

# Skagerak Salmon A/S

Herluf Trollesvej 14  
9850 Hirtshals

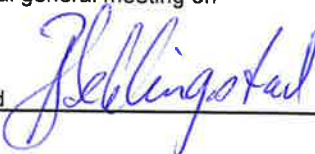
CVR no. 31 16 53 42

## Annual report 2018

The annual report was presented and approved at the  
Company's annual general meeting on

21 May 2019

Bård Sekkingstad  
chairman



## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Cash flow statement	12
Notes	13

## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Skagerak Salmon A/S for the financial year 1 January – 31 December 2018.

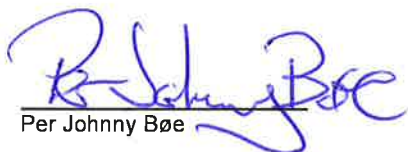
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Hirtshals, 21 May 2019  
Executive Board:



Per Johnny Bøe

Board of Directors:



Bård Sekkingstad  
Chairman



Monica Nygård Jetmundsen



Even Hopland



## **Independent auditor's report**

### **To the shareholder of Skagerak Salmon A/S**

#### **Opinion**

We have audited the financial statements of Skagerak Salmon A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

#### **Management's responsibility for the financial statements**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the 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.



## Independent auditor's report

- 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

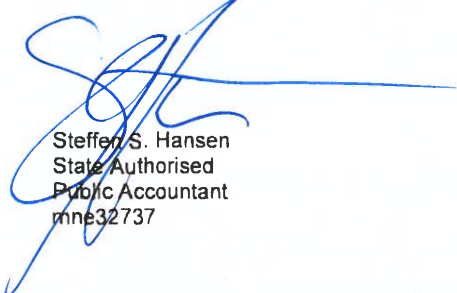
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aalborg, 21 May 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Steffen S. Hansen  
State Authorised  
Public Accountant  
mne32737

**Skagerak Salmon A/S**  
Annual report 2018  
CVR no. 31 16 53 42

## Management's review

### Company details

Skagerak Salmon A/S  
Herluf Trollesvej 14  
9850 Hirtshals

Telephone: +45 88 44 49 00  
Fax: +45 98 94 48 22  
E-mail: [info@skageraksalmon.dk](mailto:info@skageraksalmon.dk)

CVR no.: 31 16 53 42  
Established: 1 January 2008  
Registered office:  
Financial year: 1 January – 31 December

### Board of Directors

Bård Sekkingstad, Chairman  
Monica Nygård Jetmundsen  
Even Hopland

### Executive Board

Per Johnny Bøe

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Østre Havnegade 18  
DK-9000 Aalborg

### Bank

DnB Bank ASA  
Arne Jacobsens Allé 15  
2300 København S

## Management's review

### Financial highlights

DKK'000	2018	2017	2016	2015	2014
<b>Key figures</b>					
Revenue	719,770	649,672	440,095	368,300	425,263
Gross profit	31,639	36,270	9,814	44,257	47,160
Operating profit/loss	10,151	10,240	-15,544	-3,356	-554
Profit/loss from financial income and expenses	-1,049	73	616	-1,768	-2,073
Profit/loss for the year	7,081	7,900	-11,649	-3,903	-2,627
Total assets	195,931	144,779	124,510	129,197	130,637
Equity	26,102	19,022	11,122	22,771	6,762
Investment in property, plant and equipment	6,285	585	6,457	1,066	2,932
<b>Ratios</b>					
Return on invested capital	7.6%	7.6%	-11.7%	-4.0%	-1.9%
Solvency ratio	13.3%	13.1%	9.0%	18.2%	5.2%
Average number of full-time employees	57	40	46	91	105

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Return on invested capital

$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

## **Management's review**

### **Operating review**

#### **Principal activities**

Similar to previous years, the Company has been engaged in the manufacture, processing and sale of salmon and related activities.

#### **Development in activities and financial position**

The Company reported a profit after tax of DKK 7,081 thousand for 2018 as against DKK 7,900 thousand for 2017. Management considers the performance satisfactory.

#### **Capital resources**

The Parent Company provides financing to the Company. Accordingly, Management is of the opinion that capital resources are sufficient to finance operations in 2019.

#### **Events after the balance sheet date**

Moreover, reference is made to note 16, in which the matter is described in further detail.

#### **Environmental matters**

During the year under review, the Company remained focused on reducing the environmental impact from production.

#### **Outlook**

The Company expects to enjoy a sales increase in the coming year, and relying on the implemented production optimisation, Management expects to enjoy continuous growth in 2019.

#### **Research and development activities**

The Company does not incur any research and development costs.

#### **Particular risks**

In Management's opinion, there are no particular risks affecting the Company.

#### **Intellectual capital**

Management holds the view that the Company does not have any intellectual capital of particular importance to future earnings.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2018	2017
<b>Revenue</b>		719,770	649,672
Change in inventories of finished goods/ work in progress		-626,967	-567,627
Other external costs		-61,164	-45,775
<b>Gross profit</b>		31,639	36,270
Staff costs	2	-19,917	-21,288
Depreciation, amortisation and impairment losses		-1,571	-4,215
<b>Ordinary operating profit</b>		10,151	10,767
Other operating costs		0	-527
<b>Operating profit</b>		10,151	10,240
Financial income	3	1,723	1,982
Financial expenses	4	-2,772	-1,909
<b>Profit before tax</b>		9,102	10,313
Tax on profit for the year	5	-2,021	-2,413
<b>Profit for the year</b>	6	7,081	7,900

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2018	2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	7		
Software		514	677
<b>Property, plant and equipment</b>	8		
Land and buildings		13,717	13,963
Plant and machinery		6,251	892
Fixtures and fittings, tools and equipment		181	416
		20,149	15,271
<b>Investments</b>	9		
Deposits		60	60
<b>Total fixed assets</b>		20,723	16,008
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		5,221	5,367
Finished goods and goods for resale		80,760	47,483
Prepayments for goods		4,212	0
		90,193	52,850
<b>Receivables</b>			
Trade receivables		81,957	73,277
Receivables from group entities		0	437
Other receivables		1,697	1,355
Prepayments	10	1,361	852
		85,015	75,921
<b>Total current assets</b>		175,208	128,771
<b>TOTAL ASSETS</b>		195,931	144,779

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	11	600	600
Retained earnings		25,502	18,422
<b>Total equity</b>		<b>26,102</b>	<b>19,022</b>
<b>Provisions</b>			
Provisions for deferred tax	12	1,847	868
<b>Total provisions</b>		<b>1,847</b>	<b>868</b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other payables		11,625	14,625
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		1,500	0
Prepayments received from customers		0	115
Trade payables		97,527	35,453
Payables to group entities		53,471	63,406
Corporation tax		0	451
Other payables		3,859	10,839
		156,357	110,264
<b>Total liabilities other than provisions</b>		<b>167,982</b>	<b>124,889</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>195,931</b>	<b>144,779</b>
<b>Contractual obligations, contingencies, etc.</b>			
	13		
<b>Mortgages and collateral</b>	14		
<b>Related party disclosures</b>	15		
<b>Disclosure of events after the balance sheet date</b>	16		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	600	18,421	19,021
Transferred over the profit appropriation	0	7,081	7,081
<b>Equity at 31 December 2018</b>	<b>600</b>	<b>25,502</b>	<b>26,102</b>

## Financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	2018	2017
Profit for the year		7,081	7,900
Other adjustments of non-cash operating items	17	4,640	7,082
Cash flows from operations before changes in working capital		11,721	14,982
Changes in working capital	18	-1,393	-23,321
Cash flows from ordinary activities		10,328	-8,339
Interest income		1,723	1,971
Interest expense		-2,772	-1,898
Paid taxes		-1,494	0
<b>Cash flows from operating activities</b>		<b>7,785</b>	<b>-8,266</b>
Acquisition of intangible assets		0	-34
Acquisition of property, plant and equipment		-6,285	-585
Disposal of property, plant and equipment		0	4,246
<b>Cash flows from investing activities</b>		<b>-6,285</b>	<b>3,627</b>
External financing:			
Repayment of non-current debt		-1,500	-375
Increase in payables to credit institutions		0	5,011
<b>Cash flows from financing activities</b>		<b>-1,500</b>	<b>4,636</b>
<b>Cash flows for the year</b>		<b>0</b>	<b>-3</b>
Cash and cash equivalents at the beginning of the year		0	3
<b>Cash and cash equivalents at year end</b>		<b>0</b>	<b>0</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Skagerak Salmon A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### Income statement

#### Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms @ 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Costs incurred in generating revenue for the year are recognised in cost of sales. Furthermore, the caption also comprises direct costs of goods for resale and changes to inventory of goods for resale.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Other operating costs

Other operating costs comprise items secondary to the activities of the Company, including losses on the disposal of intangible assets and property, plant and equipment.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

#### Financial income and expenses

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

##### Balance sheet

##### Intangible assets

Intangible assets with short useful lives, e.g. software, are measured at cost less accumulated amortisation or the recoverable amount if this is lower. Such assets are usually amortised over a maximum of seven years, which is the expected useful life.

##### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20-30 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Impairment of fixed assets

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

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

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

#### Deposits

Deposits comprise rent deposits recognised and measured at cost. Deposits are not depreciated.

#### Inventories

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

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

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management and capitalised development costs on the products.

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

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Corporation tax and deferred tax

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

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement apart from captions taken directly to equity.

#### Liabilities other than provisions

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

Other liabilities are measured at net realisable value.

#### Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

#### Foreign currency translation

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

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

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

### **Cash flow statement**

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

#### **Cash flows from operating activities**

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

#### **Cash flows from investing activities**

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

#### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as the raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK'000	2018	2017
Wages and salaries	16,996	18,924
Pensions	1,500	1,350
Other social security costs	735	275
Other staff costs	686	739
	<u>19,917</u>	<u>21,288</u>
Average number of full-time employees	<u>57</u>	<u>40</u>

With reference to section 98b (3) of the Danish Financial Statements Act, executive remuneration has not been disclosed for 2018.

DKK'000	2018	2017
---------	------	------

#### 3 Financial income

Other financial income	303	491
Exchange adjustments	<u>1,420</u>	<u>1,491</u>
	<u>1,723</u>	<u>1,982</u>

#### 4 Financial expenses

Interest expense to group entities	1,338	1,026
Other financial costs	167	75
Exchange adjustments	1,267	803
Percentage surcharge, corporation tax	<u>0</u>	<u>5</u>
	<u>2,772</u>	<u>1,909</u>

#### 5 Tax on profit for the year

Current tax for the year	66	451
Adjustment for the year of deferred tax	1,955	1,790
Adjustment of tax in respect of previous years	<u>0</u>	<u>172</u>
	<u>2,021</u>	<u>2,413</u>

#### 6 Proposed profit appropriation

Retained earnings	<u>7,081</u>	<u>7,900</u>
-------------------	--------------	--------------

## Financial statements 1 January – 31 December

### Notes

#### 7 Intangible assets

DKK'000	Software
Cost at 1 January 2018	6,047
Additions for the year	427
Cost at 31 December 2018	6,474
Amortisation and impairment losses at 1 January 2018	-5,370
Amortisation for the year	-590
Amortisation and impairment losses at 31 December 2018	-5,960
<b>Carrying amount at 31 December 2018</b>	<b>514</b>

#### 8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	16,528	1,464	1,339	19,331
Additions for the year	9	5,854	-5	5,858
Cost at 31 December 2018	16,537	7,318	1,334	25,189
Depreciation and impairment losses at 1 January 2018	-2,565	-572	-923	-4,060
Depreciation for the year	-255	-495	-230	-980
Depreciation and impairment losses at 31 December 2018	-2,820	-1,067	-1,153	-5,040
<b>Carrying amount at 31 December 2018</b>	<b>13,717</b>	<b>6,251</b>	<b>181</b>	<b>20,149</b>

#### 9 Investments

DKK'000	Deposits
Cost at 1 January 2018	60
Cost at 31 December 2018	60
<b>Carrying amount at 31 December 2018</b>	<b>60</b>

#### 10 Prepayments

DKK'000	2018	2017
Prepaid lease costs	947	459
Other prepayments	414	393
	<b>1,361</b>	<b>852</b>

## Financial statements 1 January – 31 December

### Notes

#### 11 Equity

The contributed capital consists of 600 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

#### 12 Deferred tax

DKK'000

	2018	2017
Deferred tax at 1 January	867	-1,095
Deferred tax adjustment for the year in the income statement	1,955	1,962
Adjustment of deferred tax in respect of previous years	-975	0
	<u>1,847</u>	<u>867</u>
Provisions for deferred tax relate to:		
Intangible assets	114	149
Property, plant and equipment	1,677	1,652
Current assets	524	370
Liabilities other than provisions	-147	-53
Tax loss carryforwards	-321	-1,251
	<u>1,847</u>	<u>867</u>

#### 13 Contractual obligations, contingencies, etc.

##### Operating lease obligations

The Company has entered into operating leases with an annual lease payment of DKK 8,304 thousand.

The remaining term of the lease contracts is up to 57 months, and they come with a residual lease payment of DKK 31,320 thousand.

##### Contingent liabilities

Skagerak Salmon A/S is jointly taxed with another Danish group entity. The jointly taxed entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities did not have a net liability to SKAT at 31 December 2018. Any subsequent corrections of the jointly taxed income or withholding taxes on dividends, etc., may entail a change in the entities' liability.

The Group as a whole is not liable to any other parties.

##### Rent obligations

The Company has entered into a lease contract for inventory facilities. The price relies on volume. Costs for 2018 reached DKK 2,947 thousand. The liability during the period of interminability represents a maximum of DKK 300 thousand.

## Financial statements 1 January – 31 December

### Notes

#### 14 Mortgages and collateral

As collateral for other non-current liabilities and current portion of non-current liabilities, DKK 13,125 thousand, collateral has been provided secured upon land and buildings whose carrying amount came in at DKK 13,717 thousand at 31 December 2018.

As collateral for bank loans via a cash-pool scheme with the affiliated company in Norway of DKK 53,964 thousand, the Company has issued a company charge of a nominal amount of DKK 50,000 thousand. The company charge comprises the following assets whose carrying amount at the balance sheet date totals:

Plant and machinery: DKK 6,432 thousand

Trade receivables: DKK 81,957 thousand

Inventories: DKK 90,193 thousand.

#### 15 Related party disclosures

Skagerak Salmon A/S' related parties comprise the following:

##### Control

Trient AS, Skaganeset, 5382 Skogsvåg, Norway.

Trient AS holds the majority of the contributed capital in the Company.

Skagerak Salmon A/S is part of the consolidated financial statements of Trient AS, Norway, which is the largest and smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Trient AS can be obtained by contacting the Company.

##### Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

#### 16 Disclosure of events after the balance sheet date

No events have occurred after the financial year end of major importance to the Company's financial position.

## Financial statements 1 January – 31 December

### Notes

DKK'000

	2018	2017
<b>17 Other adjustments</b>		
Financial income	-1,723	-1,971
Financial expenses	2,772	1,898
Tax on profit for the year	2,021	2,413
Depreciation and amortisation	1,570	4,215
Gains on the disposal of non-current assets	0	527
	<u>4,640</u>	<u>7,082</u>
<b>18 Change in working capital</b>		
Change in inventories	-37,343	-18,115
Change in receivables	-9,094	-13,631
Change in trade and other payables	<u>45,044</u>	<u>8,425</u>
	<u>-1,393</u>	<u>-23,321</u>