Poseidicom ApS

Strandbjerg 6 B, DK-2960 Rungsted Kyst

Annual Report for 2022

CVR No. 33 78 65 81

The Annual Report was presented and adopted at the Annual General Meeting of the company on 12/6 2023

Søren Dam
Chairman of the general meeting

Contents

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 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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.

Rungsted, 12 June 2023

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 2022 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 2022 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 2022, 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.

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, 12 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henning Tønder Olesen
State Authorised Public Accountant
mne27864

Company information

The Company	Poseidicom ApS Strandbjerg 6 B DK-2960 Rungsted Kyst 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. 6700 Esbjerg

Financial Highlights

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

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,145,724	1,016,224	0	0	0
Gross profit/loss	9,948	13,516	10,667	7,897	5,488
Profit/loss of ordinary primary operations	7,728	11,496	9,216	6,923	4,553
Profit/loss before financial income and expenses	7,728	11,496	9,216	6,923	4,553
Profit/loss of financial income and expenses	-2,715	-2,361	-1,358	-612	-258
Net profit/loss	3,924	6,842	5,905	4,797	3,224
Balance sheet					
Balance sheet total	262,258	269,844	215,805	97,285	71,240
Equity	25,934	22,010	15,168	12,788	7,991
Cash flows					
Cash flows from:					
- operating activities	700	-19,425	-20,590	-1,978	-3,092
- investing activities	-5,621	0	-1,596	0	0
- financing activities	5,353	19,489	33,945	4,506	207
Change in cash and cash equivalents for the year	432	64	3,760	2,528	-2,885
Number of employees	3	2	2	1	1
Ratios					
Gross margin	0.9%	1.3%	0.0%	0.0%	0.0%
Return on assets	2.9%	4.3%	4.3%	7.1%	6.4%
Solvency ratio	9.9%	8.2%	7.0%	13.1%	11.2%
Return on equity	16.4%	36.8%	42.2%	46.2%	50.5%

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.

Unusual circumstances

The Group's financial position at 31 December 2022 and the results of the Group's operations and its cash flows for 2022 are not affected by any unusual circumstances.

Development in the year

The income statement of the Group for 2022 shows a profit of DKK 5k, and at 31 December 2022 the balance sheet of the Group shows positive equity of DKK 25,9k.

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

In 2022, the Group carried out its ordinary operating activities and realised the operating profit it had expected. The operating profit was lower than in 2021 due to unusually high salmon prices. The result is a decline in traded volume of approx. 25 per cent due to prices of whole salmon in the period having increased by approx. 52 per cent on average. The Company's earnings are calculated based on volume.

In light of the above, Management considers profit for the year satisfactory in 2022.

Special risks - operating risks and financial risks

The financial and market risks of the Group are considered to be the same as in 2022.

Currency risk

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

Interest rate risk

The Group's primary sources of financing are invoice discounting and bank overdraft. As Management does not expect the average interest rate level in 2023 to increase compared to 2022, the Group's interest rate risk is expected to remain unchanged.

Credit risk

The credit risk is not considered to be greater in 2023 than in 2022.

Liquidity risk

According to best estimates, the liquidity 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 70 million with the factoring company AL Finans A/S, and additional funds are expected to be granted, if necessary.

Targets and expectations for the year ahead

Salmon prices for whole fish and finished goods are in 2023 expected to be higher than in 2022.

Profit before income tax is expected to constitute approx. DKK 5 million for 2023.

Management's review

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

Business model
The Group's principal activity is buying whole, cleaned and fresh fish, which is sold in Europe, mainly Poland, where the Group has agreements with two factories which process the whole fish into finished goods. The Group only buys fish which can be traced back to the respective fish farms and/or fishing vessels.

A large proportion of the finished goods is repurchased 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 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 offices in Denmark. More than 97 per cent of its goods are exported. All trading activity is conducted in accordance with current national rules and applicable rules of the EU and Australia. The Group has three employees.

Environment and climate
The Group continuously implements new technologies and know-how to improve its operating profit while ensuring efficient use of resources for the benefit of the environment and climate. As the Group is an office-only company and is not engaged in any production activities, its CO2 emissions are considered insignificant. As a consequence, the Group has identified no risks related to the environment and climate as a result of the Company's own activities, which is why no environment and climate policy has been prepared.

Social and staff matters
To ensure the development of the Company, it is important 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 formalised in an actual policy due to the very limited number of employees of the Group. Thus, no risks have been identified which, in the Group's assessment, necessitate a formalised HR policy.

Human rights
The Group only carries out business in areas where human rights are an integral part of the law and where control is exercised by relevant authorities. Therefore, the Group has not identified specific risks necessitating an internal human rights policy. In light of 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 suppliers and business partners.

Anti-corruption
The Group has zero tolerance for corruption and has never been accused of corruption or matters related thereto. In 2022, the Group kept its employees updated on the risks they may face, but the organisation's limited size generally implies that a manager is always available for consultation in case of doubt. Again in 2022, Management was not made aware of any corruption cases. The Group does not expect to experience cases of corruption in the coming years, but will maintain the current information and readiness level.

Statement on 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.

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.

Management's review

Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 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 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	1,145,724	1,016,224	0	0
Expenses for raw materials and consumables		-1,132,592	-1,000,823	0	0
Other external expenses		-3,184	-1,885	-7	-8
Gross profit		**9,948**	**13,516**	-7	**-8**
Staff expenses	2	-1,859	-1,734	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-361	-286	0	0
Profit/loss before financial income and expenses		**7,728**	**11,496**	-7	**-8**
Income from investments in subsidiaries		0	0	4,237	6,992
Financial income	4	70	0	0	0
Financial expenses	5	-2,785	-2,361	-366	-144
Profit/loss before tax		**5,013**	**9,135**	**3,864**	**6,840**
Tax on profit/loss for the year	6	-1,089	-2,293	60	2
Net profit/loss for the year	7	**3,924**	**6,842**	**3,924**	**6,842**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Goodwill		730	1,016	0	0
Intangible assets	8	**730**	**1,016**	**0**	**0**
Plant and machinery		5,546	0	0	0
Property, plant and equipment	9	**5,546**	**0**	**0**	**0**
Investments in subsidiaries	10	0	0	34,911	30,674
Deposits	11	7	7	0	0
Fixed asset investments		7	7	**34,911**	**30,674**
Fixed assets		**6,283**	**1,023**	**34,911**	**30,674**
Raw materials and consumables		1,992	3,437	0	0
Finished goods and goods for resale		59,192	4,608	0	0
Inventories		**61,184**	**8,045**	**0**	**0**
Trade receivables		185,502	251,886	0	0
Other receivables		2,533	5,066	0	0
Corporation tax receivable from group enterprises		0	0	1,149	2,295
Prepayments	12	2,500	0	0	0
Receivables		**190,535**	**256,952**	**1,149**	**2,295**
Cash at bank and in hand		**4,256**	**3,824**	**506**	**92**
Current assets		**255,975**	**268,821**	**1,655**	**2,387**
Assets		**262,258**	**269,844**	**36,566**	**33,061**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Share capital		61	61	61	61
Reserve for net revaluation under the equity method		0	0	25,370	22,174
Retained earnings		25,373	21,949	3	-225
Proposed dividend for the year		500	0	500	0
Equity		**25,934**	**22,010**	**25,934**	**22,010**
Other payables		41	96	0	0
Long-term debt	13	**41**	**96**	**0**	**0**
Credit institutions		49,537	44,129	0	0
Trade payables		159,798	172,110	0	0
Payables to group enterprises		0	0	9,537	8,738
Corporation tax		1,089	2,293	1,089	2,293
Other payables	13	25,859	29,206	6	20
Short-term debt		**236,283**	**247,738**	**10,632**	**11,051**
Debt		**236,324**	**247,834**	**10,632**	**11,051**
Liabilities and equity		**262,258**	**269,844**	**36,566**	**33,061**

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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	21,949	0	22,010
Net profit/loss for the year	0	3,424	500	3,924
Equity at 31 December	**61**	**25,373**	**500**	**25,934**

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	22,174	-225	0	22,010
Net profit/loss for the year	0	3,196	228	500	3,924
Equity at 31 December	**61**	**25,370**	**3**	**500**	**25,934**

Cash flow statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Result of the year		3,924	6,842
Adjustments	14	4,165	4,940
Change in working capital	15	-2,381	-26,893
Cash flow from operations before financial items		**5,708**	**-15,111**
Financial income		70	0
Financial expenses		-2,785	-2,361
Cash flows from ordinary activities		**2,993**	**-17,472**
Corporation tax paid		-2,293	-1,953
Cash flows from operating activities		**700**	**-19,425**
Purchase of property, plant and equipment		-5,621	0
Cash flows from investing activities		**-5,621**	**0**
Repayment of loans from credit institutions		5,408	19,489
Repayment of other long-term debt		-55	0
Cash flows from financing activities		**5,353**	**19,489**
Change in cash and cash equivalents		**432**	**64**
Cash and cash equivalents at 1 January		3,824	3,760
Cash and cash equivalents at 31 December		**4,256**	**3,824**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		4,256	3,824
Cash and cash equivalents at 31 December		**4,256**	**3,824**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Revenue, Denmark	30,126	39,293	0	0
Revenue, exports	1,115,598	976,931	0	0
	1,145,724	**1,016,224**	**0**	**0**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	1,816	1,670	0	0
Other social security expenses	21	20	0	0
Other staff expenses	22	44	0	0
	1,859	**1,734**	**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**	**2**	**0**	**0**

	Group		Parent company	
	2022	2021	2022	2021
	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	75	0	0	0
	361	**286**	**0**	**0**

Notes to the Financial Statements

4. Financial income

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Exchange adjustments	70	0	0	0
	70	**0**	**0**	**0**

5. Financial expenses

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Interest paid to group enterprises	0	0	267	0
Other financial expenses	2,785	2,361	99	144
	2,785	**2,361**	**366**	**144**

6. Income tax expense

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	1,089	2,293	-60	-2
	1,089	**2,293**	**-60**	**-2**

7. Profit allocation

	Parent company	
	2022	2021
	TDKK	TDKK
Proposed dividend for the year	500	0
Reserve for net revaluation under the equity method	3,196	6,992
Retained earnings	228	-150
	3,924	**6,842**

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	1,847
Amortisation for the year	286
Impairment losses and amortisation at 31 December	2,133
Carrying amount at 31 December	**730**

9. Property, plant and equipment

Group

	Plant and machinery
	TDKK
Cost at 1 January	0
Additions for the year	5,621
Cost at 31 December	5,621
Impairment losses and depreciation at 1 January	0
Depreciation for the year	75
Impairment losses and depreciation at 31 December	75
Carrying amount at 31 December	**5,546**

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK

10. Investments in subsidiaries

	2022 TDKK	2021 TDKK
Cost at 1 January	8,500	8,500
Cost at 31 December	8,500	8,500
Value adjustments at 1 January	22,174	15,182
Net profit/loss for the year	4,523	7,278
Amortisation of goodwill	-286	-286
Value adjustments at 31 December	26,411	22,174
Carrying amount at 31 December	**34,911**	**30,674**
Positive differences arising on initial measurement of subsidiaries at net asset value	729	1,016

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
Cost at 31 December	7
Carrying amount at 31 December	7

12. Prepayments

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

Notes to the Financial Statements

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:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	41	96	0	0
Long-term part	41	96	0	0
Other short-term payables	25,859	29,206	6	20
	25,900	**29,302**	**6**	**20**

14. Cash flow statement - Adjustments

	Group	
	2022	2021
	TDKK	TDKK
Financial income	-70	0
Financial expenses	2,785	2,361
Depreciation, amortisation and impairment losses, including losses and gains on sales	361	286
Tax on profit/loss for the year	1,089	2,293
	4,165	**4,940**

15. Cash flow statement - Change in working capital

	Group	
	2022	2021
	TDKK	TDKK
Change in inventories	-53,139	4,420
Change in receivables	66,417	-58,682
Change in trade payables, etc	-15,659	27,369
	-2,381	**-26,893**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Charges and security

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

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 194,772k at 31. December 2022.

The Company's portfolio of invoices of DKK 47.375k at 31 December 2022 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 the bank. At 31 December 2022, group enterprises' net debt totalled DKK 42.109k.

The following assets have been placed as security with bankers:				
Ringkøbing Landbobank	3,719	3,718	0	0

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	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

17. Fee to auditors appointed at the general meeting

PricewaterhouseCoopers				
Audit fee	57	63	6	6
Other assurance engagements	53	57	0	0
Non-audit services	14	14	14	14
	124	**134**	**20**	**20**

Notes to the Financial Statements

18. Accounting policies

The Annual Report of Poseidicom ApS for 2022 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 2022 are presented in TDKK.

Correction of material misstatements

The group has changed the presentation of the amount type from DKK to TDKK. This has meant that rounding differences may occur in the current financial year and for the comparative figures. The rounding differences appear in the profit and loss statement, the equity statement and the cash flow statement, however these differences have no impact on the result.

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. 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.

Notes to the Financial Statements

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.

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

Net sales

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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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.

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 debts

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.

Notes to the Financial Statements

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.

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 ”Cash at bank and in hand”.

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

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Return on assets	Profit before financials x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity