

Kangamiut Group A/S

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

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 22.05.23

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
Ulrik Bjerre Rasmussen
Kim Roed Jensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Banks

Jyske Bank
Sydbank

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
Uummannaq 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 01.01.22 - 31.12.22 for Kangamiut Group A/S.

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

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 31.12.22 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.22 - 31.12.22.

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, May 22, 2023

Executive Board

Ulrik Bjerre Rasmussen

Board of Directors

Birger Brix
Chairman

Anne Vinther Morant

Ulrik Bjerre Rasmussen

Kim Roed Jensen

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

We have audited the consolidated financial statements and parent company financial statements of Kangamiut Group A/S for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of 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 parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 parent company 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 regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover 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 parent company financial statements, 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 management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the consolidated financial statements and parent company financial statements

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

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company 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 parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 International Standards on Auditing 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 parent company financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company 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 parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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, May 22, 2023

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	2022	2021	2020	2019	2018
<i>Profit/loss</i>					
Revenue	4,899,910	3,589,220	3,107,699	3,399,381	3,415,111
Index	143	105	91	100	100
Operating profit/loss	183,134	97,177	52,458	70,561	72,089
Index	254	135	73	98	100
Total net financials	-9,842	4,550	1,557	-17,185	-8,655
Index	114	-53	-18	199	100
Profit for the year	139,391	83,459	45,280	43,416	51,603
Index	270	162	88	84	100
Profit for the year, parent	89,670	57,447	34,538	30,450	37,250
Index	241	154	93	82	100
<i>Balance</i>					
Total assets	2,179,946	1,591,354	1,363,130	1,177,081	1,194,889
Index	182	133	114	99	100
Investments in property, plant and equipment	1,188	12,578	1,541	180	215
Index	553	5,850	717	84	100
Equity	558,671	462,716	395,736	370,803	333,803
Index	167	139	119	111	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	-183,778	-58,953	-99,466	9,090	-239,439
Investing activities	3,240	-3,633	63,486	7,517	11,904
Financing activities	160,660	54,284	56,027	10,003	-22,474
Cash flows for the year	-19,878	-8,302	20,047	26,610	-250,009

Ratios

	2022	2021	2020	2019	2018
<i>Profitability</i>					
Return on equity	27%	19%	12%	12%	17%
Profit margin	4%	3%	2%	2%	2%
Asset turnover	3	2	2	3	3

Equity ratio

Solvency ratio	26%	29%	29%	32%	28%
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Others

Number of employees (average)	84	77	53	45	40
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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 01.01.22 - 31.12.22 shows a profit of DKK 89,670k against DKK 57,447k for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 436.701k.

Similar to other operators in the industry, the growth in turnover and earnings is mainly due to significant increases in market prices, positive exchange rates and not least post COVID impacts.

The management considers the net profit for the year to be very satisfactory.

The earnings expectations for 2022 were a net profit of DKK 30,000k to DKK 40,000k. The objective was more than met due to the reasons mentioned above.

Outlook

The group will continue to consolidate in 2023. The company continues to work on new initiatives to maintain and develop the group's position. The group expects a significantly lower result in 2023 in the level between DKK 30,000k - 35,000k, due to, inflation and normalization of prices and demands.

In addition to the usual market risk, the Group's most significant operational risk is related to the amount of raw materials from external suppliers as well as geopolitical risks. The Group continuously optimizes risk policies, sales and delivery policies as well as the digitization of the company's processes to minimize risks.

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.

Management 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 has - in addition to upgrading management and relevant employees' skills - engaged external consultants to support its ESG efforts.

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 during 2021 and 2022 with the allocation of both (wo)manpower and funding. As part of this, 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 initiatives, primarily to reduce the Group's carbon footprint. The Group Sustainability & CSR unit reports directly to the Group CEO and is represented in the Board of Directors.

In 2022, our ESG activities have focused mainly on preparing for the reporting requirements established by the EU Corporate Sustainability Reporting Directive; continuing to develop our environment and climate efforts; and upgrading our ESG capabilities through formal and informal education. The specific ESG activities are described below.

Business model

The Kangamiut Group business model is based on a decentralized structure of partnerships, primarily focusing on trading 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 workshops 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 2022 consists of a 38 hectares forest and associated buildings in Denmark.

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.

Environment and climate

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 the UN Sustainable Development Goals (SDG) 13: Climate action, and 14: Life below water. 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.

To date, our Environment & Climate efforts have consisted of launching specific activities to reduce our environmental and climate impact. Systematic data collection to document our climate impact was initiated in 2022.

Environment: 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 an 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 target is to ensure that the majority - and an increasing proportion of - traded products are derived from certified (MSC for wild caught and ASC for farmed) fisheries. This is sustained 1) by actively encouraging certification, and by directly supporting suppliers in the certification process, and 2) by prioritizing trading with MSC and ASC certified products. A formal company policy for sustainable fisheries was implemented in 2021 describing prioritization of products according to certification status. Of note, while MSC and ASC products hold the highest priority, we do not systematically exclude non-certified products as there should be room for supporting fisheries in the process of improving as well as small scale fisheries that may not have the resources to go through a formal certification process. Goal setting for MSC and ASC certified products is pending systematic data collection and analysis to be initiated in 2023.

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.

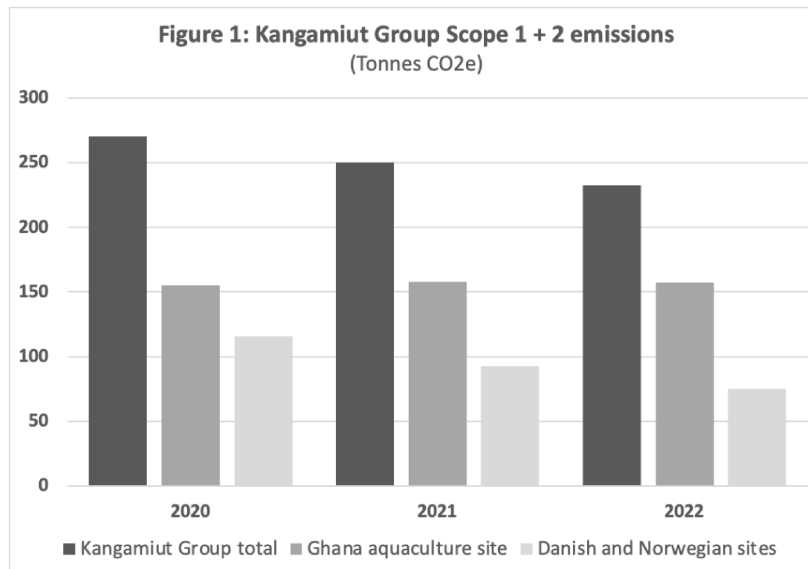
Of note, while the primary activity of most Group companies is trading only, since Q4 2020 the Group company Danmarin A/S is a majority shareholder of Fish & Feeds which owns and runs an aquaculture facility in Ghana since 2018. The farm mainly produces tilapia as a quality source of seafood and protein for the local market. To comply with our own policy on prioritizing MSC or ASC certified 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. Please refer to the ASC website (Certifying environmentally and socially responsible seafood - ASC International (asc-aqua.org)) for details of the standard. The aim is to obtain ASC certification despite ASC certification being a rarity in Africa with only 6 farms ASC certified as per end 2022 according to ASC (Find a Farm - ASC International (asc-aqua.org)).

Climate Change Mitigation

The Group's scope 1 and scope 2 CO₂e emissions from 2020 through 2022 are shown in Table 1 and illustrated in Figure 1 (based on operational control).

Table 1. Scope 1 + 2 greenhouse gas emissions (tonnes CO₂e) 2020 through 2022

Sites	Primary activity	2020	2021	2022
Ghana	Aquaculture	155	158	157
Denmark & Norway	Offices	116	93	75
Group total	Aquaculture and offices	271	250	232



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, energy optimization and installation of solar panels on company-owned buildings. A plan for reduction of the carbon footprint at the Ghana aquaculture site (Fish & Feeds) is pending as focus has been on the above mentioned ASC improvement project since the Group company Danmarin A/S became the majority shareholder in 2020. Please refer to the overview in Table 2.

Social and Employment Eonditions: 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.

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.

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 2022 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.

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

Human rights, anti-corruption and bribery

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 including an analysis of risks and impacts was initiated in 2022 to comply with the new EU regulations (CSRD); this policy is expected implemented in 2023. There were no reports of anti-corruption or bribery in 2022.

Human rights: Own workforce, Workers in the Value Chain & Affected Communities

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. 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 in 2022 as part of the ongoing ASC improvement project, among others by implementation of policies and procedures addressing human rights and associated topics for Fish & Feeds specifically.

Given the size of the Kangamiut Group and not least the new EU regulations (CSRD), it is recognized that a formal general human rights policy should be defined and implemented. While the aim was to do so in 2022, the development of the policy was initiated in 2022 for implementation in 2023. 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. The risk of violation of human rights in the value chain is being evaluated as part of the development of this policy.

In 2022, there were no reports of violation of human rights via the Group's whistleblower system.

Future efforts related to corporate social responsibility

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; systematic data collection for transparent reporting of environmental and social impacts; and reporting on progress on ESG projects. In terms of goal setting, this will be implemented where relevant and required, pending data collection and analysis.

Gender diversity

Gender diversity and in particular female representation at management and Board of Directors level is a shortcoming in Kangamiut Group A/S and the majority of the subsidiary companies.

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

While female representation at both Board of Directors and executive management level improved in 2021, a few changes were introduced in 2022 as described below and in Table 4.

Board composition

The Kangamiut Group A/S target for gender distribution on the board of directors corresponding to minimum two (out of typically five or six) board members was not met in 2022 due to reorganization of the board; female representation in the Group Board of Directors decreased from 33% to 25%. A more balanced gender distribution is targeted for effectuation with the 2023 General Assembly.

Female representation in company boards improved in two subsidiaries while it remained unchanged at 60% in the parent company, Vintherbørn ApS.

Group management composition

Upper management counts one woman and two men; at consolidated subsidiary level, one out of eight CEO positions are held by women; the CEO of Vintherbørn ApS is female (all unchanged in 2022).

The aim is to promote the representation of the underrepresented gender in management in the future, and this will be prioritized when hiring new employees as well as where this may fit as part of future generational change in management.

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. Environmental challenges and associated actions

Challenge or risks ¹	Company policies ²	Action ³	UN SDGs
D: Climate action, scope 1, company cars	Company car policy	Company cars transitioning to electric since Q3 2020; transition 59% completed and expected fully completed by 2025	13
D: Climate action, scope 1 & 2, HQ office	Policy pending development	Energy optimization of HQ office ongoing. Roof solar panels (30 kWp) installed in HQ in 2022 and application for permission to initiate a 50 kWp solar panel installation on the company grounds was submitted to local authorities in 2022.	13
D: Climate action, scope 1 & 2, Ghana aquaculture	Policy pending development	Data collection initiated in 2022 to serve as basis for future strategy for reduction of the carbon footprint	13
I: Climate action, scope 3, value chain	Policy pending development	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 development	Kangamiut Green Land ApS established in 2021 with the aim of acting as the Kangamiut Group's central function for strategic planning and operation of environmental initiatives, primarily to reduce the Group's carbon footprint. 38 hectares local forest acquired August 2021 → focus on climate change mitigation, biodiversity and ecosystems. Continuous search for suitable farmland for acquisition with the aim of afforestation and converting (poor) farmland into nature.	13, 15
D/I: Overfishing	Sustainable fisheries policy	For wild caught products, priority is placed on sourcing from MSC certified fisheries. Reporting and potential goal setting pending systematic data collection to be initiated in 2023. 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	Sustainable fisheries policy	Efforts to identify risks initiated on a sporadic basis	14
D: Sustainable aquaculture, Ghana fish farm	Sustainable fisheries policy	ASC pre-assessment of tilapia farm in Ghana conducted 2021 (Fish & Feeds/ Danmarin A/S); ASC improvement project initiated in 2022.	12, 15
I: Sustainable aquaculture, suppliers	Sustainable fisheries policy	For farmed species, priority is placed on sourcing ASC certified products. 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. Project completed in 2022.	12, 15

¹ Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence.

² When applicable as not all areas are governed by formal policies

³ Subsidiary specified in parenthesis means the activity is run at subsidiary level

Table 3. Social/employment challenges and associated actions.

Challenge or risks ¹	Company policies ²	Action ³	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 2022, one program has been completed and one 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.	5, 8
D: Decent work and good health, all HQ employees	N/A	A set of internal guidelines (updated in 2021 and 2022) 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 Paid fitness, workplace assessment and physiotherapy counselling Dental and health insurance Granting of supplementary days off for serious illness of close relatives Increased employee flexibility introduced in 2022	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 initiated 2022 to improve social measures with the aim of complying with ASC standards. Whistleblower system established and implemented early 2022.	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

¹ Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence

² When applicable as not all areas are governed by formal policies

³ Subsidiary specified in parenthesis means the activity is run at subsidiary level

Table 4. Gender diversity challenges and associated actions

Challenge or risks ¹	Company policies ²	Action ³	UN SDGs
D: Gender equality, representation of women in Board of Directors	N/A	Female representation decreased from 33% (2/6) in 2021 to 25% (1/4) in 2022. Female representation remained unchanged at 60% (3/5) in Vintherbørn ApS, the mother company of Kangamiut Group A/S. Female representation unchanged in two subsidiaries (Alimex A/S and Kangamiut Green Land ApS; 1/6 and 1/3, respectively). Female representation was introduced in two subsidiaries (Danmarin A/S and Kangamiut Seafood A/S; 1/4 and 1/6, respectively). The remaining consolidated Group company boards are composed of 100% male board members.	5
D: Gender equality, representation of women in management	N/A	Female representation in executive management unchanged at 33% (1/3) in 2022. Female representation at individual consolidated Group company CEO level unchanged at 12% (1/8) in 2022. The CEO of Kangamiut Group A/S is male, while the CEO of the parent company Vintherbørn ApS is female (both unchanged).	5

¹ Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence

² When applicable as not all areas are governed by formal policies

³ Subsidiary specified in parenthesis means the activity is run at subsidiary level

Note	Group		Parent		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
2	Revenue	4,899,910	3,589,220	9,598	9,376
	Other operating income	9,194	6,327	0	0
	Costs of raw materials and consumables	-4,591,254	-3,381,801	0	0
	Cost of sales	-61	0	0	0
	Other external expenses	-60,062	-55,940	-5,612	-3,718
3	Staff costs	-72,417	-58,296	-15,956	-13,206
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	185,310	99,510	-11,970	-7,548
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-2,176	-2,328	-496	-553
	Other operating expenses	0	-5	0	0
	Operating profit/loss	183,134	97,177	-12,466	-8,101
4	Income from equity investments in group enterprises	0	0	79,265	45,894
5	Income from equity investments in associates	25,102	19,112	18,883	17,008
	Income from other investments and receivables that are fixed assets	81	125	81	125
6	Financial income	6,502	6,953	1,942	1,680
7	Financial expenses	-41,527	-21,640	-426	-689
	Total net financials	-9,842	4,550	99,745	64,018
	Profit before tax	173,292	101,727	87,279	55,917
8	Tax on profit for the year	-33,793	-18,268	2,391	1,530
	Other taxes	-108	0	0	0
	Profit for the year	139,391	83,459	89,670	57,447
9	Proposed appropriation account				

Note	ASSETS				
	Group		Parent		
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000	
	Acquired rights	0	0	0	0
	Goodwill	3,724	4,503	0	0
10	Total intangible assets	3,724	4,503	0	0
	Land and buildings	19,852	21,213	7,419	7,324
	Plant and machinery	1,490	1,910	0	0
	Other fixtures and fittings, tools and equipment	2,982	4,204	754	1,119
11	Total property, plant and equipment	24,324	27,327	8,173	8,443
12	Equity investments in group enterprises	0	0	246,064	192,161
12	Equity investments in associates	103,722	92,392	84,497	78,759
13	Receivables from associates	5,792	2,825	5,792	2,825
12	Other investments	6,265	809	152	120
13	Other receivables	61,515	40,821	4,234	6,332
	Total investments	177,294	136,847	340,739	280,197
	Total non-current assets	205,342	168,677	348,912	288,640
	Raw materials and consumables	123,185	90,180	0	0
	Manufactured goods and goods for resale	1,012,363	517,401	0	0
	Prepayments for goods	194,308	254,423	0	0
	Total inventories	1,329,856	862,004	0	0
	Trade receivables	570,339	486,221	0	0
	Receivables from group enterprises	4,382	4,346	60,768	47,872
	Receivables from associates	100	228	100	100
17	Deferred tax asset	4,930	4,485	1,202	632
	Income tax receivable	0	0	1,822	1,434
	Other receivables	29,812	9,842	11,441	2,860
14	Prepayments	576	1,064	339	610
	Total receivables	610,139	506,186	75,672	53,508
	Cash	34,609	54,487	26,385	48,610
	Total current assets	1,974,604	1,422,677	102,057	102,118
	Total assets	2,179,946	1,591,354	450,969	390,758

EQUITY AND LIABILITIES		Group		Parent	
		31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
Note					
15	Share capital	1,335	1,335	1,335	1,335
	Reserve for net revaluation according to the equity method	79,639	68,246	222,494	162,854
	Foreign currency translation reserve	-3,082	-669	0	0
	Retained earnings	313,809	281,048	167,872	185,771
	Proposed dividend for the financial year	45,000	28,723	45,000	28,723
	Equity attributable to owners of the parent	436,701	378,683	436,701	378,683
16	Non-controlling interests	121,970	84,033	0	0
	Total equity	558,671	462,716	436,701	378,683
18	Short-term part of long-term payables	0	808	0	0
	Payables to other credit institutions	996,794	795,000	75	105
	Prepayments received from customers	0	2	0	0
	Trade payables	512,817	275,504	594	770
	Payables to group enterprises	0	0	24	0
	Payables to associates	3,937	4,988	0	0
	Income taxes	33,635	18,200	0	0
	Other payables	74,092	34,136	13,575	11,200
	Total short-term payables	1,621,275	1,128,638	14,268	12,075
	Total payables	1,621,275	1,128,638	14,268	12,075
	Total equity and liabilities	2,179,946	1,591,354	450,969	390,758
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 01.01.21 - 31.12.21								
Balance as at 01.01.21	1,335	62,093	-2,021	259,735	10,000	331,142	64,593	395,735
Foreign currency translation adjustment of foreign enterprises	0	307	1,352	0	0	1,658	348	2,006
Distributed dividend from associates	0	-8,975	0	8,975	0	0	0	0
Dividend paid	0	0	0	0	-10,000	-10,000	-6,924	-16,924
Other changes in equity	0	-1,565	0	-1	0	-1,566	5	-1,561
Transfers to/from other reserves	0	-2,728	0	2,728	0	0	0	0
Net profit/loss for the year	0	19,114	0	9,611	28,723	57,448	26,011	83,459
Balance as at 31.12.21	1,335	68,246	-669	281,048	28,723	378,682	84,033	462,715
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	1,335	68,246	-669	281,048	28,723	378,682	84,033	462,715
Foreign currency translation adjustment of foreign enterprises	0	-478	-2,413	0	0	-2,891	-1,346	-4,237
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	79,639	-3,082	313,809	45,000	436,700	121,970	558,670

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 01.01.21 - 31.12.21								
Balance as at 01.01.21	1,335	127,433	0	192,376	10,000	331,144	0	331,144
Foreign currency translation adjustment of foreign enterprises	0	1,657	0	0	0	1,657	0	1,657
Distributed dividend from group enterprises	0	-15,869	0	15,869	0	0	0	0
Distributed dividend from associates	0	-8,975	0	8,975	0	0	0	0
Dividend paid	0	0	0	0	-10,000	-10,000	0	-10,000
Other changes in equity	0	-1,566	0	1	0	-1,565	0	-1,565
Net profit/loss for the year	0	60,174	0	-31,450	28,723	57,447	0	57,447
Balance as at 31.12.21	1,335	162,854	0	185,771	28,723	378,683	0	378,683
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
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	167,872	45,000	436,701	0	436,701

Consolidated cash flow statement

Note	Group	
	2022 DKK '000	2021 DKK '000
	139,391	83,459
Profit for the year		
24 Adjustments	45,425	16,220
Change in working capital:		
Inventories	-467,852	-95,109
Receivables	-124,166	-149,747
Trade payables	237,313	116,915
Other payables relating to operating activities	39,956	-7,765
Cash flows from operating activities before net financials	-129,933	-36,027
Interest income and similar income received	6,502	6,953
Interest expenses and similar expenses paid	-41,527	-21,640
Income tax paid	-18,820	-8,239
Cash flows from operating activities	-183,778	-58,953
Purchase of property, plant and equipment	-1,188	-12,578
Sale of property, plant and equipment	0	33
Purchase of securities and equity investments	-6,112	-65
Dividend received	10,540	8,977
Cash flows from investing activities	3,240	-3,633
Dividend paid	-39,231	-16,924
Arrangement of payables to credit institutions	201,793	61,818
Arrangement of payables to group enterprises	0	10,031
Repayment of payables to group enterprises	-36	0
Arrangement of payables to associates	0	2,897
Repayment of payables to associates	-1,058	0
Repayment of other long-term payables	-808	-3,538
Cash flows from financing activities	160,660	54,284
Total cash flows for the year	-19,878	-8,302
Cash, beginning of year	54,487	62,789
Cash, end of year	34,609	54,487
Cash, end of year, comprises:		
Cash	34,609	54,487
Total	34,609	54,487

1. Subsequent events

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

	Group		Parent	
	2022	2021	2022	2021
	DKK '000	DKK '000	DKK '000	DKK '000

2. Revenue

Revenue comprises the following activities:

Fish and shellfish	4,899,090	3,588,448	0	0
Guarantee fee	100	100	3,975	3,924
Management fee	720	672	5,623	5,452
Total	4,899,910	3,589,220	9,598	9,376

Revenue comprises the following geographical markets:

Revenue, Denmark	3,144,166	2,616,805	9,598	9,376
Revenue, export	1,871,269	1,066,289	0	0
Sales revenue deductions	-115,525	-93,874	0	0
Total	4,899,910	3,589,220	9,598	9,376

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000

3. Staff costs

Wages and salaries	65,887	53,065	14,294	11,587
Pensions	3,606	3,004	887	660
Other social security costs	655	558	84	82
Other staff costs	2,269	1,669	691	877
Total	72,417	58,296	15,956	13,206

Average number of employees during the year	84	77	14	11
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	5,310	4,056	3,913	4,046
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4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	81,488	45,894
Elimination of internal gains and losses	0	0	-2,223	0
Total	0	0	79,265	45,894

5. Income from equity investments in associates

Share of profit or loss of associates	26,237	20,247	18,883	17,008
Amortisation of goodwill	-1,135	-1,135	0	0
Total	25,102	19,112	18,883	17,008

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
6. Financial income				
Interest, group enterprises	0	0	1,703	1,440
Interest, associates	206	206	206	206
Other interest income	2,967	4,245	0	0
Foreign currency translation adjustments	3,267	2,502	0	34
Other financial income	62	0	33	0
Total	6,502	6,953	1,942	1,680

7. Financial expenses

Interest, group enterprises	0	128	0	128
Interest, associates	257	251	0	0
Other interest expenses	34,234	16,505	426	560
Foreign currency translation adjustments	5,383	2,981	0	0
Foreign exchange losses	10	52	0	0
Other financial expenses	1,643	1,723	0	1
Total	41,527	21,640	426	689

8. Tax on profit for the year

Current tax for the year	34,238	18,431	-1,820	-1,433
Adjustment of deferred tax for the year	-445	-163	-571	-97
Total	33,793	18,268	-2,391	-1,530

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
9. Proposed appropriation account				
Reserve for net revaluation according to the equity method	25,230	19,114	95,180	60,174
Proposed dividend for the financial year	45,000	28,723	45,000	28,723
Non-controlling interests	49,729	26,011	0	0
Retained earnings	19,432	9,611	-50,510	-31,450
Total	139,391	83,459	89,670	57,447

10. Intangible assets

Figures in DKK '000	Acquired rights	Goodwill
Group:		
Cost as at 01.01.22	7,400	7,177
Disposals during the year	-7,400	0
Cost as at 31.12.22	0	7,177
Amortisation and impairment losses as at 01.01.22	-7,400	-2,674
Amortisation during the year	0	-779
Reversal of amortisation of and impairment losses on disposed assets	7,400	0
Amortisation and impairment losses as at 31.12.22	0	-3,453
Carrying amount as at 31.12.22	0	3,724

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 01.01.22	22,184	2,038	9,526
Foreign currency translation adjustment of foreign enterprises	-1,756	-741	-1,202
Additions during the year	528	260	400
Cost as at 31.12.22	20,956	1,557	8,724
Depreciation and impairment losses as at 01.01.22	-971	-128	-5,334
Foreign currency translation adjustment of foreign enterprises	379	61	367
Depreciation during the year	-512	0	-775
Depreciation and impairment losses as at 31.12.22	-1,104	-67	-5,742
Carrying amount as at 31.12.22	19,852	1,490	2,982
Parent:			
Cost as at 01.01.22	7,764	0	4,336
Additions during the year	225	0	0
Cost as at 31.12.22	7,989	0	4,336
Depreciation and impairment losses as at 01.01.22	-440	0	-3,216
Depreciation during the year	-130	0	-366
Depreciation and impairment losses as at 31.12.22	-570	0	-3,582
Carrying amount as at 31.12.22	7,419	0	754

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 01.01.22	0	24,149	1,115
Foreign currency translation adjustment of foreign enterprises	0	-19	0
Additions during the year	0	0	6,112
Disposals during the year	0	-46	-689
Cost as at 31.12.22	0	24,084	6,538
Revaluations as at 01.01.22	0	73,351	-106
Foreign currency translation adjustment of foreign enterprises	0	-478	0
Revaluations during the year	0	0	33
Net profit/loss from equity investments	0	26,366	0
Dividend relating to equity investments	0	-10,533	0
Other adjustments relating to equity investments	0	141	0
Transfers during the year to/from other items	0	-2,967	0
Revaluations as at 31.12.22	0	85,880	-73
Depreciation and impairment losses as at 01.01.22	0	-5,107	-200
Amortisation of goodwill	0	-1,135	0
Depreciation and impairment losses as at 31.12.22	0	-6,242	-200
Carrying amount as at 31.12.22	0	103,722	6,265
Parent:			
Cost as at 01.01.22	99,542	8,523	225
Cost as at 31.12.22	99,542	8,523	225
Revaluations as at 01.01.22	92,619	70,236	-106
Foreign currency translation adjustment of foreign enterprises	-2,451	-478	0
Revaluations during the year	0	0	33
Net profit/loss from equity investments	81,488	18,883	0
Dividend relating to equity investments	-22,911	-9,700	0
Changes in intra-group profit from inventories	-2,223	0	0
Transfers during the year to/from other items	0	-2,967	0
Revaluations as at 31.12.22	146,522	75,974	-73
Carrying amount as at 31.12.22	246,064	84,497	152

12. Investments - continued -

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates	Other invest- ments
Positive balances ascertainable on initial recognition of equity investments measured at equity value	7,176	0	0

Name and registered office:	Ownership interest
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Subsidiaries:

Kangamiut Seafood A/S, Brønderslev	60%
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	38%
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 01.01.22	7,552	44,380
Additions during the year	0	24,845
Disposals during the year	0	-2,172
Cost as at 31.12.22	7,552	67,053
Impairment losses as at 01.01.22	-4,727	-3,560
Impairment losses during the year	0	-1,978
Reversal of impairment losses in respect of previous years	2,967	0
Impairment losses as at 31.12.22	-1,760	-5,538
Carrying amount as at 31.12.22	5,792	61,515
Parent:		
Cost as at 01.01.22	7,552	6,332
Additions during the year	0	74
Disposals during the year	0	-2,172
Cost as at 31.12.22	7,552	4,234
Impairment losses as at 01.01.22	-4,727	0
Reversal of impairment losses in respect of previous years	2,967	0
Impairment losses as at 31.12.22	-1,760	0
Carrying amount as at 31.12.22	5,792	4,234

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000

14. Prepayments

Prepaid lease payments	21	49	0	0
Other prepayments	216	263	0	0
Prepaid exhibition costs	339	752	339	610
Total	576	1,064	339	610

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	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000

16. Non-controlling interests

Non-controlling interests, beginning of year	84,033	64,593	0	0
Foreign currency translation adjustment of foreign enterprises	-1,346	348	0	0
Dividend paid	-10,508	-6,924	0	0
Other changes in equity	62	5	0	0
Net profit/loss for the year (distribution of net profit)	49,729	26,011	0	0
Total	121,970	84,033	0	0

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000

17. Deferred tax

Provisions for deferred tax as at 01.01.22	4,486	4,322	632	535
Deferred tax recognised in the income statement	445	163	571	97
Provisions for deferred tax as at 31.12.22	4,931	4,485	1,203	632

Deferred tax is distributed as below:

Intangible assets	80	159	0	0
Property, plant and equipment	618	598	638	556
Inventories	565	76	565	76
Receivables	2,750	2,750	0	0
Liabilities	918	902	0	0
Total	4,931	4,485	1,203	632

As at 31.12.22, the company has recognised a deferred tax asset of DKK 4,931k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

18. Long-term payables

Figures in DKK '000	Total payables at 31.12.22	Total payables at 31.12.21
Group:		
Other payables	0	808
Total	0	808

19. Fair value information

Figures in DKK '000	Listed securities and equity investments	Derivative financial instruments	Total
Group:			
Fair value as at 31.12.22	152	595	747
Unrealised changes of fair value recognised in the income statement for the year	33	595	628

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, 2022.

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 2022, a future sale of goods of NOK 68,276k for a period of up to 3 months. The fair value of the forward exchange contracts amounts to DKK 48,291k as at 31.12.22. 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 147 months and average lease payments of DKK 55k, a total of DKK 1,293k.

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 916,123k 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 16,322k at the balance sheet date.

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 530k.

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 916,123k 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 16,322k 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 916,123k as security for debt to credit institutions on DKK 663,000k. As at 31.12.22, the company charge comprises the following assets with the following carrying amounts:

- Inventories, DKK 1,329,856k
- Trade receivables, DKK 570,339k

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	
	2022 DKK '000	2021 DKK '000
24. Adjustments for the cash flow statement		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	2,176	2,328
Income from equity investments in associates	-25,102	-19,113
Income from other investments and receivables that are fixed assets	-81	-125
Financial income	-6,502	-6,953
Financial expenses	41,527	21,640
Tax on profit or loss for the year	33,794	18,268
Other taxes	108	0
Other adjustments	-495	175
Total	45,425	16,220

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.

Material error

The company has identified a material error in the financial statements for 2021.

Incorrect classification of loans

Other receivables have been incorrectly classified. The company has recognized other receivables as current assets amounting to DKK 20,584k, where they should have been recognized as financial fixed assets.

The classification of other receivables is as a consequence here of corrected. The correction of the error does not have an effect on the result for 2021. The equity and the balance sheet total are not affected as of 31.12.21.

Comparative figures for 2021 have been restated in the income statement, balance sheet, cash flow statement and notes. The accumulated effect of material errors has been recognised directly in equity at the beginning of the comparative year.

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.

25. Accounting policies - continued -**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.

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.

25. Accounting policies - continued -

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.

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.

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.

25. Accounting policies - continued -**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.

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.

25. Accounting policies - continued -**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.

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.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

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.

25. Accounting policies - continued -

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.

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.

25. Accounting policies - continued -**BALANCE SHEET****Intangible assets***Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

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*Other property, plant and equipment*

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

Other 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.

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

25. Accounting policies - continued -

Other 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

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.

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.

25. Accounting policies - continued -

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.

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.

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.

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.

25. Accounting policies - continued -

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.

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.

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

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

25. Accounting policies - continued -**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

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.