

INSEPA A/S

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

Annual Report 2019

The Annual Report 2019 was adopted by the Annual
General Meeting on 3 April 2020

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(chairman)

CVR-nr. 27 90 77 25

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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 2019, 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 2019 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 2019 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, 24 March 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State Authorised
Public Accountant
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Management's review

Company details

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

Telephone: +45 5690 6000
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Registration No.: 27 90 77 25
Established: 11.06.2004
Registered office: Copenhagen, Denmark

Board of Directors

Flemming Enevoldsen (Chairman)
Christopher Thomas
Diane Hughes
Niels Walther-Rasmussen
Peter Kjær

Executive Board

Klaus B. Nielsen, CEO

Auditors

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

Annual General Meeting

The Annual General Meeting is to be held on 3 April 2020.

Management's review

Financial highlights for the Group

DKKm	2019	2018	2017	2016	2015
Key figures					
Revenue	3,064	3,008	2,673	2,429	2,303
Operating profit before special items (Note 2)	136	62	54	67	2
Ordinary operating profit	124	16	54	67	2
Result before tax	90	-25	5	35	-29
Non-controlling shareholders' interest	26	13	0	0	0
Result for the year	63	-23	2	19	-55
Non-current assets	535	563	544	411	445
Current assets	1,205	1,154	958	920	1,116
Total assets	1,740	1,717	1,502	1,331	1,561
Share capital	10	10	10	10	10
Equity	686	650	395	444	435
Non-controlling shareholders' interest	-79	-99	0	0	0
Provisions	25	25	25	18	14
Non-current liabilities other than provisions	292	339	78	104	110
Current liabilities other than provisions	816	803	1,004	766	1,002
Cash flows from operating activities	153	-144	38	339	21
Cash flows from investing activities, net	-40	59	-170	-40	-66
Hereof investments in tangible assets	-55	-112	-73	-42	-53
Cash flows from financing activities	-115	98	145	-296	57
Total cash flows	-2	13	14	3	12
Key figures					
Solvency ratio	39.4	37.9	26.3	33.4	27.9
Return on equity	+9.5	-7.0	+0.5	+4.3	-12.2

Average number of full-time Employees	2,992	3,004	2,742	2,430	2,215
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Financial ratios are calculated in accordance with the Danish Finance Society.

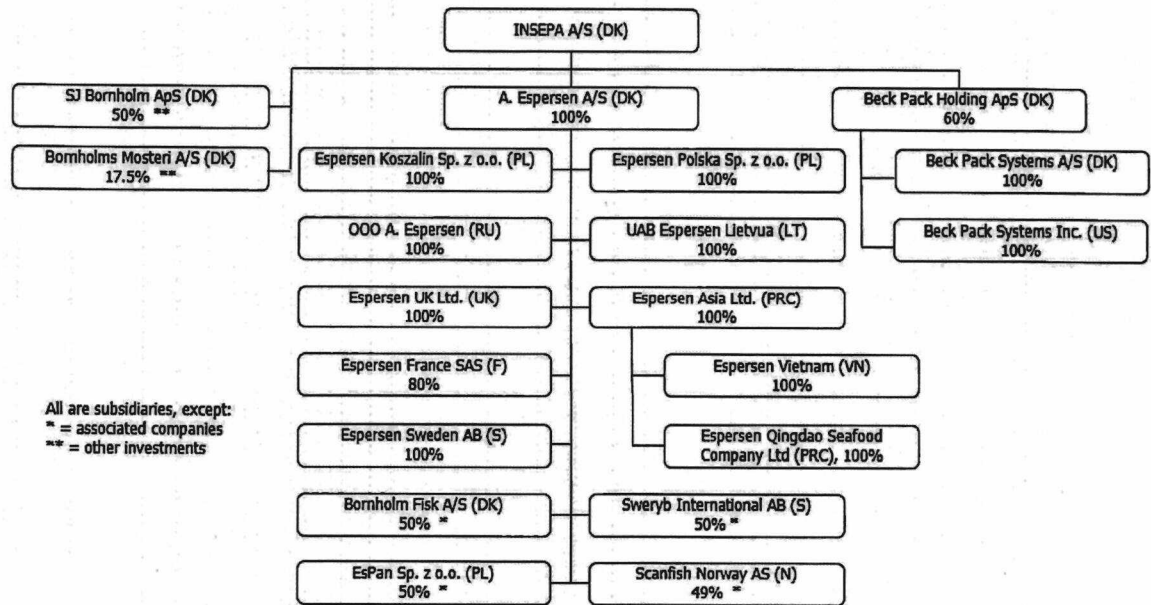
The financial ratios stated in the financial highlights overview have been calculated as follows:

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

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

Management'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 A/S (Beck Pack).

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

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

Local engagement

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

Management's review

Development in activities and financial position

Financial performance and position for the year

In 2019, the Group's revenue increased 2% to DKK 3,064m (2018: DKK 3,008m) and the Group's operating profit before special items for 2019 is DKK 136m compared with an operating profit before special items of DKK 62m in 2018, equal to an improvement of DKK 74m.

Ordinary operating profit for 2019 is DKK 124m compared with an Ordinary operating profit of DKK 16m in 2018, equal to an improvement of DKK 108m.

Result for the year is DKK 63m compared with a loss of DKK 23m in 2018, equal to an improvement of DKK 86m.

The significant improvement in financial performance is predominantly stemming from the operational restructurings conducted in 2017 and 2018 and the efficiency projects conducted in 2018 and 2019.

The Group's cash flow from operating activities was positive by DKK 153m in 2019 compared with negative by DKK 144m in 2018, equal to an improvement of DKK 297m.

The development in the financial performance and cash flow in 2019 is considered satisfactory.

The Group's equity at 31 December 2019 increased to DKK 686m (2018: DKK 650m), and solvency has increased to 39.4% at 31 December 2019 (2018: 37.9%).

Outlook

The INSEPA Group did expect that the financial performance in 2020 would improve further compared to the positive development and results realized in 2019. The internal management reporting for January and February 2020 was generally in line with original plan for 2020.

However, the outbreak of COVID-19 has had significant impact on the world trade and thereby also on the financial markets etc. Governments in most countries have taken strong measures to try to limit the spreading of the virus, but at the same time most countries both communicate and show that they will do their utmost to provide financial and other support through the challenging situation.

We have now experienced that the activities of the INSEPA Group are also impacted by the COVID-19 outbreak. Espersen Group's sale of our frozen and chilled products to Retailers and BtB is currently positively impacted, while the sale within foodservice is negatively impacted. Espersen follows the development closely and is in close dialogue with customers and suppliers to understand the current demand and supply in its markets.

Beck Pack Group's activities will most likely also be impacted by COVID-19, but to a less extent.

Due to the significant uncertainty of the COVID-19 consequences, we overall expect that the INSEPA Group's revenue and earnings for 2020 will not increase compared with 2019. However, due to the significant uncertainties about the length of the COVID-19 outbreak, we are unable to quantify the financial consequences.

We have prepared contingency plans for our business, including securing our production plants etc., and so far this has worked well. We have also prepared financial models for scenario analysis, which we will update frequently depending on the development we see. The scenario analysis show that the INSEPA Group – even in the current worst case scenario – 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 has not formulated a statement on corporate social responsibility, including respect for human rights, environmental and climate issues, social and employee conditions, and anti-corruption efforts. This is due to Management not finding it significant based on a risk assessment of the company's activities, as all risk based activities lies in the subsidiaries.

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/commitment/reports-awards>

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 the COVID-19 outbreak 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 2019 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Recognition and measurement

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

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

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

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

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

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

Consolidated financial statements

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

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

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

Business combinations

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

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

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

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

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

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

Intra-group business combinations

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

Non-controlling interests

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

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognised. Measurement of non-controlling

interests is chosen on a transaction-by-transaction basis and is stated in the notes in connection with the description of acquired entities.

Foreign currency translation

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

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

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

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

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

Derivative financial instruments

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

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

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

Income statement

Revenue

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

Raw materials and consumables

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

Other external costs

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

Staff costs

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

Other operating income

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

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.

Goodwill

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

Property, plant and equipment

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

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

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

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

disposal. Gains or losses are recognised in the income statement 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.

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	
	2019	2018	2019	2018
3 Revenue	3.064.438	3.007.862	5.618	6.409
Changes in inventories of finished goods	61.433	15.394	-	-
Other operating income	5.946	5.701	-	-
	3.131.817	3.028.957	5.618	6.409
Raw materials, consumables, etc.	-2.254.382	-2.207.081	-	-
Other external costs	-302.071	-321.249	-5.291	-9.526
Gross profit	575.364	500.627	327	-3.117
4 Staff costs	-385.332	-411.870	-4.293	-3.614
5/6 Depreciation, amortisation and impairment	-65.564	-73.171	-893	-1.065
Operating profit/(loss)	124.468	15.586	-4.859	-7.796
7 Share of result after tax in subsidiaries	-	-	35.343	-31.815
7 Profit from sale of minority interest	-	-	-	269.766
8 Share of result after tax in associates	-580	-961	-	-
9 Financial income and expenses	-33.879	-39.953	6.540	2.114
Result before tax	90.009	-25.328	37.024	232.269
10 Corporation tax	-26.796	1.869	-192	639
Result for the year	63.213	-23.459	36.832	232.908
Breakdown of consolidated result for the year:				
Shareholders, INSEPA A/S	36.832	-36.859		
Non-controlling interests	26.381	13.400		
	63.213	-23.459		
Proposed profit/loss appropriation:				
Proposed dividends			3.000	3.000
Retained earnings			33.832	229.908
			36.832	232.908

BALANCE SHEET

DKK'000

Note	CONSOLIDATED		PARENT	
	2019	2018	2019	2018
ASSETS				
Non-current assets				
5 Intangible fixed assets				
Acquired rights	-	-	-	-
Goodwill	71.540	90.723	-	-
Software	2.299	3.084	1.146	1.705
	<u>73.839</u>	<u>93.807</u>	<u>1.146</u>	<u>1.705</u>
6 Tangible fixed assets				
Buildings	245.366	261.285	-	-
Plant and machinery	165.657	162.927	-	-
Other fixtures and operating equipment	7.107	8.231	971	1.040
Property, plant and equipment under construction	30.780	21.577	6.739	1.212
	<u>448.910</u>	<u>454.020</u>	<u>7.710</u>	<u>2.252</u>
Investments				
7 Investments in subsidiaries	-	-	427.407	303.762
8 Investments in associates	7.656	8.178	-	-
11 Other securities	3.242	3.180	1.924	2.023
Other receivables	1.750	3.406	1.750	1.750
	<u>12.648</u>	<u>14.764</u>	<u>431.081</u>	<u>307.535</u>
Non-current assets	<u>535.397</u>	<u>562.591</u>	<u>439.937</u>	<u>311.492</u>
Current assets				
Inventories				
Raw materials and consumables	341.104	307.671	-	-
Finished goods and goods for resale	320.432	258.999	-	-
	<u>661.536</u>	<u>566.670</u>	<u>-</u>	<u>-</u>
Receivables				
Trade receivables	388.368	422.170	200	-
Receivables from group enterprises	-	-	375.715	846.420
Other receivables	48.467	52.925	18.096	17.574
12 Deferred tax	31.508	31.450	478	977
Corporate tax receivable	8.706	12.020	-	-
13 Prepayments	1.805	1.716	701	576
	<u>478.854</u>	<u>520.281</u>	<u>395.190</u>	<u>865.547</u>
Cash at bank and in hand	<u>64.945</u>	<u>67.401</u>	<u>-</u>	<u>-</u>
Current assets	<u>1.205.335</u>	<u>1.154.352</u>	<u>395.190</u>	<u>865.547</u>
TOTAL ASSETS	<u>1.740.732</u>	<u>1.716.943</u>	<u>835.127</u>	<u>1.177.039</u>

BALANCE SHEET

DKK'000

Note	CONSOLIDATED		PARENT	
	2019	2018	2019	2018
	<u>EQUITY AND LIABILITIES</u>			
	Equity			
	10.000	10.000	10.000	10.000
	670.258	633.466	670.258	633.466
	3.223	3.745	3.223	3.745
	3.000	3.000	3.000	3.000
	686.481	650.211	686.481	650.211
	-78.619	-99.393	-	-
	607.862	550.818	686.481	650.211
	Provisions			
12	7.086	5.845	-	-
	18.149	18.988	-	-
	25.235	24.833	-	-
14	Non-current liabilities			
	289.504	329.164	-	-
	2.288	9.549	-	-
	291.792	338.713	-	-
	Current liabilities			
	3.752	3.749	-	-
	355.999	416.409	5.801	261.831
	356.941	262.043	2.238	957
	16.261	12.366	11.885	8.806
	82.890	108.012	9.955	8.106
7	-	-	118.767	149.972
	-	-	-	97.156
	815.843	802.579	148.646	526.828
	1.107.635	1.141.292	148.646	526.828
	TOTAL EQUITY AND LIABILITIES			
	1.740.732	1.716.943	835.127	1.177.039
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			

STATEMENT OF CHANGES IN EQUITY

DKK'000

Consolidated

	Share capital	Reserve for reval under the equity method	Retained earnings	Dividend	Total	Non controlling interests
Equity at 1 January 2018	10.000	4.844	377.609	3.000	395.453	
Dividend paid	-	-	-	-3.000	-3.000	
Dividend proposed	-	-	-3.000	3.000	-	
Profit from sale of minority interest	-	-	269.766	-	269.766	
Transf. from profit/loss for the year	-	-961	-35.898	-	-36.859	
Foreign exchange rate adj. associates	-	-138	-	-	-138	
Foreign exchange rate adj. subsidiaries	-	-	-7.731	-	-7.731	
Derivative financial instr. at 1 Jan	-	-	36.976	-	36.976	
Derivative financial instr. at 31 Dec	-	-	-4.256	-	-4.256	
Equity at 1 January 2019	10.000	3.745	633.466	3.000	650.211	-99.393
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 31 December 2019	10.000	3.223	670.258	3.000	686.481	-78.619

Parent Company

	Share capital	Reserve for reval under the equity method	Retained earnings	Dividend	Total
Equity at 1 January 2018	10.000	4.844	377.609	3.000	395.453
Dividend paid	-	-	-	-3.000	-3.000
Dividend proposed	-	-	-3.000	3.000	-
Transf. from profit/loss for the year	-	-961	233.868	-	232.907
Foreign exchange rate adj. associates	-	-138	-	-	-138
Foreign exchange rate adj. subsidiaries	-	-	-7.731	-	-7.731
Derivative financial instr. at 1 Jan	-	-	36.976	-	36.976
Derivative financial instr. at 31 Dec	-	-	-4.256	-	-4.256
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 31 December 2019	10.000	3.223	670.258	3.000	686.481

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 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'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	
	2019	2018
Closure off Fredericia manufacturing facility and moving production to site in Poland	2.931	42.701
Restructuring Primary production facility in Poland	960	3.606
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	11.922	46.307
Reported in the Income Statement as below:		
Staff costs	4.624	13.530
Other external costs	3.543	21.869
Depreciation, amortisation and impairment	3.755	10.908
	11.922	46.307

For the Parent Company special items is zero in 2019 (2018: gain of DKK 270m from sale of minority interest in a subsidiary).

3 Segment information -Group

	Consolidated	
	2019	2018
Fish products - domestic market	69.445	57.985
Fish products - export markets	2.994.993	2.940.706
	3.064.438	3.007.862

4 Staff costs

	Consolidated		Parent	
	2019	2018	2019	2018
Wages and salaries	338.901	349.120	4.293	3.614
Pensions	22.865	30.986	-	-
Other social security costs	23.566	31.764	-	-
	385.332	411.870	4.293	3.614

The Group had 2,992 full-time employees in 2019 (2018: 3,004) of which 1 was employed in the Parent Company (2018: 1).

Remuneration of the Executive Board and the Board of Directors in the parent company is DKK 4,293k (2018: DKK 3,614k). For the Group the remuneration of the Executive Board and the Board of Directors is DKK 7,730k (2018: DKK 7,679k).

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DKK'000

5 Intangible assets

Consolidated

	Acquired rights	Goodwill	Software	Total
Cost at 1 January 2019	21.773	184.346	10.990	217.109
Currency adjustments	-	416	13	429
Disposals	-	-10.034	-67	-10.101
Transfer from/to other assets	-	-	-	-
Cost at 31 December 2019	21.773	174.728	10.936	207.437
Depreciation at 1 January 2019	21.773	93.623	7.906	123.302
Currency adjustments	-	103	13	116
Disposals	-	-502	-67	-569
Depreciation for the year	-	9.964	785	10.749
Depreciation at 31 December 2019	21.773	103.188	8.637	133.598
Carrying amount at 31 December 2019	-	71.540	2.299	73.839

Parent Company

	Software
Cost at 1 January 2019	3.977
Transfer from/to other assets	-
Cost at 31 December 2019	3.977
Depreciation at 1 January 2019	2.272
Depreciation for the year	559
Depreciation at 31 December 2019	2.831
Carrying amount at 31 December 2019	1.146

6 Tangible assets

Consolidated

	Buildings	Plant and machinery	Opera- ting equipment	In cour- se of constru.	Total
Cost at 1 January 2019	522.853	788.194	65.203	21.577	1.397.827
Currency adjustments	4.226	7.584	297	176	12.283
Additions	752	9.756	481	50.352	61.341
Disposals	-24.822	-8.925	-1.035	-2.321	-37.103
Transfer to/from other assets	7.779	23.598	867	-39.004	-6.760
Total cost at 31 December 2019	510.788	820.207	65.813	30.780	1.427.588
Total revaluations at 1 January 2019	3.834	-	-	-	3.834
Total revaluations at 31 December 2019	3.834	-	-	-	3.834
Depreciation at 1 January 2019	265.402	625.267	56.972	-	947.641
Currency adjustments	1.624	5.314	230	-	7.168
Depreciation on disposed assets	-17.960	-8.433	-719	-	-27.112
Depreciation for the year 1)	20.190	32.402	2.223	-	54.815
Total depreciation at 31 December 2019	269.256	654.550	58.706	-	982.512
1) Accounting loss on disposal of assets included with 4,6 mDKK					
Carrying amount at 31 December 2019	245.366	165.657	7.107	30.780	448.910

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6 Tangible assets (continued)

Parent company

	Opera- ting equipment	In cour- se of constru.	Total
Cost at 1 January 2019	1.426	1.212	2.638
Additions	265	5.527	5.792
Total cost at 31 December 2019	1.691	6.739	8.430
Depreciation at 1 January 2018	386	-	386
Depreciation for the year	334	-	334
Total depreciation at 31 December 2019	720	-	720
Carrying amount at 31 December 2019	971	6.739	7.710

7 Investments in subsidiaries

	2019	2018
Cost at 1 January	779.758	654.438
Additions (Capital increase in A. Espersen A/S)	125.000	150.000
Sale of minority interest	-	-24.680
Cost at 31 December	904.758	779.758
Value adjustments at 1 January	-625.968	-317.270
Currency adjustments	7.793	-6.446
Dividends	-11.400	-43.000
Derivatives recognised in equity in subsidiaries	-1.471	34.668
Other equity postings in subsidiaries	-415	-
Amortisation of Goodwill	-5.313	-5.313
Share of Result after tax for the year	40.656	-26.502
Extraordinary dividend-in-kind	-	-400.000
Decrease, sale of minority interest	-	137.895
Value adjustments at 31 December	-596.118	-625.968
Carrying amount at 31 December	308.640	153.790
<i>Presented in the Balance sheet as below:</i>		
Investments in subsidiaries	427.407	303.762
Deferred income	-118.767	-149.972
	308.640	153.790

During 2018, the Company sold a 40% minority interest in Beck Pack Holding ApS. In accordance with the Danish Financial Statements Act, the gain on the transaction was recognized as an equity transaction in the consolidated financial statements and in the income statement in the Parent Company financial statements.

As part of the transaction an extraordinary dividend-in-kind of DKK 400m was paid, leading to the book value of the investment being negative in Parent Company financial statements which, in accordance with the accounting policies, has been presented as a deferred income. The deferred income will decrease when positive results are realised in Beck Pack Holding ApS.

	Reg. Office	Stake %	Share Cap.	Part of equity	Profit/(loss)
A. Espersen A/S	Rønne	100%	TDKK 39.000	383.878	1.051
Beck Pack Holding ApS	Rønne	60%	TDKK 100	-118.767	39.605
				265.111	40.656
Group goodwill				43.529	-5.313
				308.640	35.343
<i>Specification of Beck Pack Holding ApS:</i>				2019	2018
Beck Pack Holding A/S' equity at 31 December				441.463	424.170
INSEPA's 60% share hereof				264.878	254.502
Elimination of internal unrealised goodwill, INSEPA's 60% share				-383.645	-404.474
To be recognised as Deferred income				-118.767	-149.972

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8 Investment in associates - Consolidated	<u>2019</u>	<u>2018</u>
Cost at 1 January	4.433	4.433
Cost at 31 December	<u>4.433</u>	<u>4.433</u>
Value adjustments at 1 January	3.745	4.844
Currency adjustments	58	-138
Share of Result after tax for the year	-580	-961
Value adjustments at 31 December	<u>3.223</u>	<u>3.745</u>
Carrying amount at 31 December	<u>7.656</u>	<u>8.178</u>

	<u>Reg. Office</u>	<u>Stake %</u>	<u>Share Cap.</u>	<u>Part of equity</u>	<u>Profit/(loss)</u>
Scanfish Norway AS	Norway	49%	TNOK 500	5.122	74
Bornholm Fisk A/S	Denmark	50%	TDKK 500	15	-649
Sweryb International AB	Sweden	50%	TSEK 200	113	2
EsPan Sp. z o.o.	Poland	50%	TPLN 4000	2.406	-7
				<u>7.656</u>	<u>-580</u>

9 Financial income and expenses	<u>Consolidated</u>		<u>Parent</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Income				
Interest income	75	111	-	15
Interest income from group enterprises	-	-	22.280	19.735
Foreign exchange adjustments	11.526	13.081	6.042	10.623
Other financial income	32	112	-	-
	<u>11.633</u>	<u>13.304</u>	<u>28.322</u>	<u>30.373</u>
Expenses				
Interest expense	29.037	24.780	15.639	13.635
Interest expense to group enterprises	-	-	-	-
Foreign exchange adjustments	9.857	18.512	5.823	12.317
Capital losses on securities and adjustments	5.777	5.938	-	-
Other financial costs	841	4.027	320	2.307
	<u>45.512</u>	<u>53.257</u>	<u>21.782</u>	<u>28.259</u>
Financial income and expenses, net	<u>-33.879</u>	<u>-39.953</u>	<u>6.540</u>	<u>2.114</u>

10 Corporation tax	<u>Consolidated</u>		<u>Parent</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current tax for the year	11.488	8.305	-1.293	-694
Hereof to be recognised directly in equity	-62	359	978	-
Movement in deferred tax for the year	1.340	-13.128	477	-191
Adjustment for previous years	14.030	2.595	30	246
Total tax for the year	<u>26.796</u>	<u>-1.869</u>	<u>192</u>	<u>-639</u>

Tax analysis		
Result before tax	90.009	-25.328
Depreciation of goodwill	10.749	10.749
Share of result in associates	580	961
Other adjustments	20.462	10.559
Result before tax, adjusted	<u>121.800</u>	<u>-8.495</u>
Implied tax rate of the above	22%	22%

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DKK'000

11 Other securities and minor investments

	Consolidated		Parent	
	2019	2018	2019	2018
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	-11.620	-11.313	-6.433	-6.038
Value adjustments for the year	62	-307	-99	-395
Value adjustments to fair value at 31 December	-11.558	-11.620	-6.532	-6.433
Carrying amount at 31 December	3.242	3.180	1.924	2.023

12 Deferred tax

At 31 December 2019, the Group recognised a deferred tax asset of DKK 31,508k (2018: DKK 31,450k). The tax asset include tax losses carry forward of DKK 10,400k (2018: DKK 15,396k). Based on the Group's budgets, Management expect that the Group in the nearest futures will generate possible taxable income against which the tax losses carry forward can be utilised.

The changes for the year are specified as follows:

	Consolidated		Parent	
	2019	2018	2019	2018
Deferred tax liabilities at 1 January	5.845	4.334	-	-
Deferred tax assets at 1 January	-31.450	-28.631	-977	-762
Deferred tax (asset)/liability, net at 1 January	-25.605	-24.297	-977	-762
Opening adjustment, foreign exchange rates	246	-477	-	-
Adjustments in respect of previous years	1.189	525	22	525
Movement for the year, equity items	-1.592	-7.942	-	-549
Movement for the year, income statements	1.340	6.586	477	-191
Deferred tax (asset)/liability, net at 31 December	-24.422	-25.605	-478	-977
Deferred tax liabilities at 31 December	7.086	5.845	-	-
Deferred tax assets at 31 December	-31.508	-31.450	-478	-977
	-24.422	-25.605	-478	-977

13 Prepayments

Consists of various minor prepayments, notably rent and insurance.

14 Non-current liabilities

	Consolidated		Parent	
	2019	2018	2019	2018
Falling due between 2 and 5 years	291.792	330.192	-	-
Falling due after more than 5 years	-	8.521	-	-
	291.792	338.713	-	-

15 Proposed profit/loss appropriation:

	2019	2018
Proposed dividends	3.000	3.000
Retained earnings	33.832	229.908
	36.832	232.908

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DKK'000

16 Contingent liabilities and collateral

Operational leasing - Consolidated

	Sites	Cars	Equipment	Total
Falling due within one year	3.001	1.644	564	5.209
Falling due between 1-5 years	12.565	3.141	1.738	17.444
Falling due after more than 5 years	5.892	-	-	5.892
	<u>21.458</u>	<u>4.785</u>	<u>2.302</u>	<u>28.545</u>

Contingent liabilities

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

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

The company has provided a guarantee for a bank loan provided to the associated company Scanfish Norway AS in the amount of NOK 35m (2018: NOK 35m).

Collateral

	Consolidated		Parent	
	2019	2018	2019	2018
Bankguarantee for customs duty	<u>5.000</u>	<u>5.000</u>	-	-

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

	Consolidated		Parent	
	2019	2018	2019	2018
Ordinary audit fee	1.690	1.496	44	44
Issuance of other declarations with assurance	-	-	-	-
Tax consultancy	567	423	11	-
Other services	<u>877</u>	<u>2.262</u>	<u>19</u>	<u>97</u>
Total Ernst & Young	3.134	4.181	74	141
Other	<u>1.119</u>	<u>836</u>	-	-
TOTAL	<u>4.253</u>	<u>5.017</u>	<u>74</u>	<u>141</u>

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

Currency risks:

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

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

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 (against RUB)	10.905	0 - 13	-3.264
EUR Purchase (against RUB)	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	<u>782</u>
TOTAL			<u>2.022</u>

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DKK'000

At 31 December 2018 the Group had the following open currency forward contracts:

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

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 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.

At 31 December 2018 the Group had entered into 11 interest rate swaps totalling DKK 611 million with expiry between June 2020 and December 2030 at rates ranging from 0.10% - 5.43% (average rate 0.59%).

Fair value at 31 December 2018 of these interest rate swaps was negative by DKK 11.9 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
Fiskervej 1
DK-3700 Rønne

Related party transactions

	<u>2019</u>	<u>2018</u>
Parent		
Interest income from group enterprises	22.280	19.735
Receivables from group enterprises	375.715	846.420
Payables to group enterprises	-	97.156
Dividend to shareholder in the year	3.000	3.000

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

20 Cash and Cash equivalent at year-end

	<u>Consolidated</u>	
	<u>2019</u>	<u>2018</u>
Cash according to the balance sheet	64.945	67.401

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Klaus Beyer Nielsen

Direktion

På vegne af: INSEPA A/S

Serienummer: 19591101xxxx

IP: 83.253.xxx.xxx

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Flemming Nyenstad Enevoldsen

Bestyrelse

På vegne af: INSEPA A/S

Serienummer: PID:9208-2002-2-078278503312

IP: 194.192.xxx.xxx

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NEM ID

Niels Walther-Rasmussen

Bestyrelse

På vegne af: INSEPA A/S

Serienummer: PID:9208-2002-2-684433317553

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Peter Kjær

Bestyrelse

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Serienummer: PID:9208-2002-2-313758140936

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NEM ID

Jes Østergaard Lauritzen

Statsautoriseret revisor

På vegne af: ERNST & YOUNG P/S

Serienummer: PID:9208-2002-2-767513552340

IP: 145.62.xxx.xxx

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Morten Friis

Statsautoriseret revisor

På vegne af: Ernst & Young P/S

Serienummer: CVR:30700228-RID:1267450157119

IP: 87.55.xxx.xxx

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NEM ID

Lena Lauridsen

Dirigent

På vegne af: INSEPA A/S

Serienummer: PID:9208-2002-2-367273945926

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