List of Signatures

Espersen Annual Report 2021.pdf

Name	Method	Signed at
Jacek Migrala	One-Time-Password	2022-04-20 15:29 GMT+02
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Jesper Mikkelsen Heilbuth	NEMID	2022-04-20 11:34 GMT+02
Tobias Oppermann Jensen	NEMID	2022-04-20 11:27 GMT+02
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Bettina Fürstenberg	One-Time-Password	2022-04-21 08:37 GMT+02
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Mette Bendix Nielsen	NEMID	2022-04-22 08:58 GMT+02
Chris Thomas	One-Time-Password	2022-04-22 08:41 GMT+02

List of Signatures

Name	Method	Signed at
Preben Vagn Finne	NEMID	2022-04-22 10:50 GMT+02

A. Espersen A/S

Sydhavnsvej 12, 3700 Rønne

Annual Report 2021

The Annual Report 2021 was adopted by the Annual General Meeting on 8 April 2022

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Chair

CVR-nr. 38 38 99 12

Contents

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of A. Espersen A/S for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Rønne, 8 April 2022

Executive Board:

Klaus B. Nielsen CEO	Max Sørensen Deputy CEO	Jesper Mikkelsen Heilbuth CFO

Board of Directors:

Flemming Enevoldsen Chair	Christopher Thomas	Peter Kjær
Niels Walther-Rasmussen	Bettina Fürstenberg	
Jacek Migrala	Klaus B. Nielsen	
René Kofod Employee representative	Mette Bendix Nielsen Employee representative	Preben Finne Employee representative

Independent auditor's report

To the shareholder of A. Espersen A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of A. Espersen A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statement Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsiblities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management review

Management is responsible for the Management review.

Our opinion on the financial statements does not cover the Management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Independent auditor's report

Based on the work we have performed, we conclude that the Management review is in accordance with the 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's review.

Aarhus, 8 April 2022
EY Godkendt Revisionspartnerselskab
CVR. no. 30 70 02 28

Morten Friis State Authorised Public Accountant mne32732	Tobias Oppermann State Authorised Public Accountant mne46362

Management review

Company details

A. Espersen A/S
Sydhavnsvej 12
DK-3700 Rønne
Denmark

Telephone:	+45 5690 6000
Fax:	+45 5690 6001
Web site:	www.espersen.com
E-mail:	espersen@espersen.com

Registration No.:	38 38 99 12
Established:	23 February 1945
Registered office:	Bornholm, Denmark

Board of Directors

Flemming Enevoldsen (Chair)
Christopher Thomas
Peter Kjær
Niels Walther-Rasmussen
Bettina Fürstenberg
Jacek Migrala
Klaus B. Nielsen
René Kofod (Employee representative)
Mette Bendix Nielsen (Employee representative)
Preben Finne (Employee representative)

Executive Board

Klaus B. Nielsen, CEO
Max Sørensen, Deputy CEO
Jesper Mikkelsen Heilbuth, CFO

Auditors

EY Godkendt Revisionspartnerselskab
CVR. no. 30 70 02 28
Værkmestergade 25
Postboks 330
DK-8000 Aarhus C
Denmark

Annual General Meeting

The Annual General Meeting is held on 8 April 2022

Management review

Financial highlights for the Group

DKKm	2021	2020	2019	2018	2017
Key figures					
Revenue	2.708	2.858	2.788	2.739	2.431
Operating profit before special items (Note 2)	56	49	53	-10	-4
Ordinary operating profit	35	40	41	-56	-4
Financial income and expenses, net	-37	-50	-31	-37	-38
Result before tax	1	-8	9	-94	-43
Result for the year	**8**	**-8**	**1**	**-76**	**-34**
Non-current assets	432	404	409	434	406
Current assets	1.041	1.059	1.083	1.035	933
Total assets	**1.473**	**1.463**	**1.492**	**1.469**	**1.339**
Share capital	39	39	39	35	30
Equity	**353**	**310**	**384**	**255**	**159**
Non-controlling shareholder's interest	1	1	1	1	0
Provisions	2	2	3	21	21
Non-current liabilities other than provisions	1	5	9	20	59
Current liabilities other than provisions	1.116	1.146	1.095	1.173	1.099
Cash flow from operating activites	12	0	77	-194	-6
Cash flow from investing activites, net	-61	-58	-30	-93	-155
Hereof investments in tangible assets	-54	-59	-45	-108	-49
Cash flow from financing activities	49	67	-51	268	192
Total cash flow	**1**	**10**	**-4**	**-19**	**30**
Financial ratios					
Solvency ratio	24,0 %	21,2 %	25,7 %	17,4 %	11,9 %
Return on equity	+2,4 %	-2,3 %	+0,3 %	-36,7 %	-17,5 %
Average number of full-time employees	**3.150**	**2.990**	**2.929**	**2.946**	**2.689**

The financial ratios stated in the financial highlights overview have been calculated as follows:

Solvency ratio: Equity at year end x 100 / Total equity and liabilities at year end

Return on equity: Result for the year x 100 / Average equity

Management review

Principal activities of the Group

Espersen is a global supplier of frozen and chilled seafood products for the retail and foodservice markets.

Espersen operates manufacturing plants in Denmark, Lithuania, Poland, Russia (temporarily closed) and Vietnam.

The main raw material is frozen fish sourced globally. Our customers are mainly international and large retail chains, fast food chains, foodservice chains as well as B2B customers, with whom we have long-lasting business relationship.

Development in activities and financial position

2021 saw a good development in the underlying demand for our products. In particular, the first half of 2021 delivered strong top- and bottom-line development compared to 2020.

However, during the second half of 2021 we experienced major negative implications from Covid-19 as well as from the global supply chain challenges. The imbalances in the global supply chain led to significant cost inflation. Accordingly, all elements of the production of the Group's products (fish, ingredients, packaging, utilities, warehousing, and salaries as well as logistics costs) were significantly higher in Q4 2021 compared with 2020.

This led to implementation of sales price increases to our customers, but the full impact of these come with a time delay due to existing contracts. As a consequence, the profit in Q4 was negatively impacted.

Espersen and Royal Greenland entered into a long-term sales contract covering the foodservice market in Europe commencing 1 January 2022.

We completed the implementation of a new ERP-system in all companies in the Group.

For the year, our volume of sold products increased by 4.5% compared to 2020. However, despite volume growth, the Group's revenue decreased by 5.2% in 2021 to DKK 2,708m (2020: DKK 2,858m) mainly due to lower average fish prices during 1st half and changed product mix compared with 2020.

Special items – particularly Covid-19 impact

On 12 July 2021 our Vietnamese factory had to close due to Covid-19 restrictions by the Vietnamese government, ref. more details below. These restrictions applied to all companies in the region.

The factory was allowed to reopen mid-October and was back at full production capacity by mid-December.

The closure impacted our operating profit in 2021 negatively by DKK 24.5m compared with 2020 of which DKK 9.5m are incurred Covid-19 cost and DKK 15m is estimated lost profit from inability to deliver on customer demands during closure.

The Group incurred extra costs in total of DKK 16.2m directly related to Covid-19 (2020: DKK 9.1m), which amongst others comprise salaries to employees in quarantine and costs to protect employees (facemasks, test, hand sanitizer, extra cleaning, extra space in production etc.) external storage of raw materials etc.

The Group's adjusted/normalized operating profit for 2021 is DKK 70.8m compared with DKK 49.4m in 2020, equal to an increase of DKK 21.4m, ref. below table.

Adjusted / normalised Operating profit

DKKm	2021	2020
Reported Operating profit	35,2	40,3
Adjustment for incurred Covid-19 costs	16,2	9,1
Adjustment for other special items (cost)	4,4	0,0
	55,8	**49,4**
Adjustment for lost Operating profit due to Vietnam closure	15,0	0,0
Adjusted / normalised Operating profit	**70,8**	**49,4**

Ordinary operating profit for 2021 (reported) is DKK 35.2m compared with DKK 40.3m in 2020, equal to a decrease of DKK 5.1m.

The Group's cash flow from operating activities was positive by DKK 12.2m in 2021 compared with positive DKK 0.4m in 2020, equal to an increase of DKK 11.8m.

The development in the financial performance and cash flow in 2021 is considered satisfactory when adjusting for the significant impacts from Covid-19 in 2021 as well as the other special items in 2021.

Management review

The Group's solvency increased to 24.0% at 31 December 2021 (2020: 21.2%). The increase is mainly due to a positive development in the Group's currency hedging agreements of DKK 25m as well as a positive currency effect of DKK 6m from translating the Group's subsidiaries from local currencies into DKK at consolidation, which both are recognized directly in the Equity.

Covid-19 impact

The outbreak of Covid-19 in 2020 continued to negatively impact the Group's business in 2021 – some areas negative others positive. Overall, Covid-19 directed most focus and time on securing a safe environment for our employees and securing supply of raw materials in order to secure production of goods to our customers.

Overall, also in 2021 Covid-19 had a negative impact on our financial performance as well as our ability to develop and expand our business as originally included in our plans for 2021. However, we have seen an improved robustness in the Group's financia performance in 2020 and 2021 during the Covid-19 challenges, and the operating profit for 2021 is better than both 2020 and the record operating profit in 2019 when adjusting for the significant negative Covid-19 impacts.

The Group has in 2021 incurred extra costs of DKK 16.2m directly related to Covid-19 (2020: DKK 9.1m), which i.a. comprise salaries to employees in quarantine and costs to protect employees (facemasks, tests, hand sanitizer, extra cleaning, extra space in production etc.), external storage of raw materials etc.

The increase in direct Covid-19 costs in 2021 is caused by our Vietnamese factory which was not impacted in 2020, but in 2021 has incurred direct Covid-19 costs of DKK 9.5m. Additionally, the temporary closure of the Vietnamese factory resulted in estimated lost operating profit in 2021 of DKK 15m as the reduced production capacity could not meet customer's demand. We refer to the below section for more details on the Vietnam factory situation in 2021.

The direct incurred costs in 2021 of DKK 16.2m (2002: DKK 9.1m) are viewed as Special costs. Similar, the lost operating profit in 2021 of estimated DKK 15m has lowered the operating profit in 2021 compared to 2020 where the Vietnamese factory was not impacted by Covid-19.

Temporary closure and phased reopening of Vietnamese factory due to imposed Covid restrictions

On 12 July 2021 our Vietnamese factory unfortunately had to close due to Covid-19 restrictions imposed by the Vietnamese government. Vietnam had in 2020 applied a "Covid-19 isolation strategy" and vaccinations were not deemed necessary, whereby the country had no Covid-19 challenges in 2020 and thus the production capacity and costs of operation on our Vietnamese factory were not negatively impacted by Covid-19 in 2020. When mutations arose and started to spread in Vietnam, the lack of vaccinations made the Vietnamese government impose harsh Corona restrictions until vaccination programs were completed, which meant that we had to fully close our factory on 12 July 2021. We were allowed to gradually reopen our factory in 2nd half of October 2021 under strict rules, and the factory was only back at full production capacity mid December 2021. During this period we have incurred DKK 9.5m in extra costs to salaries (where we could not produce), safety measures, external storage of raw materials (as we could not access our factory) etc. Further, the significantly reduced production capacity also caused that we could not meet our customer's demand for products, which result in lost operating profit of estimated DKK 15m. Consequently, the temporary closure and phased reopening of our Vietnamese factory has isolated a negative impact on our operating profit in 2021 of estimated DKK 24.5m compared with 2020.

Covid-19 insurance cover

In 2020 and 2021 our insurance contained an "Epidemic clause" which provided coverage for property damage and loss of profit caused by contagious diseases or epidemics or denial of access based on these. We reported the Covid-19 situations to our insurance company in 2020 and again in 2021 claiming coverage under the policy. In March 2022 our insurance company confirmed coverage under the insurance. We are currently in discussions with our insurance company as to the size of the insurance cover. No insurance reimbursement is recognized as of 31 December 2021.

Outlook

As per the balance sheet date (31 December 2021) our outlook for 2022 showed topline, and particularly bottom-line growth.

However, the terrible situation in Ukraine has led to international sanctions against Russia, and these sanctions will have a material impact on our outlook for the year.

The financial impact is dependent on how long the situation will continue. The impact will clearly be felt by our Russian factory in Novgorod, which we 17 March 2022 decided to close down temporarily.

Furthermore, Russia holds a significant share of the world quota for cod and haddock, which are important fish species used by Espersen. Although there are not any sanctions on fish or other food products at present, the situation has already led to further price increases for non-Russian alternatives.

We are implementing contingency plans – both for the short and for the longer term.

Espersen Group has sufficient liquidity to continue our business.

Management review

Outlook (continued)

Expected development

Due to the terrible situation in Ukraine and the uncertainty following sanctions against Russia the outlook for 2022 is highly uncertain. Accordingly, with current knowledge we estimate 2022 revenue in the range DKK 2,900m - 3,700m and operating result before special items of DKK 20m - 70m.

Particular risks

General risk

Espersen's main exposure is its dependence on raw material procurement. Espersen depends on a good development of whitefish stocks, especially Cod, and is working both locally and globally to ensure sustainable fishing. A further risk could be an environmental disaster and its consequences for global fishing.

Currency and financial risks

A considerable part of Espersen's purchases and sales are performed in foreign currencies, and fluctuations in the rates of exchange may have a short-term effect on the Group's results; in the long-term, these fluctuations are, however, included in the market. A defined policy is in place to mitigate significant short-term impacts of changes in exchange rates. Hedging of currency risks is mainly by use of foreign exchange forwards.

Espersen is predominantly financed through the parent company, INSEPA A/S, which has sufficient funding in place to secure operations.

Credit risk

The credit risks of the Company primarily relates to trade receivables. As a rule, an international credit insurance institution insures all trade receivables in order to minimise credit risks.

Intellectual capital

Espersen's employees have high seniority and industry insight.

Espersen's main activities are processed on standard production equipment, and the high seniority of the employees is a contributing factor to higher yields and profits.

Environmental issues

It is important for Espersen to act in an ethical correct way, to support and work for sustainable fishing and to have a good image towards our business partners and in the local communities.

Social responsibility

Espersen's sustainability report constitute our compliance with the Danish statutory disclosure on corporate social responsibility and gender distribution among management, see the Danish Financial Statements Act, sections §99a and §99b. Access our sustainability report here: https://www.espersen.com/commitment/sustainability-reports

Data Ethics

The Group has not expressed a specific Data Ethics policy, as the subject has been found sufficiently covered by the Group's general CSR and GDPR policies.

The Group will however reconsider the need of a specific Data Ethics policy during the current financial year.

Events after the balance sheet date

No events have occurred after the year-end closing which could significantly affect the evaluation of the financial position of the Group and the Parent Company. However, reference is made to comments on the terrible situation in Ukraine provided in the Outlook section on the previous page.

Consolidated and parent company financial statements for the period 1 January - 31 December

Accounting policies

The annual report of A. Espersen A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, A. Espersen A/S, and subsidiaries in which A. Espersen A/S directly or indirectly holds more than 50% of the voting rights or over which it otherwise exercises control. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intragroup income and expenses, shareholdings, intercompany balances and dividends, and realised and unrealised gains on intercompany transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Business combinations

Recently acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the year of acquisition.

Consolidated and parent company financial statements for the period 1 January - 31 December

Intercompany business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis and is stated in the notes in connection with the description of acquired entities.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intercompany balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

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 included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity.

Consolidated and parent company financial statements for the period 1 January - 31 December

Income statement

Revenue

Income from the sale of goods for resale and finished goods, comprising sale of fish is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including income from renting out properties.

Raw materials and consumables

Costs of raw materials and consumables comprise purchases for the year and the change in the inventory of raw materials and consumables.

Other external costs

Other external costs comprise all other costs, among these administration, bad debts, fixed costs and operational leases.

Staff costs

Staff costs comprise wages and salaries, including holiday allowances and pensions, and other social security cost etc. for the Company's employees. Refund received from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses which comprise depreciation, amortisation and impairment losses regarding goodwill, intangible assets and property and equipment are provided on a straight-line basis over the expected useful lives of the assets, based on the assessed useful lives.

Income from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intercompany profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intercompany profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation of INSEPA A/S Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date when they are included in the consolidation of the consolidated financial statements and up to the date when they exit the consolidation.

The parent company INSEPA A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Consolidated and parent company financial statements for the period 1 January - 31 December

Balance sheet

Intangible assets

Acquired rights

Acquired rights are measured at cost amortised over the remaining period and adjusted for impairment losses. Useful life is 5 years.

Software

Software is measured at cost and amortised over the expected useful live and adjusted for impairment losses. Useful vary between 3-15 years.

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 20 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Development projects in progress

Development projects in progress include expenses, salaries and amortisation, which can be directly attributed to development projects.

Tangible assets

Land and buildings, plant and machinery and other fixtures and operating equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	5-50 years
Plant and machinery	3-20 years
Other fixtures and operating equipment	3-10 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of dis-posal. Gains or losses are recognised in the income statement by off-setting in depreciation for the year.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealised intercompany profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such entities are written down in so far as the amount receivable is considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation according to the equity method in equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of A. Espersen A/S is adopted are not taken to the net revaluation reserve.

The purchase method of accounting is applied to corporate acquisitions, see the above description under "Consolidated financial statements".

Securities and other investments

Listed securities and other investments are measured at fair value at the balance sheet date.

Consolidated and parent company financial statements for the period 1 January - 31 December

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment and investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the weighted average cost method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising pur-chase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected bad debt losses.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation and hedging reserve

The Translation reserve comprise the share of exchange rate adjustments arising from the translation into Danish Kroner at consolidation of the results and net assets in foreign group entities with a functional currency other than Danish Kroner. Further, currency exchange rate adjustments of receivables and liabilities, which are deemed part of the Company's net investment in such foreign group entities are also recognised directly in the Translation reserve in the equity. The Translation reserve is dissolved at disposal of such foreign group entities.

In the parent company's accounts the exchange rate adjustments of such foreign group entities will instead be included as part of the Reserve for revaluation under the equity method.

More elaborate explanation of "Foreign currency translation" and "Derivative financial instru-ments" is provided in separate sections elsewhere in these accounting policies.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Consolidated and parent company financial statements for the period 1 January - 31 December

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Consolidated cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and dis-posals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to only minor risks of changes in value.

INCOME STATEMENT **DKK'000**

Note		Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
	Revenue	2.707.660	2.857.524	2.185.309	2.259.407
	Changes in inventories of finished goods	24.876	-83.003	5.534	-34.399
	Other operating income	6.925	2.801	0	2.161
		2.739.461	2.777.322	2.190.843	2.227.169
	Raw materials, consumables, etc.	-2.025.425	-2.053.727	-2.039.915	-2.058.357
	Other external costs	-267.564	-272.968	-96.028	-93.642
	Gross profit	446.472	450.627	54.900	75.170
4	Staff costs	-368.935	-368.221	-67.359	-69.977
5+6	Depreciation, amortisation and impairment	-42.294	-42.142	-4.705	-3.905
	Operating profit / (loss)	35.243	40.264	-17.164	1.288
7	Share of result after tax in subsidiaries	0	0	34.203	24.290
8	Share of result after tax in associates	2.529	978	2.529	978
9	Financial income and expenses	-37.068	-49.554	-20.051	-41.735
	Result before tax	704	-8.312	-483	-15.179
10	Corporation tax	6.959	645	8.129	7.309
	Result for the year	7.663	-7.667	7.646	-7.870

Breakdown of consolidated result for the year:

Shareholders, A. Espersen A/S	7.646	-7.870
Non-controlling interests	17	203
	7.663	-7.667

Proposed profit / loss appropriation

Proposed dividends	0	0
Retained earnings	7.646	-7.870
	7.646	-7.870

BALANCE SHEET **DKK'000**

Note		Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
	ASSETS				
	Non-current assets				
5	**Intangible fixed assets**				
	Acquired rights	0	0	0	0
	Goodwill	22.707	23.533	0	0
	Software	39.539	340	38.174	294
	Development projects in progress	0	0	0	0
		62.246	23.873	38.174	294
6	**Tangible fixed assets**				
	Buildings	168.121	176.869	8.165	9.917
	Plant and machinery	156.431	132.470	2.742	3.961
	Other fixtures and operating equipment	9.295	9.308	4.149	4.032
	Tangible assets in progress	22.084	52.591	1.571	27.335
		355.931	371.238	16.627	45.245
	Investments				
7	Investments in subsidiaries	0	0	605.951	567.858
8	Investments in associates	11.027	7.698	11.027	7.698
11	Other securities	1.300	1.300	1.300	1.300
12	Other receivables	1.108	0	1.108	0
		13.435	8.998	619.386	576.856
	Non-current assets	431.612	404.109	674.187	622.395
	Current assets				
	Inventories				
	Raw materials and consumables	280.724	311.211	23.257	32.247
	Finished goods and goods for resale	240.052	215.176	94.193	88.659
		520.776	526.387	117.450	120.906
	Receivables				
	Trade receivables	370.531	394.839	257.901	275.751
	Receivables from group enterprises	0	0	465.590	425.586
	Other receivables	53.602	35.716	21.526	29.070
13	Deferred tax	21.312	30.888	0	11.739
	Corporate tax receivable	27.855	23.302	16.387	11.835
14	Prepayments	347	2.484	0	1.558
		473.647	487.229	761.404	755.539
	Cash at bank and in hand	46.223	45.473	2.267	0
	Current assets	1.040.646	1.059.089	881.121	876.445
	TOTAL ASSETS	1.472.258	1.463.198	1.555.308	1.498.840

BALANCE SHEET **DKK'000**

Note		Consolidated 2021	Consolidated 2020	Parent 2021	Parent 2020
	EQUITY AND LIABILITIES				
	Equity				
15	Share capital	39.000	39.000	39.000	39.000
	Retained earnings	352.996	348.615	259.280	289.102
	Reserve for net revaluation under the equity method	6.844	3.265	70.384	28.897
	Translation reserve	-46.400	-81.576	-16.224	-47.695
		352.440	309.304	352.440	309.304
	Non-controlling interests	766	750	0	0
		353.206	310.054	352.440	309.304
	Provisions				
13	Deferred tax	2.430	2.288	1.942	0
		2.430	2.288	1.942	0
16	**Non-current liabilities**				
	Mortgage debt	434	4.623	434	4.623
	Other payables	164	0	164	0
		598	4.623	598	4.623
	Current liabilities				
	Mortgage debt	368	2.320	368	2.320
	Bank loans and overdrafts	10.840	16.421	0	0
	Trade payables	272.805	320.109	70.131	78.265
	Corporate tax payable	424	5.160	0	0
	Other payables	43.732	74.255	7.447	48.844
	Deferred income	15.779	16.891	0	0
	Payables to group enterprises *	772.076	711.077	1.122.382	1.055.484
		1.116.024	1.146.233	1.200.328	1.184.913
	Total liabilities	1.116.622	1.150.856	1.200.926	1.189.536
	TOTAL EQUITY AND LIABILITIES	1.472.258	1.463.198	1.555.308	1.498.840

* Hereof DKK 772,076k (2020: DKK 711,077k) payable to the company's shareholder.

1 Events after the balance sheet date
2 Special items
3 Segment note
17 Contingent liabilities and collateral
18 Fees paid to the statutory auditor appointed at the general meeting
19 Currency and interest rate risks and the use of derivative financial instruments
20 Related parties
21 Cash and Cash equivalent at year-end - Consolidated
22 Proposed profit/loss appropriation

CASH FLOW STATEMENT **DKK'000**

Note		Consolidated 2021	Consolidated 2020
	Operating profit/(loss)	35.243	40.264
	Depreciation	42.294	42.142
	Adjustment from other non cash transactions	1.471	1.693
	Cash flows from operations before changes in working capital	**79.008**	**84.099**
	Changes in inventories	5.611	64.035
	Changes in trade receivables and other receivables	5.314	-44.378
	Changes in trade payables and other payables	-77.663	-44.392
	Cash flows from operations (operating activities)	**12.270**	**59.364**
	Interest income and expense, net	-8.555	-55.048
	Corporation tax received/(paid)	8.458	-3.873
	Cash flows from operating activities	**12.173**	**443**
	Purchase of tangible and intangible assets	-66.782	-59.066
	Disposal of tangible and intangible assets	6.267	1.081
	Investment in subsidiaries	-185	0
	Dividend from associates	0	443
	Cash flow to/from investments	**-60.700**	**-57.542**
	Mortgage	-6.141	-2.322
	Group loans	60.999	59.043
	Bank loans and overdrafts	-5.581	10.106
	Cash flows to/from financing	**49.277**	**66.827**
	Net cash flows for the year	**750**	**9.728**
	Cash and cash equivalents at 1 January	45.473	35.745
21	**Cash and cash equivalents at 31 December**	**46.223**	**45.473**

Cash and cash equivalents represent the total of cash.

The cash flow statement cannot be directly derived from the consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

DKK'000

Consolidated

	Share capital	Reserve for reval under the equity method	Translation and hedging reserve	Retained earnings	Total
Equity at 1 January 2020	**39.000**	**3.223**	**0**	**341.655**	**383.878**
Dividend paid	0	-443	0	443	0
Transfer from profit/loss for the year	0	978	0	-8.848	-7.870
FX rate adj. associates	0	-493	0	0	-493
FX rate adj. subsidiaries	0	0	-53.580	0	-53.580
Derivative financial instr. at 1 Jan	0	0	0	15.365	15.365
Derivative financial instr. at 31 Dec	0	0	-27.996	0	-27.996
Equity at 1 January 2021	**39.000**	**3.265**	**-81.576**	**348.615**	**309.304**
Transfer	0	736	0	-736	0
Transfer from profit/loss for the year	0	2.529	0	5.117	7.646
FX rate adj. associates	0	314	0	0	314
FX rate adj. subsidiaries	0	0	9.857	0	9.857
Derivative financial instr. at 1 Jan	0	0	27.996	0	27.996
Derivative financial instr. at 31 Dec	0	0	-2.677	0	-2.677
Equity at 31 December 2021	**39.000**	**6.844**	**-46.400**	**352.996**	**352.440**

The Translation and hedging reserve comprise the share of exchange rate adjustments arising from the translation into Danish Kroner at consolidation of the results and net assets in foreign group entities with a functional currency other than Danish Kroner as well as the value of derivates recognized in equity. The Translation and hedging reserve is dissolved at disposal of such foreign group entities or changes in derivates.

In the parent company's accounts the exchange rate adjustments of such foreign group entities will instead be included as part of the Reserve for revaluation under the equity method.

Non-controlling interests	**Total**
Equity at 1 January 2020	**553**
Transfer from profit/loss for the year	203
Exchange rate adjustment	-6
Equity at 1 January 2021	**750**
Transfer from profit/loss for the year	17
Exchange rate adjustment	-1
Equity at 31 December 2021	**766**

STATEMENT OF CHANGES IN EQUITY

DKK'000

Parent Company

	Share capital	Reserve for reval under the equity method	Translation and hedging reserve	Retained earnings	Total
Equity at 1 January 2020	**39.000**	**3.223**	**0**	**341.655**	**383.878**
Transfer	0	35.223	0	-35.223	0
Dividend paid	0	-443	0	443	0
Transfer from profit/loss for the year	0	25.268	0	-33.138	-7.870
FX rate adj. associates	0	-493	0	0	-493
FX rate adj. subsidiaries	0	-33.881	-19.699	0	-53.580
Derivative financial instr. at 1 Jan	0	0	0	15.365	15.365
Derivative financial instr. at 31 Dec	0	0	-27.996	0	-27.996
Equity at 1 January 2021	**39.000**	**28.897**	**-47.695**	**289.102**	**309.304**
Transfer	0	736	0	-736	0
Transfer from profit/loss for the year	0	36.732	0	-29.086	7.646
FX rate adj. associates	0	314	0	0	314
FX rate adj. subsidiaries	0	3.705	6.152	0	9.857
Derivative financial instr. at 1 Jan	0	0	27.996	0	27.996
Derivative financial instr. at 31 Dec	0	0	-2.677	0	-2.677
Equity at 31 December 2021	**39.000**	**70.384**	**-16.224**	**259.280**	**352.440**

NOTES **DKK'000**

1 Events after the balance sheet date

No events have occurred after the year-end closing which could significantly affect the evaluation of the financial position of the Group and the Parent Company. However, reference is made to comments on the terrible situation in Ukraine provided in the Outlook section in Management review.

2 Special items

Special items comprise significant income and expenses of a special nature relative to the Group's ordinary recurring activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses related thereto and which over time are of significance to the Group's development. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's recurring operating activities.

As disclosed in the Management review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the recurring operating activities.

Special items for the year are specified below, and also the line items under which they are recognised in the income statement.

	Consolidated		Parent	
	2021	2020	2021	2020
Direct costs incurred due to Covid-19 (salaries to employees in quarantine and costs to keep employees safe (facemasks; Covid-19 tests; establishing extra space in production etc.))	6.700	9.133	0	1.125
Direct Covid-19 costs in connection with temporarily closure of Vietnam factory on 12 July 2021, including extra storage costs etc. The Vietnam factory was not Covid-19 impacted in 2020.	9.500	0	0	0
Advisor costs and other costs in connection with acquisitions, sale of buildings etc	3.132	0	3.132	0
Cost in connection with implementation of new ERP system	1.257	0	904	0
Total special items	**20.589**	**9.133**	**4.036**	**1.125**
Reported in the Income Statement as below:				
Staff costs	6.065	3.215	165	1.037
Other external costs	14.524	5.918	3.871	88
	20.589	**9.133**	**4.036**	**1.125**

Lost EBITDA of DKK 15m in 2021 due to temporarily Covid-19 closure of Vietnamese factory

The Covid-19 virus was not impacting Vietnam in 2020 as the Vietnamese government had applied the isolation strategy. In Q2/2021 Covid-19 mutations hit Vietnam and our factory was closed on 12 July 2021 based on governmental rules. The factory reopened again in October 2021 at low capacity. The closure of our factory in Vietnam has resulted in an estimated lost EBITDA of DKK 15m as our produced products were significantly below the demand from 12 July - 31 December 2021.

3 Segment note

	Consolidated		Parent	
	2021	2020	2021	2020
Fish products - domestic market	38.501	52.181	38.501	52.181
Fish products - export markets	2.669.159	2.805.343	2.146.808	2.207.226
	2.707.660	**2.857.524**	**2.185.309**	**2.259.407**

NOTES **DKK'000**

4 Staff costs

	Consolidated		Parent	
	2021	2020	2021	2020
Wages and salaries	299.898	314.181	60.938	63.685
Pensions	8.925	8.996	6.143	6.019
Other social security costs	60.112	45.044	278	273
	368.935	**368.221**	**67.359**	**69.977**

The Group had 3,150 full-time employees in 2021 (2020: 2,990) of which 122 were employed in the parent company (2020: 120).

Remuneration Executive Board	8.565	8.494	8.565	8.494
Remuneration Board of Directors	120	120	120	120
	8.685	**8.614**	**8.685**	**8.614**

5 Intangible assets

Consolidated	**Acquired rights**	**Goodwill**	**Software**	**Develop-ment projects in progress**	**Total**
Cost at 1 January 2021	21.773	46.396	6.282	0	74.451
Currency adjustments	0	1.351	-12	0	1.339
Additions	0	0	0	13.016	13.016
Transfer from/to other assets	0	0	40.343	-13.016	27.327
Cost at 31 December 2021	**21.773**	**47.747**	**46.613**	**0**	**116.133**
Depreciation at 1 January 2021	21.773	22.863	5.942	0	50.578
Currency adjustments	0	501	-12	0	489
Depreciation of the year	0	1.676	461	0	2.137
Transfer from/to other assets	0	0	683	0	683
Depreciation at 31 December 2021	**21.773**	**25.040**	**7.074**	**0**	**53.887**
Carrying amount at 31 December 2021	**0**	**22.707**	**39.539**	**0**	**62.246**

Parent company	**Acquired rights**	**Goodwill**	**Software**	**Develop-ment projects in progress**	**Total**
Cost at 1 January 2021	21.773	15.000	4.722	0	41.495
Additions	0	0	0	13.016	13.016
Transfer from/to other assets	0	0	39.001	-13.016	25.985
Cost at 31 December 2021	**21.773**	**15.000**	**43.723**	**0**	**80.496**
Depreciation at 1 January 2021	21.773	15.000	4.428	0	41.201
Depreciation of the year	0	0	438	0	438
Transfer from/to other assets	0	0	683	0	683
Depreciation at 31 December 2021	**21.773**	**15.000**	**5.549**	**0**	**42.322**
Carrying amount at 31 December 2021	**0**	**0**	**38.174**	**0**	**38.174**

NOTES **DKK'000**

6 Tangible assets

Consolidated	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2021	333.662	521.172	51.361	52.591	958.786
Currency adjustments	-651	-667	4	-161	-1.475
Additions	127	3.440	1.507	48.692	53.766
Disposals	-415	-3.651	-2.201	0	-6.267
Transfer from/to other assets	5.274	42.424	4.013	-79.038	-27.327
Cost at 31 December 2021	**337.997**	**562.718**	**54.684**	**22.084**	**977.483**
Depreciation at 1 January 2021	156.793	388.702	42.053	0	587.548
Currency adjustments	-259	39	25	0	-195
Depreciation on disposed assets	-281	-3.312	-1.029	0	-4.622
Depreciation of the year	13.372	23.748	2.384	0	39.504
Transfer from/to other assets	251	-2.890	1.956	0	-683
Depreciation at 31 December 2021	**169.876**	**406.287**	**45.389**	**0**	**621.552**
Carrying amount at 31 December 2021	**168.121**	**156.431**	**9.295**	**22.084**	**355.931**

Parent company	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2021	25.801	63.304	27.676	27.335	144.116
Additions	99	76	591	221	987
Disposals	0	-76	-1.322	0	-1.398
Transfer from/to other assets	0	-3.045	3.045	-25.985	-25.985
Cost at 31 December 2021	**25.900**	**60.259**	**29.990**	**1.571**	**117.720**
Depreciation at 1 January 2021	15.884	59.343	23.644	0	98.871
Depreciation on disposed assets	0	0	-60	0	-60
Depreciation of the year	1.851	555	559	0	2.965
Transfer from/to other assets	0	-2.381	1.698	0	-683
Depreciation at 31 December 2021	**17.735**	**57.517**	**25.841**	**0**	**101.093**
Carrying amount at 31 December 2021	**8.165**	**2.742**	**4.149**	**1.571**	**16.627**

NOTES **DKK'000**

7 Investments in subsidiaries

	2021	2020
Cost at 1 January	542.226	484.235
Additions	185	0
Additions (through conversion of loan into shares)	0	57.991
Cost at 31 December	**542.411**	**542.226**
Value adjustment at 1 January	25.632	35.223
Currency adjustments	3.705	-33.881
Amortisation of goodwill	-765	-765
Share of Result after tax for the year	34.968	25.055
Value adjustment at 31 December	**63.540**	**25.632**
Carrying amount at 31 December	**605.951**	**567.858**

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
OOO A. Espersen	Russia	100%	TRUB 100	24.486	14.106
UAB Espersen Lietvua	Lithuania	100%	TEUR 4,071	49.172	1.173
Espersen Asia Ltd.	Hong Kong	100%	TUSD 17,667	77.606	432
Espersen Sweden AB	Sweden	100%	TSEK 100	227	43
Espersen France SAS	France	80%	TEUR 130	3.066	69
Espersen UK Ltd.	UK	100%	TGBP 1	1.048	339
Espersen Poland Sp z o o.	Poland	100%	TPLN 65,501	437.903	18.785
Espersen Germany GmbH	Germany	100%	TEUR 25	207	21
				593.715	34.968
Group goodwill				12.236	-765
				605.951	**34.203**

8 Investments in associates

	2021	2020
Consolidated and Parent		
Cost at 1 January	4.433	4.433
Disposals	-250	0
Cost at 31 December	**4.183**	**4.433**
Value adjustments at 1 January	3.265	3.223
Currency adjustments	314	-493
Disposals	736	0
Dividend paid	0	-443
Share of Result after tax for the year	2.529	978
Value adjustments at 31 December	**6.844**	**3.265**
Carrying amount at 31 December	**11.027**	**7.698**

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
Scanfish Norway AS	Norway	49%	TNOK 500	7.404	975
Sweryb International AB	Sweden	50%	TSEK 200	1.101	1.700
EsPan Sp. z o.o.	Poland	50%	TPLN 4,000	2.522	-146
				11.027	**2.529**

NOTES **DKK'000**

9 Financial income and expenses

	Consolidated		Parent	
	2021	2020	2021	2020
Financial income				
Interest income	531	108	57	18
Interest income from group enterprises	0	0	868	107
Unrealized foreign exchange adjustments, net	14.231	0	19.879	0
Other financial income	33	94	33	32
	14.795	**202**	**20.837**	**157**
Financial expenses				
Interest expense	985	7.534	356	6.744
Interest expense to group enterprises	21.138	18.016	20.733	15.198
Realized foreign exchange adjustments, net	24.217	16.867	15.529	14.966
Capital losses on securities and adjustments	4.378	4.800	4.231	4.800
Other financial costs	1.145	2.539	39	184
	51.863	**49.756**	**40.888**	**41.892**
Financial income and expenses, net	**-37.068**	**-49.554**	**-20.051**	**-41.735**

10 Corporation tax

Current tax for the year	-9.452	-2.534	-16.390	-11.825
Hereof to be recognised directly in equity 1)	-1.516	-1.967	-1.516	-1.967
Movement in deferred tax for the year	10.473	3.471	9.736	6.098
Adjustment to previous years	-6.464	385	41	385
Total tax for the year	**-6.959**	**-645**	**-8.129**	**-7.309**
Tax analysis				
Result before tax	704	-8.312	-483	-15.179
Adjustments previous years	-29.382	1.750	186	1.750
Other	-425	4.608	79	5.474
Share of result in subsidiaries and associates	-2.529	-978	-36.732	-25.268
Result before tax, adjusted	**-31.632**	**-2.932**	**-36.950**	**-33.223**
Implied tax rate of the above	22%	22%	22%	22%

1) Relates to financial instruments (hedging), which accounting wise is recognised directly in equity, and accordingly the tax impact should also be recognised directly in equity. At 31 December 2021 it is a tax payable of DKK 1,516k (31 December 2020: tax payable of DKK 1,967k), which is recognised directly in the equity.

11 Other securities

	Consolidated		Parent	
	2021	2020	2021	2020
Cost at 1 January and 31 December	69	69	69	69
Value adjustment to fair value at 1 January	1.231	1.250	1.231	1.250
Value adjustments for the year	0	-19	0	-19
Value adjustments to fair value at 31 December	**1.231**	**1.231**	**1.231**	**1.231**
Carrying amount at 31 December	**1.300**	**1.300**	**1.300**	**1.300**

NOTES **DKK'000**

12 Other receivables

	Consolidated		Parent	
	2021	2020	2021	2020
Falling due between 2 and 5 years	1.108	0	1.108	0
	1.108	**0**	**1.108**	**0**

13 Deferred tax

At 31 December 2021, the Group recognised a deferred tax asset of DKK 21,312k (2020: DKK 30,888k). The tax asset include tax losses carry forward of DKK 0k (2020: DKK 3,724k). Based on the Group's budgets, Management expect that the Group in the nearest future will generate possible taxable income against which the tax losses carry forward can be utilised.

	Consolidated		Parent	
The changes for the year are specified as follows:	2021	2020	2021	2020
Deferred tax liabilities at 1 January	2.288	3.424	0	0
Deferred tax assets at 1 January	-30.888	-31.030	-11.739	-12.410
Deferred tax (asset)/liability, net at 1 January	**-28.600**	**-27.606**	**-11.739**	**-12.410**
Opening adjustment, foreign exchange rates	1.805	962	0	0
Adjustments in respect of previous years	-8.768	103	-2.263	103
Movement for the year, equity items	6.208	-5.530	6.208	-5.530
Movement for the year, income statement	10.473	3.471	9.736	6.098
Deferred tax (asset)/liability, net at 31 December	**-18.882**	**-28.600**	**1.942**	**-11.739**
Deferred tax liabilities at 31 December	2.430	2.288	1.942	0
Deferred tax assets at 31 December	-21.312	-30.888	0	-11.739
	-18.882	**-28.600**	**1.942**	**-11.739**

14 Prepayments

Consists of various minor prepayments, mainly rent and insurance.

15 Share capital

The share capital consists of 39,000 shares of DKK 1.000 each and has developed as follows the last 5 years:

	2021	2020	2019	2018	2017
Beginning of the year	39.000	39.000	35.000	30.000	30.000
Increase of share capital	0	0	4.000	5.000	0
	39.000	**39.000**	**39.000**	**35.000**	**30.000**

16 Non-current liabilities

	Consolidated		Parent	
	2021	2020	2021	2020
Falling due between 2 and 5 years	598	4.623	598	4.623
	598	**4.623**	**598**	**4.623**

NOTES **DKK'000**

17 Contingent liabilities and collateral

Operational leasing - Consolidated	Buildings	Cars	Equipment	Total
Falling due within one year	4.259	1.721	1.221	7.201
Falling due between 1-5 years	12.405	2.057	3.365	17.827
Falling due after more than 5 years	3.889	0	17	3.906
	20.553	**3.778**	**4.603**	**28.934**
Operational leasing - Parent company				
Falling due within one year	3.835	1.098	250	5.183
Falling due between 1-5 years	12.159	1.185	286	13.630
Falling due after more than 5 years	3.303	0	0	3.303
	19.297	**2.283**	**536**	**22.116**

Contingent liabilities

The company is comprised by the Danish rules on compulsory joint taxation of INSEPA A/S and its Danish subsidiaries. Accordingly, the company is jointly liable for corporate and withholding taxes in the Danish joint taxation.

The company is dependent upon financing from the parent company (INSEPA A/S) who is the Principal in the agreements with the Group's main bank. The company is unlimited and jointly liable for any obligations INSEPA A/S has with its main bank.

As collateral for the company's mortgage lending, amounting to DKK 802k (2020: DKK 6,943k) A. Espersen has provided guarantees in its buildings with a carrying amount of DKK 8,165k at 31 December 2021 (2020: DKK 9,917k).

Collateral	Consolidated		Parent	
	2021	2020	2021	2020
Bank guarantee for customs duty	5.500	5.500	5.500	5.500
	5.500	**5.500**	**5.500**	**5.500**

18 Fees paid to the statutory auditor appointed at the general meeting

	Consolidated		Parent	
	2021	2020	2021	2020
Ordinary audit fee	1.252	1.532	701	696
Issuance of other declarations with assurance	0	0	0	0
Tax consultancy	709	923	688	777
Other services *	1.943	203	1.943	203
Total EY	3.904	2.658	3.332	1.676
Other audit companies	442	787	0	0
Total	**4.346**	**3.445**	**3.332**	**1.676**

* Mainly due diligence advisory work on a non-completed acquisition in 2021.

NOTES **DKK'000**

19 Currency and interest rate risks and the use of derivative financial instruments

Currency risks:

Most revenues are invoiced in foreign currencies, mainly GBP, USD & EUR. A significant part of raw material purchases are made in USD, EUR and NOK.

To mitigate impact of changes in exchange rates on short/mid term performance future cash flows are hedged in accordance with the Company's finance policy. All hedging of currency risks in the Group is carried out in the Parent Company.

At 31 December 2021 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Sale	7.141	0 - 3	-1.158
SEK	Sale	15.650	0 - 3	115
USD	Sale	39.241	0 - 6	-5.588
USD	Purchase	61.241	0 - 12	11.101
USD	Purchase	3.960	0 - 4	707
NOK	Purchase	47.550	0 - 2	278
PLN	Purchase	40.000	0 - 4	-422
Total				**5.033**

At 31 December 2020 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Sale	7.330	0 - 7	121
SEK	Sale	38.750	0 - 6	-561
USD	Purchase	382	0 - 1	251
NOK	Purchase	46.600	0 - 3	474
PLN	Purchase	100.000	0 - 12	-688
USD	Sale	14.335	0 - 6	3.461
USD	Purchase	79.819	0 - 24	-25.869
Total				**-22.811**

Interest rate risks:

External interest bearing debt in the Group and the parent company of DKK 11,642k at 31 Dec 2021 (2020: DKK 23,364k) is related to mortgage and bank loans with a fixed interest rate.

Interest bearing financing provided by INSEPA A/S is based on an ordinary bank credit facility which is renegotiated yearly by INSEPA.

20 Related parties

A. Espersen A/S is wholly-owned subsidiary of:

INSEPA A/S
Kalvebod Brygge 39-41
DK-1560 Copenhagen V
Denmark

Related party transactions	2021	2020
Group		
Payables to parent company	772.076	711.077
Parent		
Sale of goods to group enterprises	483.598	524.397
Purchase of goods from group enterprises	1.109.575	1.181.534
Purchase of services from group enterprises	8.428	4.832
Receivables from group enterprises	465.590	425.586
Payables to parent company	772.076	711.077
Payables to group enterprises	350.306	344.407

Remuneration to members of the Executive Board and the Board of Directors of the Parent Company is disclosed in note 4.

NOTES **DKK'000**

21 Cash and Cash equivalent at year-end - Consolidated

	2021	2020
Cash according to the balance sheet	46.223	45.473

22 Proposed profit/loss appropriation

	2021	2020
Proposed dividends	0	0
Retained earnings	7.646	-7.870
	7.646	**-7.870**