

# Kangamiut Holding A/S

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

## Annual report for 2021

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 06.05.22

Ulrik Bjerre Rasmussen  
Dirigent

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**The company**

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

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**Executive Board**

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Ulrik Bjerre Rasmussen

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**Board of Directors**

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Preben Bang Henriksen, chairman  
Anne Vinther Morant  
Birger Brix  
Ulrik Bjerre Rasmussen  
Kim Roed Jensen  
Anne Bay Nordtorp

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

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**Banks**

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Jyske Bank  
Sydbank

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**Subsidiaries**

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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

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**Associates**

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

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

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We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Kangamiut Holding 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 31.12.21 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.21 - 31.12.21.

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 6, 2022

## **Executive Board**

Ulrik Bjerre Rasmussen

## **Board of Directors**

Preben Bang Henriksen  
Chairman

Anne Vinther Morant

Birger Brix

Ulrik Bjerre Rasmussen

Kim Roed Jensen

Anne Bay Nordtorp

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

We have audited the consolidated financial statements and parent company financial statements of Kangamiut Holding A/S for the financial year 01.01.21 - 31.12.21, 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 31.12.21 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.21 - 31.12.21 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 6, 2022

**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	2021	2020	2019	2018	2017
<i>Profit/loss</i>					
Revenue	3,589,220	3,107,699	3,399,381	3,415,111	2,319,578
Index	155	134	147	147	100
Operating profit/loss	97,176	52,458	70,561	72,089	48,509
Index	200	108	145	149	100
Total net financials	4,550	1,557	-17,185	-8,655	8,055
Index	56	19	-213	-107	100
Profit for the year	83,458	45,280	43,416	51,603	48,489
Index	172	93	90	106	100
Profit for the year, parent	57,447	34,538	30,450	37,250	47,962
Index	120	72	63	78	100
<i>Balance</i>					
Total assets	1,591,254	1,363,130	1,177,081	1,194,889	825,482
Index	193	165	143	145	100
Investments in property, plant and equipment	12,578	1,541	180	215	8,180
Index	154	19	2	3	100
Equity	462,714	395,736	370,803	333,803	281,148
Index	165	141	132	119	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	-58,955	-99,466	9,090	-239,439	82,631
Investing activities	-6,361	63,486	7,517	11,904	2,342
Financing activities	57,014	56,027	10,003	-22,474	-6,155
Cash flows for the year	-8,302	20,047	26,610	-250,009	78,818

**Ratios**

	2021	2020	2019	2018	2017
<i>Profitability</i>					
Return on equity	19%	12%	12%	17%	17%
Gross margin	4%	3%	3%	3%	4%
Profit margin	3%	2%	2%	2%	2%
Asset turnover	2	2	3	3	3

*Equity ratio*

Solvency ratio	29%	29%	32%	28%	34%
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*Others*

Number of employees (average)	77	53	45	40	41
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*Ratios definitions*

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Gross margin:	$\frac{\text{Gross result} \times 100}{\text{Revenue}}$
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 01.01.21 - 31.12.21 shows a profit/loss of DKK'000 83,458 against DKK'000 45,280 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK'000 462,714.

The group has continued the development in several important markets in China, Europe and USA.

The result of 2021 is significantly above the expected result of DKK 25,000k to DKK 30,000k for 2021.

In 2021, the COVID-19 pandemic has, as expected, continued to present challenges to several group companies for the first half of 2021, especially related to sales and raw material supply. However, this has been significantly improved in the second half of 2021 and has been compensated for by increased sales for other companies in the group, where sales to production for retail etc. has resulted in significant additional sales. At the same time, the strength of the group has enabled an increase in market shares, during a year with many uncertainties due to the COVID-19 pandemic.

Sales to China have continued to be impeded by COVID-19. This is due to the fact that logistics in China continued to be slow due to the Chinese authorities' large and serious focus on ensuring that there is no COVID-19 in containers with raw materials and therefore wanted to test all imported raw materials.

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

**Outlook**

The group will continue to consolidate in 2022. The company continues to work on new initiatives to maintain and develop the group's position. However, there is significant uncertainty regarding expectations for market development in 2022 due to the ongoing war in Ukraine. See the section "subsequent events". Taking this uncertainty into account, the Group Management expects a result for 2022 in the range of DKK 30,000k to DKK 40,000k.

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 political 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**

Following the closing of the annual accounts, war has broken out between Russia and Ukraine. The EU and the US have imposed sanctions on Russia. At present, it is not clear what consequences this may have for food imports and sales.

**Corporate social responsibility**

This is the Group's fourth corporate social responsibility (CSR) statement, in accordance with the Danish Accounts Act §99a, effective from 2018.

The statement includes a brief description of the Group's business model and a short explanation of the Group's 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. CSR is to a continuously increasing extent integrated as part of the work of the Group's board of directors to ensure focus and prioritization of CSR and sustainability issues using the UN's Sustainability Development Goals and Global Compact as guiding principles.

As listed in the subsequent sections, the company has a number of policies in place, applicable to all subsidiaries where the parent company is a majority shareholder.

While 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, it was acknowledged in the 2020 annual report that the Group's efforts concerning environment and climate should receive increased focus, and that adequate resources should be allocated for this in the future. Accordingly, in 2021 the Group has established a Sustainability & CSR unit reporting directly to the Group CEO and with representation in the Board of Directors. In addition, a new subsidiary "Kangamiut Green Land ApS" has been established in 2021 with the dedicated 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 specific CSR activities are described below.

### *Business model*

The group's activities consist primarily of trading fish and seafood. The group experiences increasingly competitive and volatile markets. As a result, constant adaptability and an extensive network are required to secure raw materials to meet customer demands, and to maintain or increase market shares. The group has a high level of financial preparedness, which guarantees a significant market position for the group's main products.

The organization is adjusted on a continuous basis to ensure close contact to suppliers and customers and secure market and product knowledge. The group has a clearly defined organization with key account managers who are responsible for specific products and markets. The decentralized structure, both organizationally and legally, also secures a high level of local knowledge and employee involvement in the individual group companies. The group continues to attract new individuals and companies who wish to partner with the Kangamiut group. The group considers itself a strong, professional and serious business, with a reputation of long term partnerships.

### *Environment and climate*

The company does not 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 (trading fish and seafood). Instead, specific policies guide explicit environment and climate actions. In addition, a set of initiatives for reducing the Group's climate impact have been launched. Please refer to the overview in Table 1.

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 efforts have been on launching specific activities to reduce our environmental and climate impact. Data collection to document this impact has been sporadic and focused on specific products (life cycle analysis for cod and shrimps), or office locations (HQ energy audit); systematic data collection to report the development is pending. In 2022 we aim to initiate the development of a system for data collection to allow future data-based reporting of environmental and social aspects of our business in accordance with the EU Corporate Sustainability Reporting Directive.

### *Sourcing of fish and seafood*

The individual Group companies purchase raw material from a large range of suppliers; thus, the Group activities have an indirect environmental impact through the primary fisheries. Responsible fishing practices is 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 established by 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 certified seafood, an ASC pre-assessment was completed in 2021 to identify areas for improvement. The aim is to obtain ASC certification of the farm in spite of ASC certification being a rarity in Africa with only 6 farms ASC certified to date according to ASC (<https://www.asc-aqua.org/find-a-farm/>). ASC covers both environmental and social aspects of aquaculture while MSC for wild caught fish focuses on biological and environmental sustainability.

#### *Social and employment conditions*

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.

Several subsidiaries' activities have been affected by the COVID-19 pandemic. Management has paid particular attention to employee safety and well-being in 2021 and will continue to do so in 2022.

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 (updated 2021) 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.

As is the case for environmental and climate-related data, the Group does not yet have a system in place for systematic data collection pertaining to social and employee conditions. The aim is to initiate the development of such system in 2022 to facilitate a more transparent reporting.

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. As the system was not fully launched until Q1 2022, reporting of any events reported via the whistleblower system will only take place from the reporting year 2022.

As mentioned in the section on environment and climate, 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 local jobs and has established local infrastructure in a rural area in Ghana and provides a valuable source of quality animal protein that is sold in the local area. An ASC pre-assessment has been completed in 2021 to identify areas of improvement on both environmental and social aspects. The aim is to conduct an aquaculture improvement project over the coming years 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 2.

#### *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. The Group has implemented policies for anti-corruption and bribery while a formal human rights policy (beyond the existing 'diversity and inclusion' and 'sexual harassment' policies) has not been defined in writing, as respect for human rights has been seen as implicit to all the Group's operations. Given the size of the company, it is recognized that a formal policy should be defined and implemented, and the aim is to do so in 2022.

In 2021, no instances of corruption, or violation of diversity and inclusion or sexual harassment policies have been reported, nor have there been any reports of violation of human rights. It is, however, acknowledged that to date, such reporting has only been possible via contact to management. Despite the relatively low number of employees and the fostering of an open communication, the company has as per December 2021 launched a whistleblower platform to facilitate anonymous reporting from employees in any of the company's geographic locations.

#### *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 CSR and in particular environment and climate issues are prioritized, this work is anchored in the Board of Directors in the mother company and in selected subsidiaries at a strategic level. With the establishing 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 sustainability and CSR initiatives. Areas for improvement include systematic data collection for transparent reporting of environmental and social impacts and progress on related initiatives. In terms of goal setting, this will be implemented where relevant, pending data collection and analysis.



**Table 1. Environmental challenges and associated actions**

Challenge or risks <sup>1</sup>	Company policies <sup>2</sup>	Action <sup>3</sup>	UN SDGs
D: Climate action, scope 1, company cars	Company car policy	Company cars transitioning to electric since Q3 2020; transition expected completed by 2023	13
D: Climate action, scope 1 & 2, HQ office	N/A	Energy optimization of HQ office ongoing & energy review all DK office sites in 2021	13
D: Climate action, scope 1 & 2, Ghana aquaculture	N/A	Activities pending data collection. Future point of focus.	13
I: Climate action, scope 3, value chain	N/A	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. <a href="#">Link to LCA report.</a>	13
D/I: Climate action, scope 3, air travel	Travel policy	All air travel booked through central agency to facilitate CO <sub>2</sub> -e data collection since 2021. Opportunities for sustainable aviation fuel programs being explored.	13
D: Climate action, biodiversity & environment, local nature	N/A	New subsidiary (Kangamiut Green Land ApS) established in 2021 with the sole 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 CO <sub>2</sub> optimization and biodiversity. Opportunities for planting trees and establishing new forest being explored.	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 in place by 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)	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, ongoing since 2016 (Northcoast Seafoods A/S). First 20+ farms ASC certified in 2019	12, 15

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

<sup>2</sup> When applicable as not all areas are governed by formal policies

<sup>3</sup> Subsidiary specified in parenthesis means the activity is run at subsidiary level

**Table 2. Social challenges and associated actions.**

Challenge or risks <sup>4</sup>	Company policies <sup>5</sup>	Action <sup>6</sup>	UN SDGs
<b>D: Decent work and good health, HQ neurodiversity</b>	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 2021, two such programs are ongoing within administrative functions.	3, 8
<b>D: Gender equality, salary disparity</b>	N/A	Pending data collection. High disparity expected despite 'equal pay for equal work' strategy, due to uneven distribution of men and women in management and chief procurement positions.	5
<b>D: Decent work and good health, senior employees</b>	Senior employee policy	Senior employee policy created describing potential scenarios for balancing remuneration and employee flexibility for employees >60 years old. The policy came into effect ultimo 2021.	3, 8
<b>D: Decent work and gender equality, sexual harassment</b>	Sexual harassment policy	Sexual harassment policy updated in 2021 outlining the company policy and procedures for reporting potential cases	5, 8
<b>D: Decent work and good health, all HQ employees</b>	N/A	A set of internal guidelines (updated in 2021) 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 massage therapy, fitness, workplace assessment and physiotherapy counselling Dental and health insurance Granting of supplementary days off for serious illness of close relatives	8
<b>D: Decent work and economic growth, Ghana aquaculture</b>	N/A	ASC pre-assessment of tilapia farm in Ghana conducted 2021 (Fish & Feeds/ Danmarin A/S). Whistleblower system established and implemented early 2022.	3, 8
<b>I: Working conditions, value chain</b>	N/A	Efforts to identify risks initiated on a sporadic basis. Several supplier and customer production facilities SMETA certified (complete overview in development).	8

<sup>4</sup> Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence

<sup>5</sup> When applicable as not all areas are governed by formal policies

<sup>6</sup> Subsidiary specified in parenthesis means the activity is run at subsidiary level

## Gender diversity

### *Supreme management body*

Gender diversity and in particular female representation at management and Board of Directors level is a soft spot in Kangamiut Holding 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.

Yet, in 2021, we have made progress, as reported in Table 3: Female representation at both Board of Directors and executive management level has been improved. However, for the sake of transparency, it should be noted that the actual improvement corresponds to one new female member of the Kangamiut Holding A/S Board of Directors and a single new female member holding both executive management and individual subsidiary company Board of Directors positions.

**Table 3. Gender diversity challenges and associated actions**

Challenge or risks <sup>7</sup>	Company policies <sup>8</sup>	Action <sup>9</sup>	UN SDGs
<b>D: Gender equality, representation of women in Board of Directors</b>	N/A	Female representation increased to 33% (two out of six) in 2021 from 20% in 2020. Female representation increased to 60% (three out of five) in Vintherbørn ApS, mother company of Kangamiut Holding A/S. Female representation introduced in two Group companies (Alimex A/S, Kangamiut Green Land ApS; one out of six and three, respectively). All other consolidated Group company boards composed of 100% male board members.	5
<b>D: Gender equality, representation of women in management</b>	N/A	Female representation in executive management increased to 33% (one out of three) in 2021 from 0% (zero out of two) in 2020. Female representation at individual consolidated Group company CEO level increased to 10% (one out of ten) in 2021 from 0% in 2020.	5

<sup>7</sup> Risks marked 'D' means mitigation is under direct influence of the company. 'I' means the company only has indirect influence

<sup>8</sup> When applicable as not all areas are governed by formal policies

<sup>9</sup> Subsidiary specified in parenthesis means the activity is run at subsidiary level

*Board composition*

The Kangamiut Holding A/S target for the underrepresented gender on the board of directors corresponding to minimum two (out of typically five or six) board members was met in 2021 with the addition of a new female board member specializing in financial, strategic, and educational business aspects.

The Kangamiut Holding A/S board now has two female members elected by the annual general assembly, out of a total of six board members (33%). The board of directors of the parent company, Vintherbørn ApS, consists of three women (60%) and two men (40%).

*Group management composition*

Upper management counts one woman and two men (+ 1 woman in 2021). At the subsidiary level, one out of eight CEO positions are held by women (+ 1 woman in 2021). 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.

## Income statement

Note	Group		Parent		
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
3	<b>Revenue</b>	<b>3,589,220</b>	<b>3,107,699</b>	<b>9,376</b>	<b>8,332</b>
	Other operating income	6,327	5,127	0	0
	Costs of raw materials and consumables	-3,381,801	-2,963,922	0	0
	Other external expenses	-55,941	-52,158	-3,717	-3,477
4	Staff costs	-58,296	-40,900	-13,206	-9,181
	<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>99,509</b>	<b>55,846</b>	<b>-7,547</b>	<b>-4,326</b>
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-2,328	-2,775	-553	-559
	Other operating expenses	-5	-613	0	-304
	<b>Operating profit/loss</b>	<b>97,176</b>	<b>52,458</b>	<b>-8,100</b>	<b>-5,189</b>
5	Income from equity investments in group enterprises	0	0	45,894	23,713
6	Income from equity investments in associates	19,112	14,843	17,008	13,770
	Income from other investments and receivables that are fixed assets	125	86	125	86
7	Financial income	6,953	5,344	1,679	1,979
8	Financial expenses	-21,640	-18,716	-689	-626
	<b>Total net financials</b>	<b>4,550</b>	<b>1,557</b>	<b>64,017</b>	<b>38,922</b>
	<b>Profit before tax</b>	<b>101,726</b>	<b>54,015</b>	<b>55,917</b>	<b>33,733</b>
9	Tax on profit for the year	-18,268	-8,735	1,530	805
	<b>Profit for the year</b>	<b>83,458</b>	<b>45,280</b>	<b>57,447</b>	<b>34,538</b>
10	Proposed appropriation account				

ASSETS		Group		Parent	
		31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000
Note					
	Acquired rights	0	0	0	0
	Goodwill	4,503	5,282	0	0
11	<b>Total intangible assets</b>	<b>4,503</b>	<b>5,282</b>	<b>0</b>	<b>0</b>
	Land and buildings	17,813	11,409	7,323	7,446
	Plant and machinery	1,910	1,431	0	0
	Other fixtures and fittings, tools and equipment	4,204	2,171	1,120	1,510
	Biological assets	3,400	0	0	0
12	<b>Total property, plant and equipment</b>	<b>27,327</b>	<b>15,011</b>	<b>8,443</b>	<b>8,956</b>
13	Equity investments in group enterprises	0	0	192,160	145,784
13	Equity investments in associates	92,392	86,178	78,759	74,714
14	Receivables from associates	2,825	97	2,825	97
13	Other investments	809	775	119	86
14	Other receivables	20,237	22,830	6,333	8,576
	<b>Total investments</b>	<b>116,263</b>	<b>109,880</b>	<b>280,196</b>	<b>229,257</b>
	<b>Total non-current assets</b>	<b>148,093</b>	<b>130,173</b>	<b>288,639</b>	<b>238,213</b>
	Raw materials and consumables	90,180	49,374	0	0
	Manufactured goods and goods for resale	517,401	600,398	0	0
	Prepayments for goods	254,423	117,123	0	0
	<b>Total inventories</b>	<b>862,004</b>	<b>766,895</b>	<b>0</b>	<b>0</b>
	Trade receivables	486,221	351,780	0	0
	Receivables from group enterprises	4,346	27,834	47,871	68,888
	Receivables from associates	128	3,216	100	0
18	Deferred tax asset	4,485	4,322	632	535
	Income tax receivable	0	0	1,434	727
	Other receivables	30,426	15,357	2,860	2,932
15	Prepayments	1,064	764	610	257
	<b>Total receivables</b>	<b>526,670</b>	<b>403,273</b>	<b>53,507</b>	<b>73,339</b>
	<b>Cash</b>	<b>54,487</b>	<b>62,789</b>	<b>48,610</b>	<b>52,973</b>
	<b>Total current assets</b>	<b>1,443,161</b>	<b>1,232,957</b>	<b>102,117</b>	<b>126,312</b>
	<b>Total assets</b>	<b>1,591,254</b>	<b>1,363,130</b>	<b>390,756</b>	<b>364,525</b>



EQUITY AND LIABILITIES		Group		Parent	
		31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000
Note					
16	Contributed capital	1,335	1,335	1,335	1,335
	Reserve for net revaluation according to the equity method	68,245	62,093	162,854	127,433
	Foreign currency translation reserve	-670	-2,021	0	0
	Retained earnings	281,048	259,735	185,769	192,374
	Proposed dividend for the financial year	28,723	10,000	28,723	10,000
	<b>Equity attributable to owners of the parent</b>	<b>378,681</b>	<b>331,142</b>	<b>378,681</b>	<b>331,142</b>
17	Non-controlling interests	84,033	64,594	0	0
	<b>Total equity</b>	<b>462,714</b>	<b>395,736</b>	<b>378,681</b>	<b>331,142</b>
19	Other payables	0	809	0	0
	<b>Total long-term payables</b>	<b>0</b>	<b>809</b>	<b>0</b>	<b>0</b>
19	Short-term part of long-term payables	808	808	0	0
	Subordinate loan capital	0	18,845	0	18,845
	Payables to other credit institutions	795,000	733,183	105	33
	Prepayments received from customers	2	225	0	0
	Trade payables	275,504	158,366	770	780
	Payables to group enterprises	0	57	0	0
	Payables to associates	4,888	5,079	0	0
	Income taxes	18,202	8,183	0	0
	Other payables	34,136	38,311	11,200	13,625
20	Deferred income	0	3,528	0	100
	<b>Total short-term payables</b>	<b>1,128,540</b>	<b>966,585</b>	<b>12,075</b>	<b>33,383</b>
	<b>Total payables</b>	<b>1,128,540</b>	<b>967,394</b>	<b>12,075</b>	<b>33,383</b>
	<b>Total equity and liabilities</b>	<b>1,591,254</b>	<b>1,363,130</b>	<b>390,756</b>	<b>364,525</b>
21	Fair value information				
22	Derivative financial instruments				
23	Contingent liabilities				
24	Charges and security				
25	Related parties				

## Statement of changes in equity

Figures in DKK '000	Contributed 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 01.01.20 - 31.12.20								
Balance as at 01.01.20	1,335	119,630	0	182,071	15,000	318,036	52,766	370,802
Net effect of mergers and acquisition of enterprises	0	919	0	0	0	919	0	919
Adjusted balance as at 01.01.20	1,335	120,549	0	182,071	15,000	318,955	52,766	371,721
Foreign currency translation adjustment of foreign enterprises	0	-5,440	-2,021	0	0	-7,461	-815	-8,276
Distributed dividend from associates	0	-32,122	0	32,122	0	0	0	0
Dividend paid	0	0	0	0	-15,000	-15,000	-6,084	-21,084
Purchase of non-controlling interests	0	0	0	-781	0	-781	8,038	7,257
Other changes in equity	0	714	0	177	0	891	-54	837
Transfers to/from other reserves	0	-36,421	0	36,421	0	0	0	0
Net profit/loss for the year	0	14,813	0	9,725	10,000	34,538	10,742	45,280
Balance as at 31.12.20	1,335	62,093	-2,021	259,735	10,000	331,142	64,593	395,735



## Statement of changes in equity

Figures in DKK '000	Contributed 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
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	1,351	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	19,113	0	9,611	28,723	57,447	26,011	83,458
Balance as at 31.12.21	1,335	68,245	-670	281,048	28,723	378,681	84,033	462,714

## Statement of changes in equity

Figures in DKK '000	Contributed 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 01.01.20 - 31.12.20								
Balance as at 01.01.20	1,335	177,211	0	124,490	15,000	318,036	0	318,036
Foreign currency translation adjustment of foreign enterprises	0	-7,146	0	0	0	-7,146	0	-7,146
Distributed dividend from group enterprises	0	-11,229	0	11,229	0	0	0	0
Distributed dividend from associates	0	-32,122	0	32,122	0	0	0	0
Dividend paid	0	0	0	0	-15,000	-15,000	0	-15,000
Other changes in equity	0	714	0	0	0	714	0	714
Transfers to/from other reserves	0	-35,050	0	35,050	0	0	0	0
Net profit/loss for the year	0	35,055	0	-10,517	10,000	34,538	0	34,538
Balance as at 31.12.20	1,335	127,433	0	192,374	10,000	331,142	0	331,142
Statement of changes in equity for 01.01.21 - 31.12.21								
Balance as at 01.01.21	1,335	127,433	0	192,374	10,000	331,142	0	331,142
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	185,769	28,723	378,681	0	378,681

## Consolidated cash flow statement

Note	Group	
	2021 DKK '000	2020 DKK '000
	<b>83,458</b>	<b>45,280</b>
<b>Profit for the year</b>		
26 Adjustments	16,219	12,007
Change in working capital:		
Inventories	-95,109	-233,018
Receivables	-149,747	32,516
Trade payables	116,915	53,792
Other payables relating to operating activities	-7,765	14,059
<b>Cash flows from operating activities before net financials</b>	<b>-36,029</b>	<b>-75,364</b>
Interest income and similar income received	6,953	5,345
Interest expenses and similar expenses paid	-21,640	-18,717
Income tax paid	-8,239	-10,730
<b>Cash flows from operating activities</b>	<b>-58,955</b>	<b>-99,466</b>
Purchase of property, plant and equipment	-12,578	-7,997
Sale of property, plant and equipment	33	0
Purchase of securities and equity investments	-65	-500
Sale of securities and equity investments	0	38,256
Dividend recieved	8,977	32,122
Loan repayments received	-2,728	1,605
<b>Cash flows from investing activities</b>	<b>-6,361</b>	<b>63,486</b>
Dividend paid	-16,924	-21,077
Arrangement of payables to credit institutions	61,818	112,703
Repayment of payables to group enterprises	10,031	-26,053
Repayment of payables to associates	2,897	-8,738
Repayment of other long-term payables	-808	-808
<b>Cash flows from financing activities</b>	<b>57,014</b>	<b>56,027</b>
<b>Total cash flows for the year</b>	<b>-8,302</b>	<b>20,047</b>
Cash, beginning of year	62,789	42,742
<b>Cash, end of year</b>	<b>54,487</b>	<b>62,789</b>
Cash, end of year, comprises:		
Cash	54,487	62,789
<b>Total</b>	<b>54,487</b>	<b>62,789</b>

## 1. Subsequent events

Following the closing of the annual accounts, war has broken out between Russia and Ukraine. The EU and the US have imposed sanctions on Russia. At present, it is not clear what consequences this may have for food imports and sales.

## 2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

	Recognised in the income statement in:	Group		Parent	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Impairment losses on intangible assets	Depreciation and amortisation of and impairment losses on intangible assets and property, plant and equipment	0	-1,724	0	0
Gain on the divestment of associates	Income from equity investments in associates	0	5,550	0	1,413
<b>Total</b>		<b>0</b>	<b>3,826</b>	<b>0</b>	<b>1,413</b>

	Group		Parent	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000

### 3. Revenue

Revenue comprises the following activities:

Fish and shellfish	3,588,448	3,106,252	0	0
Guarantee fee	100	223	3,924	2,725
Management fee	672	1,224	5,452	5,607
<b>Total</b>	<b>3,589,220</b>	<b>3,107,699</b>	<b>9,376</b>	<b>8,332</b>

Revenue comprises the following geographical markets:

Revenue, Denmark	2,616,805	1,859,677	9,376	8,332
Revenue, export	1,066,289	1,330,941	0	0
Sales revenue deductions	-93,874	-82,919	0	0
<b>Total</b>	<b>3,589,220</b>	<b>3,107,699</b>	<b>9,376</b>	<b>8,332</b>

### 4. Staff costs

Wages and salaries	53,065	37,098	11,587	8,069
Pensions	3,004	2,522	660	630
Other social security costs	558	368	82	65
Other staff costs	1,669	912	877	417
<b>Total</b>	<b>58,296</b>	<b>40,900</b>	<b>13,206</b>	<b>9,181</b>

Average number of employees during the year	77	53	11	11
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	4,056	3,487	4,046	3,475
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	Group		Parent	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
<b>5. Income from equity investments in group enterprises</b>				
Share of profit or loss of group enterprises	0	0	45,894	22,810
Elimination of internal gains and losses	0	0	0	-112
Impairment losses on other excess values	0	0	0	1,015
<b>Total</b>	<b>0</b>	<b>0</b>	<b>45,894</b>	<b>23,713</b>

<b>6. Income from equity investments in associates</b>				
Share of profit or loss of associates	20,247	10,216	17,008	12,176
Elimination of internal gains and losses	0	212	0	181
Amortisation of goodwill	-1,135	-1,135	0	0
Gain on the divestment of associates	0	5,550	0	1,413
<b>Total</b>	<b>19,112</b>	<b>14,843</b>	<b>17,008</b>	<b>13,770</b>

<b>7. Financial income</b>				
Interest, group enterprises	0	0	1,439	1,729
Interest, associates	206	254	206	250
Other interest income	4,245	3,525	0	0
Foreign currency translation adjustments	2,502	1,554	34	0
Other financial income	0	11	0	0
<b>Total</b>	<b>6,953</b>	<b>5,344</b>	<b>1,679</b>	<b>1,979</b>

<b>8. Financial expenses</b>				
Interest, group enterprises	128	377	128	377
Interest, associates	251	243	0	0
Other interest expenses	16,505	16,013	560	241
Foreign currency translation adjustments	2,981	1,215	0	8
Foreign exchange losses	52	0	0	0
Other financial expenses	1,723	868	1	0
<b>Total</b>	<b>21,640</b>	<b>18,716</b>	<b>689</b>	<b>626</b>

	Group		Parent	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000

### 9. Tax on profit for the year

Current tax for the year	18,431	8,483	-1,433	-727
Adjustment of deferred tax for the year	-163	252	-97	-78
<b>Total</b>	<b>18,268</b>	<b>8,735</b>	<b>-1,530</b>	<b>-805</b>

### 10. Proposed appropriation account

Reserve for net revaluation according to the equity method	19,113	14,813	60,174	35,055
Proposed dividend for the financial year	28,723	10,000	28,723	10,000
Non-controlling interests	26,011	10,742	0	0
Retained earnings	9,611	9,725	-31,450	-10,517
<b>Total</b>	<b>83,458</b>	<b>45,280</b>	<b>57,447</b>	<b>34,538</b>

### 11. Intangible assets

Figures in DKK '000	Acquired rights	Goodwill
Group:		
Cost as at 01.01.21	7,400	7,177
Cost as at 31.12.21	7,400	7,177
Amortisation and impairment losses as at 01.01.21	-7,400	-1,895
Amortisation during the year	0	-779
Amortisation and impairment losses as at 31.12.21	-7,400	-2,674
Carrying amount as at 31.12.21	0	4,503

**12. Property, plant and equipment**

Figures in DKK '000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Biological assets
Group:				
Cost as at 01.01.21	11,820	1,491	6,479	0
Foreign currency translation adjustment of foreign enterprises	-69	114	1,369	0
Additions during the year	7,033	466	1,678	3,400
Disposals during the year	0	-33	0	0
Cost as at 31.12.21	18,784	2,038	9,526	3,400
Depreciation and impairment losses as at 01.01.21	-412	-60	-4,308	0
Foreign currency translation adjustment of foreign enterprises	-27	-4	-61	0
Depreciation during the year	-532	-64	-953	0
Depreciation and impairment losses as at 31.12.21	-971	-128	-5,322	0
Carrying amount as at 31.12.21	17,813	1,910	4,204	3,400
Parent:				
Cost as at 01.01.21	7,764	0	4,296	0
Additions during the year	0	0	40	0
Cost as at 31.12.21	7,764	0	4,336	0
Depreciation and impairment losses as at 01.01.21	-319	0	-2,785	0
Depreciation during the year	-122	0	-431	0
Depreciation and impairment losses as at 31.12.21	-441	0	-3,216	0
Carrying amount as at 31.12.21	7,323	0	1,120	0



**13. Investments**

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates	Other invest- ments
Group:			
Cost as at 01.01.21	0	24,084	1,115
Additions during the year	0	65	0
Cost as at 31.12.21	0	24,149	1,115
Revaluations as at 01.01.21	0	66,066	-140
Foreign currency translation adjustment of foreign enterprises	0	306	0
Revaluations during the year	0	0	34
Net profit/loss from equity investments	0	20,247	0
Dividend relating to equity investments	0	-8,975	0
Other equity adjustments relating to equity investments	0	-1,566	0
Transfers during the year to/from other items	0	-2,728	0
Revaluations as at 31.12.21	0	73,350	-106
Depreciation and impairment losses as at 01.01.21	0	-3,972	-200
Amortisation of goodwill	0	-1,135	0
Depreciation and impairment losses as at 31.12.21	0	-5,107	-200
Carrying amount as at 31.12.21	0	92,392	809
Parent:			
Cost as at 01.01.21	84,542	8,523	225
Additions during the year	15,000	0	0
Cost as at 31.12.21	99,542	8,523	225
Revaluations as at 01.01.21	61,242	66,191	-140
Foreign currency translation adjustment of foreign enterprises	1,351	306	0
Revaluations during the year	0	0	34
Net profit/loss from equity investments	45,894	17,008	0
Dividend relating to equity investments	-15,869	-8,975	0
Other equity adjustments relating to equity investments	0	-1,566	0
Transfers during the year to/from other items	0	-2,728	0
Revaluations as at 31.12.21	92,618	70,236	-106
Carrying amount as at 31.12.21	192,160	78,759	119

**13. 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%
Freshpack Holding SA, Saint-Martin-Blogne, Frankrig	33%
Halibut Greenland ApS, Ilulissat, Grønland	23%
Læsø Choice A/S, Brønderslev	50%
Uummannaq Seafood A/S, Ilulissat, Grønland	13%

**14. Other non-current financial assets**

Figures in DKK '000	Receivables from associates	Other receivables
Group:		
Cost as at 01.01.21	7,552	24,980
Additions during the year	0	1,183
Disposals during the year	0	-2,366
Cost as at 31.12.21	7,552	23,797
Impairment losses as at 01.01.21	-7,455	-2,150
Impairment losses during the year	0	-1,410
Reversal of impairment losses in respect of previous years	2,728	0
Impairment losses as at 31.12.21	-4,727	-3,560
Carrying amount as at 31.12.21	2,825	20,237
Parent:		
Cost as at 01.01.21	7,552	8,576
Additions during the year	0	123
Disposals during the year	0	-2,366
Cost as at 31.12.21	7,552	6,333
Impairment losses as at 01.01.21	-7,455	0
Reversal of impairment losses in respect of previous years	2,728	0
Impairment losses as at 31.12.21	-4,727	0
Carrying amount as at 31.12.21	2,825	6,333

	Group		Parent	
	31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000

### 15. Prepayments

Prepaid insurance premiums	0	52	0	0
Prepaid lease payments	49	0	0	0
Other prepayments	263	455	0	0
Prepaid exhibition costs	752	257	610	257
<b>Total</b>	<b>1,064</b>	<b>764</b>	<b>610</b>	<b>257</b>

### 16. Share capital

The share capital consists of:

	Quantity	Total nominal value
Share class A	1,168	1,168
Share class B	167	167
<b>Total</b>		<b>1,335</b>

	Group		Parent	
	31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000

### 17. Non-controlling interests

Non-controlling interests, beginning of year	64,593	52,767	0	0
Foreign currency translation adjustment of foreign enterprises	348	-815	0	0
Dividend paid	-6,924	-6,084	0	0
Purchase of non-controlling interests	0	8,038	0	0
Other changes in equity	5	-54	0	0
Net profit/loss for the year (distribution of net profit)	26,011	10,742	0	0
<b>Total</b>	<b>84,033</b>	<b>64,594</b>	<b>0</b>	<b>0</b>

	Group		Parent	
	31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000

**18. Deferred tax**

Provisions for deferred tax as at 01.01.21	4,322	4,037	535	457
Additions relating to mergers and acquisition of enterprises	0	537	0	0
Deferred tax recognised in the income statement	163	-252	97	78
Provisions for deferred tax as at 31.12.21	4,485	4,322	632	535

Deferred tax is distributed as below:

Intangible assets	159	271	0	0
Property, plant and equipment	598	512	557	460
Inventories	75	75	75	75
Receivables	2,750	2,750	0	0
Liabilities	903	714	0	0
Total	4,485	4,322	632	535

As at 31.12.21, the company has recognised a deferred tax asset of DKK 4,485k, 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.

**19. Long-term payables**

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Group:				
Other payables	808	0	808	1,617
Total	808	0	808	1,617

	Group		Parent	
	31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000
<b>20. Deferred income</b>				
Deferred income	0	3,528	0	100

## 21. Fair value information

Figures in DKK '000	Listed securities and equity investments	Derivative financial instruments	Total
Group:			
Fair value as at 31.12.21	119	790	909
Unrealised changes of fair value recognised in the income statement for the year	33	790	823

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, 2021.

## 22. 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 2021, a future sale of goods of NOK 177,416k and CAD 887k was secured for a period of up to 3 months. The fair value of the forward exchange contracts amounts to DKK 73,089k as at 31.12.21. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

### 23. Contingent liabilities

Group:

#### *Lease commitments*

The group has concluded lease agreements with terms to maturity of 102 months and average lease payments of DKK 57k, a total of DKK 835k.

#### *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 775,556k 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 7,925k at the balance sheet date.

Parent:

#### *Lease commitments*

The company has concluded lease agreements with terms to maturity of 60 months and average lease payments of DKK 17k, a total of DKK 364k.

#### *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 775,556k 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 7,925k 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.

## 24. Charges and security

Group:

The group has provided a company charge of DKK 775,556k as security for debt to credit institutions on DKK 663,000k. As at 31.12.21, the company charge comprises the following assets with the following carrying amounts:

- Inventories, DKK 862,004k
- Trade receivables, DKK 486,221k

Parent:

The company has not provided any security over assets.

## 25. 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 4. Staff costs.

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



	Group	
	2021 DKK '000	2020 DKK '000
<b>26. Adjustments for the cash flow statement</b>		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	2,328	2,775
Other operating expenses	0	613
Income from equity investments in associates	-19,113	-14,844
Income from other investments and receivables that are fixed assets	-125	-86
Financial income	-6,953	-5,345
Impairment losses on financial assets	0	600
Financial expenses	21,639	18,717
Tax on profit or loss for the year	18,268	8,735
Other adjustments	175	842
<b>Total</b>	<b>16,219</b>	<b>12,007</b>

## 27. 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.

**27. 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.

**BUSINESS COMBINATIONS**

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis in the balance sheet of the parent based on the actual ownership interest in the acquired equity investments. In the consolidated financial statements, goodwill is recognised in full regardless of the ownership interest held in the subsidiary, i.e. including goodwill relating to the shares of non-controlling interests in subsidiaries.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

On acquisitions of subsidiaries in stages, the value of existing equity investments is remeasured at fair value at the date control is obtained, and the difference between the carrying amount of existing equity investments and fair value is recognised in the income statement.

**27. Accounting policies** - continued -**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.

**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.

**27. Accounting policies** - continued -**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.

**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.

**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.

**27. 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.

Biological assets are 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.

**27. Accounting policies** - continued -**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.

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.

**27. 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***Biological assets*

On initial recognition, biological assets, which comprise living plants and animals that are biological transformed and acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. 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.

Subsequent to initial recognition, biological assets are measured in the balance sheet at cost.

*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.



**27. Accounting policies** - continued -

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.

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.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

*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.

**27. Accounting policies** - continued -

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.

On the acquisition of non-controlling interests in subsidiaries, the difference between the consideration and the carrying amount of the equity investments is recognised in the parent's equity.

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.

On disposal of non-controlling interests in subsidiaries that do not result in loss of control of the subsidiary, the difference between the consideration and the equity value of the equity investments is recognised in the parent's equity.

**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.

**27. Accounting policies** - continued -**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.

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.

**27. Accounting policies** - continued -**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.

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.

**27. 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**

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

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.

**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.

**Deferred income**

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

**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.

**27. Accounting policies** - continued -

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.