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TripleNine Group A/S
Trafikhavnskaj 9
6700 Esbjerg
Central Business Registration
No 35476601

Annual report 2016

The Annual General Meeting adopted the annual report on 21.04.2017

Chairman of the General Meeting

Name: Jørgen Riise

Contents

Entity details

Entity

TripleNine Group A/S

Trafikhavnskaj 9

6700 Esbjerg

Central Business Registration No: 35476601

Registered in: Esbjerg

Financial year: 01.01.2016 - 31.12.2016

Statutory reports on the entity's website

Statutory report on corporate social responsibility:http://tripleninegroup.com/dk/triplenine-group-as/corporate-social-responsibility.aspx

Board of Directors

Torben Svejgård, chairman

Kenneth Lande Klokk

Peter Kirk Larsen

Hans Peter Koppernæs

Executive Board

Jes Bjerregaard, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

Postbox 200

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of TripleNine Group A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 14.03.2017

Executive Board

Jes Bjerregaard
CEO

Board of Directors

Torben Svejgård chairman	Kenneth Lande Klokk	Peter Kirk Larsen
Hans Peter Koppernæs		

Independent auditor's report

To the shareholders of TripleNine Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of TripleNine Group A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 exits. Misstatements

Independent auditor's report

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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity’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 consolidated financial statements and the parent 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 Entity’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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Esbjerg, 14.03.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Jørn Jepsen
statsautoriseret revisor

John Lindvig Christiansen
statsautoriseret revisor

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights				
Key figures				
Revenue	1,785,725	1,739,079	1,386,407	1,632,216
Gross profit/loss	323,392	421,243	384,483	136,460
Operating profit/loss	138,169	233,676	202,755	(15,804)
Net financials	3,738	(15,328)	(898)	(30,159)
Profit/loss for the year	127,005	166,339	152,715	(34,590)
Total assets	1,311,059	1,203,211	1,015,791	964,044
Investments in property, plant and equipment	70,950	44,489	15,717	28,070
Equity incl minority interests	795,050	719,121	581,779	415,520
Ratios				
Gross margin (%)	18.1	24.2	27.7	8.4
Net margin (%)	7.1	9.6	11.0	(2.1)
Return on equity (%)	16.8	25.6	30.6	(8.3)
Equity ratio (%)	60.6	59.8	57.3	43.1

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity incl minority interests} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Group's primary activities are to manufacture and sell fish meal and fish oil.

The Group carries on its activities through the subsidiaries:

- TripleNine A/S (Denmark)
- Vedde AS (Norway)
- Lota Vedde Dos S.A. (Chile)
- Lota Protein S.A (Chile)
- Pesquera Lota Protein LTDA (Chile)
- Koppernaes Singapore PTE LTD (Singapore)
- Losseselskabet 999 A/S (Denmark)
- Polar Omega A/S (Denmark)
- TripleNine Holding Asia ApS (Denmark)
- TripleNine (Rongcheng) Marine B. Ltd. (China).

In addition, the Company has activities in the partly owned companies of Norsildmel AS (Norway), Fisk-eriselskabet 2bis ApS (Denmark) and Fosnavåg Pelagic AS (Norway).

Development in activities and finances

Group revenue reached DKK 1,786m in 2016 against DKK 1,739m in 2015.

In 2016, the Group's companies manufactured a little more fish meal and fish oil than expected and less than last year due to the decline in the Danish sandeel quota.

Profit for the year is DKK 127m for 2016 compared to DKK 166m for 2015 and is considered satisfactory.

Investments

2016 saw DKK 71m worth of investments in property, plant and equipment against DKK 44m in 2015

Outlook

In 2017, expectations are that the supply of raw materials to the Danish and Norwegian factories will increase due to the prospect of higher fishing quotas being allocated in 2017 than in 2016.

The price trend of fish meal and fish oil as well as raw materials will also have a major impact on earnings performance in 2017. A little lower profit for 2017 is expected too.

Management commentary

Particular risks

Price risks

In many cases, the group companies buy raw materials before any sale, which involves a risk.

Currency risks

As a consequence of activities abroad, the Group's results, cash flows and equity are affected by the exchange rate and interest rate movements of a number of currencies – US dollar and Norwegian kroner in particular. The Group settles its currency positions upon delivery or forward exchange contracts to hedge sales contracts entered into. No speculative foreign currency transactions are conducted.

Credit risks

The bulk of products is sold through the partly owned company Norsildmel AS, which has appropriate procedures in place for managing credit risks, and historically it has suffered few credit losses.

Research and development activities

Throughout 2016, the Company continued its efforts to attract knowledge resources in various areas of activity in order to strengthen its competitive position and ongoing developments.

Statutory report on corporate social responsibility

The Company's report on corporate social responsibility (S 99a Danish Financial Statements Act) may be downladed from its website:

http://tripleninegroup.com/dk/triplenine-group-as/corporate-social-responsibility.aspx

Management commentary

Here the Company's report on the underrepresented gender in the supreme governing body (S 99b Danish Financial Statements Act) is also evident as is a description of the specific measures the Company has launched to create a gender balance at the other management levels.

Statutory report on the underrepresented gender
Please refer to the description above under Report on corporate social responsibility.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue	1	1,785,725	1,739,079
Other operating income		13,616	13,700
Cost of sales		(1,191,021)	(1,068,644)
Other external expenses	2	(284,928)	(262,892)
Gross profit/loss		**323,392**	**421,243**
Staff costs	3	(144,322)	(144,076)
Depreciation, amortisation and impairment losses	4	(40,863)	(35,447)
Other operating expenses		(38)	(8,044)
Operating profit/loss		**138,169**	**233,676**
Income from investments in associates		14,564	13,395
Other financial income	5	9,189	6,916
Impairment of financial assets		(1,731)	(2,182)
Other financial expenses	6	(18,284)	(33,457)
Profit/loss before tax		**141,907**	**218,348**
Tax on profit/loss for the year	7	(14,902)	(52,009)
Profit/loss for the year	8	**127,005**	**166,339**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Acquired licences		10,709	10,972
Goodwill		646	754
Intangible assets	9	**11,355**	**11,726**
Land and buildings		81,761	85,861
Other fixtures and fittings, tools and equipment		184,470	189,152
Property, plant and equipment in progress		43,581	515
Property, plant and equipment	10	**309,812**	**275,528**
Receivables from group enterprises		81,108	0
Investments in associates		89,124	81,105
Other investments		349	349
Receivables from owners and management		13,013	4,595
Other receivables		46,080	22,491
Fixed asset investments	11	**229,674**	**108,540**
Fixed assets		**550,841**	**395,794**
Raw materials and consumables		29,500	24,441
Manufactured goods and goods for resale		550,202	519,469
Inventories		**579,702**	**543,910**
Trade receivables		97,595	75,666
Receivables from associates		9,344	48,980
Other receivables		25,345	32,610
Prepayments	13	8,774	12,104
Receivables		**141,058**	**169,360**
Cash		**39,458**	**94,147**
Current assets		**760,218**	**807,417**
Assets		**1,311,059**	**1,203,211**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		20,000	20,000
Retained earnings		704,839	638,911
Proposed dividend		70,000	60,000
Equity attributable to the Parent's owners		**794,839**	**718,911**
Share of equity attributable to minority interests		**211**	**210**
Equity		**795,050**	**719,121**
Deferred tax	14	16,094	28,998
Other provisions	15	5,488	6,919
Provisions		**21,582**	**35,917**
Bank loans		130,250	147,020
Other payables		4,094	2,795
Non-current liabilities other than provisions	16	**134,344**	**149,815**
Current portion of long-term liabilities other than provisions	16	18,573	31,060
Bank loans		213,568	137,133
Trade payables		72,969	78,729
Payables to associates		0	667
Income tax payable		13,658	1,114
Other payables		41,315	49,655
Current liabilities other than provisions		**360,083**	**298,358**
Liabilities other than provisions		**494,427**	**448,173**
Equity and liabilities		**1,311,059**	**1,203,211**
Associates	12		
Contingent liabilities	18		
Mortgages and securities	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2016

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Share of equity attributable to minority interests DKK'000
Equity beginning of year	20,000	638,911	60,000	211
Ordinary dividend paid	0	0	(60,000)	0
Exchange rate adjustments	0	13,864	0	0
Other equity postings	0	(4,941)	0	0
Profit/loss for the year	0	57,005	70,000	0
Equity end of year	**20,000**	**704,839**	**70,000**	**211**

	Total DKK'000
Equity beginning of year	719,122
Ordinary dividend paid	(60,000)
Exchange rate adjustments	13,864
Other equity postings	(4,941)
Profit/loss for the year	127,005
Equity end of year	**795,050**

Consolidated cash flow statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Operating profit/loss		138,171	233,675
Amortisation, depreciation and impairment losses		40,863	35,447
Working capital changes	17	(14,469)	(121,266)
Cash flow from ordinary operating activities		**164,565**	**147,856**
Financial income received		9,189	6,916
Financial income paid		(18,284)	(33,457)
Income taxes refunded/(paid)		(17,781)	(64,599)
Other cash flows from operating activities		(3,248)	30,603
Cash flows from operating activities		**134,441**	**87,319**
Acquisition etc of property, plant and equipment		(70,950)	(44,489)
Sale of property, plant and equipment		602	2,537
Acquisition of fixed asset investments		4,717	(475)
Sale of fixed asset investments		0	1,314
Loans		(113,116)	0
Other cash flows from investing activities		(4,998)	3,383
Cash flows from investing activities		**(183,745)**	**(37,730)**
Instalments on loans etc		(27,958)	(16,783)
Dividend paid		(60,000)	(60,000)
Dividend received		6,137	0
Cash flows from financing activities		**(81,821)**	**(76,783)**
Increase/decrease in cash and cash equivalents		**(131,125)**	**(27,194)**
Cash and cash equivalents beginning of year		(42,986)	(15,792)
Cash and cash equivalents end of year		**(174,111)**	**(42,986)**
Cash and cash equivalents at year-end are composed of:			
Cash		39,458	94,147
Short-term debt to banks		(213,569)	(137,133)
Cash and cash equivalents end of year		**(174,111)**	**(42,986)**

Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
1. Revenue		
Denmark	9,191	25,200
Other countries	1,776,534	1,713,879
	1,785,725	**1,739,079**

	2016 DKK'000	2015 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	290	290
Tax services	319	185
Other services	423	575
	1,032	**1,050**

	2016 DKK'000	2015 DKK'000
3. Staff costs		
Wages and salaries	124,869	126,670
Pension costs	9,213	9,050
Other social security costs	10,240	8,356
	144,322	**144,076**
Average number of employees	**286**	**291**

	Remuneration of management 2016 DKK'000	Remuneration of management 2015 DKK'000
Total amount for management categories	4,439	4,125
	4,439	**4,125**

	2016 DKK'000	2015 DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	754	676
Depreciation of property, plant and equipment	40,711	36,847
Profit/loss from sale of intangible assets and property, plant and equipment	(602)	(2,076)
	40,863	**35,447**

Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
5. Other financial income		
Financial income from associates	279	723
Interest income	2,018	2,508
Exchange rate adjustments	3,204	0
Other financial income	3,688	3,685
	9,189	**6,916**

	2016 DKK'000	2015 DKK'000
6. Other financial expenses		
Interest expenses	1,458	8,715
Exchange rate adjustments	9,131	23,431
Other financial expenses	7,695	1,311
	18,284	**33,457**

	2016 DKK'000	2015 DKK'000
7. Tax on profit/loss for the year		
Tax on current year taxable income	27,484	43,717
Change in deferred tax for the year	(12,904)	6,847
Adjustment concerning previous years	322	1,445
	14,902	**52,009**

	2016 DKK'000	2015 DKK'000
8. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	70,000	60,000
Retained earnings	57,005	106,339
	127,005	**166,339**

Notes to consolidated financial statements

9. Intangible assets	Acquired licences DKK'000	Goodwill DKK'000
Cost beginning of year	75,422	40,064
Exchange rate adjustments	2,364	1,283
Cost end of year	**77,786**	**41,347**
Amortisation and impairment losses beginning of year	(64,450)	(39,310)
Exchange rate adjustments	(2,013)	(1,251)
Amortisation for the year	(614)	(140)
Amortisation and impairment losses end of year	**(67,077)**	**(40,701)**
Carrying amount end of year	**10,709**	**646**

10. Property, plant and equipment	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	145,172	440,731	515
Exchange rate adjustments	3,321	10,998	0
Transfers	0	515	(515)
Additions	1,012	26,357	43,581
Disposals	0	(3,371)	0
Cost end of year	**149,505**	**475,230**	**43,581**
Depreciation and impairment losses beginning of the year	(59,311)	(251,579)	0
Exchange rate adjustments	(1,953)	(8,284)	0
Depreciation for the year	(6,480)	(34,231)	0
Reversal regarding disposals	0	3,334	0
Depreciation and impairment losses end of the year	**(67,744)**	**(290,760)**	**0**
Carrying amount end of year	**81,761**	**184,470**	**43,581**

Notes to consolidated financial statements

	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Receivables from owners and management DKK'000
11. Fixed asset investments				
Cost beginning of year	0	12,990	4,307	4,595
Exchange rate adjustments	0	538	215	0
Additions	81,108	0	0	10,000
Disposals	0	(475)	0	(1,582)
Cost end of year	**81,108**	**13,053**	**4,522**	**13,013**
Revaluations beginning of year	0	68,115	0	0
Exchange rate adjustments	0	4,101	0	0
Share of profit/loss for the year	0	10,762	0	0
Adjustment of intra-group profits	0	(285)	0	0
Dividend	0	(6,137)	0	0
Other adjustments	0	(485)	0	0
Revaluations end of year	**0**	**76,071**	**0**	**0**
Impairment losses beginning of year	0	0	(3,958)	0
Exchange rate adjustments	0	0	(215)	0
Impairment losses for the year	0	0	0	0
Reversal regarding disposals	0	0	0	0
Impairment losses end of year	**0**	**0**	**(4,173)**	**0**
Carrying amount end of year	**81,108**	**89,124**	**349**	**13,013**

Notes to consolidated financial statements

	Other receivables DKK'000
11. Fixed asset investments	
Cost beginning of year	37,362
Exchange rate adjustments	2,253
Additions	24,623
Disposals	(4,228)
Cost end of year	**60,010**
Revaluations beginning of year	0
Exchange rate adjustments	0
Share of profit/loss for the year	0
Adjustment of intra-group profits	0
Dividend	0
Other adjustments	0
Revaluations end of year	**0**
Impairment losses beginning of year	(14,871)
Exchange rate adjustments	(570)
Impairment losses for the year	(1,721)
Reversal regarding disposals	3,232
Impairment losses end of year	**(13,930)**
Carrying amount end of year	**46,080**

Receivables from shareholders and members of Management occurred partly before the conversion into a public limited company (A/S) effective from 01.10.2012 and partly after. Subsequent loans have been arranged based on ordinary business terms and so constitute legal receivables. Interest charged on the loans is based on ordinary business terms determined at the borrowing date.

	Registered in	Equity interest %
12. Associates		
Fiskeriselskabet 2bis ApS	Esbjerg	33.3
Generationsskifteselskabet Thyborøn-Thorsminde A/S	Thyborøn	24.7
Nordsildmel AS	Bergen i Norge	50.0
Fosnavaag Pelagic AS	Herøy i Norge	29.6
Muelle Pesquera Maria Isabel Ltda.	Chile	32.0

Notes to consolidated financial statements

13. Prepayments

Prepayments comprise prepaid expenses for 2017.

14. Deferred tax

Deferred tax primarily relates to property, plant and equipment.

15. Other provisions

Other provisions primarily comprise provisions for the settlement of foreign operations.

	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000
16. Liabilities other than provisions			
Mortgage debts	0	13,376	0
Bank loans	17,000	16,010	130,250
Other payables	1,573	1,674	4,094
	18,573	**31,060**	**134,344**

	2016 DKK'000	2015 DKK'000
17. Change in working capital		
Increase/decrease in inventories	(35,792)	(188,298)
Increase/decrease in receivables	28,301	53,495
Increase/decrease in trade payables etc	(6,978)	13,537
	(14,469)	**(121,266)**

18. Contingent liabilities

The Chilean subsidiaries are party to three lawsuits. The outcome of these lawsuits remains unknown, however, they are not expected to inflict considerable losses on the Group.

Tax on conversion of corporate form

One of the subsidiaries, TripleNine A/S, was originally a co-operative society (TripleNine Fish Protein a.m.b.a.).

Effective from the financial year 2007/08, this company is no longer subject to co-operative society taxation, but to ordinary company taxation.

Notes to consolidated financial statements

At the time of transition to ordinary company taxation, the assets accumulated during the period of co-operative society taxation had been determined. These assets are taxed when the company makes distributions or pays for the acquisition of its own share certificates. The tax rate is 50%.

The above assets which have been accumulated during the period of co-operative society taxation have for TripleNine Fish Protein a.m.b.a. been calculated at DKK 204,200k.

TripleNine Fish Protein A/S succeeded in TripleNine Fish Protein a.m.b.a.'s tax position as part of the conversion into a public liability company on 01.11.2012, and as part of the demerger of TripleNine Fish Protein A/S on 01.01.2013 into

- TripleNine A/S
- Polar Omega Holding A/S

a binding ruling was obtained from SKAT (the Danish Tax Administration) concerning the accounting for the tax on conversion of corporate form.

75% remains with TripleNine A/S whereas the balance of 25% has been transferred to Polar Omega Holding A/S.

Consequently, TripleNine A/S' share of the assets can be calculated at 75% of DKK 204,200k, equivalent to DKK 153,150k, and the 50% tax charged thereon is DKK 76,575k.

The amount will be charged to equity of TripleNine A/S as and when the company makes distributions.

TripleNine A/S has entered into forward exchange contracts for currency hedging of future sales denominated in NOK for a total of approx DKK 164,456k. Compared to the forward rate at the balance sheet date, the contracts have a positive value of approx DKK 874k. The unrealised exchange adjustment has been added to equity.

19. Mortgages and securities

Effective from 13.12.2013, the Group's loans and financial credits form part of a group funding arrangement, with the Parent, TripleNine Group A/S, being the contracting party with the bank.

At 31.12.2016, approx DKK 361m had been drawn on the credit facilities, and the following has been provided as collateral to the Group's bank:

- A floating charge for DKK 360,000k on TripleNine A/S' intangible assets, property, plant and equipment, trade receivables and inventories (31.12.2016: carrying amount of DKK 718,290k).
- Mortgages registered to mortgagors for DKK 65,982k on the properties of TripleNine A/S (31.12.2016: carrying amount of DKK 48,342k).
- Charge for NOK 72,000k on Vedde AS' properties (31.12.2016: carrying amount of DKK 11,155k).

Notes to consolidated financial statements

- Charge for NOK 60,000k on Vedde AS' operating equipment (31.12.2016: carrying amount of DKK 26,774k).
- Charge for NOK 100,000k on Vedde AS' inventories (31.12.2016: carrying amount of DKK 55,003k).
- Charge for NOK 50,000k on Vedde AS' trade receivables (31.12.2016: carrying amount of DKK 21,470k).
- Shares held by TripleNine Group A/S in TripleNine A/S and Vedde AS (31.12.2016: carrying amount of DKK 852,723k).
- Shares held by Vedde AS in Lota Vedde DOS SA and Lota Protein SA (31.12.2016: carrying amount of DKK 292,607k).

TripleNine A/S has provided a guarantee for the bank loans of the associate, Fiskeriselskabet 2bis ApS. At 31.12.2016, the total debts amount to DKK 46,249k. A letter of subordination for DKK 14,300k of TripleNine A/S' receivables from Fiskeriselskabet 2bis ApS has been provided to the bank.

A payment guarantee for NOK 3,500k has been issued to Norges Sildesalgslag.

	Registered in	Corporate form	Equity interest %
20. Subsidiaries			
TripleNine A/S	Esbjerg	A/S	100.0
Vedde AS	Ålesund i Norge	AS	100.0

Parent income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue	1	3,481	4,460
Other external expenses	2	(3,246)	(8,492)
Gross profit/loss		**235**	**(4,032)**
Staff costs	3	(4,335)	(3,267)
Operating profit/loss		**(4,100)**	**(7,299)**
Income from investments in group enterprises		131,138	172,665
Other financial income	4	6,793	8,666
Other financial expenses	5	(7,604)	(7,800)
Profit/loss before tax		**126,227**	**166,232**
Tax on profit/loss for the year	6	778	107
Profit/loss for the year	7	**127,005**	**166,339**

Parent balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Investments in group enterprises		852,723	746,036
Fixed asset investments	8	**852,723**	**746,036**
Fixed assets		**852,723**	**746,036**
Receivables from group enterprises		267,539	229,777
Other receivables		80	270
Income tax receivable	9	19,717	39,542
Prepayments	10	116	82
Receivables		**287,452**	**269,671**
Cash		**19,650**	**4,283**
Current assets		**307,102**	**273,954**
Assets		**1,159,825**	**1,019,990**

Parent balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		20,000	20,000
Reserve for net revaluation according to the equity method		385,939	279,252
Retained earnings		318,900	359,659
Proposed dividend		70,000	60,000
Equity		**794,839**	**718,911**
Bank loans		130,250	147,020
Non-current liabilities other than provisions	11	**130,250**	**147,020**
Liabilities other than provisions		**364,986**	**301,079**
Equity and liabilities		**1,159,825**	**1,019,990**
Contingent liabilities	14		
Mortgages and securities	15		
Related parties with controlling interest	16		

Parent statement of changes in equity for 2016

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	20,000	279,252	359,659	60,000
Ordinary dividend paid	0	0	0	(60,000)
Exchange rate adjustments	0	0	13,864	0
Other equity postings	0	0	(4,941)	0
Profit/loss for the year	0	106,687	(49,682)	70,000
Equity end of year	**20,000**	**385,939**	**318,900**	**70,000**

	Total DKK'000
Equity beginning of year	718,911
Ordinary dividend paid	(60,000)
Exchange rate adjustments	13,864
Other equity postings	(4,941)
Profit/loss for the year	127,005
Equity end of year	**794,839**

Notes to parent financial statements

	2016 DKK'000	2015 DKK'000
1. Revenue		
Denmark	2,200	2,572
Other countries	1,281	1,888
	3,481	**4,460**

	2016 DKK'000	2015 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	40	40
Tax services	56	87
Other services	169	156
	265	**283**

	2016 DKK'000	2015 DKK'000
3. Staff costs		
Wages and salaries	4,335	3,267
	4,335	**3,267**
Average number of employees	**0**	**0**

	Remuneration of management 2016 DKK'000	Remuneration of management 2015 DKK'000
Total amount for management categories	3,225	2,671
	3,225	**2,671**

	2016 DKK'000	2015 DKK'000
4. Other financial income		
Financial income arising from group enterprises	6,717	7,988
Interest income	5	202
Other financial income	71	476
	6,793	**8,666**

Notes to parent financial statements

	2016 DKK'000	2015 DKK'000
5. Other financial expenses		
Financial expenses from group enterprises	10	509
Interest expenses	6,212	7,291
Other financial expenses	1,382	0
	7,604	**7,800**

	2016 DKK'000	2015 DKK'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	(774)	(1,543)
Adjustment concerning previous years	(4)	1,436
	(778)	**(107)**

	2016 DKK'000	2015 DKK'000
7. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	70,000	60,000
Transferred to reserve for net revaluation according to the equity method	106,687	161,182
Retained earnings	(49,682)	(54,843)
	127,005	**166,339**

	Investments in group enterprises DKK'000
8. Fixed asset investments	
Cost beginning of year	466,784
Cost end of year	**466,784**
Revaluations beginning of year	279,252
Exchange rate adjustments	12,482
Adjustments on equity	(2,868)
Share of profit/loss for the year	128,649
Adjustment of intra-group profits	2,516
Dividend	(31,992)
Other adjustments	(2,100)
Revaluations end of year	**385,939**
Carrying amount end of year	**852,723**

Notes to parent financial statements

9. Income tax receivable

Income tax receivable is composed of joint taxation contributions receivable in the amount of DKK 19,717k.

10. Prepayments

Prepayments comprise prepaid expenses for 2017.

	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000
11. Liabilities other than provisions			
Bank loans	17,000	16,010	130,250
	17,000	**16,010**	**130,250**

12. Income tax payable

Income tax payable is composed of DKK 2,269k in tax payable to SKAT.

	2016 DKK'000	2015 DKK'000
13. Other payables		
Other costs payable	1,899	916
	1,899	**916**

14. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

15. Mortgages and securities

Effective from 13.12.2013, the Group’s loans and financial credits form part of a group funding arrangement, with the Parent, TripleNine Group A/S, being the contracting party with the bank.

At 31.12.2016, approx DKK 361m had been drawn on the credit facilities, and the following has been provided as collateral to the Group’s bank:

- A floating charge for DKK 360,000k on TripleNine A/S’ intangible assets, property, plant and equipment, trade receivables and inventories (31.12.2016: carrying amount of DKK 718,290k).

Notes to parent financial statements

- Mortgages registered to mortgagors for DKK 65,982k on the properties of TripleNine A/S (31.12.2016: carrying amount of DKK 48,342k).
- Charge for NOK 72,000k on Vedde AS' properties (31.12.2016: carrying amount of DKK 11,155k).
- Charge for NOK 60,000k on Vedde AS' operating equipment (31.12.2016: carrying amount of DKK 26,774k).
- Charge for NOK 100,000k on Vedde AS' inventories (31.12.2016: carrying amount of DKK 55,003k).
- Charge for NOK 50,000k on Vedde AS' trade receivables (31.12.2016: carrying amount of DKK 21,470k).
- Shares held by TripleNine Group A/S in TripleNine A/S and Vedde AS (31.12.2016: carrying amount of DKK 852,723k).
- Shares held by Vedde AS in Lota Vedde DOS SA and Lota Protein SA (31.12.2016: carrying amount of DKK 292,607k).

A payment guarantee for NOK 3,500k has been issued to Norges Sildesalgslag.

Finally, a maximum guarantee for DKK 600m has been provided to the Group's bank for its total balances with the companies of TripleNine Group A/S.

16. Related parties with controlling interest

Related parties having control

- Triple Fish A/S, Trafikhavnskaj 9, 6700 Esbjerg, Denmark
- Koppernæs AS, Breivika Industrivej 4, Ålesund, Norway

hold all shares in the Company and so exercise control.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from

Accounting policies

non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement
Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment of financial assets

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise acquired licenses for fishing rights

Acquired licenses are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement, but over no more than 20 years.

Licenses etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation..

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25-50 years
Other fixtures and fittings, tools and equipment	3-15 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Investments in group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant group enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity instruments measured at cost. Unlisted equity instruments are written down to any lower net realisable value.

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

Accounting policies

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests
Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions
Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at

Accounting policies

amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.