
Poseidicom ApS

Skelstedet 2A, DK-2950 Vedbæk

Annual Report for 2023

CVR No. 33 78 65 81

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/5 2024

Søren Dam
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	12
Balance sheet 31 December	13
Statement of changes in equity	15
Cash Flow Statement 1 January - 31 December	16
Notes to the Financial Statements	17

Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Poseidicom ApS for the financial year 1 January - 31 December 2023.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Vedbæk, 30 May 2024

Executive Board

Søren Dam

Independent Auditor's report

To the shareholder of Poseidicom ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Poseidicom ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on 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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 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 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 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 Parent 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.
- 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.

Independent Auditor's report

Esbjerg, 30 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henning Tønder Olesen

State Authorised Public Accountant

mne27864

Company information

The Company

Poseidicom ApS
Skelstedet 2A
DK-2950 Vedbæk

CVR No: 33 78 65 81

Financial period: 1 January - 31 December

Municipality of reg. office: Hørsholm

Executive Board

Søren Dam

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Esbjerg Brygge 28, 2.
DK-6700 Esbjerg

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,436,574	1,145,726	1,016,224	0	0
Gross profit	16,982	9,948	13,516	10,667	7,897
Profit/loss of primary operations	14,165	7,728	11,496	9,216	6,923
Profit/loss of financial income and expenses	-4,484	-2,715	-2,361	-1,358	-612
Net profit/loss for the year	6,980	3,924	6,842	5,905	4,797
Balance sheet					
Balance sheet total	346,318	262,258	269,844	215,805	97,285
Equity	32,414	25,934	22,010	15,168	12,788
Cash flows					
Cash flows from:					
- operating activities	2,556	700	-19,425	-20,590	-1,978
- investing activities	-18,438	-5,621	0	-1,596	0
- financing activities	15,549	5,353	19,489	33,945	4,506
Change in cash and cash equivalents for the year	-333	432	64	3,760	2,528
Number of employees	3	3	2	2	1
Ratios					
Gross margin	1.2%	0.9%	1.3%	0.0%	0.0%
Return on assets	4.1%	2.9%	4.3%	4.3%	7.1%
Solvency ratio	9.4%	9.9%	8.2%	7.0%	13.1%
Return on equity	23.9%	16.4%	36.8%	42.2%	54.7%

Management's review

Key activities

The object of the parent company is to act as a holding company.

The object of the Group Company is to purchase and sell fish and related activity. Both raw materials and value-added products.

Unusual circumstances

The Group's financial position at 31 December 2023 and the results of the Group's operations and its cash flows for 2023 are not affected by any unusual circumstances.

Development in the year

The income statement of the Group for 2023 shows a profit of DKK 10,3 million, and at 31 December 2023 the balance sheet of the Group shows positive equity of DKK 40,6 million.

The past year and follow-up on development expectations from last year

In 2023, the Group realized a higher operating profit, than expected. The operating profit was 80% higher compared to 2022 due to increase in trading of raw material and increase in sales of value-added products to a more diversified customer base. The result is influenced by an increase in traded raw material volume of approx. 7,5%. Prices of whole salmon in the period have been stable in 2023 compared to 2022. The Group's earnings are calculated based on volume. The Group's financing, through AL bank A/S and AL Finans A/S, have increased by respectively DKK 11,1 million and DKK 15 million resulting in DKK 100 million in total financing capability.

The Group has concluded a purchase and lease back agreement of processing machinery. The Group envision, that this activity could be expanded in the coming years.

Considering the above, Management considers profit for the year satisfactory in 2023.

Special risks - operating risks and financial risks

The financial and market risks of the Group are considered equal in 2024 to 2023.

Currency risk

The Group's trading is carried out exclusively in EUR. Therefore, the Group's currency risk is minimal.

Interest rate risk

The Group's primary sources of financing are factoring and bank credit lines. As Management does not expect the average interest rate level in 2024 to increase compared to 2023, the Company's interest rate risk is expected to remain unchanged or slightly lower.

Credit risk

The credit risk is not considered to be greater in 2024 than in 2023.

Liquidity risk

According to best estimates, the cashflow risk is decreasing in relative terms, as more sales are expected to be conducted by means of factoring.

The Group has a credit line of DKK 85 million with the factoring company AL Finans A/S, and additional funds are expected to be granted, if needed. The bank credit increased in 2023 from DKK 5 million to DKK 15 million.

Management's review

Targets and expectations for the year ahead

Salmon prices for whole fish and finished goods are in 2024 expected to be 5-10% higher than in 2023.

Profit before income tax is expected to constitute approx. DKK 10,9 million for 2024.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

Business model

The Group's principal activity is buying whole, gutted fresh and frozen fish, which is sold in Europe and overseas. The Group has agreements with two factories in Polen which process the whole fish into value-added products. The Group only source fish, which can be traced back to the respective fish farms and/or fishing vessels.

A large proportion of the value-added products are repurchased by the company and sold to customers throughout Europe and Australia. These include both fresh and frozen goods. The Group finances the sale of finished goods by means of credit factoring, using underlying credit insurance (95% covered) as security. The Group is certified both in terms of traceability (Global GAP), sustainability (MSC and ASC) and organic products (EU 218/845). In addition, the Group is approved and supervised by the Danish Veterinary and Food Administration.

The Group is a trading company with office in Denmark. More than 95 per cent of its goods are exported. All trading activities are conducted in accordance with current national rules and applicable rules of the EU and Australia. The Group currently has three employees and expect to increase its staff in the coming years.

ESG policy

The Group developed in 2023 its first version of its ESG policy, with the ambition to work towards a more sustainable approach internally and in the business sector that supports its purpose. The ambition is to make ESG an integral part of the strategy by defining, implementing, and refining a carefully constructed portfolio of ESG initiatives in the years to come.

Environment and climate

The Group's policy ambition is to exercise influence towards its counterparts - suppliers and their transporters and the processors - in the value chain, in which the group operates.

As the Group itself is an "office only" company with currently 3 employees and is not engaged in any production activities, its CO2 emissions are considered insignificant. Consequently, the Group has identified no risks related to the environment and climate due to the Company's own activities.

It is therefore the groups intention to engage in dialogue with its counterparts to continuously seek new know-how and technologies to both improve its operating profit and ensure a more efficient use of resources throughout the value chain and internally for the benefit of the environment and climate.

The Group has not achieved any concrete results in this area in 2023. However, we have had discussions with 2 processors about reuse of secondary packaging to transport fish filets between the 2 processors.

The Group has identified areas such as supplier transport emissions and their use of secondary packaging as areas of interests for further investigations and developments in 2024.

Management's review

Social and staff matters

To ensure the development of the Company, The Groups policy ambition is to be able to attract, retain and develop the right employees. The Group strives to improve working conditions to offer an exciting, interesting, and safe workplace. This has been communicated to all employees, but not formalized in an actual policy due to the very limited number of employees of the Group. Thus, no risk has been identified which, in the Group's assessment, necessitate a formalized HR policy.

The Group has decided to leave out of scope the social aspect of encouraging consumers as recommended by the authorities to consume seafood products twice a week, as the Groups ability to influence consumers is very limited. However, should an opportunity present itself, this will be taken into serious consideration.

The Group did take the initiative in 2023 to hire a third person into the company, who has extensive BTB business and marketing skills, which will complement the skill sets of the rest of the company. The Group also accommodated the employee's wish to work part-time.

The Group will, as it grows, continue to work with new initiatives to retain and develop its employees. Specifically, to involve in and delegate to employee's new business opportunities.

Human rights

The Group's policy is to only carry out business in areas where human rights are an integral part of the law and where control is exercised efficiently by relevant authorities.

Therefore, the Group has not identified specific risks necessitating an internal human rights policy.

The Group's risk in this area will be reassessed in the event of changes in the business model or new counterparts in the value chain, in which it operates.

No initiatives have been initiated in 2023 in this respect.

Considering the Company's business model, which to a significant extent relies on cooperation with suppliers who handle the processing of the Group's products, Management regularly assesses the need to communicate a human rights policy to or audit suppliers and business partners.

However, there has been no need to do this in 2023, hence no concrete results have been achieved in this area in 2023.

However, we plan to continue this approach in the future.

Management's review

Anti-corruption

The Group's policy is zero tolerance for corruption and fraud and has never been accused of corruption or matters related thereto.

In 2023, Management was not made aware of any corruption cases.

In 2023, the Group kept its employees updated on the risks they may face by means of internal meetings.

One risk already identified is, if employees are buying raw material at higher-than-normal market prices or selling value added seafood products at lower-than-normal market prices, where there could potential be a hidden kick back agreement between the Supplier/customer and the employee.

As the main buyer of the company is the owner and all purchase/sales are to be approved by the owner, the risk is seen as manageable.

One other risk already identified is, if an employee gets access to and can make unlawful currency transfers from the Groups bank account. As any payment from the Groups bank account needs a 2-step approval with the owner as final approver, the risk is seen as manageable.

The Group does not expect to experience cases of corruption or fraud in the coming years but will maintain the current information, system and readiness level.

The Group will continue to update its employees by means of internal meetings.

Statement on gender composition

With regards to Gender composition, The Group's supreme governing body consists of one person. Accordingly, equal distribution has been achieved in accordance with the guidelines and definitions of the Danish authorities.

As the Group has fewer than 50 employees, it is below the materiality threshold for having to prepare and comply with a policy to increase the underrepresented gender at other management levels.

Regardless, the focus is on recruiting the best candidates for all positions, and the goal is that in connection with recruiting, that there are both male and female candidates.

2023

Top management

Total number of members	1
Underrepresented gender %	0%
Target figure %	40%
Year for meeting target	2030

Other management levels

Total number of members	2
Underrepresented gender %	0%
Target figure %	40%
Year for meeting target	2030

Management's review

Statement on data ethics

The Group complies with current legislation in the countries in which it operates, including processing of personal data in accordance with the General Data Protection Regulation. Data processing is, however, not an integrated part of the Company's business activities, and since the Company does not use algorithms or similar tools for data analysis, no formal data ethics policy has been prepared.

Unusual events

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	1,436,574	1,145,726	0	0
Expenses for raw materials and consumables		-1,415,973	-1,132,592	0	0
Other external expenses		-3,619	-3,186	-2	-7
Gross profit		16,982	9,948	-2	-7
Staff expenses	2	-2,119	-1,859	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-698	-361	0	0
Profit/loss before financial income and expenses		14,165	7,728	-2	-7
Income from investments in subsidiaries		0	0	7,256	4,237
Financial income	4	50	70	0	0
Financial expenses	5	-4,534	-2,785	-338	-366
Profit/loss before tax		9,681	5,013	6,916	3,864
Tax on profit/loss for the year	6	-2,701	-1,089	64	60
Net profit/loss for the year	7	6,980	3,924	6,980	3,924

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Goodwill		444	730	0	0
Intangible assets	8	444	730	0	0
Plant and machinery		5,134	5,546	0	0
Other fixtures and fittings, tools and equipment		20	0	0	0
Property, plant and equipment in progress		18,405	0	0	0
Property, plant and equipment	9	23,559	5,546	0	0
Investments in subsidiaries	10	0	0	41,067	34,911
Deposits	11	20	7	0	0
Fixed asset investments		20	7	41,067	34,911
Fixed assets		24,023	6,283	41,067	34,911
Raw materials and consumables		1,766	1,992	0	0
Finished goods and goods for resale		83,704	59,192	0	0
Inventories		85,470	61,184	0	0
Trade receivables		232,844	185,502	0	0
Other receivables		0	2,533	0	0
Deferred tax asset		8	0	0	0
Corporation tax receivable from group enterprises		0	0	2,331	1,149
Prepayments	12	50	2,500	0	0
Receivables		232,902	190,535	2,331	1,149
Cash at bank and in hand		3,923	4,256	5	506
Current assets		322,295	255,975	2,336	1,655
Assets		346,318	262,258	43,403	36,566

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		61	61	61	61
Reserve for net revaluation under the equity method		0	0	31,526	25,370
Retained earnings		32,353	25,373	827	3
Proposed dividend for the year		0	500	0	500
Equity		32,414	25,934	32,414	25,934
Other payables		0	41	0	0
Long-term debt	13	0	41	0	0
Credit institutions		65,627	49,537	0	0
Trade payables		212,312	159,798	0	0
Payables to group enterprises		0	0	8,722	9,537
Corporation tax		2,266	1,089	2,266	1,089
Other payables	13	33,699	25,859	1	6
Short-term debt		313,904	236,283	10,989	10,632
Debt		313,904	236,324	10,989	10,632
Liabilities and equity		346,318	262,258	43,403	36,566
Contingent assets, liabilities and other financial obligations	16				
Fee to auditors appointed at the general meeting	17				
Accounting Policies	18				

Statement of changes in equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	61	25,373	500	25,934
Ordinary dividend paid	0	0	-500	-500
Net profit/loss for the year	0	6,980	0	6,980
Equity at 31 December	61	32,353	0	32,414

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	61	25,370	3	500	25,934
Ordinary dividend paid	0	0	0	-500	-500
Net profit/loss for the year	0	6,156	824	0	6,980
Equity at 31 December	61	31,526	827	0	32,414

Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		TDKK	TDKK
Result of the year		6,980	3,924
Adjustments	14	7,883	4,165
Change in working capital	15	-6,291	-2,381
Cash flow from operations before financial items		8,572	5,708
Financial income		50	70
Financial expenses		-4,534	-2,785
Cash flows from ordinary activities		4,088	2,993
Corporation tax paid		-1,532	-2,293
Cash flows from operating activities		2,556	700
Purchase of property, plant and equipment		-18,425	-5,621
Fixed asset investments made etc		-13	0
Cash flows from investing activities		-18,438	-5,621
Repayment of loans from credit institutions		16,090	5,408
Repayment of other long-term debt		-41	-55
Dividend paid		-500	0
Cash flows from financing activities		15,549	5,353
Change in cash and cash equivalents		-333	432
Cash and cash equivalents at 1 January		4,256	3,824
Cash and cash equivalents at 31 December		3,923	4,256
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3,923	4,256
Cash and cash equivalents at 31 December		3,923	4,256

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Revenue, Denmark	72,455	30,126	0	0
Revenue, exports	1,364,119	1,115,600	0	0
	1,436,574	1,145,726	0	0

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	2,058	1,816	0	0
Other social security expenses	20	21	0	0
Other staff expenses	41	22	0	0
	2,119	1,859	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	3	3	0	0
-----------------------------	----------	----------	----------	----------

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	286	286	0	0
Depreciation of property, plant and equipment	412	75	0	0
	698	361	0	0

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial income				
Other financial income	50	0	0	0
Exchange adjustments	0	70	0	0
	50	70	0	0

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Financial expenses				
Interest paid to group enterprises	0	0	290	267
Other financial expenses	4,534	2,785	48	99
	4,534	2,785	338	366

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
6. Income tax expense				
Current tax for the year	2,266	1,089	-64	-60
Deferred tax for the year	142	0	0	0
Adjustment of deferred tax concerning previous years	293	0	0	0
	2,701	1,089	-64	-60

	Parent company	
	2023	2022
	TDKK	TDKK
7. Profit allocation		
Proposed dividend for the year	0	500
Reserve for net revaluation under the equity method	6,156	3,196
Retained earnings	824	228
	6,980	3,924

Notes to the Financial Statements

8. Intangible fixed assets

Group

	Goodwill
	TDKK
Cost at 1 January	2,863
Cost at 31 December	2,863
Impairment losses and amortisation at 1 January	2,133
Amortisation for the year	286
Impairment losses and amortisation at 31 December	2,419
Carrying amount at 31 December	444

9. Property, plant and equipment

Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 January	5,621	0	0
Additions for the year	0	20	18,405
Cost at 31 December	5,621	20	18,405
Impairment losses and depreciation at 1 January	75	0	0
Depreciation for the year	412	0	0
Impairment losses and depreciation at 31 December	487	0	0
Carrying amount at 31 December	5,134	20	18,405

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK
10. Investments in subsidiaries		
Cost at 1 January	8,500	8,500
Cost at 31 December	8,500	8,500
Value adjustments at 1 January	26,411	22,174
Net profit/loss for the year	7,542	4,523
Dividend to the Parent Company	-1,100	0
Amortisation of goodwill	-286	-286
Value adjustments at 31 December	32,567	26,411
Carrying amount at 31 December	41,067	34,911
Positive differences arising on initial measurement of subsidiaries at net asset value	444	729

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Skaga Invest ApS	Hørsholm	TDKK 1.000	100%

11. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	7
Additions for the year	13
Cost at 31 December	20
Carrying amount at 31 December	20

12. Prepayments

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

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

13. 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:

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	0	41	0	0
Long-term part	0	41	0	0
Other short-term payables	33,699	25,859	1	6
	33,699	25,900	1	6

Group	
2023	2022
TDKK	TDKK

14. Cash flow statement - Adjustments

Financial income	-50	-70
Financial expenses	4,534	2,785
Depreciation, amortisation and impairment losses, including losses and gains on sales	698	361
Tax on profit/loss for the year	2,701	1,089
	7,883	4,165

Group	
2023	2022
TDKK	TDKK

15. Cash flow statement - Change in working capital

Change in inventories	-24,286	-53,139
Change in receivables	-42,359	66,417
Change in trade payables, etc	60,354	-15,659
	-6,291	-2,381

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Ringkøbing Landbobank	3,726	3,719	0	0
-----------------------	-------	-------	---	---

The following assets have been placed as security with mortgage credit institutes:

As security for bank debt, a floating charge of a total of DKK 4,000k has been provided. The charge is secured in trade receivables and inventory, the carrying amount of which constitutes DKK 341.873k at 31. December 2023.

The Company's portfolio of invoices of DKK 66.864k at 31. December 2023 is provided as security to a credit institution.

The Parent Company has provided unlimited surety to a credit institution as security for group enterprises' total commitments with bank. At 31. December 2023, group enterprises' net debt totalled DKK 59.967k.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

17. Fee to auditors appointed at the general meeting

PricewaterhouseCoopers

Audit fee	128	57	6	6
Other assurance engagements	0	53	0	0
Non-audit services	102	14	0	14
	230	124	6	20

Notes to the Financial Statements

18. Accounting policies

The Annual Report of Poseidicom ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Poseidicom ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Segment information on revenue

Information on geographical segments is based on the Group's risks and returns and its internal financial reporting system.

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 Group.

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 the consolidated revenue for the year.

Other external expenses

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual report.

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 intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

Notes to the Financial Statements

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

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

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

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year 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 net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise .

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin

$\text{Gross profit} \times 100 / \text{Revenue}$

Return on assets

$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$

Solvency ratio

$\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity

$\text{Net profit for the year} \times 100 / \text{Average equity}$