

Kangamiut Group A/S

Nordre Ringgade 5, 9330 Dronninglund
CVR no. 28 84 20 07

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 17.06.24

Ulrik Bjerre Rasmussen
Dirigent

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The company

Kangamiut Group A/S
Nordre Ringgade 5
9330 Dronninglund
Danmark
Tel.: 98 84 74 00
Website: www.kangamiut.dk
Registered office: Brønderslev
CVR no.: 28 84 20 07
Financial year: 01.01 - 31.12

Executive Board

Ulrik Bjerre Rasmussen

Board of Directors

Birger Brix, chairman
Anne Vinther Morant
Sif Rishøj
Rasmus Grønborg Bak

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Banks

Jyske Bank
Sydbank

Parent company

Vintherbørn ApS, Brønderslev

Subsidiaries

Kangamiut Seafood A/S, Brønderslev
Alimex Seafood A/S, Fredericia
SN Seafood AS, Myre, Norge
North Atlantic Seafood A/S, Brønderslev
Danmarin A/S, Brønderslev
Alimex International Limited, Hong Kong
Northcoast Seafoods DK A/S, Brønderslev
DanSea Nordic A/S, Furesø
Kangamiut Green Land ApS, Brønderslev
Fish and Feed Ltd., Ghana

Associates

G&K Seafood eht., Reykjavik, Island
Boco Seafood A/S, Brønderslev
Wihaprest, Wilmille, Frankrig
JAFRAN SA, Saint-Martin-Boulogne, Frankrig
Halibut Greenland ApS, Ilulissat, Grønland
Læsø Choice A/S, Brønderslev
Ummannaq Seafood A/S, Ilulissat, Grønland

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Kangamiut Group A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Dronninglund, June 17, 2024

Executive Board

Ulrik Bjerre Rasmussen

Board of Directors

Birger Brix
Chairman

Anne Vinther Morant

Sif Rishøj

Rasmus Grønborg Bak

To the Shareholder of Kangamiut Group A/S**Opinion**

We have audited the consolidated financial statements and financial statements of Kangamiut Group A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and 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 consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and 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.

Management's responsibilities for the consolidated financial statements and financial statements

Management is responsible for the preparation of consolidated financial statements and 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 consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 the 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 these consolidated financial statements and financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 consolidated financial statements and 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 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 consolidated financial statements and 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Aalborg, June 17, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Per Lindholt

State Authorized Public Accountant
MNE-no. mne21381

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
<i>Profit/loss</i>					
Revenue	4,126,228	4,899,910	3,589,220	3,107,699	3,399,381
Index	121	144	106	91	100
Operating profit/loss	63,464	183,134	97,177	52,458	70,561
Index	90	260	138	74	100
Total net financials	-41,534	-9,842	4,550	1,557	-17,185
Index	242	57	-26	-9	100
Profit for the year	18,128	139,391	83,459	45,280	43,416
Index	42	321	192	104	100
Profit for the year, parent	10,017	89,670	57,447	34,538	30,450
Index	33	294	189	113	100
<i>Balance</i>					
Total assets	1,736,447	2,179,947	1,591,354	1,363,130	1,177,081
Index	148	185	135	116	100
Investments in property, plant and equipment	16,350	1,188	12,578	1,541	180
Index	9,083	660	6,988	856	100
Equity	528,111	558,671	462,716	395,736	370,803
Index	142	151	125	107	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	230,034	-183,778	-58,953	-99,466	9,090
Investing activities	-4,163	3,240	-3,633	63,486	7,517
Financing activities	-244,154	160,660	54,284	56,027	10,003
Cash flows for the year	-18,283	-19,878	-8,302	20,047	26,610

Ratios

	2023	2022	2021	2020	2019
<i>Profitability</i>					
Return on equity	3%	27%	19%	12%	12%
Profit margin	2%	4%	3%	2%	2%
Asset turnover	2	3	2	2	3

Equity ratio

Solvency ratio	30%	26%	29%	29%	32%
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Others

Number of employees (average)	118	84	77	53	45
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Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Asset turnover:	$\frac{\text{Revenue}}{\text{Avg. total assets}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

Primary activities

The company's activities comprise in being holding company for the group companies.

The group's activities comprise primarily of trading fish and seafood.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 18,128k against DKK 139,391k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 528,111k.

The decrease in the in earnings is mainly due to the georpolitical situation and increasing interest rates. Furthermore the results is heavily impacted by significant post Brexit adjustments of import duties in one of the group subsidiaries.

The management considers the net profit for the year from operations across the group to be generally satisfactory. However the net profit was seriously negatively impacted by the post Brexit adjustments in one of the group subsidiary, leding to an overall unsatisfactory group result in 2023

The earnings expectations for 2023 were a net profit of DKK 30,000 - DKK 50,000. The objective was not met due to the reasons mentioned above.

Outlook

The group will continue to expand and develop new and existing area of business. The group expects a higher result in 2024 in the level between DKK 15,000k – DKK 20,000k.

Financial risks*Interest rate risks*

As a result of its operation and finance, the group is exposed to risks associated with changes in the interest rate level and exchange rates. The parent company manages the financial risks for the group companies and coordinates the financial planning. The group has policies to secure that no significant financial risks are taken within the group.

Sales to customers are secured by credit insurance, prepayments, or documentary credit. Sales with calculated risks only occur to a limited extent.

Subsequent events

No important events have occurred after the end of the financial year.

Corporate social responsibility

This is the Group's corporate social responsibility (CSR) report, in accordance with the Danish Accounts Act §99a.

The reporting includes a brief description of the Group's business model in the context of environment, social and governance (ESG) and position on mandatory subjects: environment and climate; social and employment conditions; respect for human rights; and anti-corruption and bribery.

The company wishes to operate in full compliance with Danish legislation, and act as a responsible company with focus on minimizing any negative influences on the environment and the community. ESG strategy and planning is integrated as part of the work of the Group's board of directors to ensure focus and prioritization of ESG projects.

The Group continues to maintain its high standards for employee and social relations as well as a zero tolerance for tax speculation, corruption, and bribery. Efforts concerning environment and climate have been significantly strengthened since 2021 with the allocation of both (wo)manpower and funding. The Group ESG unit reports directly to the Group CEO. As part of the environment and climate efforts a new subsidiary "Kangamiut Green Land ApS" was established in 2021 with the aim of acting as the Kangamiut Group's central function for strategic planning and operation of environmental projects. Where seafood related sustainability activities are a natural part of the daily operation of all group companies, Kangamiut Green Land constitutes the exception: Here, we prioritize and encapsulate terrestrial nature & forestry projects that do not have an inherent relation to our core business.

In 2023, our ESG activities have continued to focus mainly on preparing for the reporting requirements established by the EU Corporate Sustainability Reporting Directive (CSRD); further expanding our environment and climate efforts; and upgrading our ESG capabilities through formal and informal education.

While the CSRD entails a requirement for extending the scope of reporting to include the full value chain, our current ESG reporting remains limited mainly to our own direct ESG impacts.

As outlined in the auditors' "Statement on the management's review" the auditors' review of the Corporate Social Responsibility section is limited to ensuring the provision of the information required under the Danish Financial Statements Act. No further external review or assurance has been performed on this section.

Business model

The Kangamiut Group business model is based on a decentralized structure of partnerships, primarily focusing on trading of frozen fish and seafood.

The consolidated Group is composed mainly of trading companies based in Northern Europe. Each of these counts from a few to approximately 20 office-based employees, and the office facilities as well as company cars are the main contributors to direct carbon emissions. For these subsidiaries, direct negative ESG impacts are considered low, yet not to be neglected.

Three subsidiaries are exceptions to the above business model:

- Alimex Seafood A/S is a trading- and production company with offices in three different locations in Denmark and UK, and production outsourced to SMETA certified third party factories in China;
- Danmarin A/S / Fish & Feeds is a land-based aquaculture facility based in Ghana; and
- Kangamiut Green Land ApS is our 'green initiatives' subsidiary that as per 2023 consists of two sites in Denmark: a 38 hectares forest and associated buildings, as well as 76 hectares farmland of which approximately 60 hectares is being transformed into new forest.

Likewise, the associated companies consist mainly of trading companies along with a few minor shareholder ownerships in production companies.

The individual subsidiaries are governed by a board of directors with representation from the mother company and the local CEO. In associated companies, the Kangamiut Group typically has representation in the board of directors, depending on the proportion of shares owned.

Environment, social, and governance impacts and associated measures are elaborated below.

ESG HIGHLIGHTS 2023

- E,S & G: ASC certification of the Group's tilapia aquaculture facility in Ghana (<https://kangamiutgroup.com/articles/danmarin-s-tilapia-farm-in-ghana-obtains-asc-certification/>)
- E: Transition to electrical company vehicles 94% complete compared to 59% in 2022
- E: Acquisition of 76 hectares farmland for afforestation: trees planted on 20 hectares in 2023, and one half hectare lake established (<https://kangamiutgroup.com/articles/kangamiut-green-land-launches-afforestation-project/>)
- E: Installation of an additional 50 kWh solar panels on company grounds
- G: Strengthening the competences in the Group Board of Directors and at the same time improving the composition both in terms of number of external board members (75% compared to 25% in 2022) and gender distribution (50/50 compared to 25% female board members in 2022) (<https://kangamiutgroup.com/articles/the-kangamiut-group-welcomes-two-new-members-to-the-board-of-directors/>)

Environmental matters

The company does not yet have a formal, general policy governing impacts on environment and climate, as the main environmental and climate risks are to be found in the up- and downstream value chain rather than in the company's core business. Instead, specific policies guide explicit environment and climate actions.

In general, in these initial steps towards reducing our environmental impact, priority is placed on addressing the company's own activities, i.e., those where we have a direct impact and influence through majority ownership. Our efforts mainly focus on Climate Change; Marine Resources; and Biodiversity & Ecosystems. Pollution; Water; and Resource use and Circular Economy are not yet

within the scope of our reporting. While preliminary work is being done to identify risks pertaining to our upstream and downstream value chain, these risks – on which we mostly have limited and indirect influence – will in general be systematically addressed only as a next step.

Climate Change

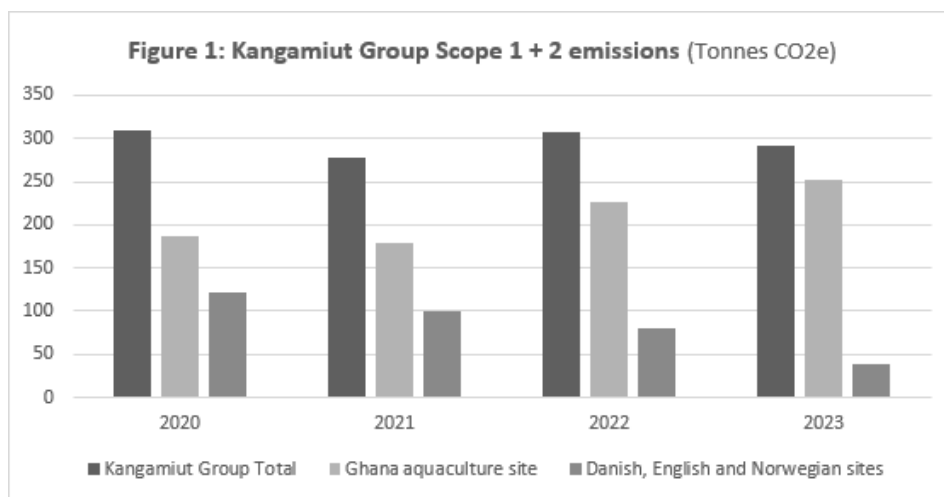
The Group's scope 1 and scope 2 CO₂-e emissions from 2020 through 2023 are shown in Table 1 and illustrated in Figure 1. Scope 1 and 2 emissions are calculated according to the Greenhouse Gas Protocol (<https://ghgprotocol.org>) based on the operational control method.

Table 1: Scope 1 + 2 greenhouse gas emissions (tonnes CO₂e) 2020 through 2023

Sites	Primary activity	2020	2021	2022	2023
Ghana ¹	Aquaculture	187	179	226	252
Denmark ^{2,3,4} & Norway & UK ⁵	Trading	122	99	80	39
Group total	Aquaculture and trading	309	278	306	291

¹ Diesel consumption for 2020-2022 had erroneously been included in the carbon calculations for gasoline. This error has been corrected and new total figures for 2020-2022 are now included.
² A minor correction to carbon emissions for Kangamiut Group – electricity, has been made. This is now included in the total figures presented here
³ Denmark/DanSea Nordic office: This site is a rental property. Property management for this site has not been able to provide total electricity and heating consumption figures. The figures for 2022 have therefore been used as estimation, to be corrected upon receipt of accurate information
⁴ Reduction in carbon emissions for Denmark caused primarily by transition to electrical company cars and transfer of surplus solar electricity
⁵ Figures for the UK office site were not previously available but have now been included and figures for 2020-2022 adjusted accordingly

Figure 1: Scope 1 + 2 greenhouse gas emissions (tonnes CO₂e) 2020 through 2023



A range of initiatives for reducing the carbon footprint at the Group's Danish sites have been launched including ongoing transition to all-electrical company cars (94% complete as per 31.12.2023), energy optimization and installation of solar panels on company-owned buildings. New climate-related initiatives in 2023 include establishment of an additional 50 kWh solar panels on the company grounds as well as acquisition of a 76 hectares farmland for afforestation.

A plan for reduction of the carbon footprint at the Ghana aquaculture site (Fish & Feeds) is pending as focus has been on the below mentioned ASC project since the Group company Danmarin A/S became the majority shareholder in 2020. The gradual increase in carbon emission at the aquaculture site since 2020 are due to increase in activities. Please refer to the overview in Table 2.

Marine Resources & Biodiversity and Ecosystems

The individual Group companies purchase raw material from a large range of suppliers across numerous countries; thus, the Group activities have a significant indirect environmental impact through the primary fisheries. Responsible fishing practices are key to preserving and strengthening fish and seafood stocks, and to securing both food and income basis for future generations.

The Marine Stewardship Council (MSC) is a non-profit organization whose certification scheme for wild catch fisheries sets standards for sustainable fishing significantly beyond the standards that are enforced by law. The Aquaculture Stewardship Council (ASC) is the counterpart for farmed seafood, who sets standards for responsible farming practices, entailing both environmental and social aspects. Both standards are verified by independent third party auditors, and both are recognized by the Global Sustainable Seafood Initiative (GSSI), a public-private partnership working to “ensure confidence in the supply and promotion of certified seafood as well as promote improvement efforts in seafood sustainability globally” (<https://www.ourgssi.org/>).

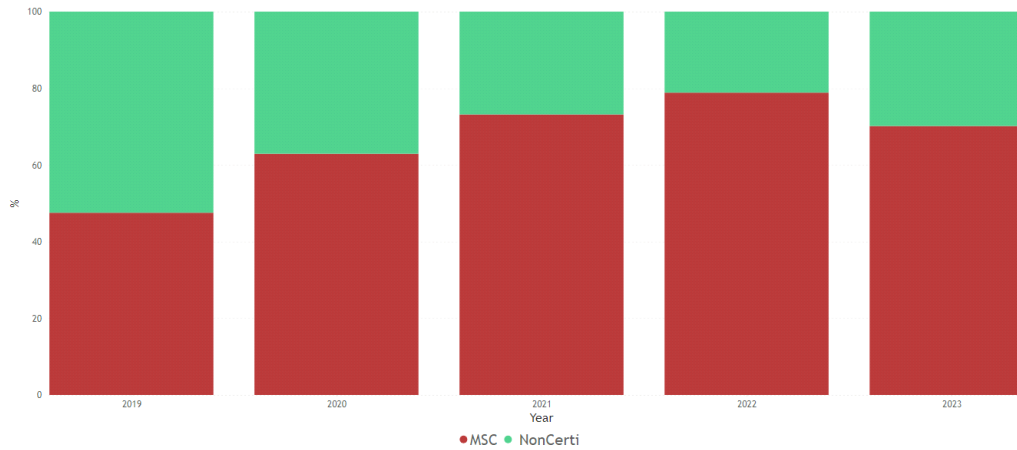
As described in our Responsible Fisheries Policy, the goal is to ensure that the majority of purchased products are derived from MSC or ASC certified fisheries. This is sustained 1) by actively encouraging certification, and by directly supporting suppliers in the certification process, and 2) by prioritizing procurement of MSC and ASC certified products.

However, as our business model entails partnering with suppliers to improve the environmental and social standards in the primary fisheries, or land-based productions depending on the nature of the supplier, any given fishery may not be certified upon initiation of the partnership. In such cases, and when other ESG issues for improvement are identified, we collaborate with the supplier to ensure movement in the right direction and use this as a means to strengthening the partnership. While many of our suppliers' fisheries have obtained certification over the years through a continued, stepwise, and collaborative effort, other – especially small scale – fisheries may not have the resources, or data may not be available to support a formal certification process. In such cases, we continue to promote improvement efforts, even if such efforts may not eventually result in certification.

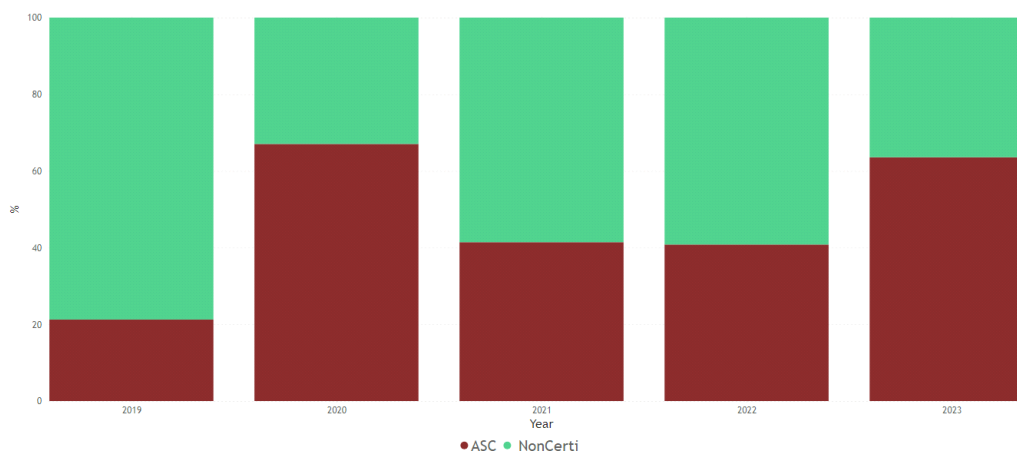
Figure 2 shows the proportion of wild caught (a) and farmed (b) seafood purchased since 2019 that was MSC or ASC certified, respectively, for the Danish subsidiaries with the exception of Alimex Seafood A/S (data not ready at the time of reporting). Data for Fish & Feeds in Ghana is included in figure 2b with the note that this is primary production and thus based on sold rather than purchased seafood.

Figure 2: Proportion of MSC and ASC certified seafood purchased in total in the following subsidiaries: Kangamiut Seafood A/S, North Atlantic Seafood A/S, Northcoast Seafoods A/S, Dansea Nordic A/S, and Danmarin/Fish & Feeds

(a) Wild caught products: MSC (red) versus non-MSC (green)



(b) Farmed products: ASC (red) versus non-ASC (green)



The Group's turnover of MSC and ASC certified products is subject to continuous audits by independent control agencies. In addition, to avoid any trade with IUU (Illegal, unreported, unregulated) products, the Group has an established traceability control, primarily based on catch certificates, and subject to continuous audits by the Danish Veterinary and Food Administration. Inspection reports are available via the individual subsidiary websites (<https://www.findsmiley.dk/Sider/Search.aspx?k=nordre%20ringgade%205%209330>).

Of note, while the primary activity of most Group companies is trading only, since Q4 2020 the Group company Danmarin A/S is a majority shareholder of Fish & Feeds which owns and runs an aquaculture facility in Ghana since 2018. The farm mainly produces tilapia as a quality source of seafood and protein for the local market. To comply with our own policy on prioritizing ASC certified farmed seafood, an ASC pre-assessment was completed in 2021 to identify areas for improvement. An ASC improvement project was launched in 2022 to improve the environmental and social measures of

the farm to comply with ASC standards, and in April 2023, the farm obtained its ASC certification. Specific improvements include installation of bio filters for wastewater treatment. ASC certification is a rarity in Africa with only 6 farms ASC certified as per end 2023 according to ASC (<https://asc-aqua.org/find-a-farm/>).

Reference is made to the ASC website (<https://asc-aqua.org/>) for details of the standard.

Social and employee matters

For now, our reporting on social parameters is limited to our own workforce; as such, reporting on Workers in the Value Chain; Affected Communities; and Consumers and End-users is not yet within our scope, and pending double materiality assessment and reporting according to the CSRD.

Own Workforce

The Group acknowledges the importance of the workplace for each employee's everyday life, and continues to work on improving the working conditions, also to limit illness and absence. The company cares about the individual employee: good health insurance plans are provided, and continuous development of employee qualifications is highly prioritized.

In 2022, the majority of the Danish Group companies completed an extensive employee satisfaction survey in which 97% of the employees reported a high or very high overall job satisfaction. In 2023, the survey was followed up with individual employee interviews conducted by an independent third-party provider, and an action plan implemented for further improvement of the working environment.

Group management recognizes the potential strengths found in diversity among its employees (including the management group itself), including but not limited to gender, nationality, education, and neurodiversity. This is described in the company's 'Diversity and Inclusion' policy and embraced when recruiting, entering new partnerships as well as by actively cooperating with public authorities to allocate jobs and/or training opportunities for professionals with special needs.

The Group does not yet have a system in place for systematic data collection pertaining to social and employee conditions; this work has been initiated in 2023 with the aim of reporting in compliance with the CSRD from the fiscal year 2025.

To allow anonymous reporting of reasonable suspicion of serious and objectionable facts or illegalities, including serious violations of employee rights or related policies, a company-wide whistleblower system was established in December 2021. In 2023 no reports were filed.

As mentioned, since Q4 2020 the Group company Danmarin A/S is a majority shareholder of Fish & Feeds which owns and runs a tilapia farm in Ghana. The farm creates rural jobs and has established local infrastructure in a rural area in Ghana and provides a valuable source of quality animal protein that is sold locally. An ASC pre-assessment was completed in 2021 to identify areas of improvement on both environmental and social aspects. An ASC improvement project was initiated in 2022 to correct the identified non-conformities and qualify the farm for ASC certification which was obtained in 2023. Specific social improvements as part of the ASC project include reducing the gender pay gap;

change of job descriptions to allow for permanent (as opposed to ad hoc) jobs for female staff from local communities; formalized employee manual; and training of employees on environmental and safety matters, and whistleblower protection.

The identified risks and associated actions pertaining to social and employee conditions are summarized in Table 3.

Gender distribution

This topic is addressed separately below according to the Danish Financial Statements Act § 99b.

Respect for human rights

Human rights: Own workforce

Respect for human rights has been seen as implicit to all the Group's operations, and the risk of violation of human rights in our own main operations has been and remains low due to the nature of our business model and the fact that human rights and socially responsible behavior is regulated and institutionalized in national law in the regions in which we mainly operate. Therefore, to date the company does not have a general formal human rights policy (beyond the existing 'diversity and inclusion' and 'sexual harassment' policies as well as the 'whistleblower' policy).

An exception is the operations of Fish & Feeds in Ghana, where the risk of human rights violations is perceived as elevated compared to the countries in which the Group's main operations are located. Any risks of violation of human rights in connection with our Ghana operations have been actively addressed as part of the ASC improvement project leading to ASC certification in 2023, among others by implementation of policies and procedures addressing human rights and associated topics for Fish & Feeds specifically, including training of staff in whistleblower protection.

Given the size of the Kangamiut Group it is acknowledged that a formal general human rights policy should be defined and implemented. The shaping of this policy is ongoing as part of the preparations for reporting in compliance with CSRD. In contrast to the Group's core operations, it is recognized that there could be elevated risks of human rights violations in the value chain, i.e., pertaining to the primary fisheries, processing, etc. The risk of violation of human rights pertaining to Workers in the Value Chain as well as Affected Communities is therefore being evaluated as part of the development of this policy.

In 2023, there were no reports of violation of human rights via the Group's whistleblower system.

Anti-corruption and bribery matters

Management considers objection to all forms of violation of human rights, corruption, and bribery as an integral part of the Group's business practices.

Anti-corruption and Bribery

The Group has a policy implemented against anti-corruption and bribery as well as a whistleblower system and associated policy to facilitate reporting of any violations of the anti-corruption policy. A revision of this policy is ongoing as part of the preparations for reporting in compliance with CSRD. There were no reports of anti-corruption or bribery in 2023.

Future ESG Efforts

Management will increasingly prioritize environmental and climate initiatives to fulfill the Group's ambition to minimize the negative impacts on the surrounding community and environment. To ensure that ESG and - in particular - environment and climate issues are prioritized, this work is anchored in the Board of Directors in the Kangamiut Group and in selected subsidiaries at a strategic level. With the establishment of a Sustainability & CSR unit in 2021, reporting directly to the CEO and with representation in the Board of Directors, the road is paved for more systematic work with environment, social and governance initiatives. Focus areas include educational activities to upgrade our qualifications within ESG; and systematic data collection for transparent reporting of environmental and social impacts and progress on ESG projects in compliance with the CSRD. In terms of goal setting, this will be implemented where relevant and required, pending data collection and analysis.

Gender composition of the management*Supreme management body*

Despite improvements at Group and subsidiary Board of Directors level in 2023, gender diversity and in particular female representation at management and subsidiary Board of Directors level is a shortcoming in Kangamiut Group A/S.

In Kangamiut, we acknowledge this premise. However, while we wish to promote female representation at management and subsidiary Board of Directors level, improving gender distribution especially at management level is bound to be a lengthy process due to the otherwise very positive slow employee turnover.

Where information on gender distribution in subsidiaries has previously been included in the annual report for Kangamiut Group A/S, these are now included specifically in the individual subsidiaries' annual reports in accordance with the Danish Financial Act. As such, the gender composition data provided below are for the Kangamiut Group A/S itself.

The board of directors in Kangamiut Group A/S primarily consists of external members (50% women and 50% men by the end of 2023).

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Antal mænd	2	0	0	0	0
Antal kvinder	2	0	0	0	0
Antal generalforsamlingsvalgte medlemmer	4	0	0	0	0
Number of members	4	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company's Board of Directors consists of 2 women (50%) and 2 men (50%), as shown in the table above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	1	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 1 manager, including the company's CEO. Since the company has less than the statutory minimum of three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

The Group has activity globally. In a digitalized world, data processing has become a central part of the core business. In the Kangamiut Group, we are aware of our responsibility for data processing, and this applies to employees as well as partners, customers and suppliers. The Group has not formulated a policy for data ethics, as the Group does not collect and process critical data. However, the Group has rules for storing data responsibly, which continuously ensures that data is processed and stored in a secure manner, as well as setting a framework for the data ethics behavior that complies with current rules.

Table 2: Environment: challenges and associated actions

Challenge or risks ⁶	Company policies ⁷	Action ⁸	UN SDGs
D: Climate action, scope 1, company cars	Company car policy	Company cars transitioning to electric since Q3 2020; transition 94% completed (compared to 59% end 2022) and expected fully completed by 2025	13
D: Climate action, scope 1 & 2, HQ office	Policy pending	Energy optimization of HQ office ongoing. Roof solar panels (30 kWh) installed in HQ in 2022 and another 50 kWh solar panels were installed on the company grounds in 2023.	13
D: Climate action, scope 1 & 2, Ghana aquaculture	Policy pending	Data collection initiated to serve as basis for future strategy for reduction of the carbon footprint	13
I: Climate action, scope 3, value chain	Policy pending	Efforts to identify risks initiated on a sporadic basis. Consequential life cycle analysis for cod and shrimp conducted by 2-0 LCA consultants (overall same method as applied for the CONCITO database) for Kangamiut Seafood A/S (https://lca-net.com/projects/show/life-cycle-assessment-lca-of-kangamiut-seafood-products/).	13
D/I: Climate action, scope 3, air travel	Travel policy	All air travel booked through central agency to facilitate CO2-e data collection since 2021. Opportunities for sustainable aviation fuel programs being explored.	13
D: Climate action, biodiversity & environment, local nature	Policy pending	Kangamiut Green Land ApS established in 2021 to act as the Kangamiut Group's central function for strategic planning and operation of environmental initiatives aiming at climate change mitigation, and protecting and reestablishing ecosystems: 38 hectares local forest acquired August 2021 76 hectares (poor) farmland acquired January 2023: Of this, 5 hectares is established forest; new trees were planted on 20 hectares in 2023, and a half hectare lake established; another 40 hectares afforestation and two lakes to be established in 2024.	13, 15
D/I: Overfishing	Responsible fisheries policy	For wild caught products, priority is placed on sourcing from MSC certified fisheries. Systematic MSC data reporting initiated in 2023 (see "Biodiversity and Ecosystems" section). Continuously working with suppliers to support certification efforts. Zero tolerance policy for trading IUU (illegal, unreported, unregulated) products	14
I: Marine biodiversity, supplier primary fisheries	Responsible fisheries policy	Efforts to identify risks ongoing on a sporadic basis	14
D: Responsible aquaculture, Ghana fish farm	Responsible fisheries policy	ASC pre-assessment of tilapia farm in Ghana conducted 2021 (Fish & Feeds/ Danmarin A/S); ASC improvement project initiated in 2022; ASC certification obtained April 2023	12, 15
I: Responsible aquaculture, suppliers	Responsible fisheries policy	For farmed species, priority is placed on sourcing ASC certified products. Systematic ASC data reporting initiated in 2023 (see "Biodiversity and Ecosystems" section). Collaboration with WWF, customers and local shrimp farms to ASC certify small scale family-owned farms in Vietnam initiated in 2016 (Northcoast Seafoods A/S). 20+ farms ASC certified (https://kangamiutgroup.com/articles/northcoast-seafoods-partnership-for-asc-certification-of-shrimp-farms-in-vietnam). Project completed in 2022.	12, 15

⁶ Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence.

⁷ When applicable as not all areas are governed by formal policies

⁸ Subsidiary specified in parenthesis means the activity is run at subsidiary level

Table 3: Social: general challenges and associated actions

Challenge or risks ⁹	Company policies ¹⁰	Action ¹¹	UN SDGs
D: Decent work and good health, HQ neurodiversity	Diversity and inclusion policy	The Group actively cooperates with public authorities to allocate job and/or training opportunities for professionals with special needs. As per 2023, one program is ongoing.	3, 8
D: Gender equality, salary disparity	N/A	Pending data collection. High disparity expected despite 'equal pay for equal work' policy, due to uneven gender distribution in management and chief procurement positions.	5
D: Decent work and good health, senior employees	Senior employee policy	Senior employee policy outlines potential scenarios for balancing remuneration and flexibility for employees >60 years old.	3, 8
D: Decent work and gender equality, sexual harassment	Sexual harassment policy	Sexual harassment policy (updated 2021) outlines the company policy and procedures for reporting potential cases. No cases were reported in 2023.	5, 8
D: Decent work and good health, all HQ employees	N/A	A set of internal guidelines define employee working conditions including but not limited to: Child's first day of illness granted by the company regardless of whether the other parent has used his/her right to child's first day of illness in his/her employment. Workplace assessment and physiotherapy counselling Health salary supplement introduced in 2023. Dental and health insurance Granting of supplementary days off for serious illness of close relatives Further employee flexibility introduced in 2023	8
D: Decent work and economic growth, Ghana aquaculture	N/A	ASC pre-assessment of tilapia farm in Ghana conducted 2021 (Fish & Feeds/ Danmarin A/S); ASC improvement project conducted 2022 to improve social measures with the aim of complying with ASC standards; ASC certification obtained 2023. Whistleblower system established and implemented early 2022; no reports received in 2023.	3, 8
I: Working conditions, value chain	N/A	Efforts to identify risks initiated on a sporadic basis. Several supplier and customer production facilities SMETA certified (overview in development).	8

⁹ Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence

¹⁰ When applicable as not all areas are governed by formal policies

¹¹ Subsidiary specified in parenthesis means the activity is run at subsidiary level

Accounting principles

ENVIRONMENT	DESCRIPTION	DEFINTION
TOTAL GHG EMISSIONS (SCOPE 1-2)	Total emissions of KG operations calculated according to the guidelines of the GHG protocol. <u>Scope:</u> The delimitation is according to operational control, which means that all emissions sources over which KG as KG has operational control are included in the climate accounts	Sum of Scope 1 & 2 emission calculations
Scope 1	Scope 1: Direct emissions from company's own sources: fuel consumption for heating or fleet of vehicles. <u>Mobile combustion:</u> emissions from fuels used by cars owned or controlled (leased) by KG. <u>Stationary combustion:</u> Emissions from fossil fuels (natural gas) primarily used for space heating.	Scope 1 is the sum of below: <u>Mobile combustion:</u> Data has been collected by KG and subsidiaries. Calculations are based on specific fuel usage. <u>Stationary combustion DK:</u> Collection of data (usage of natural gas for heating of one DK rented building) has not been possible. Estimations based on previous year's data has therefore been used for this calculation. <u>Stationary combustion UK:</u> Data has been collected from utility bills. <u>Sources:</u> DK: Fuels and natural gas: Klimakompasset. GB: Natural gas: UK Gov. GHG conversion Ghana. Diesel: UK Gov GHG conversion
Scope 2 (location based)	Scope 2: Indirect emissions related to purchased energy used by the company such as electricity for buildings and company cars, and heating.	<u>Purchased energy – Electricity:</u> Data has been collected from utility bills. Calculations are location-based. <u>Purchased energy – electricity cars:</u> Calculations based on km driven/electricity usage. <u>Purchased energy- district heating:</u> Data has been calculated from utility bills.

ENVIRONMENT	DESCRIPTION	DEFINTION
Scope 2 (location based) - continued	<p><u>Purchased energy:</u></p> <p><u>Electricity:</u> Emissions from electricity purchased by KG and its subsidiaries.</p> <p><u>District heating:</u> Emissions from heating purchased to heat the relevant offices.</p>	<p><u>Sources:</u></p> <p>DK electricity: Klimakompasset</p> <p>DK district heating: Klimakompasset</p> <p>GB electricity: GHG conversion factors</p> <p>Ghana electricity: IGES list of Grid Emission Factors</p> <p>Norway electricity: Nowtricity.com</p>
Total Scope 1 & 2	Sum of direct GHG emissions from Scope 1 & indirect GHG emissions from Scope “	Sum of Scope 1 + Scope 2 emissions

Note	Group		Parent		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
2	Revenue	4,126,228	4,899,910	11,250	9,598
	Other operating income	13,017	9,193	168	44
	Costs of raw materials and consumables	-3,965,504	-4,591,254	0	0
	Cost of sales	0	-61	0	0
	Other external expenses	-52,985	-60,061	-6,826	-5,613
3	Staff costs	-52,725	-72,417	-9,894	-15,999
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	68,031	185,310	-5,302	-11,970
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-4,567	-2,176	-545	-496
	Operating profit/loss	63,464	183,134	-5,847	-12,466
4	Income from equity investments in group enterprises	0	0	6,618	79,265
5	Income from equity investments in associates	9,026	25,102	5,725	18,883
	Income from other investments and receivables that are fixed assets	139	81	139	81
6	Financial income	11,974	6,502	2,949	1,942
7	Financial expenses	-62,673	-41,527	-204	-426
	Total net financials	-41,534	-9,842	15,227	99,745
	Profit before tax	21,930	173,292	9,380	87,279
8	Tax on profit for the year	-3,578	-33,793	637	2,391
	Other taxes	-224	-108	0	0
	Total tax	-3,802	-33,901	637	2,391
	Profit for the year	18,128	139,391	10,017	89,670

9 Proposed appropriation account

ASSETS		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
Note					
	Acquired rights	0	0	0	0
	Goodwill	586	3,724	0	0
10	Total intangible assets	586	3,724	0	0
	Land and buildings	34,827	19,853	8,970	7,419
	Plant and machinery	1,262	1,490	0	0
	Other fixtures and fittings, tools and equipment	2,187	2,982	448	753
11	Total property, plant and equipment	38,276	24,325	9,418	8,172
12	Equity investments in group enterprises	0	0	221,792	246,064
12	Equity investments in associates	101,805	103,722	80,042	84,497
13	Receivables from associates	4,889	5,793	4,889	5,793
12	Other investments	8,221	6,264	152	152
13	Other receivables	85,619	61,515	13,314	4,234
	Total investments	200,534	177,294	320,189	340,740
	Total non-current assets	239,396	205,343	329,607	348,912
	Raw materials and consumables	37,539	123,185	0	0
	Manufactured goods and goods for resale	784,271	1,012,363	0	0
	Prepayments for goods	221,101	194,308	0	0
	Total inventories	1,042,911	1,329,856	0	0
	Trade receivables	388,820	570,339	7	0
	Receivables from group enterprises	7,536	4,382	101,554	60,768
	Receivables from associates	3,439	100	75	100
17	Deferred tax asset	8,133	4,930	909	1,202
	Income tax receivable	0	0	931	1,822
	Other receivables	29,239	29,812	13,697	11,442
14	Prepayments	647	576	504	339
	Total receivables	437,814	610,139	117,677	75,673
	Cash	16,326	34,609	5,790	26,386
	Total current assets	1,497,051	1,974,604	123,467	102,059
	Total assets	1,736,447	2,179,947	453,074	450,971

EQUITY AND LIABILITIES		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
Note					
15	Share capital	1,335	1,335	1,335	1,335
	Reserve for net revaluation according to the equity method	79,975	79,637	198,582	222,494
	Foreign currency translation reserve	-5,334	-3,081	0	0
	Retained earnings	323,905	313,810	199,964	167,873
	Proposed dividend for the financial year	0	45,000	0	45,000
	Equity attributable to owners of the parent	399,881	436,701	399,881	436,702
16	Non-controlling interests	128,230	121,970	0	0
	Total equity	528,111	558,671	399,881	436,702
18	Other provisions	20,072	0	0	0
	Total provisions	20,072	0	0	0
	Payables to other credit institutions	777,352	996,794	86	75
	Trade payables	321,668	512,812	604	594
	Payables to group enterprises	45,000	0	45,000	24
	Payables to associates	0	3,937	0	0
	Income taxes	5,879	33,637	0	0
	Other payables	38,365	74,096	7,503	13,576
	Total short-term payables	1,188,264	1,621,276	53,193	14,269
	Total payables	1,188,264	1,621,276	53,193	14,269
	Total equity and liabilities	1,736,447	2,179,947	453,074	450,971
19	Fair value information				
20	Derivative financial instruments				
21	Contingent liabilities				
22	Charges and security				
23	Related parties				

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:								
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	1,335	68,244	-671	281,049	28,723	378,680	84,033	462,713
Foreign currency translation adjustment of foreign enterprises	0	-478	-2,410	0	0	-2,888	-1,346	-4,234
Distributed dividend from associates	0	-10,533	0	10,533	0	0	0	0
Dividend paid	0	0	0	0	-28,723	-28,723	-10,508	-39,231
Other changes in equity	0	141	0	-171	0	-30	62	32
Transfers to/from other reserves	0	-2,967	0	2,967	0	0	0	0
Net profit/loss for the year	0	25,230	0	19,432	45,000	89,662	49,729	139,391
Balance as at 31.12.22	1,335	79,637	-3,081	313,810	45,000	436,701	121,970	558,671
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	1,335	79,637	-3,081	313,810	45,000	436,701	121,970	558,671
Foreign currency translation adjustment of foreign enterprises	0	416	-2,253	0	0	-1,837	-1,029	-2,866
Distributed dividend from associates	0	-13,219	0	13,219	0	0	0	0
Dividend paid	0	0	0	0	-45,000	-45,000	-14,283	-59,283
Purchase of non-controlling interests	0	0	0	0	0	0	12,935	12,935
Other changes in equity	0	1,226	0	-1,226	0	0	527	527
Transfers to/from other reserves	0	2,888	0	-2,888	0	0	0	0
Net profit/loss for the year	0	9,027	0	990	0	10,017	8,111	18,128
Balance as at 31.12.23	1,335	79,975	-5,334	323,905	0	399,881	128,231	528,112

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Parent:								
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	1,335	162,854	0	185,771	28,723	378,683	0	378,683
Foreign currency translation adjustment of foreign enterprises	0	-2,929	0	0	0	-2,929	0	-2,929
Distributed dividend from group enterprises	0	-22,911	0	22,911	0	0	0	0
Distributed dividend from associates	0	-9,700	0	9,700	0	0	0	0
Dividend paid	0	0	0	0	-28,723	-28,723	0	-28,723
Other changes in equity	0	0	0	1	0	1	0	1
Net profit/loss for the year	0	95,180	0	-50,510	45,000	89,670	0	89,670
Balance as at 31.12.22	1,335	222,494	0	167,873	45,000	436,702	0	436,702
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	1,335	222,494	0	167,873	45,000	436,702	0	436,702
Foreign currency translation adjustment of foreign enterprises	0	-1,838	0	0	0	-1,838	0	-1,838
Group contribution	0	13,000	0	-13,000	0	0	0	0
Distributed dividend from group enterprises	0	-28,702	0	28,702	0	0	0	0
Distributed dividend from associates	0	-11,497	0	11,497	0	0	0	0
Dividend paid	0	0	0	0	-45,000	-45,000	0	-45,000
Other changes in equity	0	-8,120	0	8,120	0	0	0	0
Transfers to/from other reserves	0	902	0	-902	0	0	0	0
Net profit/loss for the year	0	12,343	0	-2,326	0	10,017	0	10,017
Balance as at 31.12.23	1,335	198,582	0	199,964	0	399,881	0	399,881

Consolidated cash flow statement

Note	Group	
	2023 DKK '000	2022 DKK '000
	18,128	139,391
Profit for the year		
24 Adjustments	49,901	45,425
Change in working capital:		
Inventories	286,945	-467,852
Receivables	157,917	-124,166
Trade payables	-191,129	237,313
Other payables relating to operating activities	-26,294	39,956
Other provisions	20,072	0
Cash flows from operating activities before net financials	315,540	-129,933
Interest income and similar income received	11,974	6,502
Interest expenses and similar expenses paid	-62,673	-41,527
Income tax paid	-34,807	-18,820
Cash flows from operating activities	230,034	-183,778
Purchase of property, plant and equipment	-16,350	-1,188
Sale of property, plant and equipment	14	0
Purchase of securities and equity investments	-1,957	-6,112
Dividend received	13,226	10,540
Loans	904	0
Cash flows from investing activities	-4,163	3,240
Dividend paid	-59,283	-39,231
Arrangement of payables to credit institutions	0	201,793
Repayment of payables to credit institutions	-219,441	0
Arrangement of payables to group enterprises	41,846	0
Repayment of payables to group enterprises	0	-36
Arrangement of payables to associates	-7,276	-1,058
Repayment of other long-term payables	0	-808
Cash flows from financing activities	-244,154	160,660
Total cash flows for the year	-18,283	-19,878
Cash, beginning of year	34,609	54,487
Cash, end of year	16,326	34,609
Cash, end of year, comprises:		
Cash	16,326	34,609
Total	16,326	34,609

1. Subsequent events

No important events have occurred after the end of the financial year.

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

2. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Fish and shellfish	4,125,309	4,899,090	0	0
Guarantee fee	62	100	3,460	3,975
Management fee	857	720	7,790	5,623
Total	4,126,228	4,899,910	11,250	9,598

Revenue comprises the following geographical markets:

Revenue, Denmark	2,050,948	3,144,166	11,250	9,598
Revenue, export	2,154,409	1,871,269	0	0
Sales revenue deductions	-79,129	-115,525	0	0
Total	4,126,228	4,899,910	11,250	9,598

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

3. Staff costs

Wages and salaries	45,515	65,887	8,140	14,337
Pensions	4,418	3,606	1,111	887
Other social security costs	762	655	84	84
Other staff costs	2,030	2,269	559	691
Total	52,725	72,417	9,894	15,999

Average number of employees during the year	118	84	13	14
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	3,477	7,421	3,477	7,421
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4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	5,069	81,488
Elimination of internal gains and losses	0	0	1,549	-2,223
Total	0	0	6,618	79,265

5. Income from equity investments in associates

Share of profit or loss of associates	10,161	26,237	5,725	18,883
Amortisation of goodwill	-1,135	-1,135	0	0
Total	9,026	25,102	5,725	18,883

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

6. Financial income

Interest, group enterprises	0	0	2,071	1,703
Other financial income	11,974	6,502	878	239
Total	11,974	6,502	2,949	1,942

7. Financial expenses

Other financial expenses	62,673	41,527	204	426
Total	62,673	41,527	204	426

8. Tax on profit for the year

Current tax for the year	7,727	34,238	-930	-1,820
Adjustment of deferred tax for the year	-3,203	-445	293	-571
Adjustment of tax in respect of previous years	-946	0	0	0
Total	3,578	33,793	-637	-2,391

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
9. Proposed appropriation account				
Reserve for net revaluation according to the equity method	9,027	25,230	12,343	95,180
Proposed dividend for the financial year	0	45,000	0	45,000
Non-controlling interests	8,111	49,729	0	0
Retained earnings	990	19,432	-2,326	-50,510
Total	18,128	139,391	10,017	89,670

10. Intangible assets

Figures in DKK '000	Acquired rights	Goodwill
Group:		
Cost as at 01.01.23	0	7,177
Cost as at 31.12.23	0	7,177
Amortisation and impairment losses as at 01.01.23	0	-3,453
Impairment losses during the year	0	-2,359
Amortisation during the year	0	-779
Amortisation and impairment losses as at 31.12.23	0	-6,591
Carrying amount as at 31.12.23	0	586

11. Property, plant and equipment

Figures in DKK '000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.01.23	20,956	1,557	8,724
Foreign currency translation adjustment of foreign enterprises	147	-595	115
Additions during the year	15,874	300	176
Cost as at 31.12.23	36,977	1,262	9,015
Depreciation and impairment losses as at 01.01.23	-1,104	-67	-5,742
Foreign currency translation adjustment of foreign enterprises	-420	67	-301
Depreciation during the year	-626	0	-785
Depreciation and impairment losses as at 31.12.23	-2,150	0	-6,828
Carrying amount as at 31.12.23	34,827	1,262	2,187
Parent:			
Cost as at 01.01.23	7,989	0	4,336
Additions during the year	1,747	0	42
Cost as at 31.12.23	9,736	0	4,378
Depreciation and impairment losses as at 01.01.23	-570	0	-3,582
Depreciation during the year	-196	0	-348
Depreciation and impairment losses as at 31.12.23	-766	0	-3,930
Carrying amount as at 31.12.23	8,970	0	448

12. Investments

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates	Other invest- ments
Group:			
Cost as at 01.01.23	0	24,084	6,337
Additions during the year	0	0	1,957
Disposals during the year	0	-2,255	0
Cost as at 31.12.23	0	21,829	8,294
Revaluations as at 01.01.23	0	85,880	-73
Foreign currency translation adjustment of foreign enterprises	0	416	0
Reversal of revaluations of disposed assets	0	1,986	0
Net profit/loss from equity investments	0	10,316	0
Dividend relating to equity investments	0	-13,219	0
Other adjustments relating to equity investments	0	1,072	0
Transfers during the year to/from other items	0	902	0
Revaluations as at 31.12.23	0	87,353	-73
Depreciation and impairment losses as at 01.01.23	0	-6,242	0
Amortisation of goodwill	0	-1,135	0
Depreciation and impairment losses as at 31.12.23	0	-7,377	0
Carrying amount as at 31.12.23	0	101,805	8,221

12. Investments - continued -

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates	Other invest- ments
Parent:			
Cost as at 01.01.23	99,542	8,523	225
Disposals during the year	-2,747	-2,068	0
Cost as at 31.12.23	96,795	6,455	225
Revaluations as at 01.01.23	146,522	75,973	-73
Disposals relating to demergers and divestment of enterprises	-10,188	0	0
Foreign currency translation adjustment of foreign enterprises	-2,253	416	0
Reversal of revaluations of disposed assets	0	2,068	0
Net profit/loss from equity investments	5,069	5,725	0
Dividend relating to equity investments	-28,702	-11,497	0
Changes in intra-group profit from inventories	1,549	0	0
Other equity adjustments relating to equity investments	13,000	0	0
Transfers during the year to/from other items	0	902	0
Revaluations as at 31.12.23	124,997	73,587	-73
Carrying amount as at 31.12.23	221,792	80,042	152

12. Investments - continued -

Name and registered office:	Ownership interest
Subsidiaries:	
Kangamiut Seafood A/S, Brønderslev	51%
Alimex Seafood A/S, Fredericia	75%
SN Seafood AS, Myre, Norge	70%
North Atlantic Seafood A/S, Brønderslev	83%
Danmarin A/S, Brønderslev	80%
Alimex International Limited, Hong Kong	100%
Northcoast Seafoods DK A/S, Brønderslev	85%
DanSea Nordic A/S, Furesø	60%
Kangamiut Green Land ApS, Brønderslev	100%
Fish and Feed Ltd., Ghana	85%
Associates:	
G&K Seafood eht., Reykjavik, Island	50%
Boco Seafood A/S, Brønderslev	42%
Wihaprest, Wilmille, Frankrig	33%
JAFRAN SA, Saint-Martin-Boulogne, Frankrig	33%
Halibut Greenland ApS, Ilulissat, Grønland	23%
Læsø Choice A/S, Brønderslev	50%
Uummannaq Seafood A/S, Ilulissat, Grønland	13%

13. Other non-current financial assets

Figures in DKK '000	Receivables from associates	Other receivables
Group:		
Cost as at 01.01.23	7,550	67,053
Additions during the year	0	33,740
Disposals during the year	0	-9,482
Cost as at 31.12.23	7,550	91,311
Impairment losses as at 01.01.23	-1,759	-5,538
Impairment losses during the year	-902	-154
Impairment losses as at 31.12.23	-2,661	-5,692
Carrying amount as at 31.12.23	4,889	85,619
Parent:		
Cost as at 01.01.23	7,550	4,234
Additions during the year	0	13,068
Disposals during the year	0	-3,988
Cost as at 31.12.23	7,550	13,314
Impairment losses as at 01.01.23	-1,759	0
Impairment losses during the year	-902	0
Impairment losses as at 31.12.23	-2,661	0
Carrying amount as at 31.12.23	4,889	13,314

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

14. Prepayments

Prepaid lease payments	0	21	0	0
Other prepayments	143	216	0	0
Prepaid exhibition costs	504	339	504	339
Total	647	576	504	339

15. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share class A	1,168	1,168
Share class B	167	167
Total		1,335

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

16. Non-controlling interests

Non-controlling interests, beginning of year	121,969	84,033	0	0
Foreign currency translation adjustment of foreign enterprises	-1,029	-1,346	0	0
Dividend paid	-14,283	-10,508	0	0
Purchase of non-controlling interests	12,935	0	0	0
Other changes in equity	527	62	0	0
Net profit/loss for the year (distribution of net profit)	8,111	49,729	0	0
Total	128,230	121,970	0	0

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

17. Deferred tax

Provisions for deferred tax as at 01.01.23	4,931	4,486	1,202	632
Deferred tax recognised in the income statement	3,202	445	-293	571
Provisions for deferred tax as at 31.12.23	8,133	4,931	909	1,203

Deferred tax is distributed as below:

Intangible assets	0	80	0	0
Property, plant and equipment	657	618	685	638
Inventories	224	565	224	565
Receivables	2,750	2,750	0	0
Provisions	3,470	0	0	0
Liabilities	1,032	918	0	0
Total	8,133	4,931	909	1,203

As at 31.12.23 the company has recognised a deferred tax asset of DKK 8,133k which can primarily be attributed to tax losses carried forward and provisions. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

18. Other provisions

Figures in DKK '000	Other provisions
Group:	
Provisions during the year	20,072
Provisions as at 31.12.23	20,072

	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
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Other provisions are expected to be distributed as follows:

Non-current liabilities	12,272	0	0	0
Current liabilities	7,800	0	0	0
Total	20,072	0	0	0

19. Fair value information

Figures in DKK '000	Listed securities and equity investments	Derivative financial instruments	Total
Group:			
Fair value as at 31.12.23	152	34	186
Unrealised changes of fair value recognised in the income statement for the year	0	34	34

Forward exchange contracts are valued according to generally accepted valuation techniques based on relevant observable exchange rates. All forward contracts are with Jyske Bank and Sydbank, which is considered to have good expertise in the calculation of forward exchange contracts. The fair value of derivative financial instruments is calculated using valuation models, such as discounted cash flow models. The expected cash flows for the individual contract are based on observable market data, such as interest rate curves and exchange rates. The fair value is also based on unobservable data for own credit risk. Non-observable data do not have a significant effect on the fair value of the derivative financial instruments per. December 31, 2023.

20. Derivative financial instruments

Group:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The group concludes contracts for the sole purpose of hedging the currency risk on the future sale of goods in foreign currency. At the end of a 2023, a future sale of goods of NOK 56,605k for a period of up to 3 months. The fair value of the forward exchange contracts amounts to DKK 37,529k as at 31.12.23. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

21. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 144 months and average lease payments of DKK 59k, a total of DKK 1,288k.

Recourse guarantee commitments

The group has provided a guarantee whereby the guarantor assumes primary liability for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 777,614k at the balance sheet date.

The group has provided a guarantee whereby the guarantor assumes primary liability for associates' debt to credit institutions. The guarantee is unlimited. The associates' debt to the credit institutions concerned amounts to DKK 8k at the balance sheet date.

21. Contingent liabilities - continued -

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of 72 months and average lease payments of DKK 26k, a total of DKK 808k.

Recourse guarantee commitments

The company has provided a guarantee whereby the guarantor assumes primary liability for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 777,614k at the balance sheet date.

The company has provided a guarantee whereby the guarantor assumes primary liability for associates' debt to credit institutions. The guarantee is unlimited. The associates' debt to the credit institutions concerned amounts to DKK 8k at the balance sheet date.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The company registers VAT jointly with its group enterprises and therefore has joint VAT liability.

22. Charges and security

Group:

The group has provided a company charge of DKK 777,914k as security for debt to credit institutions on DKK 735,500k. As at 31.12.23, the company charge comprises the following assets with the following carrying amounts:

- Inventories, DKK 1,042,911k
- Trade receivables, DKK 388,820k

Parent:

The company has not provided any security over assets.

23. Related parties

Controlling influence	Basis of influence
Vintherbørn ApS, Brønderslev	Ownership
Anne Vinther Morant	Real owner

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 3. Staff costs.

The company is included in the consolidated financial statements of the parent Vintherbørn ApS, Brønderslev.

	Group	
	2023	2022
	DKK '000	DKK '000
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	4,567	2,176
Income from equity investments in associates	-9,026	-25,102
Income from other investments and receivables that are fixed assets	-139	-81
Financial income	-11,974	-6,502
Financial expenses	62,672	41,527
Tax on profit or loss for the year	3,577	33,794
Other taxes	224	108
Other adjustments	0	-495
Total	49,901	45,425

24. Adjustments for the cash flow statement

Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	4,567	2,176
Income from equity investments in associates	-9,026	-25,102
Income from other investments and receivables that are fixed assets	-139	-81
Financial income	-11,974	-6,502
Financial expenses	62,672	41,527
Tax on profit or loss for the year	3,577	33,794
Other taxes	224	108
Other adjustments	0	-495
Total	49,901	45,425

25. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

25. Accounting policies - continued -**Non-controlling interests**

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

25. Accounting policies - continued -**DERIVATIVE FINANCIAL INSTRUMENTS**

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

The company does not apply the hedge accounting rules under which changes in the fair value of derivative financial instruments are recognised under other net financials in the income statement.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT**Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

25. Accounting policies - continued -**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	5	0
Goodwill	5-7	0
Buildings	50	0
Plant and machinery	5-7	0
Other plant, fixtures and fittings, tools and equipment	3-7	0

Goodwill is amortised over 5-7 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

25. Accounting policies - continued -

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group enterprises and associates

For equity investments in associates and in the parent also equity investments in subsidiaries that are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For associates only the proportionate share of intercompany gains and losses is eliminated.

Income from equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

Income from other investments and receivables that are fixed assets

Interest income, dividends, unrealised capital gains and realised gains on disposal are recognised under this item.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

25. Accounting policies - continued -

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

Other taxes

Other taxes comprises tax amounts that are calculated on a basis other than the income for the year.

BALANCE SHEET**Intangible assets***Acquired rights*

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

25. Accounting policies - continued -

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

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

Equity investments in group enterprises and associates*Equity investments in group enterprises*

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a consolidation method, and reference is made to the 'Equity method' section for further details.

Equity investments in associates

In the balance sheet, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity method

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

25. Accounting policies - continued -

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5-7 years for equity investments in subsidiaries and 5-7 years for equity investments in associates. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

25. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Other investments

Other securities are measured at fair value, equivalent to the market value at the balance sheet date.

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost. Other equity investments that are traded in an active market are measured at fair value, equivalent to the market value at the balance sheet date.

25. Accounting policies - continued -**Cash**

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Provisions

Other provisions comprise expected expenses incidental to restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Current and deferred tax

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

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

25. Accounting policies - continued -

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.