Pack Holding A/S' equity at 31 December	456.275	441.463
INSEPA's 60% share hereof	273.765	264.878
Elimination of internal unrealised goodwill, INSEPA's 60% share	-362.813	-383.645
To be recognised as Deferred income	**-89.048**	**-118.767**

NOTES **DKK'000**

8	**Investment in associates - Consolidated**	2020	2019
	Cost at 1 January	4.433	4.433
	Cost at 31 December	**4.433**	**4.433**
	Value adjustments at 1 January	3.223	3.745
	Currency adjustments	-493	58
	Dividend paid	-443	-
	Share of Result after tax for the year	978	-580
	Value adjustments at 31 December	**3.265**	**3.223**
	Carrying amount at 31 December	**7.698**	**7.656**

	Reg. Office	**Stake %**	**Share Cap.**	**Part of equity**	**Profit/(loss)**
Scanfish Norway AS	Norway	49%	TNOK 500	5.356	994
Bornholm Fisk A/S	Denmark	50%	TDKK 500	-486	-501
Sweryb International AB	Sweden	50%	TSEK 200	137	20
EsPan Sp. z o.o.	Poland	50%	TPLN 4,000	2.691	465
				7.698	978

9	**Financial income and expenses**	Consolidated		Parent	
		2020	2019	2020	2019
	Income				
	Interest income	202	75	94	-
	Interest income from group enterprises	-	-	20.050	22.280
	Foreign exchange adjustments	13.102	11.526	8.804	6.042
	Other financial income	94	32	-	-
		13.398	**11.633**	**28.948**	**28.322**
	Expenses				
	Interest expense	26.955	29.038	13.225	15.639
	Foreign exchange adjustments	29.001	9.857	7.835	5.823
	Capital losses on securities and adjustments	5.991	5.777	1.191	-
	Other financial costs	3.342	840	225	320
		65.289	**45.512**	**22.476**	**21.782**
	Financial income and expenses, net	**-51.891**	**-33.879**	**6.472**	**6.540**

10	**Corporation tax**	Consolidated		Parent	
		2020	2019	2020	2019
	Current tax for the year	16.488	11.488	-294	-1.293
	Hereof to be recognised directly in equity	-2.044	-62	-77	978
	Movement in deferred tax for the year	3.065	1.340	100	477
	Adjustment for previous years	416	14.030	32	30
	Total tax for the year	**17.925**	**26.796**	**-239**	**192**
	Tax analysis				
	Result before tax	71.609	90.009		
	Depreciation of goodwill	8.697	10.749		
	Share of result in associates	-978	580		
	Other adjustments	958	20.462		
	Result before tax, adjusted	**80.286**	**121.800**		
	Implied tax rate of the above	22%	22%		

NOTES **DKK'000**

11 **Other securities and minor investments**

	Consolidated 2020	Consolidated 2019	Parent 2020	Parent 2019
Cost at 1 January	14.800	14.800	8.456	8.456
Total cost at 31 December	**14.800**	**14.800**	**8.456**	**8.456**
Value adjustment to fair value at 1 January	-11.558	-11.620	-6.532	-6.433
Value adjustments for the year	837	62	855	-99
Value adjustments to fair value at 31 December	**-10.721**	**-11.558**	**-5.677**	**-6.532**
Carrying amount at 31 December	**4.079**	**3.242**	**2.779**	**1.924**

Minor investments are related to the following companies:

SJ Bornholm ApS, Denmark
Bornholms Mosteri A/S, Denmark

12 **Deferred tax**

At 31 December 2020, the Group recognised a deferred tax asset of DKK 31,259k (2019: DKK 31,508k). The tax asset include tax losses carry forward of DKK 1,693k (2019: DKK 7,264k). Based on the Group's budgets, Management expect that the Group in the nearest futures will generate possible taxable income against wihich the tax losses carry forward can be utilised.

The changes for the year are specified as follows:

	Consolidated 2020	Consolidated 2019	Parent 2020	Parent 2019
Deferred tax liabilities at 1 January	7.086	5.845	-	-
Deferred tax assets at 1 January	-31.508	-31.450	-478	-977
Deferred tax (asset)/liability, net at 1 January	-24.422	-25.605	-478	-977
Opening adjustment, foreign exchange rates	962	246	-	-
Adjustments in respect of previous years	110	1.189	7	22
Movement for the year, equity items	-5.530	-1.592	-	-
Movement for the year, income statements	3.065	1.340	100	477
Deferred tax (asset)/liability, net at 31 December	-25.815	-24.422	-371	-478
Deferred tax liabilities at 31 December	5.444	7.086	-	-
Deferred tax assets at 31 December	-31.259	-31.508	-371	-478
	-25.815	-24.422	-371	-478

13 **Prepayments**

Consists of various minor prepayments, notably rent and insurance.

14 **Non-current liabilities**

	Consolidated 2020	Consolidated 2019	Parent 2020	Parent 2019
Falling due between 2 and 5 years	269.483	291.791	-	-
Falling due after 5 years	6.876	-	-	-
	276.359	291.791	-	-

15 **Proposed profit/loss appropriation:**

	2020	2019
Proposed dividends	4.000	3.000
Retained earnings	22.712	33.832
	26.712	36.832

NOTES **DKK'000**

16 **Contingent liabilities and collateral**

Operationel leasing - Consolidated

	Sites	Cars	Equipment	Total
Falling due within one year	3.370	1.760	603	5.733
Falling due between 1-5 years	11.241	2.722	1.770	15.733
Falling due after more than 5 years	4.509	-	-	4.509
	19.120	4.482	2.373	25.975

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.

The company has provided a guarentee for a bank loan provided to the associated company Scanfish Norway AS in the amount of NOK 35m (2019: NOK 35m).

Collateral	Consolidated		Parent	
	2020	2019	2020	2019
Bank guarentee for customs duty	5.000	5.000	-	-

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

	Consolidated		Parent	
	2020	2019	2020	2019
Ordinary audit fee	1.755	1.690	46	44
Issuance of other declarations with assurance	-	-	-	-
Tax consultancy	961	567	12	11
Other services	518	877	100	19
Total Ernst & Young	3.234	3.134	158	74
Other	1.089	1.119	-	-
TOTAL	4.323	4.253	158	74

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

Currency risks:
Most revenues are invoiced in foreign currencies, most notably GBP, USD & EUR. A significant part of raw material purchases are made in USD and NOK.

To mitigate impact of changes in exchange rates on short/mid term performance future cash flows are hedged in accordance with the Company's finance policy. All hedging of currency risks in the Group is carried out in the Parent Company.

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 Sales	14.335	0 - 6	3.461
USD Purchase	79.819	0 - 24	-25.869
TOTAL			**-22.811**

NOTES **DKK'000**

18 **Currency and interest rate risks and the use of derivative financial instruments (continued)**

At 31 December 2019 the Group had the following open currency forward contracts:

Currency	Principal	Months	Fair Value
GBP Sale	14.704	0 - 6	-1.821
SEK Sale	10.700	0 - 3	-244
USD Purchase	10.905	0 - 13	-3.264
EUR Purchase	936	0 - 12	-171
NOK Purchase	51.000	0 - 1	580
PLN Purchase	130.000	0 - 12	6.160
USD Purchase	64.469	0 - 15	782
TOTAL			**2.022**

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 2020 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 2020 of these interest rate swaps was negative by DKK 11.5 million, which has been recognised to equity.

At 31 December 2019 the Group had entered into 11 interest rate swaps totalling DKK 607 million with expiry between June 2020 and December 2030 at rates ranging from 0.10% - 5.43% (average rate 0.55%).

Fair value at 31 December 2019 of these interest rate swaps was negative by DKK 17.6 million, which has been recognised to equity.

19 **Related parties**

INSEPA A/S is a wholly-owned subsidiary of:

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

Related party transactions

	2020	2019
Parent		
Interest income from group enterprises	20.050	22.280
Receivables from group enterprises	711.077	653.019
Payables to group enterprises	-	-
Dividend paid to shareholder in the year	4.000	3.000

INSEPA A/S is jointly VAT-registered with A. Espersen A/S, and is thus jointly and severally liably for all VAT and duties in the joint VAT registration.

20 **Cash and Cash equivalent at year-end**

	Consolidated	
	2020	2019
Cash according to the balance sheet	101.186	64.945