

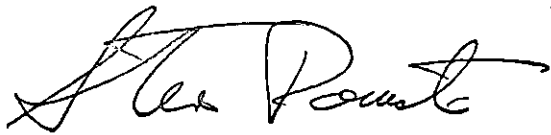
# Blue Circle EU ApS

CVR-no. 39 05 93 98

c/o Piaster Revisorerne, Engholm Parkvej 8  
3450 Allerød

## Annual Report 2018/19 (Financial year 1 June 2018 - 31 May 2019)

The Annual Report is presented and  
adopted at the Annual General Meeting of  
shareholders on the 9 October 2019



Steven Damato  
*Chairman of the meeting*

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## Management's Statement

The Executive Board have today considered and approved the Annual Report of 1 June 2018 - 31 May 2019 for Blue Circle EU ApS.

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

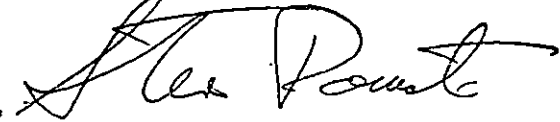
In my opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 May 2019.

In my opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Washington D.C., 9 October 2019

Executive Board:

A handwritten signature in black ink, appearing to read 'Steven Damato', written over a horizontal line.

Steven Damato

# **The independent practitioner's report**

## *To the shareholders of Blue Circle EU ApS*

### **Opinion**

We have performed an extended review of the financial statements of Blue Circle EU ApS for the financial year 1 June 2018 - 31 May 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 May 2019 and of the results of the Company's operations for the financial year 1 June 2018 - 31 May 2019 in accordance with the Danish Financial Statements Act.

### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Material uncertainty concerning going concern**

We draw the attention to note 12 in the Financial Statement. In this note management has provided information regarding uncertainties relating to going concern due to negative equity, future operations, and subordinated loan letter from group companies. Our conclusion is not modified regarding this matter.

### **Emphasis of matter regarding the financial statements**

We draw the attention to note 11 in the Financial Statement. In this note management has provided information regarding uncertainty connected with recognition or measurement of the goodwill due to indications of impairment. Management has described that the company will obtain future profits to justify the valuation of the goodwill. Our conclusion is not modified regarding this matter.

## **The independent practitioner's report (-continued)**

### **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.

### **Practitioner's responsibilities for the extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

## **The independent practitioner's report (-continued)**

### **Statement on 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 extended review 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 extended review, 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 Financials Statements Act.

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

Allerød, 9 October 2019

**Piaster Revisorerne,  
statsautoriseret revisionsaktieselskab**

**CVR. no.: 25 16 00 37**



Steen Dahl Andersen  
State Authorized Public Accountant  
mne29455

# **Management's Review**

## **Primary activities of the Company**

The company's activity is to conduct business through trade of fish and fish products.

## **Development in activities and financial affairs**

This year has focused on developing business in the EU and setting up production facilities. It is expected that the effort made in 2018/19 will have positive impact in the coming years.

The company's going concern depends on the parent company's guarantee for supporting the company. The parent company has signed a letter of support to the company's going concern through the fiscal year 2020, and that the company expects to restore the company's negative equity through the company's future activities.

## Income Statement 1 June - 31 May

DKK	Notes	2018/19	2017/18 7 months
<b>Gross profit (loss)</b>		<b>-679.630</b>	<b>-81.112</b>
Staff costs	1	-2.302.800	0
<b>Operating profit</b>		<b>-2.982.430</b>	<b>-81.112</b>
Financial expenses		-2.570	0
<b>Profit before tax</b>		<b>-2.985.000</b>	<b>-81.112</b>
Tax expense		0	0
<b>Profit for the year</b>		<b>-2.985.000</b>	<b>-81.112</b>
<b>Proposed distribution of results</b>			
Retained earnings		-2.985.000	-81.112
Proposed dividend recognised in equity		0	0
<b>Total distribution</b>		<b>-2.985.000</b>	<b>-81.112</b>



## Balance Sheet at 31 May

### Assets

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Property, plant and equipment in progress and prepayments for property, plant and equipment		3.621.672	1.480.780
<b>Property, plant and equipment</b>		<b>3.621.672</b>	<b>1.480.780</b>
<b>Fixed assets</b>		<b>3.621.672</b>	<b>1.480.780</b>
Trade receivables		279.412	0
Other receivables		348.261	260.542
<b>Receivables</b>		<b>627.673</b>	<b>260.542</b>
<b>Cash and cash equivalents</b>		<b>311.011</b>	<b>108.056</b>
<b>Current assets</b>		<b>938.684</b>	<b>368.598</b>
<b>Assets</b>		<b>4.560.356</b>	<b>1.849.378</b>

## Balance Sheet at 31 May

### Equity and liabilities

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Share capital		50.000	50.000
Retained earnings		-3.066.112	-81.112
Proposed dividend recognised in equity		0	0
<b>Equity</b>	<b>2</b>	<b><u>-3.016.112</u></b>	<b><u>-31.112</u></b>
Payables to group enterprises		7.204.828	1.834.600
Other payables		371.640	45.890
<b>Short-term liabilities other than provisions</b>		<b><u>7.576.468</u></b>	<b><u>1.880.490</u></b>
<b>Liabilities other than provisions</b>		<b><u>7.576.468</u></b>	<b><u>1.880.490</u></b>
<b>Equity and liabilities</b>		<b><u>4.560.356</u></b>	<b><u>1.849.378</u></b>
Uncertainties relating to going concern	3		

## Notes

	<u>2018/19</u>	<u>2017/18</u>
<b>1 Staff costs</b>		
Wages and salaries	2.088.529	0
Post-employment benefit expense	193.259	0
Social security contributions	21.012	0
	<u><b>2.302.800</b></u>	<u><b>0</b></u>
Average number of full time employees	<u>1</u>	<u>0</u>
<b>2 Equity</b>		
Share capital at 1 June	<u>50.000</u>	<u>50.000</u>
Share capital at 31 May	<u>50.000</u>	<u>50.000</u>
Retained earnings at 1 June	-81.112	0
Proposed distribution of results this year	<u>-2.985.000</u>	<u>-81.112</u>
Retained earnings at 31 May	<u>-3.066.112</u>	<u>-81.112</u>
Proposed dividend recognised in equity at 1 June	0	0
Dividend paid	0	0
Proposed distribution of results	<u>0</u>	<u>0</u>
Proposed dividend recognised in equity at 31 May	<u>0</u>	<u>0</u>
<b>Equity 31 May</b>	<u><b>-3.016.112</b></u>	<u><b>-31.112</b></u>

### 3 Uncertainties relating to going concern

The company's going concern depends on the parent company's guarantee for supporting the company. The parent company has signed a letter of support to the company's going concern through the fiscal year 2019, and that the company expects to restore the company's negative equity through the company's future activities. The financial statements have therefore been prepared as subject to continued operations.

## **Accounting policies**

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with those of last year.

### **General**

#### **Reporting currency**

The Annual Report is presented in Danish kroner (DKK).

#### **In general regarding accounting and measuring**

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

### **Income statement**

#### **Gross profit**

With reference to section 32 of the Danish Financial Statement Act, the items "Revenue" to and including "Other external expenses" are consolidated into one item designated "Gross profit".

# Accounting policies

## Revenue

Revenue includes invoiced sales of goods, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

## Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

## Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

## Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

## Balance sheet

# Accounting policies

## Property, plant and equipment

Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Plant and machinery	3-10 years	0-20%
Fixtures, fittings, tools and equipment	3-5 years	0-20%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or expenses.

## Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

## **Accounting policies**

### **Receivables**

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

### **Cash and bank balances**

Cash comprises cash balances and bank balances.

### **Dividends**

Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

### **Current tax and current deferred tax**

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

### **Liabilities**

Other liabilities are measured at amortized cost, corresponding to the nominal value.