



## Triplenine Group A/S

Trafikhavnskaj 9  
6700 Esbjerg  
CVR No. 35476601

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 25.04.2023

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**Torben Svejgård**

Chairman of the General Meeting

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# Entity details

## Entity

Triplenine Group A/S

Trafikhavnskaj 9

6700 Esbjerg

Business Registration No.: 35476601

Registered office: Esbjerg

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Torben Svejgård

Kenneth Lande Klokk

Hans Peter Koppernæs

## Executive Board

Jes Bjerregaard

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6700 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 Triplene Group A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 16.03.2023

## Executive Board

**Jes Bjerregaard**

## Board of Directors

**Torben Svejgård**

**Kenneth Lande Klokk**

**Hans Peter Koppernæs**

# Independent auditor's report

## To the shareholders of Triplene Group A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Triplene Group A/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the 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 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 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 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.

#### **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, 16.03.2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Jørn Jepsen**

State Authorised Public Accountant  
Identification No (MNE) mne24824

#### **Kasper Ladefoged**

State Authorised Public Accountant  
Identification No (MNE) mne49042

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Revenue	2,027,174	2,052,204	2,162,088	1,786,656	1,602,953
Gross profit/loss	452,563	270,750	361,041	291,356	259,954
Operating profit/loss	227,816	51,664	156,022	89,569	60,699
Net financials	8,018	(3,189)	(27,775)	(7,641)	(19,105)
Profit/loss for the year	187,340	28,828	118,702	58,010	24,436
Profit for the year excl. minority interests	187,340	28,822	118,681	58,007	24,432
Balance sheet total	1,475,661	1,295,971	1,469,880	1,289,678	1,222,345
Investments in property, plant and equipment	17,795	35,339	41,079	40,594	36,715
Equity	861,465	681,810	637,754	560,720	564,038
Equity excl. minority interests	861,465	681,565	637,515	560,502	563,823
<b>Ratios</b>					
Gross margin (%)	22.32	13.19	16.70	16.31	16.22
Net margin (%)	9.24	1.40	5.49	3.25	1.52
Return on equity (%)	24.28	4.37	19.81	10.32	4.22
Equity ratio (%)	58.38	52.59	43.37	43.46	46.13

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

### Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

### Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

### Return on equity (%):

$\frac{\text{Profit/loss for the year excl. minority interests} * 100}{\text{Average equity excl. minority interests}}$

### Equity ratio (%):

$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$



Balance sheet total

### 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 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)
- TripleNine Asia PTE LTD (Singapore)
- 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 finances

Group revenue reached DKK 2,027m in 2022 against DKK 2,052m in 2021.

In 2022, the Group's companies manufactured fish meal and fish oil on a lower volume than 2021 in accordance with expectations. Sales prices were on a higher level than 2021 and prices on raw materials were higher as well.

Especially in Norway the relatively high volume and yields contributed to a very positive result.

Sales volume in 2022 in the total group were lower than 2021, due to lower produced volumes but the Sales prices kept the turnover on a similar level as 2021.

Investments 2022 saw DKK 17m worth of investments in property, plant and equipment against DKK 35m in 2021.

### Profit/loss for the year in relation to expected developments

Profit for the year is DKK 187m for 2022 compared to DKK 29m for 2021 and is higher than expected and satisfactory. This positive deviation is coming from the Danish activities but primarily in Norway. Chile performed very well despite a slightly lower volume.

### Outlook

In 2023, expectations are that the fierce competition of the supply of raw materials will continue and we expect similar 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 2023. A total profit for 2023 is expected lower, primarily due to an expected decrease in the Norwegian result. We estimate in the range of 140m to 160m.

As a whole, we therefore assess as of today 2023 to be unchanged from the time when the budget was made.

## Use of financial instruments

### 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.

## Environmental performance

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 2022 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.

## Research and development activities

Throughout 2022, 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.

## Statutory report on corporate social responsibility

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

[www.999.dk/media/1464/triplenine-group-csr-report-2022.pdf](http://www.999.dk/media/1464/triplenine-group-csr-report-2022.pdf)

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 "statutory report on corporate social responsibility".

## Statutory report on data ethics policy

Please refer to the description above under "statutory 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 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	1	2,027,174	2,052,204
Other operating income		62,278	77,928
Cost of sales		(1,298,765)	(1,614,077)
Other external expenses	2	(338,124)	(245,305)
<b>Gross profit/loss</b>		<b>452,563</b>	<b>270,750</b>
Staff costs	3	(164,239)	(169,797)
Depreciation, amortisation and impairment losses	4	(59,506)	(49,127)
Other operating expenses		(1,002)	(162)
<b>Operating profit/loss</b>		<b>227,816</b>	<b>51,664</b>
Income from investments in associates		5,252	4,036
Other financial income	5	37,721	20,210
Other financial expenses	6	(29,703)	(23,399)
<b>Profit/loss before tax</b>		<b>241,086</b>	<b>52,511</b>
Tax on profit/loss for the year	7	(53,746)	(23,683)
<b>Profit/loss for the year</b>	8	<b>187,340</b>	<b>28,828</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired licences		17,456	7,137
Goodwill		364	342
<b>Intangible assets</b>	9	<b>17,820</b>	<b>7,479</b>
Land and buildings		118,324	123,034
Other fixtures and fittings, tools and equipment		151,845	179,881
Property, plant and equipment in progress		4,403	5,413
<b>Property, plant and equipment</b>	10	<b>274,572</b>	<b>308,328</b>
Receivables from group enterprises		1,169	604
Investments in associates		45,173	40,512
Other investments		504	504
Other receivables		46,570	51,163
<b>Financial assets</b>	11	<b>93,416</b>	<b>92,783</b>
<b>Fixed assets</b>		<b>385,808</b>	<b>408,590</b>
Raw materials and consumables		70,730	55,760
Manufactured goods and goods for resale		409,188	236,210
<b>Inventories</b>		<b>479,918</b>	<b>291,970</b>

Trade receivables		141,573	143,260
Receivables from group enterprises	12	341,906	375,715
Receivables from associates		3,502	3,422
Other receivables		101,712	54,614
Prepayments	13	8,840	14,881
<b>Receivables</b>		<b>597,533</b>	<b>591,892</b>
<hr/>			
<b>Cash</b>		<b>12,402</b>	<b>3,519</b>
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<b>Current assets</b>		<b>1,089,853</b>	<b>887,381</b>
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<b>Assets</b>		<b>1,475,661</b>	<b>1,295,971</b>
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**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contributed capital	14	20,000	20,000
Retained earnings		716,465	661,565
Proposed dividend for the financial year		125,000	0
<b>Equity belonging to Parent's shareholders</b>		<b>861,465</b>	<b>681,565</b>
<b>Equity belonging to minority interests</b>		<b>0</b>	<b>245</b>
<b>Equity</b>		<b>861,465</b>	<b>681,810</b>
Deferred tax	15	7,127	7,732
Other provisions	16	7,232	6,659
<b>Provisions</b>		<b>14,359</b>	<b>14,391</b>
Other payables		0	26
Deferred income		2,463	1,945
<b>Non-current liabilities other than provisions</b>	18	<b>2,463</b>	<b>1,971</b>
Current portion of non-current liabilities other than provisions	18	85	85
Bank loans		15,339	14,445
Trade payables		95,336	63,519
Payables to group enterprises		367,384	436,973
Payables to associates		5,068	0
Tax payable		29,143	6,220
Other payables		85,019	76,557
<b>Current liabilities other than provisions</b>		<b>597,374</b>	<b>597,799</b>
<b>Liabilities other than provisions</b>		<b>599,837</b>	<b>599,770</b>
<b>Equity and liabilities</b>		<b>1,475,661</b>	<b>1,295,971</b>
Financial instruments	20		
Unrecognised rental and lease commitments	21		
Contingent liabilities	22		
Assets charged and collateral	23		
Transactions with related parties	24		
Group relations	25		
Subsidiaries	26		

# Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000
Equity beginning of year	20,000	661,565	0	681,565	245
Effect of mergers and business combinations	0	245	0	245	(245)
Exchange rate adjustments	0	13,991	0	13,991	0
Other entries on equity	0	(21,676)	0	(21,676)	0
Profit/loss for the year	0	62,340	125,000	187,340	0
<b>Equity end of year</b>	<b>20,000</b>	<b>716,465</b>	<b>125,000</b>	<b>861,465</b>	<b>0</b>

	Total DKK'000
Equity beginning of year	681,810
Effect of mergers and business combinations	0
Exchange rate adjustments	13,991
Other entries on equity	(21,676)
Profit/loss for the year	187,340
<b>Equity end of year</b>	<b>861,465</b>



# Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		227,816	51,664
Amortisation, depreciation and impairment losses		59,506	49,127
Working capital changes	19	(185,854)	(71,384)
<b>Cash flow from ordinary operating activities</b>		<b>101,468</b>	<b>29,407</b>
Financial income received		37,721	20,210
Financial expenses paid		(25,469)	(23,399)
Taxes refunded/(paid)		(60,064)	(21,331)
Other cash flows from operating activities		14,236	31,376
<b>Cash flows from operating activities</b>		<b>67,892</b>	<b>36,263</b>
Acquisition etc. of intangible assets		(21,456)	0
Sale of intangible assets		1,859	0
Acquisition etc. of property, plant and equipment		(17,795)	(35,339)
Sale of property, plant and equipment		1,708	112
Other cash flows from investing activities		4,544	61,490
<b>Cash flows from investing activities</b>		<b>(31,140)</b>	<b>26,263</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>36,752</b>	<b>62,526</b>
Repayments of loans etc.		0	(149,000)
Long term working capital changes		1,065	(8,972)
Withholding tax		0	(20,339)
Bank loan year end / prior year development including cashpool-arrangement		(29,569)	14,445
Other cash flows from financing activities		635	(2,358)
<b>Cash flows from financing activities</b>		<b>(27,869)</b>	<b>(166,224)</b>

<b>Increase/decrease in cash and cash equivalents</b>	<b>8,883</b>	<b>(103,698)</b>
Cash and cash equivalents beginning of year	3,519	107,217
<b>Cash and cash equivalents end of year</b>	<b>12,402</b>	<b>3,519</b>
Cash and cash equivalents at year-end are composed of:		
Cash	12,402	3,519
<b>Cash and cash equivalents end of year</b>	<b>12,402</b>	<b>3,519</b>

# Notes to consolidated financial statements

## 1 Revenue

	2022 DKK'000	2021 DKK'000
Denmark	92,563	110,066
Other countries	1,934,611	1,942,138
<b>Total revenue by geographical market</b>	<b>2,027,174</b>	<b>2,052,204</b>

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.

## 2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	855	825
Tax services	340	431
Other services	1,160	750
	<b>2,355</b>	<b>2,006</b>

## 3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	145,693	151,063
Pension costs	10,349	9,160
Other social security costs	8,197	9,574
	<b>164,239</b>	<b>169,797</b>

Average number of full-time employees	271	284
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	Remuneration of manage- ment 2022 DKK'000	Remuneration of manage- ment 2021 DKK'000
Total amount for management categories	4,799	4,290
	<b>4,799</b>	<b>4,290</b>

**4 Depreciation, amortisation and impairment losses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	9,717	537
Depreciation on property, plant and equipment	48,803	48,683
Profit/loss from sale of intangible assets and property, plant and equipment	986	(93)
	<b>59,506</b>	<b>49,127</b>

**5 Other financial income**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial income from group enterprises	0	3,289
Other interest income	5,712	970
Exchange rate adjustments	18,301	10,412
Other financial income	13,708	5,539
	<b>37,721</b>	<b>20,210</b>

**6 Other financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	10,954	13,239
Other interest expenses	156	137
Exchange rate adjustments	0	6,363
Other financial expenses	18,593	3,660
	<b>29,703</b>	<b>23,399</b>

**7 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	53,725	30,220
Change in deferred tax	(605)	(6,537)
Adjustment concerning previous years	626	0
	<b>53,746</b>	<b>23,683</b>

**8 Proposed distribution of profit/loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	125,000	0
Retained earnings	62,340	28,822
Minority interests' share of profit/loss	0	6
	<b>187,340</b>	<b>28,828</b>

## 9 Intangible assets

	<b>Acquired licences DKK'000</b>	<b>Goodwill DKK'000</b>
Cost beginning of year	72,429	37,840
Exchange rate adjustments	4,488	2,342
Additions	21,456	0
Disposals	(1,859)	0
<b>Cost end of year</b>	<b>96,514</b>	<b>40,182</b>
Amortisation and impairment losses beginning of year	(65,292)	(37,498)
Exchange rate adjustments	(4,049)	(2,320)
Amortisation for the year	(9,717)	0
<b>Amortisation and impairment losses end of year</b>	<b>(79,058)</b>	<b>(39,818)</b>
<b>Carrying amount end of year</b>	<b>17,456</b>	<b>364</b>

## 10 Property, plant and equipment

	<b>Land and buildings DKK'000</b>	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
Cost beginning of year	209,168	671,279	5,413
Exchange rate adjustments	2,012	8,132	0
Transfers	0	5,202	(5,202)
Additions	4,135	9,468	4,192
Disposals	0	(2,461)	0
<b>Cost end of year</b>	<b>215,315</b>	<b>691,620</b>	<b>4,403</b>
Depreciation and impairment losses beginning of year	(86,134)	(491,398)	0
Exchange rate adjustments	(2,271)	(8,308)	0
Depreciation for the year	(8,586)	(40,217)	0
Reversal regarding disposals	0	148	0
<b>Depreciation and impairment losses end of year</b>	<b>(96,991)</b>	<b>(539,775)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>118,324</b>	<b>151,845</b>	<b>4,403</b>

## 11 Financial assets

	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
Cost beginning of year	604	16,319	4,302	66,810
Exchange rate adjustments	35	(626)	(190)	5,577
Additions	530	0	0	5,457
Disposals	0	0	0	(10,531)
<b>Cost end of year</b>	<b>1,169</b>	<b>15,693</b>	<b>4,112</b>	<b>67,313</b>
Revaluations beginning of year	0	24,193	0	0
Exchange rate adjustments	0	35	0	0
Share of profit/loss for the year	0	5,252	0	0
<b>Revaluations end of year</b>	<b>0</b>	<b>29,480</b>	<b>0</b>	<b>0</b>
Impairment losses beginning of year	0	0	(3,798)	(15,647)
Exchange rate adjustments	0	0	190	(968)
Impairment losses for the year	0	0	0	(4,128)
<b>Impairment losses end of year</b>	<b>0</b>	<b>0</b>	<b>(3,608)</b>	<b>(20,743)</b>
<b>Carrying amount end of year</b>	<b>1,169</b>	<b>45,173</b>	<b>504</b>	<b>46,570</b>

Associates	Registered in	Ownership %
Fiskeriselskabet 2bis ApS	Esbjerg	33,3
Fosnavaag Pelagic A/S	Herøy, Norway	44,6
Muelle Pesquera Maria Isabel Ltda.	Chile	32

## 12 Receivables from group enterprises

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

In "receivables from group enterprises" the cash pool arrangement amounts to DKK 341,9 million (375,7 last year)

In "payables to group enterprises" the cash pool arrangement amounts to DKK 365,6 million (429,9 last year)

## 13 Prepayments

Prepayments comprise prepaid expenses regarding 2023.

## 14 Contributed capital

	Number	Nominal value DKK'000
Shares (number in actual figures)	20,000,000	20,000
	<b>20,000,000</b>	<b>20,000</b>

## 15 Deferred tax

	2022 DKK'000	2021 DKK'000
Property, plant and equipment	8,560	12,533
Inventories	(1,632)	6,969
Receivables	199	(4,345)
Tax losses carried forward	0	(7,425)
<b>Deferred tax</b>	<b>7,127</b>	<b>7,732</b>

	2022 DKK'000	2021 DKK'000
<b>Changes during the year</b>		
Beginning of year	7,732	14,269
Recognised in the income statement	(605)	(6,537)
<b>End of year</b>	<b>7,127</b>	<b>7,732</b>

## 16 Other provisions

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

## 17 Deferred income

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

## 18 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Deferred income	85	85	2,463	1,522
	<b>85</b>	<b>85</b>	<b>2,463</b>	<b>1,522</b>

## 19 Changes in working capital

	2022 DKK'000	2021 DKK'000
Increase/decrease in inventories	(187,948)	207,842
Increase/decrease in receivables	(39,435)	(205,684)
Increase/decrease in trade payables etc.	41,529	(73,542)
	<b>(185,854)</b>	<b>(71,384)</b>

## 20 Derivative financial instruments

TripleNine Sales A/S has entered into forward exchange contracts for currency hedging of future sales denominated in NOK, EUR and USD for a total of approx. DKK 133,550k. The contracts expires in the period january - march 2023.

Compared to the forward rate at the balance sheet date, the contracts have a positiv value of approx. DKK 897k.

The unrealised exchange adjustment has been deducted the equity and reconciled in other receiveables.

## 21 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	<b>7,379</b>	<b>9,477</b>

## 22 Contingent liabilities

### 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 3 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.

## 23 Assets charged and collateral

Effective from October 2020, 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 31.12.2022, approx. DKK 150m 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 (31.12.2022: carrying amount of DKK 296,676k).
- A floating charge for DKK 10,000k on TripleNine Esbjerg A/S' intangible assets, property, plant and equipment, trade receivables and inventories (31.12.2022: carrying amount of DKK 145,476k).



- Mortgages registered to mortgagors for DKK 37,092k on the properties of TripleNine Thyborøn A/S (31.12.2022: carrying amount of DKK 51,388k).
- Mortgages registered to mortgagors for DKK 28,890k on the properties of TripleNine Services Esbjerg A/S (31.12.2022: carrying amount of DKK 31,060k).
- Charge for NOK 50,000k on TripleNine Vedde AS' trade receivables (31.12.2022: carrying amount of DKK 6,120k).
- Shares held by TripleNine Group A/S in TripleNine Thyborøn A/S (31.12.2022: carrying amount of DKK 411,641k).
- Shares held by TripleNine Group A/S in TripleNine Sales A/S (31.12.2022: carrying amount of DKK 25,509k).
- Shares held by TripleNine Group A/S in TripleNine Vedde AS (including the Lota Companies) (31.12.2022: carrying amount of DKK 388.302k)\*.
- Shares held by TripleNine Thyborøn A/S in TripleNine Esbjerg A/S (31.12.2022: carrying amount of DKK 162,092k).
- Shares held by TripleNine Thyborøn A/S in TripleNine Services Esbjerg A/S (31.12.2022: carrying amount of DKK 153,955k).
- A negative pledge in trade receivables in TripleNine Sales A/S (31.12.2022: carrying amount of DKK 95,802k).

\*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 DKK325,052k and equity DKK 249,676k

Lota companies - total assets of DKK 252,791k and equity 167,270k

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

TripleNine Thyborøn A/S has provided a guarantee for 15% of the bank loans in Vestjysk Bank of the associate, Fiskeriselskabet 2bis ApS. At 31.12.2022, the total debts amount to DKK 94,500k. Furthermore, the shares in Fiskeriselskabet 2bis ApS may not be sold or pledged without the consent of the Group's main bank (31.12.2022: carrying amount of DKK 23,178k).

Finally, a maximum guarantee for NOK 1900m and DKK 372m has been provided to the Group's bank for its total balances with the companies of TripleNine Group A/S.

## 24 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 25 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Kopperrnæs Protein 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 Kopperrnæs Protein A/S may be ordered at this address:  
bjarte.andreassen@koppernes.no

**26 Subsidiaries**

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Triplenine Thyborøn A/S	Denmark	A/S	100.00
TripleNine Vedde A/S	Norway	A/S	100.00
Lota Vedde Dos S.A	Chile	S.A	100.00
Lota Protein S.A	Chile	S.A	100.00
Presquera Lota Protein	Chile	LTDA	100.00
TripleNine Asia PTE LTD	Singapore	LTD	100.00
Losseselskabet 999 A/S	Denmark	A/S	100.00
TripleNine Esbjerg A/S	Denmark	A/S	100.00
TripleNine Services Esbjerg A/S	Denmark	A/S	100.00
Essi A/S	Denmark	A/S	100.00
TripleNine Sales A/S	Denmark	A/S	100.00

# Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	1	25,030	26,525
Other operating income		25	0
Other external expenses	2	(15,821)	(13,550)
<b>Gross profit/loss</b>		<b>9,234</b>	<b>12,975</b>
Staff costs	3	(17,313)	(20,455)
<b>Operating profit/loss</b>		<b>(8,079)</b>	<b>(7,480)</b>
Income from investments in group enterprises		195,715	35,875
Other financial income	4	62	6,616
Other financial expenses	5	(2,640)	(8,032)
<b>Profit/loss before tax</b>		<b>185,058</b>	<b>26,979</b>
Tax on profit/loss for the year	6	2,282	1,843
<b>Profit/loss for the year</b>	7	<b>187,340</b>	<b>28,822</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		815,478	804,186
<b>Financial assets</b>	8	<b>815,478</b>	<b>804,186</b>
<b>Fixed assets</b>		<b>815,478</b>	<b>804,186</b>
Receivables from group enterprises	9	55,117	10,279
Deferred tax	10	0	1,122
Tax receivable		0	2,210
Joint taxation contribution receivable		14,328	4,780
Prepayments	11	1,124	1,115
<b>Receivables</b>		<b>70,569</b>	<b>19,506</b>
<b>Current assets</b>		<b>70,569</b>	<b>19,506</b>
<b>Assets</b>		<b>886,047</b>	<b>823,692</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022</b> <b>DKK'000</b>	<b>2021</b> <b>DKK'000</b>
Contributed capital		20,000	20,000
Reserve for net revaluation according to equity method		333,294	148,536
Retained earnings		383,171	513,029
Proposed dividend for the financial year		125,000	0
<b>Equity</b>		<b>861,465</b>	<b>681,565</b>
Trade payables		2,425	1,300
Payables to group enterprises		4,385	131,696
Tax payable		9,246	0
Joint taxation contribution payable		0	4,058
Other payables		8,526	5,073
<b>Current liabilities other than provisions</b>		<b>24,582</b>	<b>142,127</b>
<b>Liabilities other than provisions</b>		<b>24,582</b>	<b>142,127</b>
<b>Equity and liabilities</b>		<b>886,047</b>	<b>823,692</b>

Unrecognised rental and lease commitments	12
Contingent liabilities	13
Assets charged and collateral	14
Related parties with controlling interest	15
Transactions with related parties	16

# Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	20,000	148,536	513,029	0	681,565
Exchange rate adjustments	0	14,236	0	0	14,236
Other entries on equity	0	(21,676)	0	0	(21,676)
Profit/loss for the year	0	192,198	(129,858)	125,000	187,340
<b>Equity end of year</b>	<b>20,000</b>	<b>333,294</b>	<b>383,171</b>	<b>125,000</b>	<b>861,465</b>

# Notes to parent financial statements

## 1 Revenue

Revenue is an internal fee to the subsidiaries.

## 2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	68	64
Tax services	250	240
Other services	305	313
	<b>623</b>	<b>617</b>

## 3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	16,487	18,384
Pension costs	826	952
Other staff costs	0	1,119
	<b>17,313</b>	<b>20,455</b>

Average number of full-time employees	<b>14</b>	<b>18</b>
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	Remuneration of Manage- ment 2022 DKK'000	Remuneration of Manage- ment 2021 DKK'000
Total amount for management categories	2,097	1,839
	<b>2,097</b>	<b>1,839</b>

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.

## 4 Other financial income

	2022 DKK'000	2021 DKK'000
Financial income from group enterprises	62	1,150
Other financial income	0	5,466
	<b>62</b>	<b>6,616</b>

**5 Other financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	2,497	7,980
Other interest expenses	37	52
Other financial expenses	106	0
	<b>2,640</b>	<b>8,032</b>

**6 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Change in deferred tax	1,122	(1,122)
Adjustment concerning previous years	(4)	0
Refund in joint taxation arrangement	(3,400)	(721)
	<b>(2,282)</b>	<b>(1,843)</b>

**7 Proposed distribution of profit and loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	125,000	0
Retained earnings	62,340	28,822
	<b>187,340</b>	<b>28,822</b>

**8 Financial assets**

	<b>Investments in group enterprises DKK'000</b>
Cost beginning of year	482,184
<b>Cost end of year</b>	<b>482,184</b>
Revaluations beginning of year	322,002
Exchange rate adjustments	14,236
Adjustments on equity	(21,676)
Share of profit/loss for the year	204,782
Adjustment of intra-group profits	(9,063)
Dividend	(176,987)
<b>Revaluations end of year</b>	<b>333,294</b>
<b>Carrying amount end of year</b>	<b>815,478</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.



### 9 Receivables from group enterprises

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

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

In "payables to group enterprises" the cash pool arrangement amounts to DKK 0 million (123,7 last year)

### 10 Deferred tax

	2022 DKK'000	2021 DKK'000
Tax losses carried forward	0	1,122
<b>Deferred tax</b>	<b>0</b>	<b>1,122</b>

	2022 DKK'000	2021 DKK'000
<b>Changes during the year</b>		
Beginning of year	1,122	0
Recognised directly in equity	(1,122)	1,122
<b>End of year</b>	<b>0</b>	<b>1,122</b>

### 11 Prepayments

Prepayments comprise prepaid expenses regarding 2023.

### 12 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	1,133	845

### 13 Contingent liabilities

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

#### 14 Assets charged and collateral

Effective from October 2020, 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 31.12.2022, approx. DKK 150m 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 (31.12.2022: carrying amount of DKK 296,676k).
- A floating charge for DKK 10,000k on TripleNine Esbjerg A/S' intangible assets, property, plant and equipment, trade receivables and inventories (31.12.2022: carrying amount of DKK 145,476k).
- Mortgages registered to mortgagors for DKK 37,092k on the properties of TripleNine Thyborøn A/S (31.12.2022: carrying amount of DKK 51,388k).
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- Charge for NOK 50,000k on TripleNine Vedde AS' trade receivables (31.12.2022: carrying amount of DKK 6,120k).
- Shares held by TripleNine Group A/S in TripleNine Thyborøn A/S (31.12.2022: carrying amount of DKK 411,641k).
- Shares held by TripleNine Group A/S in TripleNine Sales A/S (31.12.2022: carrying amount of DKK 25,509k).
- Shares held by TripleNine Group A/S in TripleNine Vedde AS (including the Lota Companies) (31.12.2022: carrying amount of DKK 388.302k)\*.
- Shares held by TripleNine Thyborøn A/S in TripleNine Esbjerg A/S (31.12.2022: carrying amount of DKK 162,092k).
- Shares held by TripleNine Thyborøn A/S in TripleNine Services Esbjerg A/S (31.12.2022: carrying amount of DKK 153,955k).
- A negative pledge in trade receivables in TripleNine Sales A/S (31.12.2022: carrying amount of DKK 95,802k).

\*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 DKK325,052k and equity DKK 249,676k

Lota companies - total assets of DKK 252,791k and equity 167,270k

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

TripleNine Thyborøn A/S has provided a guarantee for 15% of the bank loans in Vestjysk Bank of the associate, Fiskeriselskabet 2bis ApS. At 31.12.2022, the total debts amount to DKK 94,500k. Furthermore, the shares in Fiskeriselskabet 2bis ApS may not be sold or pledged without the consent of the Group's main bank (31.12.2022: carrying amount of DKK 23,178k).

Finally, a maximum guarantee for NOK 1900m and DKK 372m has been provided to the Group's bank for its total balances with the companies of TripleNine Group A/S.

### **15 Related parties with controlling interest**

Related parties having control

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

hold all shares in the Company and so exercise control.

### **16 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report.

No such transactions were conducted during the financial year.

# 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 (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last 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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

## Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the 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.

The modified uniting-of-interests method is applied to reverse vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger. Vertical mergers are recognised at the merger date without restatement of comparative figures.

### **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 at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from 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.

### **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 from the sale of services is recognised in the income statement when delivery is made 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.

#### **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.

#### **Staff costs**

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

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 intra-group 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 pro rata elimination of intra-group profits or losses.

**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 or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

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

**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.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been 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. Useful lives are reassessed annually. 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 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 actual 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.

**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. Investments under 60,000 DKK is reconciled in the profit and loss.

if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

	<b>Useful life</b>
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.

**Investments in group enterprises**

In the parent financial statements, 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 unamortised goodwill and plus or minus unrealised intra-group profits and 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 enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in associates.

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.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

### **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 investments measured at the lower of cost and net realisable value.

### **Inventories**

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

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, and costs of factory administration and management. Finance 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.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

**Tax payable or receivable**

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

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**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**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**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.

**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.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and 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 taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and 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, and the raising of loans, inception of finance leases, repayments of 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.