Billund Aquaculture Holding A/S

Montanavej 2, DK-7190 Billund

Annual Report for 2023

CVR No. 38 54 12 42

The Annual Report was presented and adopted at the Annual General Meeting of the company on 14/8 2024

Mattis Sørensen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Billund Aquaculture Holding A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Billund, 14 August 2024

Executive Board

Christian Stensgård Sørensen
Manager

Board of Directors

Jon Refsnes Chairman	Mattis Sørensen	Christian Stengård Sørensen
Jo-Kristian Rasmussen	Espen Ledang	

Independent Auditor's report

To the shareholder of Billund Aquaculture Holding A/S

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for adverse opinion paragraph, the Financial Statements do not give a true and faie view of the financial position of the Company at 31 December 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Billund Aquaculture Holding 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 a summary of significant accounting policies (”the Financial Statements”).

Consequently, in our opinion, the Annual Report should not be adopted at the Annual General Meeting.

Basis for Adverse Opinion

As mentioned in accounting policies no consolidated financial statements are prepared. According to the Danish Financial Statements Act, the company must prepare consolidated financial statements as none of the permitted exemptions apply.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of Matter

We refer to accounting policies stating that the financial statements are not prepared under the assumption of going concern. Our conclusion is not modified as a consequence of this matter.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover 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 Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financial Statements Act.

As stated in section "Basis for Adverse Opinion", our opinion on the financial statements is modified as no consolidated financial statements are prepared. It is our opinion that the management’s review consequently contains material misstatements in relation to amounts and other information due to the missing consolidated financial statements.

Further, reading the Management's Review we found that multiple disclosures required for the accounting class are missing which is not compliant with the Danish Financial Statements Act.

Independent Auditor's report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 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 about 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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 Company to cease to continue as a going concern.

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

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.

Independent Auditor's report

Trekantområdet, 14 August 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen	Morten Jacobsen
State Authorised Public Accountant	State Authorised Public Accountant
mne30224	mne44140

Company information

The Company	Billund Aquaculture Holding A/S Montanavej 2 DK-7190 Billund CVR No: 38 54 12 42 Financial period: 1 January - 31 December Municipality of reg. office: Billund
Board of Directors	Jon Refsnes, chairman Mattis Sørensen Christian Stengård Sørensen Jo-Kristian Rasmussen Espen Ledang
Executive Board	Christian Stensgård Sørensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Management's review

Key activities

The main activity of Billund Aquaculture Holding A/S is to operate as a holding company as well as to design, manufacture, install and service intensive land-based recirculating aquaculture systems through subsidiaries.

Development in the year

The income statement of the Company for 2023 shows a loss of TDKK 69,255, and at 31 December 2023 the balance sheet of the Company shows a negative equity of TDKK 15,025.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Gross loss		**-20**	**-21**
Income from investments in subsidiaries	3	-59,906	-91,228
Financial income	4	221	594
Financial expenses	5	-9,550	-3
Profit/loss before tax		**-69,255**	**-90,658**
Tax on profit/loss for the year		0	0
Net profit/loss for the year	6	**-69,255**	**-90,658**

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Investments in subsidiaries	7	0	61,089
Fixed asset investments		**0**	**61,089**
Fixed assets		**0**	**61,089**
Cash at bank and in hand		**214**	**490**
Current assets		**214**	**490**
Assets		**214**	**61,579**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		1,755	1,755
Retained earnings		-16,780	39,802
Equity		**-15,025**	**41,557**
Other payables		0	20,000
Long-term debt	8	**0**	**20,000**
Payables to owners and Management		10,215	0
Other payables	8	5,024	22
Short-term debt		**15,239**	**22**
Debt		**15,239**	**20,022**
Liabilities and equity		**214**	**61,579**
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1,755	39,802	41,557
Purchase of treasury shares	0	13,857	13,857
Other equity movements	0	-1,184	-1,184
Net profit/loss for the year	0	-69,255	-69,255
Equity at 31 December	**1,755**	**-16,780**	**-15,025**

Notes to the Financial Statements

1. Going concern

The parent company accounts for 2023 are significantly deviating from the expectations going into the year. which is mainly caused by a lower level of activity in subsidiaries than budgeted. The lower level of activity is caused by delayed projects. Further, as is in previous years, higher than expected costs are recognized on low margin projects as part of the finalization of the projects affecting the margin negatively. The low margin projects from previous years are finalized during 2023.

Management prepared a plan and a budget for 2024 that shows improvements of both revenues and margins combined with stable fixed costs. The activities are under the constraints of both capital resources and performance bonds. Clients typically require performance bonds during projects as a guarantee for prepayments on the projects. To some extend performance bonds are covered by financial institutions and in some cases a deposit of liquidity is required to cover the performance bonds. The budget for 2024 is under the assumption that to some extend deposit of liquidity is required and that it is possible to postpone, limit or avoid performance bonds on some projects.

The plan and budget for 2024 assumed injection of capital from owners. These capital injections are not executed and no formal agreements are in place. Capital resources are not sufficient and the company will not be able to pay its obligations as they fall due. Consequently, the financial statements are not prepared under the assumption of going concern.

2. Special items

	2023 TDKK	2022 TDKK
Impairment of fixed assets	36,247	0
Write-downs of current assets, that exceed normal write-downs	9,335	0
	45,582	**0**

As described in note 1 the financial statements are not prepared under the assumption of going concern. Further, based on evaluation of the capital resources of the subsidiaries, the value of investments in subsidiaries is fully impaired. This impairment amounts to TDKK 36.247. The impairment is recognized as income from investments in subsidiaries.

An impairment of receivables from group enterprises is recognized due to the financial situation. This impairment amounts to TDKK 9.335 and is recognized as financial expenses.

Further, the purchase price for treasury shares acquired in 2022 is calculated based on the group's revenues in 2023 and in 2024. Based on actual revenues in 2023 and expected revenues for 2024 the liable purchase price as estimated in 2022 is reduced by TDKK 15.000 in 2023. This is recognised as purchase of treasury shares in equity.

3. Income from investments in subsidiaries

	2023 TDKK	2022 TDKK
Share of profits	-59,470	-90,792
Amortisation of goodwill	-436	-436
	-59,906	**-91,228**

Notes to the Financial Statements

4. Financial income

	2023	2022
	TDKK	TDKK
Interest received from group enterprises	220	594
Other financial income	1	0
	221	**594**

5. Financial expenses

	2023	2022
	TDKK	TDKK
Impairment losses on financial assets	9,335	0
Interest paid to group enterprises	215	0
Other financial expenses	0	3
	9,550	**3**

6. Profit allocation

	2023	2022
	TDKK	TDKK
Retained earnings	-69,255	-90,658
	-69,255	**-90,658**

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
7. Investments in subsidiaries		
Cost at 1 January	176,750	131,516
Additions for the year	0	45,234
Cost at 31 December	176,750	176,750
Value adjustments at 1 January	-115,661	-27,366
Net profit/loss for the year	-59,470	-86,338
Other equity movements, net	-1,183	-1,521
Amortisation of goodwill	-436	-436
Value adjustments at 31 December	-176,750	-115,661
Carrying amount at 31 December	**0**	**61,089**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Billund Aquaculture A/S (under konkurs)	Billund	TDKK 13.034	98%
Billund Aquaculture Chile S.A.	Chile	TCLP 11.000	88%
Billund Aquaculture US Corp.	USA	TUSD 50	94%
Billund Aquaculture Australia Pty Ltd.	Australia	TAUD 100	83%

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK

8. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023	2022
Other payables		
After 5 years	0	0
Between 1 and 5 years	0	20,000
Long-term part	0	20,000
Within 1 year	5,000	0
Other short-term payables	24	22
	5,024	**20,022**

9. Related parties

	Basis
Controlling interest	
Havbruksparken Utvikling AS	Majority shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

10. Subsequent events

At 25 July 2024 the subsidiary Billund Aquaculture A/S went bankrupt.

The other subsidiary Billund Aquaculture Chile S.A. (Chile) had a material debt to Billund Aquaculture A/S as of 31 December 2023. Due to the bankruptcy this debt must be repaid and Billund Aquaculture Chile S.A. does not have adequate capital resources in the current situation.

Billund Aquaculture Holding A/S provided a loan to Billund Aquaculture A/S during 2023. As of 31 December 2023 this loan amounted to TDKK 9,335. Due to the bankruptcy repayment is not expected.

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Billund Aquaculture Holding A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. The financial statements are not prepared under the assumption of going concern. Changes in accounting estimates are explained in note 2.

The Financial Statements for 2023 are presented in TDKK.

Consolidated financial statements

No consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish subsidiaries . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.