Carsoe Seafood ApS

Mineralvej 6, DK-9220 Aalborg Øst

Annual Report for 2023

CVR No. 43 18 74 30

The Annual Report was presented and adopted at the Annual General Meeting of the company on 27/6 2024

Casper Villadsen
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 Carsoe Seafood ApS 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.

Aalborg Øst, 27 June 2024

Executive Board

Hugo Holst Dissing
CEO

Board of Directors

Casper Villadsen Chairman	Hugo Holst Dissing	Johan Carlos Schwerin

Independent Auditor's report

To the shareholder of Carsoe Seafood ApS

Opinion

In our opinion, the Financial Statements give a true and fair 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 Carsoe Seafood ApS 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”).

Basis for Opinion

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 opinion.

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.

Based on the work we have performed, in our view, 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 Management’s Review.

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.

Independent Auditor's report

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.

Hellerup, 27 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Daniel Mogensen
State Authorised Public Accountant
mne45831

pwc

Company information

The Company	Carsoe Seafood ApS Mineralvej 6 9220 Aalborg Øst CVR No: 43 18 74 30 Financial period: 1 January - 31 December Incorporated: 4 April 2022 Financial year: 2nd financial year Municipality of reg. office: Aalborg
Board of Directors	Casper Villadsen, chairman Hugo Holst Dissing Johan Carlos Schwerin
Executive Board	Hugo Holst Dissing
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 2-year period, the development of the Company is described by the following financial highlights:

	2023 TDKK 12 months	2022 TDKK 9 months
Key figures		
Profit/loss		
Revenue	422,452	304,349
Gross profit	108,576	76,936
Profit/loss of primary operations	2,864	11,446
Profit/loss of financial income and expenses	37,588	-479
Net profit/loss for the year	41,464	8,635
Balance sheet		
Balance sheet total	310,147	306,582
Investment in property, plant and equipment	2,555	18,553
Equity	57,567	20,262
Number of employees	211	205
Ratios		
Gross margin	25.7%	25.3%
Profit margin	0.7%	3.8%
Return on assets	0.9%	3.7%
Solvency ratio	18.6%	6.6%
Return on equity	106.6%	85.2%

Management's review

Key activities

Carsoe Seafood is a leading global provider of niche processing equipment and services for the onboard seafood and food processing industries. Carsoe Seafood's activities comprise product development, manufacturing, engineering, installation, and service

Development in the year

Carsoe Seafood continued to supply customers globally with our market leading solutions in 2023. Carsoe Seafood managed to win several new large and medium-sized green-field contracts. The contracts are geographically diverse and in line with the core offering of Carsoe. Besides the new, large contracts, Carsoe Seafood has successfully continued to grow its aftersales segment and strengthened sales of its standard product portfolio.

Carsoe has further consolidated its operational footprint and focused on strengthening core business operations. This includes strengthening supply chain resilience, engineering efficiency, product standardisation and innovation. In addition, the data foundation has been strengthened for improved financial transparency and operational planning.

The past year and follow-up on development expectations from last year

The income statement of the Company for 2023 shows a profit of TDKK 41,464, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TDKK 57,567.

Special risks - operating risks and financial risks

Operating risks

Carsoe Seafood's most significant operating risks relate to its ability to gain and retain client relations, key employees and always to be at the forefront of technological development within Carsoe Seafood's business areas. Refer to the sections Knowledge resources and Research and development activities below for information on how Carsoe Seafood work with knowledge and development.

Financial risks

The Group does not hedge the currency rate between Danish Krone (DKK) and the Euro (EUR) as this rate is fixed. Exposure to other currencies is limited, as euro is used as the main contract currency.

Currency adjustments of investments in subsidiaries which are independent entities are recognized directly in equity. As a main rule, currency risks related to the investment in subsidiaries are not hedged, as Carsoe Seafood regards these as long-term strategic investments that are not affected by short term fluctuations in currency rates. Carsoe Seafood's worldwide activities imply a credit risk in connection with sales to customers. We take measures to hedge our exposure, for instance by introducing letters of credit.

Targets and expectations for the year ahead

In 2024, Carsoe Seafood will continue investing in and executing on its profitable growth plan, while improving its operations to increase long-term margins. The Company expects the results for 2024 to be in the range of MDKK 10-14.

Carsoe Seafood has a proven ability to grow into new markets and offer new sought-after solutions to its customers. Carsoe expects to continue strengthening its position in the consolidating market for onboard turnkey seafood processing solutions, including through a stronger aftermarket offering, while expanding its presence within new niche segments and actively selling its products standalone.

The continued market uncertainty and economic conditions, especially the interest rates may affect the demand for the products and solutions offered by Carsoe Seafood in 2024.

Management's review

Research and development

Our research and development activities are primarily carried out at the ead offices in Denmark. Development activities include the development of equipment and solutions within Carsoe Seafood's business areas.

A total of 9 FTEs was allocated during the financial year to development activities, with a particular focus on standardisation, automation, and leveraging the inhouse competences across all product capabilities.

Intellectual capital resources

Carsoe Seafood is dedicated to supplying cutting-edge equipment and installations for manufacturing and processing in the food and seafood sectors. This demands a wealth of knowledge resources, including the expertise of our employees and fine-tuned business practices, with focus on engineering, project management, and aftermarket services.

Attracting and retaining top-tier talent is pivotal for Carsoe Seafood's success. Our commitment to Environmental, Social, and Governance (ESG) efforts plays a crucial role in this regard, as it is increasingly recognized as a primary factor for individuals seeking employment. We continuously cultivate a robust company culture centred on collaboration, innovation, and ongoing improvement, fostering a work environment that is both positive and engaging.

Advancing in our ESG journey, we've reached a point where we can effectively communicate our ESG initiatives both internally and externally, enhancing our attractiveness to prospective talent.

Statement of corporate social responsibility

Corporate social responsibility is an integral part of Carsoe Seafood's business strategy, and we remain committed to and focused on all aspects, from environment, employee satisfaction, human rights, anti-corruption, and our role in society in general.

The Carsoe Seafood wants to act responsibly in relation to customers, employees, business partners and the outside world. We are aware that there may be several opportunities and risks concerning corporate social responsibility in relation to our business.

We elaborate in the following on how we manage our corporate social responsibility and related risks in our work. With reference to the business model, please refer to the section "Key activities" and "Development in the year".

Management's review

Environment and climate

Carsoe Seafood is dedicated to promoting sustainable practices within the fishing industry, prioritizing the responsible management of global fish resources. Our commitment extends to developing products and systems that ensure high-quality results while minimizing waste. We recognize the importance of both environmental protection and ethical business strategies in maintaining long-term success. Our aim is to implement an ethical business strategy that not only benefits our customers, but also our staff and society as a whole. For Carsoe to continue its success as a leading seafood processing company, it must establish a business model that can endure over time. It is crucial for businesses to prioritize both environmental protection and effective risk management to operate sustainably. Carsoe's business activities, in the seafood industry, entail several significant material risks to the environment and climate. These risks primarily stem from resource consumption, waste generation, energy usage, and potential impacts on marine ecosystems. We seek to manage/mitigate these with the following commitments:

•Carsoe Seafood manufactures and distributes products in Denmark, the US and Norway. The company recognizes the importance of addressing the environmental impact in terms of waste and CO2 emissions
•Mapping and reducing our CO2 footprint (Scope 1, 2 and eventually scope 3 (Screening) through the GHG protocol.
•Our current solutions aim to enhance traceability and effectively monitor fishing quotas.
•Enhance the process of handling and disposing of waste, decrease the amount of residual waste, and increasing the utilization of purchased materials and goods.
•Enhance the longevity of products by retrofitting, servicing, and repairing machines and production lines that are already in use, with a focus on life cycle and disposal of our machinery.
•Minimize the utilization of non-renewable energy sources.
•Contribute to minimize climate and environmental impact per kilogram protein, by improving energy efficiency and integrate selected process and performance to enhance productivity.

With measurable goals based on the ESG agenda, Carsoe Seafood has formulated a comprehensive environmental policy that will be completed by 2024. Integral to the organization's goals regarding product quality and manufacturing facilities, the strategy is founded on environmentally responsible practices. Monthly meetings of the ESG groups are held to review the development of ongoing initiatives and activities. In addition to their strategic efforts, Carsoe begun an initiative concerning the organization's policies and procedures in 2023.

Corruption and bribery

Carsoe Seafood maintains a strict zero-tolerance policy against corruption and bribery, and we take all necessary measures to prevent such risks in our business relationships. Any suspected violations of this policy are thoroughly investigated.

To ensure compliance with our core values and Code of Ethics, the group has developed written compliance guidelines and policies that contains our anti-corruption policies, as well as policies related to Supplier Code of Conduct, money laundering, export control, and international trade sanctions. Our executives are required to confirm their compliance with these policies every three months.

Our Code of Ethics requires employees to act with integrity and uphold acceptable ethical standards for human rights. To mitigate risks associated with our business partners, Carsoe Seafood has a Supplier Code of Conduct that sets out the same requirements for our suppliers of goods and services.

Throughout the financial year 2023, management remained vigilant, diligently monitoring for any signs of non-compliance. No breaches of the stringent compliance rules were detected, affirming the effectiveness of the established procedures and controls. Carsoe Seafood is poised to uphold its reputation for integrity while navigating evolving regulatory landscapes with confidence and integrity, securing anti-corruption and bribery is top of mind in all business affairs.

Carsoe Seafood does not foresee any material risks related to corruption and bribery and processes as policies have been calibrated to mitigate these concerns effectively, aligning with our commitment to compliance with rules and regulations

Human rights

Our Code of Ethics requires employees to act with integrity and uphold acceptable ethical standards for human rights.

To mitigate risks associated with our business partners, Carsoe Seafood has a Supplier Code of Conduct that sets out the same requirements for our suppliers of goods and services. If a supplier violates our rules, we will work closely with them to help improve business standards and employee well-being. However, Carsoe Seafood reserve the right to terminate contracts with suppliers who intentionally violate our rules and refuse to cooperate in implementing planned improvements.

In the 2023 period, we did not identify any breaches of our Code of Ethics or Supplier Code of Conduct, and we are committed to maintaining our current procedures in the future.

Employees

Achieving the company’s strategic and financial targets depends on our employees and their skills and commitment. The escalating complexity of the business landscape, coupled with an evolving competitive environment and the pervasive impact of digitalization, has heightened the demand for proficient employees and executives. Therefore, it is vital for Carsoe to fortify our position for the most qualified individuals. With this objective in mind, several key actions have been implemented.

In 2023, we initiated a new setup that aimed at enhancing our performance appraisals, refining management training, and optimizing course selection. Additionally, we formulated a new set of values to clearly articulate Carsoe’s purpose and foster a sense of belonging among employees.

Furthermore, 2023 marked the initiation of Carsoe's inaugural well-being study, an exercise expected to be repeated in 2024, revealing a workforce that is both content and motivated, affirming our dedication to prioritizing employee welfare and fulfilment. Carsoe Seafood does not foresee any material risk in connection with employees when comes to the overall well-being or motivation and the expectation is that employee wellbeing will continue on the current high levels.

The company's policy for working with Social and Personnel Affairs is maintained and communicated through both the company's personnel handbook and its compliance policy. Carsoe's strategy includes developing young talents through apprenticeship programs, and actively engaging in dialogues with youth and vocational schools to serve as an active partner and an integral part of the surrounding community.

Skills and competencies

The skills and ideas that our talented employees bring to the table are crucial to our success. We endeavour to foster a collaborative, innovative, and resourceful culture where each of our team members can bring their best selves to work. In 2023, we successfully concluded training programs that specifically targeted the enhancement of skills relevant to our employees' job function.

Management training

Management training is conducted for various reasons. Managers often encounter complex and critical decisions, requiring effective prioritization to optimize team performance. In alignment with this objective, we have initiated the enrolment of our middle managers in communication and leadership courses designed to enhance their skills in leading and managing employees. Recognizing the importance of effective communication, we understand its critical role in enabling managers to convey expectations, provide constructive feedback, and cultivate a positive work environment.

Employee survey

Employee turnover poses significant risks, both financially and in terms of overall productivity. Conducting an employee survey can help us identify areas for improvement and develop strategies to enhance workplace satisfaction.

It was crucial for us that the survey provided a structured way for our employees to share their thoughts, opinions, and concerns. As part of our ongoing efforts to ensure we support and develop our workforce, we conducted an employee engagement survey in Denmark (DK), ensuring anonymity and focusing on job satisfaction, engagement, and other factors.

Our 2023 employee engagement survey indicated a high level of engagement and a strong emphasis on teamwork. However, it also highlighted the need for attention to performance management. This transparency enables us to work strategically on areas that require improvement.

Enhanced focus on sickness absence

We have increased our emphasis on managing sickness absence and remain dedicated to supporting individual employees facing health difficulties. It is crucial to adopt a fair and consistent approach, offering support to employees while ensuring their eventual return to work. To facilitate this, we have developed a tool for collecting data on sickness absence, resulting in a Bradford score for each employee. This tool serves as a communication aid for managers to take early action if an employee's absence rate starts to rise, providing an opportunity to implement preventive measures before it escalates into prolonged sickness absence.

Statement on gender composition

	2023
Top management	
Total number of members	3
Underrepresented gender %	0%
Target figure %	25%
Year for meeting target	2026
Other management levels	
Total number of members	1

Carsoe Seafood is working to increase the number of female managers in Carsoe Seafood and has set specific targets for the share of the underrepresented gender in Carsoe Seafood's management in general. Carsoe Seafood has a target that 25% of the management positions in Carsoe Seafood should be held by women by the end of 2026. To meet the gender diversity target in 2023, Carsoe Seafood have reviewed our procedures and initiated measures aimed at supporting a more balanced gender distribution at the leadership level.

Carsoe Seafood has, as of the balance sheet date, 1 member at the company's other management levels, which exempts Carsoe Seafood from the obligation to set a target due to the number of employees. Reference: Section 99b, subsection 2 of the Danish Financial Statements Act.

Statement on data ethics

Carsoe Seafood is responsible for processing customer information that is provided to us or collected about our customers. We treat customer information with the utmost respect for confidentiality and privacy.
We have a clear corporate policy in place that governs how we use personal information to protect the privacy of our employees, customers, and other stakeholders. This policy is designed to ensure compliance with the Data Protection Act and the Data Protection Regulation.

Management's review

In 2024, Carsoe has partnered with an external entity to enhance data protection and compliance. The initial phases of implementation are scheduled for completion by year-end, with data ethics integrated into Carsoe's overall growth strategy.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK 12 months	TDKK 9 months
Revenue	1	422,452	304,349
Other operating income		8,452	3,944
Expenses for raw materials and consumables		-251,068	-189,872
Other external expenses		-71,260	-41,485
Gross profit		**108,576**	**76,936**
Staff expenses	2	-88,682	-64,924
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-17,030	-566
Profit/loss before financial income and expenses		**2,864**	**11,446**
Income from investments in subsidiaries		45,923	0
Financial income	3	2,727	757
Financial expenses	4	-11,062	-1,236
Profit/loss before tax		**40,452**	**10,967**
Tax on profit/loss for the year	5	1,012	-2,332
Net profit/loss for the year	6	**41,464**	**8,635**

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		3,513	6,135
Acquired intangible assets		14,468	19,527
Goodwill		8,815	9,844
Intangible assets	7	**26,796**	**35,506**
Plant and machinery		944	1,972
Other fixtures and fittings, tools and equipment		3,738	2,179
Leasehold improvements		8,002	14,239
Property, plant and equipment	8	**12,684**	**18,390**
Investments in subsidiaries	9	146,066	137,251
Deposits	10	1,956	1,909
Fixed asset investments		**148,022**	**139,160**
Fixed assets		**187,502**	**193,056**
Raw materials and consumables		27,359	28,220
Work in progress		3,586	11,654
Finished goods and goods for resale		15,351	17,333
Prepayments for goods		11,008	7,771
Inventories		**57,304**	**64,978**
Trade receivables		32,225	22,274
Contract work in progress	11	1,695	3,957
Receivables from group enterprises		6,026	12,732
Other receivables		16,648	874
Prepayments	12	3,897	4,043
Receivables		**60,491**	**43,880**
Cash at bank and in hand		**4,850**	**4,668**
Current assets		**122,645**	**113,526**
Assets		**310,147**	**306,582**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	13	40	40
Reserve for net revaluation under the equity method		94,362	73,052
Retained earnings		-36,835	-52,830
Equity		**57,567**	**20,262**
Provision for deferred tax	14	2,359	3,371
Other provisions	15	1,065	0
Provisions		**3,424**	**3,371**
Credit institutions		225	314
Prepayments received from customers		0	7,995
Trade payables		45,403	42,951
Contract work in progress	11	61,499	48,885
Payables to group enterprises		123,959	163,291
Payables to group enterprises relating to corporation tax		128	0
Other payables		17,942	19,513
Short-term debt		**249,156**	**282,949**
Debt		**249,156**	**282,949**
Liabilities and equity		**310,147**	**306,582**
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Subsequent events	19		
Accounting Policies	20		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	40	73,052	-52,830	20,262
Exchange adjustments relating to foreign entities	0	-4,159	0	-4,159
Net profit/loss for the year	0	25,469	15,995	41,464
Equity at 31 December	**40**	**94,362**	**-36,835**	**57,567**

Notes to the Financial Statements

	2023	2022
	TDKK 12 months	TDKK 9 months
1. Revenue		
Geographical segments		
Europe	387,083	289,106
Other continents	35,369	15,243
	422,452	**304,349**
Business segments		
Offshore	314,714	260,668
Onshore	107,738	43,681
	422,452	**304,349**

	2023	2022
	TDKK 12 months	TDKK 9 months
2. Staff Expenses		
Wages and salaries	70,619	53,913
Pensions	15,730	10,020
Other social security expenses	2,333	991
	88,682	**64,924**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**211**	**205**

	2023	2022
	TDKK 12 months	TDKK 9 months
3. Financial income		
Interest received from group enterprises	393	726
Other financial income	646	31
Exchange adjustments	1,688	0
	2,727	**757**

Notes to the Financial Statements

4. Financial expenses

	2023 TDKK 12 months	2022 TDKK 9 months
Interest paid to group enterprises	9,959	281
Other financial expenses	1,103	695
Exchange adjustments, expenses	0	260
	11,062	**1,236**

5. Income tax expense

	2023 TDKK 12 months	2022 TDKK 9 months
Current tax for the year	0	-167
Deferred tax for the year	-1,012	2,499
	-1,012	**2,332**

6. Profit allocation

	2023 TDKK	2022 TDKK
Reserve for net revaluation under the equity method	25,469	0
Retained earnings	15,995	8,635
	41,464	**8,635**

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects	Acquired intangible assets	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	6,135	19,536	10,238
Additions for the year	0	53	0
Cost at 31 December	6,135	19,589	10,238
Impairment losses and amortisation at 1 January	0	9	394
Amortisation for the year	2,622	5,112	1,029
Impairment losses and amortisation at 31 December	2,622	5,121	1,423
Carrying amount at 31 December	**3,513**	**14,468**	**8,815**
Amortised over	5 years	5 years	10 years

8. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK
Cost at 1 January	1,972	2,342	14,239
Additions for the year	0	2,439	116
Disposals for the year	-1,090	-775	0
Cost at 31 December	882	4,006	14,355
Impairment losses and depreciation at 1 January	0	163	0
Depreciation for the year	1,028	880	6,353
Reversal of impairment and depreciation of sold assets	-1,090	-775	0
Impairment losses and depreciation at 31 December	-62	268	6,353
Carrying amount at 31 December	**944**	**3,738**	**8,002**
Amortised over	3-8 years	3-7 years	5-10 years

Notes to the Financial Statements

9. Investments in subsidiaries

	2023	2022
	TDKK	TDKK
Cost at 1 January	64,199	0
Net effect from merger and acquisition	0	64,199
Disposals for the year	-12,495	0
Cost at 31 December	51,704	64,199
Value adjustments at 1 January	73,052	0
Disposals for the year	1,965	0
Net effect from merger and acquisition	0	73,052
Exchange adjustment	-4,159	0
Net profit/loss for the year	27,920	0
Other equity movements, net	-560	0
Amortisation of goodwill	-3,856	0
Value adjustments at 31 December	94,362	73,052
Carrying amount at 31 December	**146,066**	**137,251**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Carsoe U.S. Inc.,	USA, Seattle		100%
Holmtek Palletering AS	Norway, Frei Kristiansund		100%

10. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	1,909
Additions for the year	47
Cost at 31 December	1,956
Carrying amount at 31 December	**1,956**

Notes to the Financial Statements

11. Contract work in progress

	2023	2022
	TDKK	TDKK
Selling price of work in progress	283,161	91,108
Payments received on account	-342,965	-136,036
	-59,804	**-44,928**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	1,695	3,957
Prepayments received recognised in debt	-61,499	-48,885
	-59,804	**-44,928**

12. Prepayments

Prepayments compromises prepaid expenses such as software license, lease payments, insurance and other prepaid expenses.

13. Share capital

The share capital consists of 40,001 shares of a nominal value of TDKK 40. No shares carry any special rights.

14. Provision for deferred tax

	2023	2022
	TDKK	TDKK
Deferred tax liabilities at 1 January	3,371	0
Recognised from merger and transfer in the year	0	872
Amounts recognised in the income statement for the year	-1,012	2,499
Deferred tax liabilities at 31 December	**2,359**	**3,371**

15. Other provisions

The Company provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 1.065 (2022: TDKK 0) have been recognised for expected warranty claims.

	2023	2022
	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Bank debt is secured by floating charge of DKK 10,000k. The carrying amount of the charged assets is	130,686	145,105

Rental and lease obligations

Liabilities under rental or lease agreements until maturity in total	51,075	58,365

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Carsoe Group A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

17. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Carsoe Holdco A/S, Denmark	Owns all shares in the Entity, thus exercising control.
Carsoe Group A/S, Denmark	Owns all shares in Carsoe Holdco A/S, thus exercising control.
Plemont Co-Investment No.1 Seperate Limited Partnership, Jersey	Owns shares in Carsoe Group A/S, thus exercising control.

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.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Carsoe Group A/S	Aalborg

18. Fee to auditors appointed at the general meeting

Referring to section 96(3) of the Danish Financial Statements Act, fees to the auditor appointed by the Annual General Meeting has not been disclosed.

19. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Carsoe Seafood ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

Correction of material misstatements

In the annual report for 2021/22 some accounts were presented as raw materials and consumables but should have been presented as staff expenses and other external expenses. The changed presentation is incorporated in the annual report for 2023.
The total net effect on the comparative figures is an increase in expenses for raw materials and consumables of TDKK 14,335, a decrease in staff expenses of TDKK 27,292, and an increase in other external expenses of TDKK 12,957. The balance sheet and cash flow of the company have not been affected.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Carsoe Group A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Carsoe Group A/S, the Company has not prepared a cash flow statement.

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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Notes to the Financial Statements

Segment information on revenue

Information on business segments and geographical segments is based on the Company´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

• delivery has been made before year end;

• a binding sales agreement has been made;

• the sales price has been determined; and

• payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

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.

Notes to the Financial Statements

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 Carsoe Group A/S. 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

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Other intangible fixed assets

Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 5 years.

Notes to the Financial Statements

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-8 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

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.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

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.

Notes to the Financial Statements

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, such as loans from credit institutions, 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.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity