
Nordsøtrawl A/S

Nordsøkaj 18, DK-7680 Thyborøn

Annual Report for 2022

CVR No. 34 90 30 18

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/4 2023

Hjörtur Valdemar
Erlendsson
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Nordsøtrawl A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Thyborøn, 26 April 2023

Executive Board

Michael Kenn Kjærulff Lassen
Manager

Board of Directors

Hjörtur Valdemar Erlendsson
Chairman

Emil Vidar Eythorsson

Michael Kenn Kjærulff Lassen

Independent Auditor's report

To the shareholder of Nordsøtrawl A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordsøtrawl A/S 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 ("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' 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.

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 misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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.

Independent Auditor's report

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

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

Aalborg, 26 April 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Borregaard

State Authorised Public Accountant

mne34353

Company information

The Company	Nordsøtrawl A/S Nordsøkaj 18 DK-7680 Thyborøn Telephone: + 45 97832090 CVR No: 34 90 30 18 Financial period: 1 January - 31 December Municipality of reg. office: Lemvig
Board of Directors	Hjörtur Valdemar Erlendsson, chairman Emil Vidar Eythorsson Michael Kenn Kjærulff Lassen
Executive board	Michael Kenn Kjærulff Lassen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A 9000 Aalborg

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		11,981,673	16,814,951
Staff expenses	2	-9,939,972	-12,470,405
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,987,632	-2,071,652
Profit/loss before financial income and expenses		54,069	2,272,894
Financial income	3	0	9,537
Financial expenses		-78,008	-93,812
Profit/loss before tax		-23,939	2,188,619
Tax on profit/loss for the year	4	1,547	-495,062
Net profit/loss for the year		-22,392	1,693,557

Distribution of profit

	2022 DKK	2021 DKK
Proposed distribution of profit		
Proposed dividend for the year	2,000,000	1,500,000
Retained earnings	-2,022,392	193,557
	-22,392	1,693,557

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Goodwill		24,750	924,750
Intangible assets	5	24,750	924,750
Land and buildings		10,983,242	11,374,483
Plant and machinery		728,157	992,314
Other fixtures and fittings, tools and equipment		809,043	1,474,804
Property, plant and equipment	6	12,520,442	13,841,601
Other investments	7	0	0
Fixed asset investments		0	0
Fixed assets		12,545,192	14,766,351
Raw materials and consumables		8,490,735	9,033,316
Work in progress		161,815	69,115
Finished goods and goods for resale		1,868,559	1,610,822
Inventories		10,521,109	10,713,253
Trade receivables		2,739,046	2,899,228
Receivables from group enterprises		707,670	0
Other receivables		80,607	924,247
Prepayments		42,272	45,016
Receivables		3,569,595	3,868,491
Cash at bank and in hand		2,659,162	3,108,614
Current assets		16,749,866	17,690,358
Assets		29,295,058	32,456,709

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		6,000,000	6,000,000
Share premium account		11,000,000	11,000,000
Retained earnings		5,858,094	7,880,486
Proposed dividend for the year		2,000,000	1,500,000
Equity		24,858,094	26,380,486
Provision for deferred tax		448,985	640,948
Provisions		448,985	640,948
Lease obligations		1,563,764	1,951,603
Long-term debt	8	1,563,764	1,951,603
Lease obligations	8	205,990	242,039
Prepayments received from customers		170,302	708,382
Trade payables		278,838	453,340
Payables to group enterprises		1,161,207	283,026
Payables to group enterprises relating to corporation tax		190,416	120,626
Other payables		417,462	1,676,259
Short-term debt		2,424,215	3,483,672
Debt		3,987,979	5,435,275
Liabilities and equity		29,295,058	32,456,709
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	6,000,000	11,000,000	7,880,486	1,500,000	26,380,486
Ordinary dividend paid	0	0	0	-1,500,000	-1,500,000
Net profit/loss for the year	0	0	-2,022,392	2,000,000	-22,392
Equity at 31 December	6,000,000	11,000,000	5,858,094	2,000,000	24,858,094

Notes to the Financial Statements

1. Key activities

Nordsøtrawl operates business with production and sale of fishing gear as well as sale of stores.

The main market for the company is located around the North Sea and the North Atlantic, however there is also export of fishing tools to other markets using larger and advanced fishing tools. Nordsøtrawl A/S is part of the international Hampidjan Group, which has its headquarter on Iceland with departments and subsidiaries in several countries around the World.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	8,804,011	10,894,412
Pensions	778,036	1,201,670
Other social security expenses	221,669	234,507
Other staff expenses	136,256	139,816
	<u>9,939,972</u>	<u>12,470,405</u>
Average number of employees	<u>19</u>	<u>22</u>

3. Financial income

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Interest received from group enterprises	0	5,420
Other financial income	0	4,117
	<u>0</u>	<u>9,537</u>

4. Income tax expense

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Current tax for the year	190,416	714,626
Deferred tax for the year	-191,963	-219,564
	<u>-1,547</u>	<u>495,062</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Goodwill
	DKK
Cost at 1 January	9,000,000
Cost at 31 December	9,000,000
Impairment losses and amortisation at 1 January	8,075,250
Amortisation for the year	900,000
Impairment losses and amortisation at 31 December	8,975,250
Carrying amount at 31 December	24,750
Amortised over	10 years

6. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 January	13,454,508	2,671,273	3,535,584
Additions for the year	0	0	151,080
Disposals for the year	0	0	-815,223
Cost at 31 December	13,454,508	2,671,273	2,871,441
Impairment losses and depreciation at 1 January	2,080,024	1,678,959	2,060,780
Depreciation for the year	391,242	264,157	432,233
Reversal of impairment and depreciation of sold assets	0	0	-430,615
Impairment losses and depreciation at 31 December	2,471,266	1,943,116	2,062,398
Carrying amount at 31 December	10,983,242	728,157	809,043
Amortised over	40 years	10 years	3-7 years
Including assets under finance leases amounting to	1,396,997	35,123	258,467

Notes to the Financial Statements

7. Other fixed asset investments

	Other investments
	DKK
Cost at 1 January	9,000
Cost at 31 December	9,000
Impairment losses at 1 January	9,000
Impairment losses at 31 December	9,000
Carrying amount at 31 December	0

8. 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:

	2022	2021
	DKK	DKK
Lease obligations		
After 5 years	948,102	1,133,678
Between 1 and 5 years	615,662	817,925
Long-term part	1,563,764	1,951,603
Within 1 year	205,990	242,039
	1,769,754	2,193,642

Notes to the Financial Statements

	2022	2021
	DKK	DKK
9. 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 bankers:		
Mortgage deeds registered to the mortgagor totalling TDKK 5,000, providing security on land and buildings at a total carrying amount of:	9,586,244	9,882,590
The following assets have been placed as security with balance with bank for corporate mortgage of TDKK 2,000:		
Inventory	10,521,109	10,713,253
Accounts Receivable	2,739,046	2,899,228
Machinery and Equipment	1,243,610	1,766,333
Intangible assets	24,750	924,750
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	64,660	22,237
Between 1 and 5 years	42,913	6,043
After 5 years	37,728	0
	<u>145,301</u>	<u>28,280</u>

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Cosmos Trawl A/S, which is the management company of the joint taxation purposes. 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. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Hampidjan hf.	Skarfagardar 4, 104 Reykjavik, Iceland

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Nordsøtrawl A/S for 2022 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 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.

Leases

Leases are recognised in the balance sheet at the calculated amount of the lease liability. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or the Company's incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for the Company's other fixed assets.

The Company has chosen to apply the exemptions concerning short-term and low-value leases. Therefore, such lease assets are not recognised as assets and liabilities in the balance sheet. The costs are recognised in the income statement on a straight-line basis over the lease term.

The lease liability is recognised in the balance sheet under debt and is adjusted for prepaid lease payments on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

Income statement

Net sales

Revenue from contracts with customers is recognised on the basis of transfer of control, which according to IFRS 15 takes place at the time when control of the product.

Control is considered passed to the customer when:

- a binding sales agreement has been made;
- delivery has been made before year end;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, 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 intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and 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.

Tax on profit/loss for the year

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

Notes to the Financial Statements

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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:

Buildings	40 years
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	3-7 years

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.

Fixed asset investments

Fixed asset investments, which consist of investments which are not traded in an active market.

Investments which are not traded in an active market are 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 and costs of completion. 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.

Notes to the Financial Statements

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.

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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