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BDO Statsautoriseret revisionsaktieselskab
Dokken 8
DK-6700 Esbjerg
CVR no. 20 22 26 70

TRIPLENINE GROUP A/S

TRAFIKHAVNSKAJ 9, 6700 ESBJERG

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 22 April 2024

Kenneth Lande Klokk

CVR NO. 35 47 66 01

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COMPANY DETAILS

Company	Triplenine Group A/S Trafikhavnskaj 9 6700 Esbjerg	
	CVR No.:	35 47 66 01
	Established:	28 August 2013
	Municipality:	Esbjerg
	Financial Year:	1 January - 31 December
Board of Directors	Kenneth Lande Klokk, chairman Hans Peter Koppernæs Torben Svejgård	
Executive Board	Niels Casper Andersen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Triplenine Group A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Esbjerg, 21 March 2024

Executive Board

Niels Casper Andersen

Board of Directors

Kenneth Lande Klokk Chairman	Hans Peter Koppernæs	Torben Svejgård

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Triplenine Group A/S

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Triplenine Group A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 Annual Financial Statements of the Company” 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover 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 Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Esbjerg, 21 March 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Jepsen	Kasper Ladefoged
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne24824	MNE no. mne49042

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue	2,779,951	2,027,174	2,052,204	2,162,088	1,786,656
Gross profit/loss	561,069	452,563	270,750	361,041	291,356
Operating profit/loss of main activities	335,112	227,816	51,664	156,022	89,569
Financial income and expenses, net	-48,612	8,018	-3,189	-27,775	-7,641
Profit/loss for the year	225,012	187,340	28,828	118,702	58,010
Results for the year without minority interests	225,012	187,340	28,822	118,681	58,007
Balance sheet					
Total assets	2,072,247	1,475,661	1,295,971	1,469,880	1,289,678
Equity	770,063	861,465	681,810	637,754	560,720
Equity ex minority interests	770,063	861,465	681,565	637,515	560,502
Cash flows					
Investment in property, plant and equipment	-30,294	-17,795	-35,339	-41,079	-40,594
Key ratios					
Gross margin	20.2	22.3	13.2	16.7	16.3
Equity ratio	37.2	58.4	52.6	43.4	43.5
Return on equity	27.6	24.3	4.4	19.8	10.3

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin: $\frac{\text{Gross profit x 100}}{\text{Net revenue}}$

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal 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 Sales A/S (Denmark)
- TripleNine Thyboroen A/S (Denmark)
- TripleNine Vedde AS (Norway)
- Lota Vedde Dos S.A. (Chile)
- Lota Protein S.A (Chile)
- Pesquera Lota Protein LTDA (Chile)
- Losseselskabet 999 A/S (Denmark)
- TripleNine Esbjerg A/S (Denmark)
- TripleNine Services Esbjerg A/S (Denmark)
- Essi A/S (Denmark)

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

Development in activities and financial and economic position
Group revenue reached DKK 2,780m in 2023 against DKK 2,027m in 2022.

In 2023, the Group's companies manufactured fish meal and fish oil on a higher volume than 2022, which were related to the entities outside Denmark.
Sales prices were on a higher level than 2022 and prices on raw materials were higher as well.

Especially in Chile and Norway the relatively higher volume contributed to a very positive result.

Sales volume in 2023 in the total group were higher than 2022, due to higher produced volumes and the sales prices increased the turnover significantly compared to 2022.

Investments 2023 saw DKK 30m worth of investments in property, plant and equipment against DKK 17m in 2022.

Profit/loss for the year compared to the expected development
Profit for the year is DKK 225m for 2023 compared to DKK 187m for 2022 and is higher than expected and satisfactory. This positive deviation is coming from all activities but primarily in Chile.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk
Price risks
In most 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 hedges its currency positions upon signed contracts in forward exchange currencies. No speculative foreign currency transactions are conducted.

Credit risks
The bulk of products is sold through appropriate procedures for managing credit risks, and historically the company has suffered few credit losses.

MANAGEMENT COMMENTARY

Environmental situation
The company has a natural focus on the environmental footprint and is working actively on future reductions of these footprints. This is done through careful analysis of focus within production on any operational improvements and efficiencies.

In 2023, we have secured alternative ways of using various energy sources in order to secure production while also working against a lower consumption relatively.

We expect that this effort will continue and will invest further into this area.

See also the Company's report on corporate social responsibility (S 99a Danish Financial Statements Act), which can be downloaded from its website:

https://www.999.dk/en/sustainability/our-impact/statutory-disclosure/

Research and development activities
Throughout 2023, the Company continued its efforts to attract knowledge resources in various areas of activity in order to strengthen its competitive position and ongoing developments in strong commercial dialogue with the customers.

Future expectations
In 2024, expectations are that the fierce competition of the supply of raw materials will continue and we expect lower volumes in the various markets.

The price trend of fish meal and fish oil as well as raw materials will also have a major impact on the earnings performance in 2024. A total profit for 2024 is expected lower, primarily due to an expected decrease in the sales prices. We expect in the range of 150m to 190m. However, the result is depending on many factors, some of which are access to raw materials and price development

The cash flow in the company will continue to be influenced by the general high levels of volumes as well as higher price levels, but we estimate a similar cash flow position at the end of 2024.

As a whole, we therefore assess as of today, 2024 to be unchanged from the time when the budget was made.

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

https://www.999.dk/en/sustainability/our-impact/statutory-disclosure/

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 governance
Respect for human rights is included in our implemented" Code of Conduct", which generally addresses how we would like to act as employees as well as a company.

Furthermore, it is also including anti-corruption where we in 2023 have implemented a global Whistleblower programme across the entities in multiple local languages.

Finally, we have implemented a "management instruction", which is designed to set clear guidelines and standards for management practices within the organization, ensuring a consistent approach to decision-making and management of company resources.

MANAGEMENT COMMENTARY

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body	3
Under-represented gender, share in % of the supreme management body	0%
Number of people at other management levels	5
Under-represented gender, share in % at other management levels	20%

In the most recent financial year the Company employed less than 50 employees, for which reason the Company is not obligated to set target figures and prepare a policy for increasing the share of the under-represented gender at the other management levels of the Company.

Target figures for the supreme management body

	2023
Target figures in % for the supreme management body	25%
Year, in which the target figures are expected to be met	2027

Status of meeting the target figures set for the supreme management body

On longer term, we have a target of 40 % both in the Board as well as in the Group Management
The first target is to reach a 20/80 distribution by 2027.

In the company "Group", our distribution is 5 managers whereas 1 is a woman. Here we have a target of 25 % in 2027. Also here, we have a long-term objective of 40 % representing the under-represented gender.

In the company, we have not yet launched any initiatives to attract, develop and retain female talent across our organization. This will therefore be a key focus in the coming years. In relation to recruitment, the company is striving to always have qualified candidates of both genders, as well as the management is securing equal possibilities for all in relation to career development.
However, we recognize that our industry has been male-dominated, but the number of women in our workforce and in leadership positions is still below our target.

Report of data ethics
Please refer to the description above under "Corporate social responsibility (CSR) report".

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
NET REVENUE	1	**2,779,951**	**2,027,174**	**24,368**	**25,030**
Expenses for raw materials and consumables		-2,000,663	-1,298,765	0	0
Other operating income	2	94,393	62,278	0	25
Other external expenses	3	-312,612	-338,124	-16,658	-15,821
GROSS PROFIT/LOSS		**561,069**	**452,563**	**7,710**	**9,234**
Staff costs	4	-177,232	-164,239	-18,717	-17,313
Depreciation, amortisation and impairment losses for tangible and intangible assets		-48,699	-58,520	0	0
Other operating expenses		-26	-1,988	0	0
OPERATING PROFIT		**335,112**	**227,816**	**-11,007**	**-8,079**
Income from investments in subsidiaries and associates	5	9,234	5,252	237,420	195,715
Other financial income	6	19,930	37,721	100	62
Other financial expenses	7	-68,542	-29,703	-4,858	-2,640
PROFIT BEFORE TAX		**295,734**	**241,086**	**221,655**	**185,058**
Tax on profit/loss for the year	8	-70,722	-53,746	3,357	2,282
PROFIT FOR THE YEAR	9	**225,012**	**187,340**	**225,012**	**187,340**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Acquired concessions, patents, licences, trademarks and similar rights		14,418	17,456	0	0
Goodwill		351	364	0	0
Intangible assets	10	**14,769**	**17,820**	**0**	**0**
Land and buildings		116,282	118,324	0	0
Other plant, fixtures and equipment		133,938	151,845	0	0
Tangible fixed assets in progress and prepayments for tangible fixed assets		8,235	4,403	0	0
Property, plant and equipment	11	**258,455**	**274,572**	**0**	**0**
Investments in subsidiaries		0	0	861,484	815,478
Investments in associates		50,145	45,173	0	0
Other investments		504	504	0	0
Receivables from Group companies		0	1,169	0	0
Rent deposit and other receivables		32,292	46,570	0	0
Financial non-current assets	12	**82,941**	**93,416**	**861,484**	**815,478**
NON-CURRENT ASSETS		**356,165**	**385,808**	**861,484**	**815,478**
Espenses for raw materials and consumables		310,511	70,730	0	0
Finished goods and goods for resale		660,527	409,188	0	0
Prepayments		18,868	0	0	0
Inventories		**989,906**	**479,918**	**0**	**0**
Trade receivables		222,006	141,573	0	0
Receivables from group enterprises	13	325,555	341,906	18,515	55,116
Receivables from associated enterprises		3,584	3,502	0	0
Deferred tax assets	14	32,256	0	0	0
Derivative financial instruments	15	1,453	897	0	0
Other receivables		108,424	100,815	0	0
Joint tax contribution receivable		0	0	35,756	14,328
Prepayments	16	18,871	8,840	547	1,124
Receivables		**712,149**	**597,533**	**54,818**	**70,568**
Cash and cash equivalents		**14,027**	**12,402**	**0**	**0**
CURRENT ASSETS		**1,716,082**	**1,089,853**	**54,818**	**70,568**
ASSETS		**2,072,247**	**1,475,661**	**916,302**	**886,046**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Share Capital	17	20,000	20,000	20,000	20,000
Reserve for net revaluation under the equity method		0	0	379,300	333,294
Retained earnings		750,063	716,465	370,763	383,171
Proposed dividend		0	125,000	0	125,000
EQUITY		**770,063**	**861,465**	**770,063**	**861,465**
Provisions for deferred tax		0	7,127	0	0
Other provisions	18	11,574	7,232	0	0
PROVISIONS		**11,574**	**14,359**	**0**	**0**
Accruals and deferred income		17,003	2,463	0	0
Non-current liabilities	19	**17,003**	**2,463**	**0**	**0**
Bank debt		111,288	15,339	0	0
Trade payables		158,273	95,336	1,699	2,426
Debt to Group companies		834,738	367,384	106,042	4,385
Debt to associated enterprises		0	5,068	0	0
Corporation tax payable		94,632	29,143	30,717	9,246
Other liabilities		74,591	85,019	7,781	8,524
Deferred income	20	85	85	0	0
Current liabilities		**1,273,607**	**597,374**	**146,239**	**24,581**
LIABILITIES		**1,290,610**	**599,837**	**146,239**	**24,581**
EQUITY AND LIABILITIES		**2,072,247**	**1,475,661**	**916,302**	**886,046**

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EQUITY

	Group			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023	20,000	716,465	125,000	861,465
Proposed profit allocation, see note 9		225,012		225,012
Transactions with owners				
Dividend paid			-125,000	-125,000
Other legal bindings				
Foreign exchange adjustments		-19,539		-19,539
Other adjustments to equity value		-171,875		-171,875
Equity at 31 December 2023	**20,000**	**750,063**	**0**	**770,063**

	Parent Company				
	Share capital	Reserve for net revaluati-on under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023	20,000	333,294	383,171	125,000	861,465
Proposed profit allocation, jf. note 9		237,420	-12,408		225,012
Transactions with owners					
Dividend paid				-125,000	-125,000
Other legal bindings					
Foreign exchange adjustments		-19,539			-19,539
Other adjustments to equity value		-10,812			-10,812
Transfers					
Receiv./decl. dividend		-161,063			-161,063
Equity at 31 December 2023	**20,000**	**379,300**	**370,763**	**0**	**770,063**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	2022 DKK '000
Profit/loss for the year	225,012	187,340
Depreciation and amortisation, reversed	48,699	58,520
Reversed realization gains	0	986
Profit/loss from associates	-9,234	-5,252
Adjustment of other financial income	5,333	4,234
Tax on profit/loss, reversed	70,722	53,746
Other adjustments	0	0
Corporation tax paid	-44,615	-60,064
Change in inventories	-509,988	-187,948
Change in receivables (ex tax)	-98,711	-39,435
Change in other provisions	4,342	0
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	48,088	41,529
Other cash flows from operating activities	-19,539	14,236
CASH FLOWS FROM OPERATING ACTIVITY	**-279,891**	**67,892**
Purchase of intangible assets	-674	-21,456
Sale of intangible fixed assets	0	1,859
Purchase of property, plant and equipment	-30,294	-17,795
Sale of property, plant and equipment	144	1,708
Other cash flows from investing activities	9,008	4,544
CASH FLOWS FROM INVESTING ACTIVITY	**-21,816**	**-31,140**
Other changes in non-current debt	12,355	1,065
Change in bank debt	577,433	-29,569
Dividident & group contribution	-289,908	0
Other cash flows from financing activities	3,452	635
CASH FLOWS FROM FINANCING ACTIVITY	**303,332**	**-27,869**
CHANGE IN CASH AND CASH EQUIVALENTS	**1,625**	**8,883**
Cash and cash equivalents at 1. januar	12,402	3,519
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**14,027**	**12,402**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	14,027	12,402
CASH AND CASH EQUIVALENTS	**14,027**	**12,402**

NOTES

	Group		Parent Company		
	2023 DKK '000	**2022** DKK '000	**2023** DKK '000	**2022** DKK '000	**Note**
Net revenue					**1**
Segment details (geography)					
Denmark	112,533	92,563	22,088	22,361	
Other Countries	2,667,418	1,934,611	2,280	2,669	
	2,779,951	**2,027,174**	**24,368**	**25,030**	

Disclosure about the revenue on activity - according to the Danish Financial Statements Act § 96 section 1 – is not disclosed in the annual report with reference to the Danish Financial Statements Act § 96 section 1, as management access, that the information can cause significant competitive damage.

The parent company' net revenue is an internal fee invoiced to the subsidaries.

Other operating income **2**

The group financial statements other operating income consists partly of goverment grants in relation to losses in connection with "Brexit" with a total of DKK 24,766 thousand for 2023.

	Group 2023	Group 2022	Parent 2023	Parent 2022	Note
Fee to statutory auditor					**3**
Total fee:					
Statutory audit	1,030	855	70	68	
Tax consultancy	686	340	591	250	
Other services	440	1,160	201	305	
	2,156	**2,355**	**862**	**623**	
Staff costs					**4**
Number of full time employees	248	256	12	14	
Wages and salaries	157,113	145,599	17,893	16,393	
Pensions	11,636	10,349	706	826	
Social security costs	8,483	8,291	118	94	
	177,232	**164,239**	**18,717**	**17,313**	
Remuneration of Management and Board of Directors	0	4,799	0	2,097	
Remuneration of Executive Board	7,375	0	3,688	0	
Remuneration of Board of Directors	1,045	0	209	0	
	8,420	**4,799**	**3,897**	**2,097**	

The parent companies remuneration to management is based on an estimate of the time taken by the board of directors, as management is included as member of the management in several of the Group's companies. The management remuneration is partly paid by the group company and is settled by the company in the paid management fee.

NOTES

	Group		Parent Company		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	Note
Income from investments in subsidiaries and associates					**5**
Income from investments in subsidiaries	0	0	237,420	195,715	
Income from investments in associates	9,234	5,252	0	0	
	9,234	**5,252**	**237,420**	**195,715**	
Other financial income					**6**
Interest income from group enterprises	9,267	0	0	62	
Other interest income	10,663	37,721	100	0	
	19,930	**37,721**	**100**	**62**	
Other financial expenses					**7**
Interest expenses to group enterprises	35,751	10,954	4,490	2,497	
Other interest expenses	32,791	18,749	368	143	
	68,542	**29,703**	**4,858**	**2,640**	
Tax on profit/loss for the year					**8**
Calculated tax on taxable income of the year	110,105	53,924	-3,357	-3,400	
Adjustment of tax in previous years	0	626	0	-4	
Adjustment of deferred tax	-39,383	-804	0	1,122	
	70,722	**53,746**	**-3,357**	**-2,282**	
Proposed distribution of profit					**9**
Proposed dividend for the year	0	125,000	0	125,000	
Allocation to reserve for net revaluation under the equity method	0	0	237,420	192,198	
Retained earnings	225,012	62,340	-12,408	-129,858	
	225,012	**187,340**	**225,012**	**187,340**	

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Intangible assets 10

	Group	
	Acquired concessions, patents, licences, trademarks and similar rights	Goodwill
Cost at 1 January 2023	96,514	40,182
Exchange adjustment at closing rate	-2,684	-1,312
Additions	674	0
Disposals	-5,917	0
Cost at 31 December 2023	**88,587**	**38,870**
Amortisation at 1 January 2023	79,058	39,818
Exchange adjustment at closing rate	-2,280	-1,299
Reversal of amortisation of assets disposed of	-9,123	0
Amortisation for the year	6,514	0
Amortisation at 31 December 2023	**74,169**	**38,519**
Carrying amount at 31 December 2023	**14,418**	**351**

Property, plant and equipment 11

	Group		
	Land and buildings	Other plant, fixtures and equipment	Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 January 2023	215,315	691,620	4,403
Exchange adjustment at closing rate	-4,479	-15,856	0
Transferred	0	2,444	-2,444
Additions	7,941	16,077	6,276
Disposals	0	-1,488	0
Cost at 31 December 2023	**218,777**	**692,797**	**8,235**
Depreciation and impairment losses at 1 January 2023	96,991	539,775	
Exchange adjustment	-3,098	-13,059	
Reversal of depreciation of assets disposed of	0	-1,440	
Depreciation for the year	8,602	33,583	
Depreciation and impairment losses at 31 December 2023	**102,495**	**558,859**	
Carrying amount at 31 December 2023	**116,282**	**133,938**	**8,235**

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Note

Financial non-current assets 12

	Group	
	Investments in associates	Other investments
Cost at 1 January 2023	15,693	4,112
Exchange adjustment at closing rate	-846	-226
Cost at 31 December 2023	**14,847**	**3,886**
Revaluation at 1 January 2023	29,480	-3,608
Exchange adjustment	-520	226
Dividend	-2,896	0
Profit/loss for the year	9,234	0
Revaluation at 31 December 2023	**35,298**	**-3,382**
Carrying amount at 31 December 2023	**50,145**	**504**

	Group	
	Receivables from Group companies	Rent deposit and other receivables
Cost at 1 January 2023	1,169	67,313
Exchange adjustment at closing rate	0	-2,631
Additions	0	4,069
Disposals	-1,169	-14,471
Cost at 31 December 2023	**0**	**54,280**
Revaluation at 1 January 2023	0	-20,743
Exchange adjustment	0	701
Revaluation and impairment losses for the year	0	-1,946
Revaluation at 31 December 2023	**0**	**-21,988**
Carrying amount at 31 December 2023	**0**	**32,292**

	Parent Company
	Investments in subsidiaries
Cost at 1 January 2023	482,184
Cost at 31 December 2023	**482,184**
Revaluation at 1 January 2023	333,294
Exchange adjustment	-19,539
Dividend	-161,063
Profit/loss for the year	237,420
Equity movements	-10,812
Revaluation at 31 December 2023	**379,300**
Carrying amount at 31 December 2023	**861,484**

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Fixed asset investments (continued) 12

Investments in subsidiaries

Name and domicil	Ownership
Triplenine Thyborøn A/S, Denmark	100 %
TripleNine Vedde A/S , Norway	100 %
Lota Vedde Dos S.A , Chile	100 %
Lota Protein S.A , Chile	100 %
Pesquera Lota Protein , Chile	100 %
Losseselskabet 999 A/S , Denmark	100 %
TripleNine Esbjerg A/S , Denmark	100 %
TripleNine Services Esbjerg A/S, Denmark	100 %
Essi A/S , Denmark	100 %
TripleNine Sales A/S, Denmark	100 %

Investments in associates

Name and domicil	Ownership
Fiskeriselskabet 2bis ApS , Esbjerg	33,3 %
Fosnavaag Pelagic A/S, Herøy, Norway	44,6 %
Muelle Pesquera Maria Isabel Ltda. , Chile	32,0 %

Receivables from group enterprises 13

Group:
The accounts "receivables from group enterprises" and "debt to group companies" include net present with the group's financial institution, which is part of the group's cash pool arrangement andtherefore presented as an intercompany balance (internal group bank).

In "receivables from group enterprises" the cash pool arrangement amounts to DKK 325,6 million (341,9 last year).

In "debt to group companies" the cash pool arrangement amounts to DKK 830,8 million (365,6 last year).

Parent company:
The accounts "receivables from group enterprises" and "debt to group companies" include net present with the group's financial institution, which is part of the group's cash pool arrangement andtherefore presented as an intercompany balance (internal group bank).

In "receivables from group enterprises" the cash pool arrangement amounts to DKK 0 million (47,9 last year)

In "debt to group companies" the cash pool arrangement amounts to DKK 102,317 million (0 last year)

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Deferred tax assets 14

	Group		Parent Company	
	2023 DKK '000	**2022** DKK '000	**2023** DKK '000	**2022** DKK '000
Deferred tax consists of:				
Property, plant and equipment.......	-6,236	-8,560	0	0
Inventories..............................	23,836	1,632	0	0
Receivables..............................	14,656	-199	0	0
	32,256	**-7,127**	**0**	**0**
Deferred tax, beginning of year......	-7,127	-7,732	0	-1,122
Deferred tax of the year, income statement...............................	39,383	605	0	1,122
Deferred tax assets 31 December 2023.....................................	**32,256**	**-7,127**	**0**	**0**

The deferred tax asset consists of temporary differences between assets and liabilities, which is expected to be used within a few years.

Derivative financial instruments 15

TripleNine Sales A/S has entered into forward exchange contracts for currency hedging of future sales denominated in NOK and USD for a total of approx. DKK 290,073k. The contracts expires in the period january - march 2024.

Compared to the forward rate at the balance sheet date, the contracts have a positiv value of approx. DKK 1,453k.

The unrealised exchange adjustment has been deducted on the equity.

The hedging instuments impact the Balance Sheet, Income Statement and Equity as follows:

	Group
	Derivative financial instruments
Fair value at 31 December 2023	
Assets..	1,453
	1,453
Value adjustment in the year recognised in Equity..................................	434

Prepayments 16

Prepayments comprise prepaid expenses regarding 2024.

NOTES

	2023	2022	Note
	DKK '000	DKK '000	
Share Capital			17
Allocation of share capital:			
Shares (number in actual figures), 20,000,000 unit in the denomination of 1 DKK	20,000	20,000	
	20,000	**20,000**	

Other provisions 18

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

Long-term liabilities 19

	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Accruals and deferred income	17,088	85	14,773	2,548
	17,088	**85**	**14,773**	**2,548**

Deferred income 20

Prepayments recognized under liabilities relate to received plant grants which are amortized over the life of the associated assets.

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Contingencies etc. 21

Contingent liabilities

	Group		Parent Company	
	2023 DKK '000	**2022** DKK '000	**2023** DKK '000	**2022** DKK '000
Lease liabilities (operating leases):				
Total liabilities under rental or lease agreements until maturity	12,704	13,446	4,011	1,133
	12,704	**13,446**	**4,011**	**1,133**

In the Danish subsidiary TripleNine Thyborøn A/S is the following in the notes:
In December 2019, the customs authorities requested the Company to submit various documentation for the Company' import of industrial fish and fish waste in the period 29.03.2017 to 08.11.2019. The Company submitted the requested documentation end of 2019 but has not yet received the customs authorities' response to this.

With the customs authorities' inquiry and their request for information, it cannot be precluded that a future latent risk exists that the Company will be faced with a customs claim similar to those raised against others in the fishmeal industry in Denmark.

According to the Company, a possible customs claim will amount to a maximum of DKK 17 mill., but the Company does not expect such case, if any, to lead to a customs payment.

The company's building is build on a rented ground. The lease agreement can be terminated by the company with 6 months notice. The lease agreement with Thyborøn Harbor expires in 2045. In case of evacuation of the building, the company is obliged to demolish buildings and restore the areas, if buildings can not be sold to a buyer approved by Esbjerg Harbor. There are no provisions for such liabilities in the accounts in connection with a relocation.

In the Danish subsidiary TripleNine Esbjerg A/S & Triplenine Services Esbjerg A/S is the following in the notes:
The company's building is build on a rented ground. The lease agreement can be terminated by the company with 6 months notice. The lease agreement with Esbjerg Harbor expires in 2042. In case of evacuation of the building, the company is obliged to demolish buildings and restore the areas, if buildings can not be sold to a buyer approved by Esbjerg Harbor. There are no provisions for such liabilities in the accounts in connection with a relocation.

Joint liabilities
The Entity serves as the administration company in a Danish jointtaxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entityis therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating tothe withholding of tax on interest, royalties and dividends for these entities.

Note

Charges and securities 22

Effective from 28 September 2023, the Group's loans and financial credits has entered into a new group funding arrangement. With the Parent, Koppernæs Protein AS, being the contracting party with the bank.

At 31.12.2023, approx. DKK 420m 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 Thyborøn A/S' property, plant and equipment, trade receivables and inventories (31.12.2023: carrying amount of DKK 433,790k).

· A floating charge for DKK 10,000k on TripleNine Esbjerg A/S' intangible assets, property, plant and equipment, trade receivables and inventories (31.12.2023: carrying amount of DKK 951,734k).

· Mortgages registered to mortgagors for DKK 37,092k on the properties of TripleNine Thyborøn A/S (31.12.2023: carrying amount of DKK 48,522k).

· Mortgages registered to mortgagors for DKK 28,890k on the properties of TripleNine Services Esbjerg A/S (31.12.2023: carrying amount of DKK 29,393k).

· Charge for NOK 50,000k on TripleNine Vedde AS' trade receivables (31.12.2023: carrying amount of DKK 13,624k).

· Shares held by TripleNine Group A/S in TripleNine Thyborøn A/S (31.12.2023: carrying amount of DKK 445,231k).

· Shares held by TripleNine Group A/S in TripleNine Sales A/S (31.12.2023: carrying amount of DKK 37,743k).

· Shares held by TripleNine Group A/S in TripleNine Vedde AS (including the Lota Companies) (31.12.2023: carrying amount of DKK 378,511k)*.

· Shares held by TripleNine Thyborøn A/S in TripleNine Esbjerg A/S (31.12.2023: carrying amount of DKK 141,041k).

· Shares held by TripleNine Thyborøn A/S in TripleNine Services Esbjerg A/S (31.12.2023: carrying amount of DKK 154,027k).

· A negative pledge in trade receivables in TripleNine Sales A/S (31.12.2023: carrying amount of DKK 50,847k).

*The carrying amount of the charged assets in the foreign subsidiaries from the official annual reports (without eliminations) can be specified as:
TripleNine Vedde AS - total assets of DKK 289,798k and equity DKK 231,829k
Lota companies - total assets of DKK 408,542k and equity DKK 191,685k

The specifications on the charged assets in the danish subsidiaries can be found in the official annual reports.

Finally, a maximum guarantee for NOK 1920m and DKK 372m has been provided to the Group's bank for its total balances with the companies of TripleNine Group A/S.

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Related parties 23

Related parties having control

- Koppernæs Protein AS, Breivika Industriveg 4, Ålesund, Norway

hold all shares in the Company.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements 24

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Koppernæs AS, Breivika industriveg 4, 6018 Ålesund, Norway

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

TripleNine Group A/S, Trafikhavnskaj 9, 6700 Esbjerg

The consolidated financial statements of Koppernæs AS may be ordered at this address:

bjarte.andreassen@koppernes.no

ACCOUNTING POLICIES

The Annual Report of Triplenine Group A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish large-size enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Triplenine Group A/S and the subsidiaries in which Triplenine Group A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises within the Group are recognised in the Consolidated Financial statements from the date of takeover or establishment. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the time of handover. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The takeover date is the date on which the Group gains actual control over the acquired enterprise.

Acquired enterprises within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities taken over.

Positive and negative differences between the acquisition value and the carrying amounts of taken over and identified assets and liabilities are recognised in equity upon acquisition.

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries and associates
The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries and associates determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries and associates are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

ACCOUNTING POLICIES

Intellectual property rights etc. comprise acquired licenses for fishing rights and CO2-quotas.

Acquired licenses are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement, but over no more than 40 years.

Acquired CO2-quotas are measured at cost less accumulated amortisation. CO2-quotas are amortised over the term of the agreement, which is the acutal emission in the production when used (unit of production method).

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

If the actual emission exceeds the granted and acquired CO2-quotas, a liability corresponding to fair value of the CO2-quotas, which the company has to settle, is recognised.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
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.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. Investments under 60,000 DKK is reconciled in the profit and loss.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Buildings...	25-50 years
Other plant, fixtures and equipment..	3-15 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Investments in subsidiaries and associates are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries and associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

ACCOUNTING POLICIES

Net revaluation of investments in subsidiaries and associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries and associates are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries and associates with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents
Cash and cash equivalents include cash at bank.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments
Derivative financial instruments are initially recognised in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in the fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in the fair value of derivative financial instruments related to hedging of future cash flows are recognised in Equity to the extent, that the conditions for this purpose are fulfilled. The value adjustments are recognised in a fair value reserve for hedging for accounting purposes until the hedged transaction is realised or the hedging ceases is adjusted downward. Upon realisation the accumulated value of the hedging instrument together with the hedged transaction is recognised in the Income Statement, unless the hedging transaction results in recognition of a non-financial asset or a non-financial liability. In this case, the amount is transferred from Equity to the cost price or carrying amount of this asset or liability.

Where a hedging is no longer effective, in part or in full, the accumulated value in Equity is transferred in full or proportionally to the financial income or expenses in the Income Statement. Changes in the fair value of derivative financial instruments which the Company might elect not to transfer to hedging for accounting purposes are also recognised here. Tax on the movements in the hedging reserve is recognised, which is transferred to tax in the Income Statement as the reserve is being dissolved.

ACCOUNTING POLICIES

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

At recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the date of acquisition or at the date of a subsequent revaluation or writedown of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The Income Statements of foreign subsidiaries and associates fulfilling the concitions for being independent entities are translated at an average exchange rate for the month and the Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of Income Statements from average rate to the rates of the Balance Sheet date are recognised directly in the equity.

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.