



**Piaster Revisorerne**

vi giver bedre råd

# **Blue Circle EU ApS**

Engholm Parkvej 8, 3450 Allerød

Company reg. no. 39 05 93 98

## **Annual report**

**1 June 2022 - 31 May 2023**

The annual report was submitted and approved by the general meeting on the 26 July 2023.

Steven Damato  
Chairman of the meeting

Piaster Revisorerne, statsautoriseret revisionsaktieselskab  
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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Managing Director has approved the annual report of Blue Circle EU ApS for the financial year 1 June 2022 - 31 May 2023.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 May 2023 and of the results of the Company's operations for the financial year 1 June 2022 – 31 May 2023.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Allerød, 26 July 2023

**Managing Director**



Steven Damato

## **Independent auditor's report on extended review**

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### **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 2022 - 31 May 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and 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 2023 and of the results of the Company's operations for the financial year 1 June 2022 - 31 May 2023 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 "Auditor'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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 extended review of the Financial Statements**

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

## **Independent auditor's report on extended review**

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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.

### **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 opinion 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 Financial 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.

Alleroed, 26 July 2023

### **Piaster Revisorerne**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 25 16 00 37



Steen Dahl Andersen  
State Authorised Public Accountant  
mne29455

## **Company information**

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**The company**

Blue Circle EU ApS  
Engholm Parkvej 8  
3450 Allerød

Company reg. no. 39 05 93 98  
Financial year: 1 June - 31 May

**Managing Director**

Steven Damato

**Auditors**

Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab  
Engholm Parkvej 8  
3450 Allerød

**Parent company**

Blue Circle Foods LLC

## **Management's review**

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### **Description of key activities of the company**

The company has two main activities, which consist of conducting business through trade of fish and fish products. Furthermore the company is establishing a production facility in the EU, which started production in 2022.

### **Development in activities and financial matters**

This year has focused on developing business in the EU and setting up production facilities. It is expected that the effort made in 2022/23 will have positive impact in the coming years. Some of the machines has started production and the company is expected to expand the customer basis.

### **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 2023/24, and that the company expects to restore the company's negative equity through the company's future activities.

**Income statement 1 June - 31 May**

All amounts in DKK.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
<b>Gross profit</b>	<b>1.312.706</b>	<b>-635.346</b>
2 Staff costs	-2.239.537	-2.196.509
Depreciation and impairment of property, plant, and equipment	-736.413	-197.852
<b>Operating profit</b>	<b>-1.663.244</b>	<b>-3.029.707</b>
Other financial income	112.468	0
Other financial expenses	-7.182	-2.369.635
<b>Pre-tax net profit or loss</b>	<b>-1.557.958</b>	<b>-5.399.342</b>
Tax on net profit or loss for the year	0	0
<b>Net profit or loss for the year</b>	<b>-1.557.958</b>	<b>-5.399.342</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-1.557.958	-5.399.342
<b>Total allocations and transfers</b>	<b>-1.557.958</b>	<b>-5.399.342</b>



**Balance sheet at 31 May**

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and machinery	10.517.432	6.924.808
Property, plant and equipment in progress and prepayments for property, plant and equipment	1.115.873	4.404.745
Total property, plant, and equipment	<u>11.633.305</u>	<u>11.329.553</u>
<b>Total non-current assets</b>	<b><u>11.633.305</u></b>	<b><u>11.329.553</u></b>
<b>Current assets</b>		
Trade receivables	1.240.531	1.101.378
3 Other receivables	11.364.501	543.502
Total receivables	<u>12.605.032</u>	<u>1.644.880</u>
Cash and cash equivalents	16.646	491.151
<b>Total current assets</b>	<b><u>12.621.678</u></b>	<b><u>2.136.031</u></b>
<b>Total assets</b>	<b><u>24.254.983</u></b>	<b><u>13.465.584</u></b>

**Balance sheet at 31 May**

All amounts in DKK.

<b>Equity and liabilities</b>		<u>2023</u>	<u>2022</u>
<u>Note</u>			
<b>Equity</b>			
	Contributed capital	50.000	50.000
	Retained earnings	-10.241.824	-8.683.866
	<b>Total equity</b>	<b>-10.191.824</b>	<b>-8.633.866</b>
<b>Liabilities other than provisions</b>			
	Trade payables	275.744	184.439
4	Payables to shareholders	34.004.258	21.826.794
	Other payables	166.805	88.217
	Total short term liabilities other than provisions	34.446.807	22.099.450
	<b>Total liabilities other than provisions</b>	<b>34.446.807</b>	<b>22.099.450</b>
	<b>Total equity and liabilities</b>	<b>24.254.983</b>	<b>13.465.584</b>

**1 Uncertainties relating to going concern**

**Statement of changes in equity**

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 June 2021	50.000	-3.284.524	-3.234.524
Retained earnings for the year	<u>0</u>	<u>-5.399.342</u>	<u>-5.399.342</u>
Equity 1 June 2022	50.000	-8.683.866	-8.633.866
Retained earnings for the year	<u>0</u>	<u>-1.557.958</u>	<u>-1.557.958</u>
	<b><u>50.000</u></b>	<b><u>-10.241.824</u></b>	<b><u>-10.191.824</u></b>

## Notes

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All amounts in DKK.

### 1. 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 2023/24, and that the company expects to restore the company's negative equity through the company's future activities.

	<u>2022/23</u>	<u>2021/22</u>
<b>2. Staff costs</b>		
Salaries and wages	1.935.337	1.893.171
Pension costs	300.696	299.931
Other costs for social security	<u>3.504</u>	<u>3.407</u>
	<b><u>2.239.537</u></b>	<b><u>2.196.509</u></b>
Average number of employees	<u>1</u>	<u>1</u>
<b>3. Other receivables</b>		
Other receivables contain:		
Receivable from supplier DKK 11.340.000		
Other receivables DKK 24.501		
<b>4. Payables to shareholders</b>		
Payables to Blue Circle Foods LLC	<u>34.004.258</u>	<u>21.826.794</u>
	<b><u>34.004.258</u></b>	<b><u>21.826.794</u></b>

## **Accounting policies**

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The annual report for Blue Circle EU ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

### **Material mistakes prior years**

In prior years labor cost regarding maintenance of machines has been capitalized under property, plant and equipment. These cost can't be capitalized and have been moved to Other external cost. The corrections have the following effects on prior year:

- Result for the year -389.722 DKK

- Assets with -1.428.332 DKK

- Equity with -1.428.332 DKK

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

## **Accounting policies**

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Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

### **Income statement**

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Depreciation, amortisation, and write-down for impairment**

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## Accounting policies

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### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Statement of financial position

#### Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	15 years	

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

## **Accounting policies**

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### **Property, plant, and equipment in progress**

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

### **Impairment loss relating to non-current assets**

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.