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List of Signatures

Espersen annual report 2022.pdf

Name	Method	Signed at
René Kofod	NEMID	2023-03-27 10:30 GMT+02
Klaus Beyer Nielsen	MitID	2023-03-26 08:00 GMT+02
Niels Walther-Rasmussen	MitID	2023-03-25 12:35 GMT+01
Bettina Fürstenberg	One-Time-Password	2023-03-25 09:57 GMT+01
Pernille Andersen	MitID	2023-03-25 07:52 GMT+01
Claus Rosthof	MitID	2023-03-27 10:33 GMT+02
Peter Kjær	MitID	2023-03-24 20:38 GMT+01
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Tobias Oppermann Jensen	NEMID	2023-03-27 12:06 GMT+02
Max Sørensen	MitID	2023-03-24 16:16 GMT+01
Morten Kronborg Friis	NEMID	2023-03-27 11:16 GMT+02
Flemming Nyenstad Enevoldsen	NEMID	2023-03-24 16:15 GMT+01
Mette Bendix Nielsen	MitID	2023-03-29 19:17 GMT+02
Jacek Migrala	One-Time-Password	2023-03-28 09:28 GMT+02

A. Espersen A/S

Amager Strandvej 403, 2770 Kastrup

Annual Report 2022

The Annual Report 2022 was adopted by the Annual General Meeting on 30th of March 2023

Chair

CVR-nr. 36 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 2022.

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 2022 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 2022.

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.

Kastrup, 21st of March 2023

Executive Board:

Klaus B. Nielsen CEO	Max Sørensen CCO	Claus Nielsen Rosthof CFO

Board of Directors:

Flemming Enevoldsen Chair	Christopher Thomas	Peter Kjær
Niels Walther-Rasmussen	Bettina Fürstenberg	Jacek Migrala
René Kofod Employee representative	Mette Bendix Nielsen Employee representative	Pernille Andersen 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 2022, 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 2022 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 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 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 responsibilities 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, 21st of March 2023
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
Amager Strandvej 403
DK-2770 Kastrup
Denmark

Telephone:	+45 5690 7000
Fax:	+45 5690 7001
Web site:	www.espersen.com
E-mail:	espersen@espersen.com

Registration No.:	38 38 95 12
Established:	23 February 1945
Registered office:	Kastrup, Denmark

Board of Directors

Flemming Enevoldsen (Chair)
Christopher Thomas
Peter Kjær
Niels Walther-Rasmussen
Bettina Furstenberg
Jacek Migrala
René Kofod (Employee representative)
Mette Bendix Nielsen (Employee representative)
Pernille Andersen (Employee representative)

Executive Board

Klaus B. Nielsen, CEO
Max Sørensen, CCO
Claus Nielsen Rosthof, 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 30th of March 2023

Management review

Financial highlights for the Group

DKKm	2022	2021	2020	2019	2018
Key figures					
Revenue	3,236	2,708	2,858	2,788	2,739
Operating profit before special items (Note 2)	-81	56	49	53	-10
Ordinary operating profit	-92	35	40	41	-56
Financial income and expenses, net	-16	-37	-50	-31	-37
Result before tax	-107	1	-8	9	-94
Result for the year	**-81**	**8**	**-8**	**1**	**-76**
Non-current assets	418	432	404	409	434
Current assets	1.423	1,041	1,059	1,083	1,035
Total assets	**1.841**	**1,473**	**1,463**	**1,492**	**1,479**
Share capital	39	39	39	39	35
Equity	**285**	**353**	**310**	**384**	**255**
Current liabilities other than provisions	1.555	1,116	1,146	1,095	1,173
Cash flow from operating activities	-353	12	0	77	-194
Cash flow from investing activities, net	-43	-61	-58	-30	-93
Hereof investments in tangible assets	-53	-54	-59	-45	-108
Cash flow from financing activities	382	49	67	-51	268
Total cash flow	**-14**	**1**	**10**	**-4**	**-19**

Financial ratios

Solvency ratio	15,5 %	24.0 %	21.2 %	25.7 %	17.4 %
Return on equity	-25 %	+2,4 %	-2.3 %	+0,3 %	-36.7 %
Average number of full-time employees	**3,284**	**3,150**	**2,990**	**2,929**	**2,946**

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, supplying international customer groups like Aldi, Lidl, Tesco and McDonald's as well and other international and large retail chains, foodservice chains and B2B customers, with whom Espersen have a long-lasting business relationship. Espersen operates manufacturing plants in Denmark, Lithuania, Poland, Russia (sold in 2022) and Vietnam. The main raw material for Espersen products are frozen fish sourced globally.

Development in activities and financial position

2022 saw a drop in the underlying demand for our products, impacted by the global macro-economic situation with fast increasing raw material, utilities, and freight prices. We saw an average growth in raw material prices of 38% in 2022 compared to 2021 and a growth in utility prices of 147% in 2022 compared to 2021.
Our stepwise increased sales prices during the year left the top-line in a positive development, anyhow, not enough to deliver a positive development in the bottom-line for the company. However, Q4 came out as the strongest in history both on the top- as well as on the bottom-line indicating a balance in increased input prices and the adjusted sales prices.

For the year 2022, our volume of sold products decreased by -3.6% compared to 2021. This combined with the increased sales prices primarily in the 2nd part of the year resulted in a revenue growth of 19.5% in 2022 to DKK 3,2[illegible]m (2021: DKK 2,[illegible]m)

Revenue for 2022 is therefore within the expected range in the outlook for 2022. Operating results before special items for 2022 amounts to DKK -92,1m and is therefore lower than in the outlook for 2022 for the reasons described above.

The operating result for the financial year 2022 is not satisfactory.

In Q4 2022 we moved into our new rented Danish Headquarter in Glasværket on Amager Strandvej 403, 2770 Kastrup, closing our activities at Kalvebod Brygge in Copenhagen as well as the Fredericia location offering affected employees a hybrid working solution. The new office offers a consolidated Headquarter location that can facilitate the current organization as well as the plans for future development.

The financial impact included in the annual statement of 2022 of the closure of Kalvebod office and the location in Fredericia is DKK 9.2m as well as DKK 2.5m related to buildings sold on Bornholm.

The situation in and around Ukraine developing in 2022 and the sanctions imposed on Russia made Espersen take the decision to exit our Russian production facility. This decision lead to an agreement with the executive management in Russia, to buy the company and continue the operation, the agreement is included in the financial year of 2022 with a negative impact of DKK 9.4m.

During 2022 it was decided based on expected efficiency gains to restructure our Asian setup and close our Hong Kong office, the cut off day for operation has been set to 1st of March 2023, with final liquidation date estimated to happen in the month of June 2023.

The negative direct cost impact seen from the Covid-19 in the years of 2020 and 2021 on Espersen had no significant influence on the financial year of 2022 and on the contrary, we received in Q3 an insurance payout related to compensation triggered by the pandemic.

The Group's solvency decreased to 15.5% at 31 December 2022 (2021: 24.0%). The decrease is mainly due to the need for higher levels of financing as a result of high inflation on materials and a delay in price increases. The actions taken to increase prices and reduce inventory levels are expected to increase the solvency ratio to the level of previous years.

Outlook

As per the balance sheet dated (31 December 2022) our outlook for 2023 shows topline, and particularly bottom-line growth based on the adjusted sales prices in the 2nd part of 2022. The activity and investment level for the calendar year 2023 has been set to focus on the core business ensuring we strengthening the underlaying fundamentals of the business leaving Espersen in a stronger position to be able to adapt to the global macro-economic development.

One aspect potentially impacting the raw material situation are further sanctions imposed on Russian fish or customer groups deliberately walking away from fish products based on Russian fish. 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.

Various contingency and efficiency plans have been worked out and implemented in 2022 and these will continue to be rolled out in the future to ensure we optimize the internal cost and efficiency base for Espersen.

Despite the drain and negative impact on the working capital in 2022 based on the global inflation Espersen Group has sufficient liquidity to continue our business.

Management review

Outlook (continued)

Expected development

Due to the situation in and around Ukraine and the uncertainty following sanctions against Russia the outlook for 2023 is highly uncertain. Accordingly, with current knowledge we estimate 2023 revenue in the range DKK 3,600m 4,400m and operating result before special items of DKK 30m - 60m.

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 minimize 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: http://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 for 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 2022 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000).

Control

The consolidated financial statements comprise the Parent Company A. Espersen A/S and group entities controlled by A. Espersen A/S (control).

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Consolidated financial statements

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 realized and unrealized gains on intercompany transactions are eliminated. Unrealized gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains in so far as they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognized 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 recognized in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognized 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-amortized 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 recognized 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 recognized 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 recognized as intangible assets and amortized 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 recognized 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 recognized 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 recognized, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognized. 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 recognized 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 recognized in the latest financial statements is recognized 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 recognized directly in equity.

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

The Company has chosen IAS 18 as interpretation for revenue recognition. Income from the sale of goods for resale and finished goods, comprising sale of fish is recognized 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 at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue

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 costs etc. for the Company's employees. The refund received from public authorities are deducted from staff costs.

Depreciation, amortization, and impairment losses

Depreciation, amortization, and impairment losses which comprise depreciation, amortization 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 recognized 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 recognized 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, amortization 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 recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized 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 amortized over the remaining period and adjusted for impairment losses. Useful life is 5 years.

Software

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

Goodwill

Goodwill is amortized over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortized on a straight-line basis over the amortization period, which is between 5 and 20 years. The amortization period is fixed based on 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 amortization, 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.   and 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 disposal. Gains or losses are recognized in other operating income.

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 unrealized 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 recognized under provisions.

Net revaluation of investments in subsidiaries and associates is recognized 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 amortization 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 realizable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase 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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.
Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise costs concerning to subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

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

The reserve may be eliminated in case of losses, realization of investments or a change in accounting estimates. The reserve cannot be recognized 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 recognized 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 instruments" are provided in separate sections elsewhere in these accounting policies.

Dividends

Proposed dividends are recognized 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.

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

Corporation tax and deferred tax

Current tax payable and receivable is recognized 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 crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

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

Other liabilities are measured at net realizable value.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.
Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognized in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

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 disposals 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 and 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.

Due to the nature of the cash pool, balances in the Group's cash pool are not regarded as cash and cash equivalents, but are included in the payables to group enterprises.

INCOME STATEMENT DKK'000

Note		Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
	Revenue	3.236.453	2.707.660	3.098.782	2.185.309
	Changes in inventories of finished goods	150.126	24.876	75.928	5.534
	Other operating income	19.948	6.925	9.500	0
		3.406.527	2.739.461	3.184.210	2.190.843
	Raw materials, consumables, etc.	-2.799.234	-2.025.425	-3.086.378	-2.039.915
	Other external costs	-219.097	-262.871	-138.434	-96.028
	Gross profit	388.196	451.165	-40.602	54.900
4	Staff costs	-411.678	-368.935	-81.852	-67.359
5+6	Depreciation, amortisation and impairment	-46.640	-41.641	-6.500	-3.403
	Other operating expenses	-22.007	-5.346	-14.256	-1.302
	Operating profit/(loss)	-92.129	35.243	-143.210	-17.164
7	Share of result after tax in subsidiaries	0	0	36.117	34.203
8	Share of result after tax in associates	369	2.529	369	2.529
9	Financial income and expenses	-15.726	-37.068	-5.258	-20.051
	Result before tax	-107.486	704	-111.982	-483
10	Corporation tax	26.717	6.959	30.720	8.129
	Result for the year	-80.769	7.663	-81.262	7.646
	Breakdown of consolidated result for the year:				
	Shareholders, A. Espersen A/S	-81.262	7.646		
	Non-controlling interests	493	17		
		-80.769	7.663		
	Proposed profit/loss appropriation				
	Retained earnings			-81.262	7.646
				-81.262	7.646

BALANCE SHEET **DKK'000**

Note		Consolidated		Parent	
		2022	2021	2022	2021
	ASSETS				
	Non-current assets				
5	**Intangible fixed assets**				
	Acquired rights	0	0	0	0
	Goodwill	21.663	22.707	0	0
	Software	37.357	39.539	35.664	38.174
	Development projects in progress	162	0	162	0
		59.182	62.246	35.826	38.174
6	**Tangible fixed assets**				
	Buildings	162.226	168.121	6.901	8.165
	Plant and machinery	156.273	156.431	2.506	2.742
	Other fixtures and operating equipment	8.996	9.295	2.013	4.149
	Tangible assets in progress	18.485	22.084	0	1.571
		345.980	355.931	11.420	16.627
	Investments				
7	Investments in subsidiaries	0	0	595.490	605.951
8	Investments in associates	9.829	11.027	9.829	11.027
11	Other securities	1.300	1.300	1.300	1.300
12	Other receivables	1.244	1.108	1.199	1.108
		12.373	13.435	607.818	619.386
	Non-current assets	417.535	431.612	655.064	674.187
	Current assets				
	Inventories				
	Raw materials and consumables	433.156	280.724	24.616	23.257
	Finished goods and goods for resale	390.178	240.052	170.121	94.193
		823.334	520.776	194.737	117.450
	Receivables				
	Trade receivables	465.137	370.531	304.469	257.901
	Receivables from group enterprises	0	0	281.303	465.590
	Other receivables	61.804	53.602	42.127	21.526
13	Deferred tax	14.796	21.312	2.628	0
	Corporate tax receivable	24.362	27.855	23.699	16.387
14	Prepayments	1.198	347	0	0
		567.297	473.647	654.226	761.404
	Cash at bank and in hand	32.694	46.223	3.927	2.267
	Current assets	1.423.325	1.040.646	852.890	881.121
	TOTAL ASSETS	1.840.860	1.472.258	1.507.954	1.555.308

BALANCE SHEET **DKK'000**

Note		Consolidated		Parent	
		2022	2021	2022	2021
	EQUITY AND LIABILITIES				
	Equity				
15	Share capital	39.000	39.000	39.000	39.000
	Retained earnings	272.433	352.996	117.284	259.280
	Reserve for net revaluation under the equity method	5.646	6.844	135.268	70.384
	Translation reserve	-32.988	-46.400	-7.461	-16.224
		284.091	352.440	284.091	352.440
	Non-controlling interests	1.258	766	0	0
		285.349	353.206	284.091	352.440
	Provisions				
13	Deferred tax	489	2.430	0	1.942
16	**Non-current liabilities**				
	Mortgage debt	0	434	0	434
	Other payables	164	164	164	164
		164	598	164	598
	Current liabilities				
	Mortgage debt	367	368	367	368
	Bank loans and overdrafts	14.879	10.840	0	0
	Trade payables	310.641	272.805	109.052	70.131
	Corporate tax payable	47	424	0	0
	Other payables	63.914	43.732	24.565	7.447
	Deferred income	14.558	15.779	0	0
17	Payables to group enterprises	1.150.452	772.076	1.089.715	1.122.382
	Total liabilities	1.555.022	1.116.622	1.223.863	1.200.926
	TOTAL EQUITY AND LIABILITIES	1.840.860	1.472.258	1.507.954	1.555.308

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

CASH FLOW STATEMENT

DKK'000

Note		Consolidated 2022	Consolidated 2021
	Operating profit/(loss)	-92.129	35.243
	Depreciation	46.640	42.294
	Adjustment from other non cash transactions	24.514	1.471
	Cash flows from operations before changes in working capital	**-20.975**	**79.008**
	Changes in inventories	-302.558	5.611
	Changes in trade receivables and other receivables	-102.944	5.314
	Changes in trade payables and other payables	58.018	-77.663
	Cash flows from operations (operating activities)	**-368.459**	**12.270**
	Interest income and expense, net	2.975	-8.555
	Corporation tax received/(paid)	12.658	8.458
	Cash flows from operating activities	**-352.826**	**12.173**
	Purchase of tangible and intangible assets	-53.631	-66.782
	Disposal of tangible and intangible assets	213	6.267
	Investment in subsidiaries	9.667	-185
	Dividend from associates	1.068	0
	Cash flow to/from investments	**-42.683**	**-60.700**
	Mortgage	-435	-6.141
	Group loans	378.376	60.999
	Bank loans and overdrafts	4.039	-5.581
	Cash flows to/from financing	**381.980**	**49.277**
	Net cash flows for the year	**-13.529**	**750**
	Cash and cash equivalents at 1 January	46.223	45.473
22	**Cash and cash equivalents at 31 December**	**32.694**	**46.223**

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 2021	**39.000**	**3.265**	**-81.576**	**348.615**	**309.?04**
Dividend paid	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 1 January 2022	**39.000**	**6.844**	**-46.400**	**352.996**	**352.440**
Dividend paid	0	-1.068	0	1.068	0
Transfer from profit/loss for the year	0	369	0	-81.631	-C1.262
FX rate adj. associates	0	-499	0	0	-499
FX rate adj. subsidiaries	0	0	4.649	0	4.649
Derivative financial instr. at 1 Jan	0	0	2.677	0	2.677
Derivative financial instr. at 31 Dec	0	0	6.086	0	6.086
Equity at 31 December 2022	**39.000**	**5.646**	**-32.988**	**272.433**	**284.091**

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 2021	**750**
Transfer from profit/loss for the year	17
Exchange rate adjustment	-1
Equity at 1 January 2022	**766**
Transfer from profit/loss for the year	492
Exchange rate adjustment	0
Equity at 31 December 2022	**1.258**

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 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 1 January 2022	**39.000**	**70.384**	**-16.224**	**259.280**	**352.440**
Transfer	0	25.316	0	-25.316	0
Dividend paid	0	-1.068	0	1.068	0
Transfer from profit/loss for the year	0	36.486	0	-117.748	-81.262
FX rate adj. associates	0	-499	0	0	-499
FX rate adj. subsidiaries	0	4.649	0	0	4.649
Derivative financial instr. at 1 Jan	0	0	2.677	0	2.677
Derivative financial instr. at 31 Dec	0	0	6.086	0	6.086
Equity at 31 December 2022	**39.000**	**135.268**	**-7.461**	**117.284**	**284.091**

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	
	2022	2021	2022	2021
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.))	-3.929	6.700	-3.929	0
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.	-5.571	9.500	-5.571	0
Advisor costs and other costs in connection with acquisitions, sale of buildings etc	2.500	3.132	2.500	3.132
Moving to new Headoffice	9.205	0	9.205	0
Divestment of Russia	9.389	0	9.389	0
Cost in connection with implementation of new ERP system	0	1.257	0	904
Total special items	**11.594**	**20.589**	**11.594**	**4.036**
Reported in the Income Statement as below:				
Staff costs	0	6.065	0	165
Other external costs	11.705	14.524	11.705	3.871
Other operating expences	9.389	0	9.389	0
Other operating income	-9.500	0	-9.500	0
	11.594	**20.589**	**11.594**	**4.036**

3 Segment note

	Consolidated		Parent	
	2022	2021	2022	2021
Fish products - domestic market	88.400	38.501	88.400	38.501
Fish products - export markets	3.148.053	2.669.159	3.010.382	2.146.808
	3.236.453	**2.707.660**	**3.098.782**	**2.185.309**

NOTES **DKK'000**

4 Staff costs

	Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
Wages and salaries	354.790	299.898	72.737	60.938
Pensions	46.453	8.925	7.656	6.143
Other social security costs	10.435	60.112	1.459	278
	411.678	**368.935**	**81.852**	**67.359**

The Group had 3,284 full-time employees in 2022 (2021: 3,150) of which 128 were employed in the parent company (2021: 122).

	Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
Remuneration Executive Board	8.378	8.565	8.378	8.565
Remuneration Board of Directors	120	120	120	120
	8.498	**8.685**	**8.498**	**8.685**

5 Intangible assets

Consolidated	**Acquired rights**	**Goodwill**	**Software**	**Development projects in progress**	**Total**
Cost at 1 January 2022	21.773	47.747	46.613	0	116.133
Currency adjustments	0	1.080	2	0	1.082
Additions	0	0	593	162	755
Disposals	0	0	-5.671	0	-5.671
Transfer from/to other assets	0	0	769	0	769
Cost at 31 December 2022	**21.773**	**48.827**	**42.306**	**162**	**113.068**
Depreciation at 1 January 2022	21.773	25.040	7.074	0	53.887
Currency adjustments	0	800	114	0	914
Depreciation on disposed assets	0	0	-5.556	0	-5.556
Depreciation of the year	0	1.324	3.317	0	4.641
Depreciation at 31 December 2022	**21.773**	**27.164**	**4.949**	**0**	**53.886**
Carrying amount at 31 December 2022	**0**	**21.663**	**37.357**	**162**	**59.182**

Parent company	**Acquired rights**	**Goodwill**	**Software**	**Development projects in progress**	**Total**
Cost at 1 January 2022	21.773	15.000	43.723	0	80.496
Additions	0	0	592	162	754
Disposals	0	0	-5.671	0	-5.671
Transfer from/to other assets	0	0	93	0	93
Cost at 31 December 2022	**21.773**	**15.000**	**38.737**	**162**	**75.672**
Depreciation at 1 January 2022	21.773	15.000	5.549	0	42.322
Depreciation on disposed assets	0	0	-5.555	0	-5.555
Depreciation of the year	0	0	3.079	0	3.079
Depreciation at 31 December 2022	**21.773**	**15.000**	**3.073**	**0**	**39.846**
Carrying amount at 31 December 2022	**0**	**0**	**35.664**	**162**	**35.826**

NOTES **DKK'000**

6 Tangible assets

Consolidated	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2022	337.997	562.718	54.684	22.084	977.483
Currency adjustments	-931	-15.386	-3.389	545	-19.161
Additions	2.632	11.422	3.965	34.857	52.876
Disposals	-13.925	-58.262	-28.853	0	-101.040
Transfer from/to other assets	9.387	24.848	3.835	-39.001	-931
Cost at 31 December 2022	**335.160**	**525.340**	**30.242**	**18.485**	**909.227**
Depreciation at 1 January 2022	169.876	406.287	45.389	0	621.552
Currency adjustments	1.215	-5.034	-594	0	-4.413
Depreciation on disposed assets	-11.954	-57.771	-26.166	0	-95.891
Depreciation of the year	13.797	25.585	2.617	0	41.999
Depreciation at 31 December 2022	**172.934**	**369.067**	**21.246**	**0**	**563.247**
Carrying amount at 31 December 2022	**162.226**	**156.273**	**8.996**	**18.485**	**345.980**

Parent company	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2022	25.900	60.259	29.990	1.571	117.720
Additions	2.632	93	429	0	3.154
Disposals	-13.925	-55.398	-28.295	-85	-97.703
Transfer from/to other assets	0	440	953	-1.486	-93
Cost at 31 December 2022	**14.607**	**5.394**	**3.077**	**0**	**23.078**
Depreciation at 1 January 2022	17.735	57.517	25.841	0	101.093
Depreciation on disposed assets	-11.954	-55.288	-25.614	0	-92.856
Depreciation of the year	1.925	659	837	0	3.421
Depreciation at 31 December 2022	**7.706**	**2.888**	**1.064**	**0**	**11.658**
Carrying amount at 31 December 2022	**6.901**	**2.506**	**2.013**	**0**	**11.420**

NOTES **DKK'000**

7 Investments in subsidiaries

	2022	2021
Cost at 1 January	542.411	542.226
Additions	0	185
Disposals	-76.543	0
Cost at 31 December	**465.868**	**542.411**
Value adjustment at 1 January	63.540	25.632
Currency adjustments	4.649	3.705
Amortisation of goodwill	-765	-765
Other movements	-12.063	0
Reversal on assets disposed	37.379	0
Share of Result after tax for the year	36.882	34.968
Value adjustment at 31 December	**129.622**	**63.540**
Carrying amount at 31 December	**595.490**	**605.951**

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
OOO A. Espersen	Russia	100%	TRUB 100	0	6.697
UAB Espersen Lietvua	Lithuania	100%	TEUR 4,071	56.448	7.272
Espersen Asia Ltd.	Hong Kong	100%	TUSD 17,667	83.636	2.687
Espersen Sweden AB	Sweden	100%	TSEK 100	233	-20
Espersen France SAS	France	80%	TEUR 130	5.034	1.970
Espersen UK Ltd.	UK	100%	TGBP 1	1.115	8
Espersen Poland Sp z o o.	Poland	100%	TPLN 65,501	437.426	18.348
Espersen Germany GmbH	Germany	100%	TEUR 25	127	-80
				584.019	36.882
Group goodwill				11.471	-765
				595.490	**36.117**

The subsidiaries are included in the consolidated group figures.

8 Investments in associates

	2022	2021
Consolidated and Parent		
Cost at 1 January	4.183	4.433
Disposals	0	-250
Cost at 31 December	**4.183**	**4.183**
Value adjustments at 1 January	6.844	3.265
Currency adjustments	-499	314
Disposals	0	736
Dividend paid	-1.068	0
Share of Result after tax for the year	369	2.529
Value adjustments at 31 December	**5.646**	**6.844**
Carrying amount at 31 December	**9.829**	**11.027**

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
Scanfish Norway AS	Norway	49%	TNOK 500	6.148	536
Sweryb International AB	Sweden	50%	TSEK 200	1.525	158
EsPan Sp. z o.o.	Poland	50%	TPLN 4,000	2.156	-325
				9.829	**369**

NOTES **DKK'000**

9 Financial income and expenses

	Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
Financial income				
Interest income	107	531	114	57
Interest income from group enterprises	0	0	661	868
Unrealized foreign exchange adjustments, net	0	14.231	0	19.879
Net realized foreign exchange adjustments	13.952	0	22.243	0
Other financial income	28	33	28	33
	14.087	**14.795**	**23.046**	**20.837**
Financial expenses				
Interest expense	1.180	985	193	356
Interest expense to group enterprises	22.564	21.138	22.564	20.733
Realized foreign exchange adjustments, net	0	24.217	0	15.529
Capital losses on securities and adjustments	3.173	4.378	3.173	4.231
Other financial costs	2.896	1.145	2.374	39
	29.813	**51.863**	**28.304**	**40.888**
Financial income and expenses, net	**-15.726**	**-37.068**	**-5.258**	**-20.051**

10 Corporation tax

	Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
Current tax for the year	-24.390	-9.452	-23.686	-16.390
Hereof to be recognised directly in equity 1)	-1.862	-1.516	-1.862	-1.516
Movement in deferred tax for the year	810	10.473	-5.105	9.736
Adjustment to previous years	-1.275	-6.464	-67	41
Total tax for the year	**-26.717**	**-6.959**	**-30.720**	**-8.129**
Tax analysis				
Result before tax	-107.486	704	-111.982	-483
Adjustments previous years	-5.795	-29.382	-305	186
Other	-7.790	-425	9.136	79
Share of result in subsidiaries and associates	-369	-2.529	-36.486	-36.732
Result before tax, adjusted	**-121.441**	**-31.632**	**-139.636**	**-36.950**
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 2022 it is a tax payable of DKK 1.862k (31 December 2021: tax payable of DKK 1.516k), which is recognised directly in the equity.

11 Other securities

	Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
Cost at 1 January and 31 December	69	69	69	69
Value adjustment to fair value at 1 January	1.231	1.231	1.231	1.231
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	
	2022	2021	2022	2021
Falling due between 2 and 5 years	1.244	1.108	1.199	1.108
	1.244	**1.108**	**1.199**	**1.108**

13 Deferred tax

At 31 December 2022, the Group recognised a deferred tax asset of DKK 14,796k (2021: DKK 21,312k). The tax asset include tax losses carry forward of DKK 3,074k (2021: DKK 0,00k). 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:	2022	2021	2022	2021
Deferred tax liabilities at 1 January	2.430	2.288	1.942	0
Deferred tax assets at 1 January	-21.312	-30.888	0	-11.739
Deferred tax (asset)/liability, net at 1 January	**-18.882**	**-28.600**	**1.942**	**-11.739**
Opening adjustment, foreign exchange rates	-248	1.805	0	0
Adjustments in respect of previous years	3.403	-8.768	-75	-2.263
Movement for the year, equity items	610	6.208	610	6.208
Movement for the year, income statement	810	10.473	-5.105	9.736
Deferred tax (asset)/liability, net at 31 December	**-14.307**	**-18.882**	**-2.628**	**1.942**
Deferred tax liabilities at 31 December	489	2.430	0	1.942
Deferred tax assets at 31 December	-14.796	-21.312	-2.628	0
	-14.307	**-18.882**	**-2.628**	**1.942**

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:

	2022	2021	2020	2019	2018
Beginning of the year	39.000	39.000	39.000	35.000	30.000
Increase of share capital	0	0	0	4.000	5.000
	39.000	**39.000**	**39.000**	**39.000**	**35.000**

16 Non-current liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
Falling due between 2 and 5 years	164	598	164	598
	164	**598**	**164**	**598**

17 Cash pool

The INSEPA group has entered into an agreement on a cash pool arrangement with Jyske Bank A/S, where INSEPA A/S is the group account owner and A. Espersen A/S is sub-account holder together with the group's other enterprises.

The agreed conditions in the cash pool arrangement gives Jyske Bank A/S the right to be able to settle withdrawals and deposits between the companies in the INSEPA group, whereby only the net balance of the total cash pool accounts constitutes INSEPA A/S' balance with the bank.

A. Espersen A/S' accounts in the cash pool arrangement, which are recognized under payables to group enterprises, amounts to DKK 618.982k at 31 December 2022 (31 December 2021: 254.921k)

NOTES **DKK'000**

18 Contingent liabilities and collateral

Operational leasing - Consolidated	Buildings	Cars	Equipment	Total
Falling due within one year	3.165	1.402	1.315	5.882
Falling due between 1-5 years	11.073	1.620	3.146	15.838
Falling due after more than 5 years	10.684	0	0	10.684
	24.922	**3.021**	**4.461**	**32.404**

Operational leasing - Parent company	Buildings	Cars	Equipment	Total
Falling due within one year	2.759	943	273	3.974
Falling due between 1-5 years	11.036	908	315	12.259
Falling due after more than 5 years	10.684	0	0	10.684
	24.479	**1.851**	**588**	**26.918**

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 367k (2021: DKK 802k) A. Espersen has provided guarantees in its buildings with a carrying amount of DKK 4,335k at 31 December 2022 (2021: DKK 6,413k).

Collateral	Consolidated		Parent	
	2022	2021	2022	2021
Bank guarantee for customs duty	5.500	5.500	5.500	5.500
	5.500	**5.500**	**5.500**	**5.500**

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

	Consolidated		Parent	
	2022	2021	2022	2021
Ordinary audit fee	1.304	1.252	736	701
Tax consultancy	632	709	342	688
Other services *	2.336	1.943	2.333	1.943
Total EY	4.272	3.904	3.411	3.332
Other audit companies	504	442	0	0
Total	**4.776**	**4.346**	**3.411**	**3.332**

* Mainly due diligence advisory work on a non-completed acquisition in 2021 & 2022.

NOTES **DKK'000**

20 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 2022 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Sale	6.932	0 - 9	439
SEK	Sale	16.144	0 - 2	383
USD	Sale	38.013	0 - 6	8.387
USD	Purchase	71.765	0 - 10	-16.160
USD	Purchase	0	0	0
NOK	Purchase	131.382	0 - 6	-107
PLN	Purchase	189.164	0 - 7	10.845
Total				**3.787**

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	Purchase	39.241	0 - 6	-5.588
NOK	Purchase	61.241	0 - 12	11.101
PLN	Purchase	3.960	0 - 4	707
USD	Sale	47.550	0 - 2	278
USD	Purchase	40.000	0 - 4	-422
Total				**5.033**

Interest rate risks:

As of 31 December 2022 there are no external interest bearing debt in the Group and the parent company (2021: DKK 11,642k 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.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:	Derivative financial instruments
Group	
Fair value at year end	3.787
Unrealised fair value adjustments for the year, recognised in the income statement	-3.173
Unrealised fair value adjustments for the year, recognised in hedging reserve	8.763
Fair value level	2
Parent Company	
Fair value at year end	3.787
Unrealised fair value adjustments for the year, recognised in the income statement	-3.173
Unrealised fair value adjustments for the year, recognised in hedging reserve	8.763
Fair value level	2

The derivative financial instruments are categorised in level 2 in the fair value hierarchy, and no significant unobservable input is included in the valuation.

NOTES **DKK'000**

21 Related parties

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

INSEPA A/S
Amager Strandvej 403
DK-2770 Kastrup
Denmark

Related party transactions	2022	2021
Group		
Payables to parent company	1.150.452	772.076
Purchase of services from parent enterprises	33.949	29.161
Parent		
Sale of goods to group enterprises	945.072	483.598
Purchase of goods from group enterprises	1.791.809	1.109.575
Purchase of services from group enterprises	33.949	29.161
Receivables from group enterprises	220.568	465.590
Payables to parent company	1.150.452	772.076
Payables to group enterprises	-1	0

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

22 Cash and Cash equivalent at year-end - Consolidated

	2022	2021
Cash according to the balance sheet	32.694	46.223

23 Proposed profit/loss appropriation

	2022	2021
Retained earnings	-81.262	7.646
	-81.262	**7.646**