

List of Signatures

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Espersen Annual Report 2023.pdf

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A. Espersen A/S
Amager Strandvej 403, 2770 Kastrup
Annual Report 2023

The Annual Report 2023 was adopted by the Annual
General Meeting on 18th of April 2024

Lena Ørum Lauridsen
Chair

CVR-nr. 38 38 99 12



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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 2023.

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 2023 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 2023.

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, 11th of April 2024

Executive Board:

Klaus B. Nielsen
CEO

Max Sørensen
CCO

Claus Nielsen Rosthof
CFO

Board of Directors:

Flemming Enevoldsen
Chair

Christopher Thomas

Peter Kjær

Bettina Fürstenberg

Jacek Migrala

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 2023, 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 Statements 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 2023 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 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.



- ▶ 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's 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's 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's 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, 11th of April 2024
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

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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: Kastrup, Denmark

Board of Directors

Flemming Enevoldsen (Chair)
Christopher Thomas
Peter Kjær
Bettina Fürstenberg
Jacek Migrala
René Kofod (Employee representative)
Mette Bendix Nielsen (Employee representative)
Preben Finne (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 18th of April 2024



Management review

Financial highlights for the Group

DKKm	2023	2022	2021	2020	2019
Key figures					
Revenue	3,465	3,236	2,708	2,858	2,788
Operating profit before special items (Note 2)	74	-81	56	49	53
Ordinary operating profit	70	-92	35	40	41
Financial income and expenses, net	-45	-16	-37	-50	-31
Result before tax	28	-107	1	-8	9
Result for the year	28	-81	8	-8	1
Balance sheet					
Non-current assets	460	418	432	404	409
Current assets	1,294	1,423	1,041	1,059	1,083
Total assets	1,754	1,841	1,473	1,463	1,492
Share capital	42	39	39	39	39
Equity	598	285	353	310	384
Current liabilities other than provisions	1,135	1,555	1,116	1,146	1,095
Cash flow					
Cash flow from operating activities	280	-353	12	0	77
Cash flow from investing activities, net	-32	-43	-61	-58	-30
Hereof investments in tangible assets	-66	-53	-59	-59	-45
Cash flow from financing activities	-236	382	49	67	-51
Total cash flow	12	-14	1	10	-4
Financial ratios					
Solvency ratio	34.1 %	15.5 %	24.0 %	21.2 %	25.7 %
Return on equity	+6.3 %	-25.4 %	+2.4 %	-2.3 %	+0.3 %
Average number of full-time employees					
	3,339	3,284	3,150	2,990	2,929

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

Solvency ratio: $\text{Equity at year end} \times 100 / \text{Total equity and liabilities at year end}$

Return on equity: $\text{Result for the year after tax} \times 100 / \text{Average equity}$



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, Vietnam, and United Kingdom (acquired in 2023). The main raw material for Espersen products is frozen fish sourced globally.

Development in activities and financial position

In September 2023 Espersen concluded the acquisition of the Grimsby facility in the United Kingdom from the Icelandic ISI group, adding a factory inside one of the core markets with primary focus on consumer and chilled products to the Espersen customers. The acquisition is adding a capacity 11,000 tonnage and approximately 180 employees to Espersen and currently has a split of 75% sales to retail and 25% sales to foodservice. The financial impact of the acquisition is included in the last 4 month of 2023.

The final liquidation and closure of the Hong Kong sales office was carried out in 2023, so all activities are now handed over to the Vietnamese and Copenhagen organizations and legally the entity is now closed.

Espersen saw a revenue growth of DKK 228,9m including the acquisition of the Grimsby plant and DKK 136,8m or 4.2% excluding the impact from the Grimsby plant acquisition. The positive revenue development is driven by high focus on protecting our profit margins by maintaining our sales prices. Espersen had an average decline in weighted raw material prices of -12% in 2023 compared to 2022 and a growth in utility cost of 16% in 2023 compared to 2022. Despite the growth in revenue compared to 2022 we experienced a drop in the external volume due to slower demand impacted by the global macro-economic situation with high inflation, the ongoing war in Ukraine and unstable situation in the Middle East in 4th quarter of 2023.

The sum of the above-mentioned factors combined with a very tight cost control resulted in a very positive profit result for the year of 2023 compared to 2022 improving the result before tax with DKK 135m including the acquisition of the Grimsby plant. In the annual report for 2022 an annual revenue of DKK 3600m – DKK 4400m was expected for the financial year of 2023, based on lower demand and lower average sales prices we ended at DKK 3465m in revenue. The operating result before special items was expected in the range of DKK 30m – DKK 60m for the financial year of 2023 and based on the above-mentioned factors resulted in an actual result of DKK 70m.

The operating result for the financial year 2023 is satisfactory.

Espersen has improved the cash position with DKK 208m in 2023 compared to 2022 based on strong focus on reducing working capital helped by falling raw material prices, improved inventory levels and the utilization of the vendor financing program for the Nomad customer group.

The Group's solvency increased to 34% at 31 December 2023 compared to 16% at the end of 2022. The increase is mainly due to a DKK 250m capital injection and the above-mentioned improvement activities for the cash position as well as the higher profit margins generated through the sales activities in 2023.

Outlook

Our outlook for 2024 shows topline, and bottom-line growth based on the focus on core activities done in 2023 and the new strategy accelerate building upon core set out for 2024. The strategy and investments will enable Espersen to continue the journey we started in 2023 by focusing on people first, customer priority and operational excellence and thereby set Espersen in a strong position to be able to adapt to the global macro-economic situation.

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 in EU at present, the situation has already led to further focus for non-Russian alternatives.

Various contingency and efficiency plans have been worked out and implemented in 2023 and these will continue to be rolled out in the future to ensure we optimize the internal cost and efficiency base for Espersen.

The positive development in the cash position for Espersen 2023 is expected to continue in the financial year of 2024 and will leave the company in a stronger situation and higher degree of freedom to support and develop the business.

Expected development

With current knowledge we estimate 2024 revenue in the range DKK 3,600m – 4,400m and operating result before special items of DKK 70m - 100m.



Management review

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.

96% of our seafood is sourced with a third-party certification scheme such as MSC, ASC or GlobalG.A.P.

2023 initiatives on environmental issues:

Moving forward, Espersen will focus on supporting the development of new technologies to better understand the effect of fishing patterns using data captured from onboard, 'live' monitoring systems to improve the efficiency of fuel use and procurement of raw material. In the coming years, we will collaborate heavily across the supply chain to obtain more supplier-specific data for our carbon accounting. The fuel consumption of fishing vessels accounts for most of Espersen's emissions. Collaboration is crucial to achieving our Scope 3 target. A further lever could be sourcing a greater proportion of our fish species with lower emission intensity.

Social responsibility

Espersen's sustainability report constitutes our compliance with the Danish statutory disclosure on corporate social responsibility see the Danish Financial Statements Act. Access our sustainability report here:

<http://www.espersen.com/commitment/sustainability-reports>.

Gender distribution in management

We strive to ensure that our board members and managers have the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. At director, senior manager and manager level, 45% are women (49 women out of 108 posts – Group level) and 61% of all employees are women (1,744 women out of 2,860 employees – Group level). One of the five appointed board members is a woman - A. Espersen level (20%). 5 of the Senior Managers are women - A. Espersen level (31%) and 0 of the directors are women – A. Espersen level (0%)

Our ambition is that our board will become more diverse in gender – In 2023 we once again agreed that we will seek female candidates to help us achieve this goal when recruiting occurs. Develop a strategy to improve a more even gender distribution at all levels of management, hereby:

- Ensure that both genders are represented with at least 25% by 2025 of appointed board members.
- Ensure that both genders are represented with 35% by 2025 of other managerial positions, senior managers reporting directly to directors.



Management review

Social responsibility (continued)

In 2023, we enhanced our strategy to improve a more even gender distribution at all levels of management, hereby

- Gender-based reporting for alle employees and levels of management across the company (This also includes board of directors and Other managerial positions as defined below).
- We were seeking female candidates when recruiting occurred.
- Empower all women, hereby ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

No new board members were elected to the Board of Directors during 2023 and there were no changes in the other levels of management.

5 years overview:

	2023 (Base year)
Board members	5
Women (under-represented gender)	20%
Men	80%
Goal of underrepresented gender in percentage	25%
Year for fulfillment	2025
Other Managerial positions, Directors and senior managers, reporting directly to directors (1 and 2)	19
Women (under-represented gender)	26%
Men	74%
Goal of underrepresented gender in percentage	35%
Year for fulfillment	2025

The number of employees is calculated as the number of full-time employees registered in Espersens HR system. Employee indicators and the share of women in the board of directors, directors, senior managers and all employees are calculated based on headcounts at end of the reporting period. The company's other levels of management include the two levels of management which are below the supreme governing body. Other managerial positions includes persons with managerial responsibility, who refer directly to the first level of management below the supreme governing body (e.g., those who handle the day-to-day operations, department managers, team leaders - depending on the company's managerial structure). Directors are defined as the 3 members of the executive management team and senior managers are defined as direct reports to the Directors.

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 corporate culture, CSR and privacy policy. However, in 2023 there was extra focus on data privacy and cyber security.

During 2023, Espersen hired two cyber security specialists to help get Espersen ready for the EU NIS2 directive and help identify vulnerabilities within the use of digitalization. This has included Espersen addressing cyber hygiene within the company. Regarding GDPR, Espersen updated their privacy policy, provided external GDPR courses for relevant personnel and have focused on spreading awareness through training and further education on the subject. In the future, it is expected that more focus and projects within this area will continue into 2024.

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.



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

Accounting policies

The annual report of A. Espersen A/S for 2023 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 equity interests

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 equity interests 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 life 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. 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 disposal. Gains or losses are recognized in other operating income.

Investments in subsidiaries and equity interests

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

Investments in subsidiaries and equity interests 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 equity interests 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 equity interests 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 equity interests 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 equity interests 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

The Company has chosen IAS 39 Financial instruments: Recognition and measurement as interpretation for recognition and measurement of 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.

Financial liabilities also include the capitalised residual lease commitment in respect of finance leases.

Other liabilities are measured at net realizable value.

Leases

The Company has chosen IAS 17 Leases as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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 recognised 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.

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

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		Parent	
		2023	2022	2023	2022
3	Revenue	3.465.369	3.236.453	3.240.824	3.098.782
	Changes in inventories of finished goods	-42.797	150.126	-29.372	75.928
	Other operating income	8.826	19.948	90	9.500
		<u>3.431.398</u>	<u>3.406.527</u>	<u>3.211.542</u>	<u>3.184.210</u>
	Raw materials, consumables, etc.	-2.596.238	-2.799.234	-2.757.142	-3.086.378
	Other external costs	-266.298	-219.097	-390.751	-138.434
	Gross profit	<u>568.862</u>	<u>388.196</u>	<u>63.649</u>	<u>-40.602</u>
4	Staff costs	-449.700	-411.678	-82.768	-81.852
5+6	Depreciation, amortisation and impairment	-48.753	-46.640	-5.389	-6.500
	Other operating expenses	0	-22.007	0	-14.256
	Operating profit/(loss)	<u>70.409</u>	<u>-92.129</u>	<u>-24.508</u>	<u>-143.210</u>
7	Share of result after tax in subsidiaries	0	0	88.604	36.117
8	Share of result after tax in equity interests	2.587	369	2.587	369
9	Financial income and expenses	-44.768	-15.726	-53.704	-5.258
	Result before tax	<u>28.228</u>	<u>-107.486</u>	<u>12.979</u>	<u>-111.982</u>
10	Corporation tax	-612	26.717	14.204	30.720
	Result for the year	<u><u>27.616</u></u>	<u><u>-80.769</u></u>	<u><u>27.183</u></u>	<u><u>-81.262</u></u>
Breakdown of consolidated result for the year:					
	Shareholders, A. Espersen A/S	27.183	-81.262		
	Non-controlling interests	<u>433</u>	<u>493</u>		
		<u><u>27.616</u></u>	<u><u>-80.769</u></u>		
Proposed profit/loss appropriation					
	Retained earnings			<u>27.183</u>	<u>-81.262</u>
				<u><u>27.183</u></u>	<u><u>-81.262</u></u>



BALANCE SHEET		DKK'000			
Note		Consolidated		Parent	
		2023	2022	2023	2022
	ASSETS				
	Non-current assets				
5	Intangible fixed assets				
	Goodwill	19.670	21.663	0	0
	Software	38.427	37.357	33.287	35.664
	Development projects in progress	0	162	0	162
		<u>58.097</u>	<u>59.182</u>	<u>33.287</u>	<u>35.826</u>
6	Tangible fixed assets				
	Buildings	186.837	162.226	5.420	6.901
	Plant and machinery	173.502	156.273	1.892	2.506
	Other fixtures and operating equipment	12.758	8.996	2.114	2.013
	Tangible assets in progress	15.292	18.485	1.869	0
		<u>388.389</u>	<u>345.980</u>	<u>11.295</u>	<u>11.420</u>
	Investments				
7	Investments in subsidiaries	0	0	663.856	595.490
8	Investments in equity interests	11.794	9.829	11.794	9.829
11	Other securities	1.953	1.300	1.953	1.300
12	Other receivables	21	1.244	21	1.199
		<u>13.768</u>	<u>12.373</u>	<u>677.624</u>	<u>607.818</u>
	Non-current assets	<u>460.254</u>	<u>417.535</u>	<u>722.206</u>	<u>655.064</u>
	Current assets				
	Inventories				
	Raw materials and consumables	408.677	433.156	79.443	24.616
	Finished goods and goods for resale	347.381	390.178	140.749	170.121
		<u>756.058</u>	<u>823.334</u>	<u>220.192</u>	<u>194.737</u>
	Receivables				
	Trade receivables	395.497	465.137	254.159	304.469
	Receivables from group enterprises	0	0	131.545	281.303
	Other receivables	51.630	61.804	19.936	42.127
13	Deferred tax	26.129	14.796	4.940	2.628
10	Corporate tax receivable	12.607	24.362	12.416	23.699
14	Prepayments	7.077	1.198	5.635	0
		<u>492.940</u>	<u>567.297</u>	<u>428.631</u>	<u>654.226</u>
	Cash at bank and in hand	<u>45.063</u>	<u>32.694</u>	<u>1.992</u>	<u>3.927</u>
	Current assets	<u>1.294.061</u>	<u>1.423.325</u>	<u>650.815</u>	<u>852.890</u>
	TOTAL ASSETS	<u>1.754.315</u>	<u>1.840.860</u>	<u>1.373.021</u>	<u>1.507.954</u>



BALANCE SHEET		DKK'000			
Note		Consolidated		Parent	
		2023	2022	2023	2022
EQUITY AND LIABILITIES					
Equity					
15	Share capital	41.500	39.000	41.500	39.000
	Retained earnings	545.036	272.433	307.089	117.284
	Reserve for net revaluation under the equity method	7.611	5.646	257.535	135.268
	Translation reserve	2.406	-32.988	-9.571	-7.461
		<u>596.553</u>	<u>284.091</u>	<u>596.553</u>	<u>284.091</u>
	Non-controlling interests	<u>1.698</u>	<u>1.258</u>	<u>0</u>	<u>0</u>
		<u>598.251</u>	<u>285.349</u>	<u>596.553</u>	<u>284.091</u>
Provisions					
13	Deferred tax	<u>0</u>	<u>489</u>	<u>0</u>	<u>0</u>
		<u>0</u>	<u>489</u>	<u>0</u>	<u>0</u>
16	Non-current liabilities				
	Lease commitments	21.493	0	0	0
	Other payables	<u>0</u>	<u>164</u>	<u>0</u>	<u>164</u>
		<u>21.493</u>	<u>164</u>	<u>0</u>	<u>164</u>
Current liabilities					
	Mortgage debt	0	367	0	367
	Lease commitments	8.446	0	0	0
	Bank loans and overdrafts	107.084	14.879	101.851	0
	Trade payables	301.081	310.641	92.479	109.052
10	Corporate tax payable	63	47	0	0
	Other payables	103.399	63.914	13.923	24.565
	Deferred income	15.029	14.558	0	0
17	Payables to group enterprises	<u>599.469</u>	<u>1.150.452</u>	<u>568.215</u>	<u>1.089.715</u>
	Total liabilities	<u>1.134.571</u>	<u>1.555.022</u>	<u>776.468</u>	<u>1.223.863</u>
	TOTAL EQUITY AND LIABILITIES	<u>1.754.315</u>	<u>1.840.860</u>	<u>1.373.021</u>	<u>1.507.954</u>

- 1 Events after the balance sheet date
- 2 Special items
- 3 Segment note
- 18 Contingent liabilities and collateral
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- 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		
	<u>2023</u>	<u>2022</u>	
Operating profit/(loss)	70.409	-92.129	
Depreciation	48.753	46.640	
Adjustment from other non cash transactions	-7.846	24.514	
Cash flows from operations before changes in working capital	111.316	-20.975	
Changes in inventories	67.276	-302.558	
Changes in trade receivables and other receivables	81.037	-102.944	
Changes in trade payables and other payables	29.761	58.018	
Cash flows from operations (operating activities)	289.390	-368.459	
Interest income and expense, net	-43.621	2.975	
Corporation tax received/(paid)	34.470	12.658	
Cash flows from operating activities	280.239	-352.826	
Purchase of tangible and intangible assets	-32.412	-53.631	
Disposal of tangible and intangible assets	189	213	
Investment in subsidiaries	-9	9.667	
Dividend from equity interests	507	1.068	
Cash flow to/from investments	-31.725	-42.683	
Mortgage	-367	-435	
Group loans	-327.983	378.376	
Bank loans and overdrafts	92.205	4.039	
Cash flows to/from financing	-236.145	381.980	
Net cash flows for the year	12.369	-13.529	
Cash and cash equivalents at 1 January	32.694	46.223	
22 Cash and cash equivalents at 31 December	45.063	32.694	

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 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	-81.262
FX rate adj. equity interests	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 1 January 2023	39.000	5.646	-32.988	272.433	284.091
Other movements	0	0	0	0	0
Dividend paid	0	-507	0	507	0
Capital injection	2.500	0	0	247.500	250.000
Transfer from profit/loss for the year	0	2.587	0	24.596	27.183
FX rate adj. equity interests	0	-115	0	0	-115
FX rate adj. subsidiaries	0	0	37.504	0	37.504
Derivative financial instr. at 1 Jan	0	0	-6.086	0	-6.086
Derivative financial instr. at 31 Dec	0	0	3.976	0	3.976
Equity at 31 December 2023	41.500	7.611	2.406	545.036	596.553

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 derivatives recognized in equity. The Translation and hedging reserve is dissolved at disposal of such foreign group entities or changes in derivatives.

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 2022	766
Transfer from profit/loss for the year	492
Exchange rate adjustment	0
Equity at 1 January 2023	1.258
Transfer from profit/loss for the year	437
Exchange rate adjustment	3
Equity at 31 December 2023	1.698



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 2022	39.000	70.384	-16.224	259.280	352.440
Transfer	0	25.316	0	-25.316	0
Transfer from profit/loss for the year	0	37.554	0	-118.816	-81.262
Dividend paid	0	-1.068	0	1.068	0
FX rate adj. equity interests	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 1 January 2023	39.000	135.268	-7.461	117.284	284.091
Other movements	0	58.376	0	-58.376	0
Capital injection	2.500	0	0	247.500	250.000
Dividend received	0	-45.571	0	45.571	0
Transfer from profit/loss for the year	0	74.108	0	-46.925	27.183
FX rate adj. equity interests	0	-115	0	0	-115
FX rate adj. subsidiaries	0	37.504	0	0	37.504
Derivative financial instr. at 1 Jan	0	0	-6.086	0	-6.086
Derivative financial instr. at 31 Dec	0	-2.035	3.976	2.035	3.976
Equity at 31 December 2023	41.500	257.535	-9.571	307.089	596.553



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.

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.

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

	Consolidated		Parent	
	2023	2022	2023	2022
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.))	0	-3.929	0	-3.929
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.	0	-5.571	0	-5.571
Advisor costs and other costs in connection with acquisitions, sale of buildings etc	3.179	2.500	2.212	2.500
Moving to new Headoffice	0	9.205	0	9.205
Divestment of Russia	0	9.389	0	9.389
Total special items	3.179	11.594	2.212	11.594
Reported in the Income Statement as below:				
Other external costs	3.179	11.705	2.212	11.705
Other operating expences	0	9.389	0	9.389
Other operating income	0	-9.500	0	-9.500
	3.179	11.594	2.212	11.594

3 Segment note

	Consolidated		Parent	
	2023	2022	2023	2022
Fish products - domestic market	87.597	88.400	87.597	88.400
Fish products - export markets	3.377.772	3.148.053	3.153.227	3.010.382
	3.465.369	3.236.453	3.240.824	3.098.782



NOTES

DKK'000

4 Staff costs

	Consolidated		Parent	
	2023	2022	2023	2022
Wages and salaries	376.068	354.790	73.188	72.737
Pensions	51.770	46.453	7.264	7.656
Other social security costs	21.862	10.435	2.316	1.459
	449.700	411.678	82.768	81.852

The Group had 3,339 full-time employees in 2023 (2022: 3,284) of which 118 were employed in the parent company (2022: 128).

Remuneration Executive Board	9.812	8.378	9.812	8.378
Remuneration Board of Directors	120	120	120	120
	9.932	8.498	9.932	8.498

5 Intangible assets

Consolidated	Goodwill	Software	Develop- ment projects in progress	Total
Currency adjustments	-157	324	0	167
Additions	0	3.793	521	4.314
Disposals	0	0	-230	-230
Transfer from/to other assets	0	453	-453	0
Cost at 31 December 2023	48.670	46.876	0	95.546
Depreciation at 1 January 2023	27.164	4.949	0	32.113
Currency adjustments	175	144	0	319
Depreciation on disposed assets	0	0	0	0
Depreciation of the year	1.661	3.356	0	5.017
Depreciation at 31 December 2023	29.000	8.449	0	37.449
Carrying amount at 31 December 2023	19.670	38.427	0	58.097

Parent company	Goodwill	Software	Develop- ment projects in progress	Total
Additions	0	0	521	521
Disposals	0	0	-230	-230
Transfer from/to other assets	0	453	-453	0
Cost at 31 December 2023	15.000	39.190	0	54.190
Depreciation at 1 January 2023	15.000	3.073	0	18.073
Depreciation on disposed assets	0	0	0	0
Depreciation of the year	0	2.830	0	2.830
Depreciation at 31 December 2023	15.000	5.903	0	20.903
Carrying amount at 31 December 2023	0	33.287	0	33.287



NOTES

DKK'000

6 Tangible assets

Consolidated	Tangible assets in				Total
	Buildings	Plant and machinery	Operating equipment	progress	
Cost at 1 January 2023	335.160	525.340	30.242	18.485	909.227
Currency adjustments	20.740	35.972	1.809	758	59.279
Additions	11.834	23.637	1.168	29.238	65.877
Disposals	0	-2.691	-801	0	-3.492
Transfer from/to other assets	17.322	10.870	4.934	-33.189	-63
Cost at 31 December 2023	385.056	593.128	37.352	15.292	1.030.828
Depreciation at 1 January 2023	172.934	369.067	21.246	0	563.247
Currency adjustments	10.445	26.750	1.368	0	38.563
Depreciation on disposed assets	0	-2.306	-801	0	-3.107
Depreciation of the year	14.840	26.115	2.781	0	43.736
Depreciation at 31 December 2023	198.219	419.626	24.594	0	642.439
Carrying amount at 31 December 2023	186.837	173.502	12.758	15.292	388.389
Property, plant and equipment include assets held under finance leases with a carrying amount totalling	10.868	19.071			29.939
Interest recognised in the year and borrowing costs	180	69			249
Depreciated over	4 Years	5 Years			
Parent company	Buildings	Plant and machinery	Operating equipment	Tangible assets in progress	Total
Cost at 1 January 2023	14.607	5.394	3.077	0	23.078
Additions	0	0	565	1.869	2.434
Disposals	0	0	0	0	0
Transfer from/to other assets	0	0	0	0	0
Cost at 31 December 2023	14.607	5.394	3.642	1.869	25.512
Depreciation at 1 January 2023	7.706	2.888	1.064	0	11.658
Depreciation on disposed assets	0	0	0	0	0
Depreciation of the year	1.481	614	464	0	2.559
Depreciation at 31 December 2023	9.187	3.502	1.528	0	14.217
Carrying amount at 31 December 2023	5.420	1.892	2.114	1.869	11.295



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7 Investments in subsidiaries

	2023	2022
Cost at 1 January	465.868	542.411
Additions	45.073	0
Disposals	-97.009	-76.543
Cost at 31 December	413.932	465.868
Value adjustment at 1 January	129.622	63.540
Currency adjustments	37.504	4.649
Amortisation of goodwill	-1.661	-765
Other movements	-8.119	-12.063
Reversal on assets disposed	66.495	37.379
Dividend	-45.064	0
Derivatives recognised in equity in subsidiaries	-2.035	0
Share of Result after tax for the year	73.182	36.882
Value adjustment at 31 December	249.924	129.622
Carrying amount at 31 December	663.856	595.490

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
Espersen Poland Sp z o o.	Poland	100%	TPLN 65,501	545.138	68.768
UAB Espersen Lietvua	Lithuania	100%	TEUR 4,071	75.378	18.795
Espersen UK Limited	UK	100%	TGBP 1	-22.233	-20.387
Espersen Vietnam one sole member LLC	Vietnam	100%	MVND 152,760	29.595	2.140
Espersen Asia Ltd.	Hong Kong	100%	TUSD 17,667	0	1.801
Espersen France SAS	France	80%	TEUR 130	6.791	1.749
Espersen Limited	UK	100%	TGBP 1	1.344	254
Espersen Sweden AB	Sweden	100%	TSEK 100	129	-81
Espersen Germany GmbH	Germany	100%	TEUR 25	268	143
				636.410	73.182
Group goodwill and other surplus values				27.446	-1.661
				663.856	71.521

The subsidiaries are included in the consolidated group figures.

8 Investments in equity interests

	2023	2022
Consolidated and Parent		
Cost at 1 January	4.183	4.183
Disposals	0	0
Cost at 31 December	4.183	4.183
Value adjustments at 1 January	5.646	6.844
Currency adjustments	-115	-499
Disposals	0	0
Dividend paid	-507	-1.068
Share of Result after tax for the year	2.587	369
Value adjustments at 31 December	7.611	5.646
Carrying amount at 31 December	11.794	9.829

	Reg. office	Ownership-%	Share capital	Share of equity	Share of result after tax
Scanfish Norway AS	Norway	49%	TNOK 500	7.147	670
Sweryb International AB	Sweden	50%	TSEK 200	1.722	1.351
EsPan Sp. z o.o.	Poland	50%	TPLN 4,000	2.925	566
				11.794	2.587



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9 Financial income and expenses

	Consolidated		Parent	
	2023	2022	2023	2022
Financial income				
Interest income	1.785	107	1.173	114
Interest income from group enterprises	0	0	2.478	661
Unrealized foreign exchange adjustments, net	0	0	0	0
Realized foreign exchange adjustments, net	30.637	13.952	18.206	22.243
Other financial income	15	28	15	28
	32.437	14.087	21.872	23.046
Financial expenses				
Interest expense	13.540	1.180	12.256	193
Interest expense to group enterprises	56.081	22.564	56.082	22.564
Realized foreign exchange adjustments, net	22	0	22	0
Capital losses on securities and adjustments	0	3.173	0	3.173
Other financial costs	7.562	2.896	7.216	2.374
	77.205	29.813	75.576	28.304
Financial income and expenses, net	-44.768	-15.726	-53.704	-5.258

10 Corporation tax

Current tax for the year	-1.032	-24.390	-12.416	-23.686
Hereof to be recognised directly in equity 1)	0	-1.862	0	-1.862
Movement in deferred tax for the year	5.333	810	-1.858	-5.105
Adjustment to previous years	-3.689	-1.275	70	-67
Total tax for the year	612	-26.717	-14.204	-30.720
Tax analysis				
Result before tax	28.228	-107.486	12.979	-111.982
Adjustments previous years	-16.768	-5.795	318	-305
Other	-6.091	-7.790	13.330	9.136
Share of result in subsidiaries and equity interests	-2.587	-369	-91.191	-36.486
Result before tax, adjusted	2.782	-121.441	-64.564	-139.636
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 2023 it is a tax payable of DKK 0k (31 December 2022: tax payable of DKK 1.862k), which is recognised directly in the equity.

11 Other securities

	Consolidated		Parent	
	2023	2022	2023	2022
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 for the year	653	0	653	0
Value adjustments to fair value at 31 December	1.884	1.231	1.884	1.231
Carrying amount at 31 December	1.953	1.300	1.953	1.300



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12 Other receivables

	Consolidated		Parent	
	2023	2022	2023	2022
Falling due between 2 and 5 years	21	1.244	21	1.199
	21	1.244	21	1.199

13 Deferred tax

At 31 December 2023, the Group recognised a deferred tax asset of DKK -26,129k (2022: DKK -14,796k).

The tax asset include tax losses carry forward of DKK 56,912k (2022: DKK 3,074k).

Based on the Group's budget, 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	
	2023	2022	2023	2022
The changes for the year are specified as follows:				
Deferred tax liabilities at 1 January	489	2.430	0	1.942
Deferred tax assets at 1 January	-14.796	-21.312	-2.628	0
Deferred tax (asset)/liability, net at 1 January	-14.307	-18.882	-2.628	1.942
Opening adjustment, foreign exchange rates	-985	-248	0	0
Adjustments in respect of previous years	-4.910	3.403	140	-75
Movement for the year, equity items	-594	610	-594	610
Movement for the year, income statement	-5.333	810	-1.858	-5.105
Deferred tax (asset)/liability, net at 31 December	-26.129	-14.307	-4.940	-2.628
Deferred tax liabilities at 31 December	0	489	0	0
Deferred tax assets at 31 December	-26.129	-14.796	-4.940	-2.628
	-26.129	-14.307	-4.940	-2.628

14 Prepayments

Consists of various minor prepayments, mainly rent, license and insurance.

15 Share capital

The share capital consists of 41,500 shares of DKK 1.000 each and has developed as follows the last 5 years:

	2023	2022	2021	2020	2019
Beginning of the year	39.000	39.000	39.000	39.000	35.000
Increase of share capital	2.500	0	0	0	4.000
	41.500	39.000	39.000	39.000	39.000

16 Non-current liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
Falling due between 1 and 5 years	21.493	164	0	164
	21.493	164	0	164

Lease commitments

	Consolidated					
	2023			2022		
	Lease payment	Interest	Carrying Amount	Lease payment	Interest	Carrying Amount
0-1 Years	9.261	815	8.446	0	0	0
1-5 Years	22.293	800	21.493	0	0	0
>5 Years	0	0	0	0	0	0



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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 328.969k at 31 December 2023 (31 December 2022: 618.982k)

18 Contingent liabilities and collateral

Lease commitments - Consolidated

	Buildings	Cars	Equipment	Total
Falling due within one year	5.951	1.808	7.208	14.967
Falling due between 1-5 years	19.501	2.313	15.790	37.604
Falling due after more than 5 years	8.101	0	0	8.101
	33.553	4.121	22.998	60.673

Lease commitments - Parent company

	Buildings	Cars	Equipment	Total
Falling due within one year	2.746	1.064	273	4.083
Falling due between 1-5 years	10.963	881	57	11.902
Falling due after more than 5 years	7.979	0	0	7.979
	21.688	1.946	330	23.964

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 0k (2022: DKK 367k) A. Espersen has provided guarantees in its buildings with a carrying amount of DKK 3,117k at 31 December 2023 (2022: DKK 4,335k).

A. Espersen has given a support letter to the subsidiary, Espersen UK Limited to support the subsidiary to trade and to discharge its debt and liabilities for at least 2024.

Collateral

	Consolidated		Parent	
	2023	2022	2023	2022
Bank guarantee for customs duty	5.500	5.500	5.500	5.500
Bank guarantee for Lease deposit	1.554	0	1.554	0
	7.054	5.500	7.054	5.500

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

	Consolidated		Parent	
	2023	2022	2023	2022
Ordinary audit fee	1.423	1.304	757	736
Tax consultancy	1.399	632	987	342
Other services *	2.437	2.336	2.437	2.333
Total EY	5.259	4.272	4.180	3.411
Other audit companies	1.329	504	0	0
Total	6.588	4.776	4.180	3.411

* Mainly due diligence advisory work on acquisition of UK factory.



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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 2023 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Company - Sale	35.547	0 - 8	-191
USD	Company - Sale	9.297	0 - 6	-71
USD	Company - Purchase	393.568	0 - 8	-5.065
NOK	Company - Purchase	105.735	0 - 4	4.471
PLN	Company - Purchase	79.642	0 - 9	5.511
USD	Group - Purchase	38.399	0 - 7	2.882
Total				7.537

At 31 December 2022 the Company and the Group had the following open currency forward contracts:

Currency		Principal	Months	Fair value
GBP	Company - Sale	24.322	0 - 8	440
SEK	Company - Sale	11.175	0 - 1	383
USD	Company - Sale	272.697	0 - 6	8.387
USD	Company - Purchase	522.132	0 - 9	-16.160
NOK	Company - Purchase	99.996	0 - 5	-107
PLN	Company - Purchase	189.165	0 - 6	10.845
Total				3.788

Interest rate risks:

As of 31 December 2023 there are no external interest bearing debt in the Group and the parent company (2022: DKK 0) 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	7.537
Unrealised fair value adjustments for the year, recognised in the income statement	0
Unrealised fair value adjustments for the year, recognised in hedging reserve	4.144
Fair value level	2
Parent Company	
Fair value at year end	4.655
Unrealised fair value adjustments for the year, recognised in the income statement	0
Unrealised fair value adjustments for the year, recognised in hedging reserve	2.109
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.



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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

	2023	2022
Group		
Payables to parent company	599.469	1.150.452
Purchase of services from parent enterprises	57.052	33.949
Parent		
Sale of goods to group enterprises	706.902	945.072
Purchase of goods from group enterprises	1.889.572	1.791.809
Purchase of services from group enterprises	57.052	33.949
Receivables from group enterprises	131.545	220.568
Payables to parent company	599.469	1.150.452
Payables to group enterprises	31.254	-1

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

	2023	2022
Cash according to the balance sheet	45.063	32.694

23 Proposed profit/loss appropriation

	2023	2022
Retained earnings	27.183	-81.262
	27.183	-81.262

