
BG Salmon ApS

Havnegade 19, st., DK-6700 Esbjerg

Annual Report for 1 January - 31 December 2018

CVR No 33 03 96 62

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
14/06 2019

Gisle Arnason Olsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of BG Salmon ApS for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Esbjerg, 14 June 2019

Executive Board

Gisle Arnason Olsen

Independent Auditor's Report

To the Shareholders of BG Salmon ApS

Opinion

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

We have audited the Financial Statements of BG Salmon ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

Independent Auditor's Report

ment, 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 about 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 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 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 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 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

Independent Auditor's Report

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.

Esbjerg, 14 June 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henning Tønder Olesen

statsautoriseret revisor

mne27864

Company Information

The Company

BG Salmon ApS
Havnegade 19, st.
DK-6700 Esbjerg

CVR No: 33 03 96 62
Financial period: 1 January - 31 December
Municipality of reg. office: Esbjerg

Executive Board

Gisle Arnason Olsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Esbjerg Brygge 28
DK-6700 Esbjerg

Lawyers

Advokatpartnerselskabet Kirk Larsen & Ascanius
Esbjerg Brygge 28
DK-6700 Esbjerg

Bankers

Sydbank
Kongensgade 62
DK-6700 Esbjerg

Management's Review

Key activities

The object of the Company is to purchase and sell fish and related activity, including trade in machinery.

Development in the year

The income statement of the Company for 2018 shows a profit of DKK 332,344, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 519,586.

Subsequent events

The Company's reconstruction proceedings were completed in 2015 when the reconstruction proposal was affirmed by the probate court in Esbjerg. The dividend declared of DKK 10 million is to be settled over a period of five years from the affirmation of the reconstruction proposal. If the Company does not comply with the settlement of the dividend, of the reconstruction proposal, the Company will be considered to have failed to observe the settlement, and there is a risk that the settlement will be terminated. In the period from the affirmation of the reconstruction proposal up to 31 December 2018, the dividend has been settled in accordance with the reconstruction proposal. Management expects that the Company will be able to continue the settlement of the dividend, of the reconstruction proposal.

The Company's unaudited operating budget for financial year 1 January – 31 December 2019 shows a profit as well as a positive cashflow. Based on this and on the reconstruction, Management assesses that the Company may continue as a going concern and, therefore, the Annual Report has been prepared under the going concern principle.

Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Gross profit/loss		4.258.395	8.680.783
Staff expenses	2	-4.139.943	-3.964.507
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-368.312	-356.781
Profit/loss before financial income and expenses		-249.860	4.359.495
Financial income		588.970	336.638
Financial expenses		-6.766	-5.916
Profit/loss before tax		332.344	4.690.217
Tax on profit/loss for the year		0	0
Net profit/loss for the year		332.344	4.690.217

Distribution of profit

Proposed distribution of profit

Retained earnings		332.344	4.690.217
		332.344	4.690.217

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Goodwill		0	0
Intangible assets		0	0
Other fixtures and fittings, tools and equipment		1.305.827	1.588.265
Leasehold improvements		107.343	193.217
Property, plant and equipment	3	1.413.170	1.781.482
Other investments		4.067.700	4.067.700
Other receivables		7.312.543	15.308.287
Fixed asset investments		11.380.243	19.375.987
Fixed assets		12.793.413	21.157.469
Inventories		0	257.001
Trade receivables		15.833.000	1.682.547
Other receivables		1.060.503	1.527.633
Prepayments		112.733	912.386
Receivables		17.006.236	4.122.566
Cash at bank and in hand		8.652	180.084
Currents assets		17.014.888	4.559.651
Assets		29.808.301	25.717.120

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		125.000	125.000
Retained earnings		394.586	62.242
Equity		519.586	187.242
Other payables		70.787	2.035.287
Long-term debt	4	70.787	2.035.287
Trade payables		24.648.968	16.505.607
Other payables	4	4.568.960	6.988.984
Short-term debt		29.217.928	23.494.591
Debt		29.288.715	25.529.878
Liabilities and equity		29.808.301	25.717.120
Going concern	1		
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	125.000	62.242	187.242
Net profit/loss for the year	0	332.344	332.344
Equity at 31 December	125.000	394.586	519.586

Notes to the Financial Statements

1 Going concern

The Company's reconstruction proceedings were concluded in 2015 when the reconstruction proposal was affirmed by the probate court in Esbjerg. The dividend agreed upon of DKK 10 million is to be paid over a period of five years from the affirmation of the reconstruction proposal. If the Company does not pay the dividend in accordance with the reconstruction proposal, the composition may be considered in default, and the Company may risk that the composition is suspended. The financing of the dividend of DKK 10 million is primarily based on a five-year payment scheme of proceeds of DKK 6.2 million from the disposal of a previous Polish subsidiary. As the payment scheme covers a five-year period, material uncertainty exists as to whether the buyer of the previous Polish subsidiary will be able to generate adequate earnings in the next three years to be able to fulfil the agreement. Management expects that the buyer of the previous Polish subsidiary will be able to pay the proceeds from the sale of the subsidiary. Based on this, Management expects that the Company will be able to pay the dividend in accordance with the reconstruction proposal. In the period from the affirmation of the reconstruction proposal up to 31 December 2018, the dividend has been settled in accordance with the reconstruction proposal. Although Management expects that the payment scheme will be met and, therefore, presents the Financial Statements under a going concern assumption, the above also indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

	2018 DKK	2017 DKK
2 Staff expenses		
Wages and salaries	3.450.100	3.371.101
Pensions	243.103	236.614
Other social security expenses	68.291	41.818
Other staff expenses	378.449	314.974
	4.139.943	3.964.507
Average number of employees	7	7

3 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	2.075.565	271.935
Cost at 31 December	2.075.565	271.935

Notes to the Financial Statements

3 Property, plant and equipment (continued)

	Other fixtures and fittings, tools and equipment <u>DKK</u>	Leasehold improvements <u>DKK</u>
Impairment losses and depreciation at 1 January	487.300	78.718
Depreciation for the year	<u>282.438</u>	<u>85.874</u>
Impairment losses and depreciation at 31 December	<u>769.738</u>	<u>164.592</u>
Carrying amount at 31 December	<u>1.305.827</u>	<u>107.343</u>

4 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2018</u> DKK	<u>2017</u> DKK
Other payables		
Between 1 and 5 years	<u>70.787</u>	<u>2.035.287</u>
Long-term part	<u>70.787</u>	<u>2.035.287</u>
Within 1 year	1.600.000	1.200.000
Other short-term payables	<u>2.968.960</u>	<u>5.788.984</u>
Short-term part	<u>4.568.960</u>	<u>6.988.984</u>
	<u>4.639.747</u>	<u>9.024.271</u>

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities, including	<u>380.000</u>	<u>460.000</u>
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Notes to the Financial Statements

6 Accounting Policies

The Annual Report of BG Salmon ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between

Notes to the Financial Statements

6 Accounting Policies (continued)

the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

6 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	3-4	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Fixed asset investments

Fixed asset investments, which consist of unlisted shares, are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

6 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of other receivables and other investments measured at the lower of cost and recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.