

**NORDIC SEAFOOD A/S
SØREN NORDBYSVEJ 15
9850 HIRTSHALS**

ANNUAL REPORT

2024

1 JANUARY – 31 DECEMBER 2024

37th FINANCIAL YEAR

**The Annual Report was presented
and adopted at the Annual General
Meeting of the Company on**

5 May 2025

Lars Hermes Olsen

Chairman of the Meeting

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MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Seafood A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for 2024.

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

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

Hirtshals 5 May 2025

Executive board:

Lars Hermes Olsen

Carl Højrup

Thomas Buus Christensen

Board of Directors:

Terutaka Kuraishi
Chairman

Masahide Asai

Keith Moores

Colin Douglas Paulin

Sato Naoto

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Nordic Seafood A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Nordic Seafood A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

INDEPENDENT AUDITOR'S REPORT

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

INDEPENDENT AUDITOR'S REPORT

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg 5 May 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

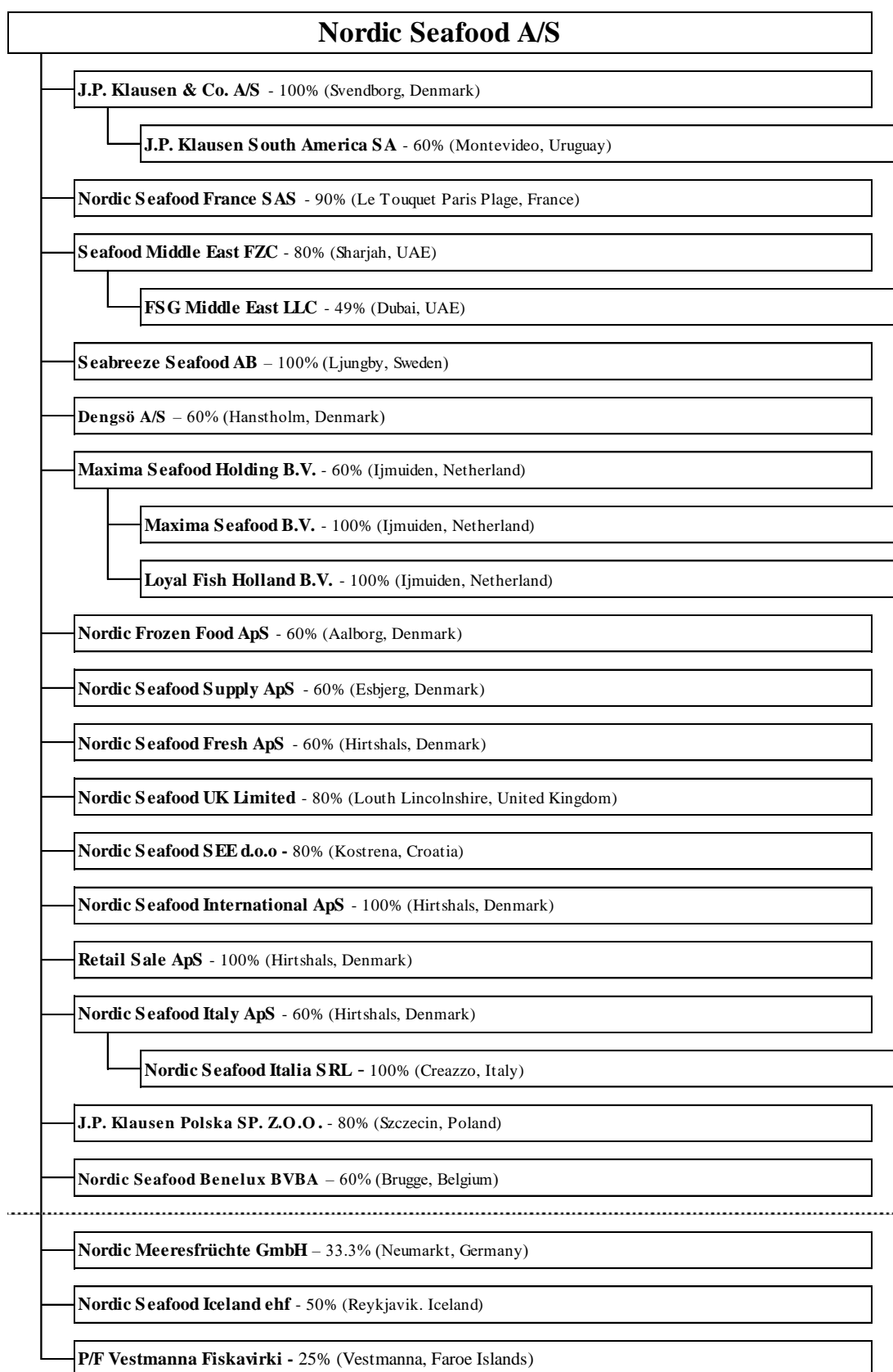
Line Borregaard
State Authorised Public Accountant
mne34353

Morten Porup
State Authorised Public Accountant
mne47816

COMPANY INFORMATION

Company	Nordic Seafood A/S Søren Nordbysvej 15 9850 Hirtshals
	Telephone: +45 98 94 15 33
	Website: www.nordicseafood.com
	E-mail: mail@nordicseafood.com
	CVR No: 11 14 21 41
	Established: 1. June 1987
	Registered Office: Hirtshals
	Financial Year: 1. January – 31. December
Board of Directors	Terutaka Kuraishi, Chairman Masahide Asai Keith Moores Colin Douglas Paulin Sato Naoto
Executive Board	Lars Hermes Olsen Carl Højrup Thomas Buus Christensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skibsbyggerivej 5, 4. sal DK-9000 Aalborg
Bankers	Spar Nord Bank A/S Skelagervej 15 9000 Aalborg
	Danske Bank Albani Torv 2 5000 Odense C

GROUP CHART



KEY FIGURES AND RATIOS OF THE GROUP

	2024	2023	2022	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue	3.504.668	3.280.453	3.703.662	3.174.060	2.665.835
Gross profit.....	264.684	192.194	233.223	221.081	149.976
Operating profit	129.225	84.258	117.320	107.950	55.110
Profit/loss of financial income and expenses	-23.263	-26.496	-16.107	-7.574	-6.628
Profit before tax.....	105.962	57.762	101.213	100.376	48.482
Profit for the year	83.230	45.612	82.485	80.074	39.397
Balance sheet					
Fixed assets	179.528	184.477	73.224	63.316	65.056
Current assets	1.117.606	1.205.853	1.384.778	1.176.927	934.404
Balance sheet total.....	1.297.134	1.390.330	1.458.002	1.240.243	999.460
Equity	533.742	470.029	497.016	462.052	389.687
Provision for liabilities	60.150	49.119	2.520	4.353	1.747
Long-term liabilities	27.439	48.392	24.537	26.219	27.888
Current liabilities.....	675.803	822.790	933.929	747.619	580.138
Liabilities.....	703.242	871.182	958.466	773.838	608.026
Cash flows					
Cash flows from:					
- operating activities	254.636	264.279	-130.274	-79.047	84.929
- investing activities	-10.695	-132.378	-14.070	-5.615	-970
including investment in tangible fixed assets.....	-11.850	-13.811	-6.101	-8.439	-4.329
- financing activities	-151.931	-122.660	122.337	40.437	-79.207
Change in cash and cash equivalents for the year	92.010	9.241	-22.007	-44.225	4.752
Ratios					
Gross margin	7,55%	5,86%	6,30%	6,97%	5,63%
(gross profit as % of revenue)					
Profit margin	3,69%	2,57%	3,17%	3,40%	2,07%
(operating profit as % of net revenue)					
Rate of return.....	9,62%	5,92%	8,70%	9,64%	5,23%
(operating profit as % of aver. balance sheet total)					
Equity ratio (solvency ratio).....	41,15%	33,81%	34,09%	37,25%	38,98%
(equity as % of assets, end of year)					
Return on equity	21,11%	11,95%	21,11%	23,57%	12,57%
(profit before tax as % of aver. equity)					
Number of employees	201	176	173	173	158
Index for net revenue.....	131	123	139	119	100
Index for gross profit.....	176	128	156	147	100
Index for profit before tax	219	119	209	207	100

MANAGEMENT'S REVIEW

Principal activities

Like previous years the principal activities comprise import, packing and sale of seafood.

The Group is also responsible for the sale of Nissui controlled companies' products in the European market.

Development in the financial year and results for the year

In the financial year 2024 the Group realized a profit for the year of DKK 83.2 million compared to DKK 45.6 million in 2023. The expected profit going into the financial year 2024 was in the range DKK 60-70 million.

The outlook going into 2024 was for 2024 to be a challenging year due to the uncertainties linked to the European economies. It was expected that the high interest rates would have a negative impact on the consumers behavior.

In the beginning of the year the Group did experience a significantly lower demand from traditional strong markets like Germany and France, where especially the foodservice sector was negatively impacted by the higher interest rates and low consumer spending. Despite the slow start of the year, the Group has performed better than expected in 2024, where especially the second half of the year showed a good performance in especially Denmark, Sweden, Italy and the UK.

Future prospects

The Group expects 2025 to start in the same manner as 2024 ended. However, the uncertainty of the world's political situation with unrest, possible trade wars and economical instability could very well have a negative impact on consumer behavior, which could have a negative effect on the Group's sales.

The Group expects a result for the financial year 2025 in the range DKK 75-85 million.

Statutory statement on CSR in accordance with Section 99a of the Danish financial statement act

Sustainable development of the seafood business is imperative and necessary for seafood to continue to feed the world. Nordic Seafood recognizes this responsibility and as a large player in the seafood market try to impose a sustainable transformation of the supply chain from farm / fishing to consumer.

Business model

Nordic Seafood is an international supplier of seafood and other food items. Sale is facilitated both from Hirtshals and through several sales offices, strategically located around Europe. Purchase is handled from our sales offices in cooperation with several hubs that handle quality control at the sites of production.

Assessment of risks related to our business model

We hold the highest standards of quality and food safety and we strive to do our business with respect for the natural resources and our supply chain. Global trade means global responsibilities and Nordic Seafood recognize this and act upon the inherent risks that come with the products purchased. Illegal fishing, overfishing, unsustainable farming and socially unacceptable productions to name the most important ones.

MANAGEMENT'S REVIEW

We are conscious of our responsibilities and integrate this in our policies on both practical and strategic levels of our activities. We have a close dialogue with our customers and other relevant stakeholders to ensure compliance with both market standards and customer expectations. We strive to present as wide a sustainable product range as feasibly possible.

Assessment of risks related to our business model

Nordic Seafood applies a principle of “hands on” with suppliers and will engage in, and cooperate with suppliers of potential, even if there is room for improvement. It is the wish of Nordic Seafood to use its knowledge and monetary power, to push suppliers in a sustainable direction. Business grants influence.

Policies and social responsibility

Nordic Seafood has internal guidelines, policies and goals which ensure that our employees work in a healthy working environment and that they have the best possible working conditions. We prioritize work safety in our factory and hold the safety of our staff to the highest standard. We have established and uphold policies on:

- Human rights and Labour
- Environment / Climate change
- Anticorruption and bribery
- Animal welfare and Biodiversity

The policies lay out the framework of our social responsibilities and present our systematic approach to reducing the negative impact of our products upon work force, the environment and ecology. They contain both our very principal standpoints and the tools we use in our CSR workflows.

2024 – Results

The results are categorized to match the Nordic Seafood policies.

Human rights and Labour

In our Company, we are all equally entitled to our human rights without discrimination. These rights are all inter-related. The principles are: Universal and inalienable, interdependent and indivisible, equal and non-discriminatory, and both rights and obligations.

Our company is strongly against child labour, forced labour, discrimination and an unhealthy working environment.

We have invested in a BSCI (Business social compliance Initiative) membership and established a registration and monitoring programme for our relevant suppliers. BSCI operate a system of country classification into risk or low risk countries (AMFORI countries risk classification, 2022). The classification is based on key governance indicators and serve as a guideline to where your efforts should be directed. It was our 2022 goal, to increase the purchase volume percentage of suppliers in risk countries, that hold a 3rd party validated social standard. Nordic Seafood accept BSCI, SMETA and SA8000 as valid social standards – this is in line with most of our customers. In 2023 we have started to engage directly in the certification process of BSCI and now hold RSP for several of our suppliers. In 2024 We have continued this effort. Currently Nordic Seafood Purchase 38% of its volume in risk countries. This is the same as last year. 62% of the volume from risk countries comes from suppliers that holds a Social standard. This is a significant improvement from 38% in 2023. It is our expectation and goal, to further increase the volume products produced by suppliers that hold a social standard in 2025.

Nordic Seafood operates in countries where human rights and Labour protection are a fully integrated part of national legislation. Furthermore we have a low-hierarchical and open organisation that facilitates easy access to management.

MANAGEMENT'S REVIEW

Nordic Seafood Occupational Health and Safety:

Nordic Seafood administration does not hold significant physical risks. In our factory and in our cold store, several functions hold an inherent risk of injury. The risks are managed through our Occupational Health and safety team and through our APVs. The APVs are also our tool for managing our psychological work environment.

Our staff policies are communicated to all new staff as a part of their induction program. The policies are also available on Nordic Seafoods intranet. Factory staff receive the policies in a folder as a part of their induction. The policies are revised and updated continuously.

In the financial year 2024, there have been no accidents.

Environment / Climate change

Nordic Seafoods policy on environment and Climate change covers in-house and value chain elements, ranging from waste management and energy conservation to Soy footprint and carbon emission reduction.

In 2023 and 2024 Nordic Seafood has been working on initiatives that reduces our scope 1 and 2 carbon footprint in our HQ, cold store and factory. In 2023 Nordic Seafood has installed a heat reclamation system on our cold store compressors and supply 60-70% warm water and heat needs for the company. Approximating a 30 ton CO₂-E carbon reduction. In 2025 we will investigate potential for expanding the system, pending investigations into establishing the necessary infrastructure by Port of Hirtshals. In 2024 our ambition was to invest in solar panels for our roof areas. Due to insurance complications, this is not possible so in 2025 we will be looking into alternative solutions.

Sustainable fishing / aquaculture

It is our continued aim to further improve and extend our sustainable product range. In 2024 the number of certified sustainable species has seen a small increase to 42 species from 38 species in 2023.

Our volume of certified sustainable products has decreased from 37% to 36%. The decrease is small, considering the loss of MSC on a few local species. Certified sustainable is defined as holding an GSSI (Global Sustainable Seafood Initiative) approved certification. The bulk of our certified volume is from ASC (Aquaculture stewardship council) or MSC (Marine Stewardship council).

It is our expectation that the volume of sustainable products will remain stable or slightly increase in 2025.

Anticorruption and bribery

Nordic Seafood Anticorruption and Bribery policy describe a zero tolerance towards corruption. Exceptions defined, include modest gifts (giving / receiving) and modest representation.

Nordic Seafoods Risk profile on corruption and bribery is notable as we have activities in countries wherein corruption is more common. The risk is managed by training our staff in Nordic Seafood Anticorruption and Bribery policy. Training in anticorruption and bribery policy is part of Nordic Seafoods induction programme and also a subject at our recurring CSR courses for all relevant staff. In the financial year 2024 there have been no incidents. It is our expectations that we will have zero incidents in 2025.

MANAGEMENT'S REVIEW

Animal welfare and Biodiversity

The Animal welfare policy covers the animal welfare before, during and after the productive life of the animals. We recognize the accepted five freedoms for animal welfare as described in the UK Farm animal welfare council. Our biodiversity policy focuses on sustainable fishing (Marine stewardship council) and aquaculture (Aquaculture stewardship council) including sustainable soy sources for aquaculture feed.

Cropland expansion, mainly for soy, is the main driver of deforestation. Nordic Seafoods main consumption of soy is in aquaculture where it is a main component in feed. To offset the adverse impact, we have joined RTRS (Roundtable on Responsible Soy). Through their quota system we purchase credits and thus exchanging our calculated soy footprint with a sustainable one. For the financial year 2024 our calculated soy footprint is approximately 2.500 tons. We will purchase RTRS credits to cover this volume.

Data ethics

In a digitalized world, data processing has become a central part of the core business. In Nordic Seafood, we are aware of our responsibility for data processing and this applies to employees as well as partners, customers and suppliers. We know and uphold all relevant legislation on data processing and storage, including the General Data Protection Regulation (GDPR). Data beyond direct business related activities is considered confidential and cannot be shared with any external parties, pending approval by an executive board member.

It is the policy of the Nordic Seafood to store data responsibly, to continuously ensure that data is processed in a safe and sensible manner and to set a framework for ethical data behaviour. We have no plans to share or sell our data. There is a continuous follow-up and our policy is adjusted as digitalization progresses in the business and in legislation.

Branches abroad

The Group has a branch in the Netherlands.

Financial risks

Special risks

The Group considers the trade with high-quality food products and food safety to be of the highest priority. The import of food from third countries is constantly influenced by various legal measures from both local authorities as well as from the EU.

Price risks

The Group's products are purchased all over the world and consequently they have long transport time. Changes in prices during the transport and stock period might influence the profit of the Group, both positively and negatively.

Currency risks

As a consequence of foreign trade, profit and cash-flow are influenced by the development in the foreign exchange rates, especially USD, GBP, AED, CAD, NOK and SEK. It is Group policy to hedge the commercial foreign currency risks.

No speculative foreign currency positions are entered.

INCOME STATEMENT
1 JANUARY – 31 DECEMBER

	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
NET REVENUE	21	3.504.668	3.280.453	1.911.201	1.939.398
Cost of goods sold		-3.155.283	-3.018.964	-1.748.499	-1.789.892
Other external expenses.....		-85.198	-70.288	-33.172	-34.050
Other operating income		497	993	187	496
GROSS PROFIT		264.684	192.194	129.717	115.952
Staff expenses	1,17	-115.985	-95.002	-57.639	-50.793
Depreciation, amortisation and write-down.....	2	-19.255	-9.903	-5.931	-6.011
Other operating expenses		-219	-3.031	0	-3.001
OPERATING PROFIT		129.225	84.258	66.147	56.147
Income from investments in subsidiaries.	3	0	0	29.458	6.639
Income from investments in associates....	4	2.325	4.682	2.325	4.682
Interest income group enterprises		0	0	632	551
Other financial income		60	862	59	14
Interest expenses group enterprises.....		-3.635	-3.978	-3.635	-3.978
Other financial expenses		-22.013	-28.062	-14.576	-19.306
PROFIT BEFORE TAX		105.962	57.762	80.410	44.749
Tax on profit for the year	5	-22.732	-12.150	-10.765	-7.984
PROFIT FOR THE YEAR		83.230	45.612	69.645	36.765
PROPOSED DISTRIBUTION OF PROFIT					
Minority interests' share of profit in subsidiaries		13.585	8.847	0	0
Dividend for the financial year.....		35.000	19.000	35.000	19.000
Allocation to reserve for net revaluation under the equity method.....		0	0	19.652	-11.378
Retained profit		34.645	17.765	14.993	29.143
TOTAL		83.230	45.612	69.645	36.765

BALANCE SHEET 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		31/12 2024 DKK '000	31/12 2023 DKK '000	31/12 2024 DKK '000	31/12 2023 DKK '000
Other similar acquired rights		17.397	19.719	416	608
Goodwill		25.622	28.404	0	0
Intangible fixed assets	6	43.019	48.123	416	608
Land and buildings		84.023	79.861	36.335	38.130
Production plant and machinery.....		12.187	15.612	5.642	6.699
Other plants, fixtures and equipment		18.072	20.715	7.147	8.188
Tangible fixed assets	7	114.282	116.188	49.124	53.017
Investments in subsidiaries.....	8	0	0	230.398	209.038
Investments in associates.....	9	22.227	20.166	22.227	20.166
Fixed asset investments		22.227	20.166	252.625	229.204
FIXED ASSETS		179.528	184.477	302.165	282.829
Finished goods and goods for resale		495.373	669.380	345.775	446.940
Prepayments for goods		24.136	30.925	11.770	13.893
Inventories		519.509	700.305	357.545	460.833
Trade receivables.....		508.759	461.650	263.301	260.706
Receivables from group enterprises.....		1.246	229	85.716	71.759
Payables to associates		4.896	0	0	0
Other receivables	10	12.217	4.050	5.501	1.804
Corporation tax		0	4.165	3.937	2.074
Prepayments and accrued income	11	6.031	4.823	4.268	4.018
Accounts receivable		533.149	474.917	362.723	340.361
Current investments		65	65	65	65
Cash	12	64.883	30.566	58.063	22.301
CURRENT ASSETS		1.117.606	1.205.853	778.396	823.560
ASSETS		1.297.134	1.390.330	1.080.561	1.106.389

BALANCE SHEET 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		31/12 2024 DKK '000	31/12 2023 DKK '000	31/12 2024 DKK '000	31/12 2023 DKK '000
Share capital		1.650	1.650	1.650	1.650
Reserves for net revaluation under the equity method		0	0	96.178	33.733
Reserves for fair value of hedging instruments.....		7.514	-1.819	6.598	-1.362
Reserves for foreign currency translation		1.159	-1.236	0	0
Retained profit		443.340	409.148	372.070	396.101
Proposed dividend for the year		35.000	19.000	35.000	19.000
Capital and reserves attributable to owners		488.663	426.743	511.496	449.122
Minority interests.....		45.079	43.286	0	0
EQUITY		533.742	470.029	511.496	449.122
Deferred tax		12.204	10.310	3.630	2.650
Provision for pensions and similar liabilities.....		58	158	0	0
Provision for other liabilities		47.888	38.651	0	0
PROVISION FOR LIABILITIES	13	60.150	49.119	3.630	2.650
Long-term liabilities	14	27.439	48.392	21.131	22.840
Current portion of long-term liabilities	14	3.760	5.682	1.709	1.763
Debt to banks	12	352.438	442.847	352.438	385.519
Trade payables.....		207.253	197.412	109.323	96.769
Payables to group enterprises.....		68.752	119.621	55.339	123.047
Payables to associates.....		3.649	2.790	2.403	2.587
Corporation tax		3.348	0	0	0
Other payables	10	36.603	54.438	23.092	22.092
Current liabilities.....		675.803	822.790	544.304	631.777
LIABILITIES		703.242	871.182	565.435	654.617
EQUITY AND LIABILITIES		1.297.134	1.390.330	1.080.561	1.106.389
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STATEMENT OF CHANGES IN EQUITY

DKK '000	Group						Total
	Share capital	Reserve for hedging transactions	Reserve for foreign currency translation	Retained profit	Proposed dividend	Minority interests	
Equity at 1 January	1.650	-1.819	-1.236	409.148	19.000	43.286	470.029
Dividend distributed					-19.000	-4.306	-23.306
Net profit/loss for the year.....				34.645	35.000	13.585	83.230
Currency translation			2.395			1.212	3.607
Additions.....						-14	-14
Adjustment hedging instruments ..		9.333				100	9.433
Purchase obligation towards minority shareholders				-453		-8.784	-9.237
Equity at 31 December.....	1.650	7.514	1.159	443.340	35.000	45.079	533.742

DKK '000	Parent Company						Total
	Share capital	Net revaluation under the equity method	Reserve for hedging transactions	Retained profit	Proposed dividend		
Equity at 1 January	1.650	33.733	-1.362	396.101	19.000		449.122
Dividend distributed					-19.000		-19.000
Net profit/loss for the year.....		19.652		14.993	35.000		69.645
Currency translation		2.396					2.396
Transfer reserves.....		39.024		-39.024			0
Adjustment hedging instruments		1.373	7.960				9.333
Equity at 31 December.....	1.650	96.178	6.598	372.070	35.000		511.496

31/12 2024 **31/12 2023**
DKK '000 DKK '000

Share capital

1.650.007 shares in the denomination of DKK..... 1.650 1.650

CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Profit for the year		83.230	45.612	69.645	36.765
Reversed depreciation of the year		19.255	9.903	5.931	6.011
Other adjustments		8.654	-8.630	9.952	466
Profit from subsidiaries, associates and current investment		-2.325	-4.682	-31.783	-11.321
Reversed tax on profit for the year		22.732	12.150	10.765	7.984
Corporation tax paid.....		-16.021	-24.881	-13.894	-14.418
Change in inventory		180.331	208.622	103.288	139.841
Change in accounts receivable		-57.036	79.114	-6.404	33.618
Change in current liabilities		15.816	-52.929	19.934	-22.316
Cash flows from operating activities ..		254.636	264.279	167.434	176.632
Purchase of intangible fixed assets		0	-68	0	-50
Purchase of tangible fixed assets.....		-11.850	-13.811	-2.032	-7.987
Sale of tangible fixed assets		787	3.758	374	1.451
Purchase of financial investments		0	0	0	-71.195
Sale of financial investments		0	0	0	-698
Dividend received in the financial year..		368	942	12.131	22.697
Business acquisitions		0	-123.199	0	0
Cash flows from investing activities ...		-10.695	-132.378	10.473	-55.781
Repayments of long-term loans		-21.364	-1.712	-1.696	-1.682
Repayments from short-term borrowing		-28.646	-101.394	-28.646	-101.394
Payables to group enterprises.....		-74.579	22.318	-88.184	90.153
Payables to associates		-4.036	2.410	-184	2.207
Dividend paid to non-controlling interesting subsidiaries		-4.306	-11.371	0	0
Dividend paid to company's shareholders		-19.000	-33.000	-19.000	-33.000
Capital injection from non-controlling interest		0	89	0	0
Cash flows from financing activities...		-151.931	-122.660	-137.710	-43.716
Change in cash and cash equivalents..		92.010	9.241	40.197	77.134
Cash and cash equivalents at 1 January .		-34.042	-43.113	15.021	-62.113
Exchange adjustment of cash and cash equivalents		4.070	-170	0	0
Cash and cash equivalents at 31 December	13	62.038	-34.042	55.218	15.021

NOTES

	Group		Parent Company		Note
	2024	2023	2024	2023	
	DKK '000	DKK '000	DKK '000	DKK '000	
Staff expenses					1
Number of employees	201	176	89	90	
Amount of total staff expenses:					
Wages and salaries	102.444	81.874	51.016	43.247	
Pensions	8.585	8.770	5.381	6.496	
Other social security expenses	4.956	4.358	1.242	1.050	
	115.985	95.002	57.639	50.793	
Depreciation, amortisation and write-down					2
Licenses and other rights	2.323	191	192	183	
Goodwill	2.782	366	0	0	
Properties	4.443	3.250	1.900	2.510	
Production plant and machinery.....	3.785	1.370	1.323	1.081	
Other plants, fixtures and equipment	5.922	4.726	2.516	2.237	
	19.255	9.903	5.931	6.011	
Income from investments in subsidiaries					3
Share of profit before tax	0	0	38.120	8.319	
Share of tax in subsidiaries	0	0	-8.662	-1.680	
	0	0	29.458	6.639	
Income from investments in associates					4
Share of profit before tax	3.007	5.370	3.007	5.370	
Share of tax in associates	-682	-688	-682	-688	
	2.325	4.682	2.325	4.682	

NOTES

	Group		Parent Company		Note
	2024	2023	2024	2023	
	DKK '000	DKK '000	DKK '000	DKK '000	
Tax on profit for the year					5
Computed tax on taxable income of the year.....	23.553	12.637	12.028	8.234	
Adjustment of deferred tax	-758	-450	-1.266	-250	
Adjustment of tax previous years	-63	-37	3	0	
	22.732	12.150	10.765	7.984	
Intangible fixed assets					6
	Group		Parent Company		
	Other similar ac-	Goodwill	Other similar	Goodwill	
	quired rights		acquired rights		
	DKK'000	DKK'000	DKK'000	DKK'000	
Cost at 1 January.....	27.938	68.659	7.571	0	
Exchange adjustments.....	1	51	0	0	
Additions.....	0	0	0	0	
Disposals.....	-4.380	0	-4.380	0	
Cost at 31 December	23.559	68.710	3.191	0	
Amortisation at 1 January	8.219	40.255	6.963	0	
Exchange adjustments.....	0	51	0	0	
Amortisation	2.323	2.782	192	0	
Amortisation sold assets	-4.380	0	-4.380	0	
Amortisation at 31 December	6.162	43.088	2.775	0	
Carrying amount at 31 December	17.397	25.622	416	0	

NOTES

Note

Tangible fixed assets

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	Group		
	Land and buildings	Production plant and machinery	Other plants, fixtures and equipment
	DKK'000	DKK'000	DKK'000
Cost at 1 January	128.475	41.945	40.497
Exchange adjustments	-1	0	-19
Transfer	-3.272	1.013	-2.438
Additions	7.306	360	5.184
Disposals	0	0	-2.759
Cost at 31 December	132.508	43.318	40.465
Depreciation at 1 January	48.614	26.333	19.782
Exchange adjustments	0	0	3
Transfer	-4.572	1.013	-1.138
Depreciation	4.443	3.785	5.922
Depreciation sold assets	0	0	-2.176
Depreciation at 31 December	48.485	31.131	22.393
Carrying amount at 31 December	84.023	12.187	18.072
Including assets under finance leases amounting to	1.349	1.652	3.232
	Parent Company		
	Land and Buildings	Production plant and Machinery	Other plants, fixtures and equipment
	DKK'000	DKK'000	DKK'000
Cost at 1 January	78.394	25.407	19.160
Additions	105	266	1.661
Disposals	0	0	-860
Cost at 31 December	78.499	25.673	19.961
Depreciation at 1 January	40.264	18.708	10.972
Depreciation	1.900	1.323	2.516
Depreciation sold assets	0	0	-674
Depreciation at 31 December	42.164	20.031	12.814
Carrying amount at 31 December	36.335	5.642	7.147
Including assets under finance leases amounting to	-	-	-

NOTES

	Parent Company		Note
	31/12 2024	31/12 2023	
	DKK '000	DKK '000	
Investments in subsidiaries			8
Cost at 1 January	183.396	73.197	
Transfer	-39.024	39.024	
Additions	0	71.195	
Disposals	0	-20	
Cost at 31 December	144.372	183.396	
Revaluation at 1 January	25.642	82.939	
Transfer	39.024	-39.024	
Exchange adjustments	2.292	-738	
Dividend to parent company	-11.763	-21.754	
Profit for the year	29.458	6.639	
Adjustment of equity in subsidiaries	1.373	1.591	
Write off on equity	0	-3.922	
Revaluation, disposal	0	-89	
Revaluation at 31 December	86.026	25.642	
Carrying amount at 31 December	230.398	209.038	

Positive differences arising on initial measurement of subsidiaries at net asset value 67.795 DKK '000

NOTES

Note

Investments in subsidiaries

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Investments are specified as follows (DKK '000):

Name and registred office	Equity	Profit for the year	Ownership	Parent Company	
				Equity	Profit for the year
J.P. Klausen & Co A/S, Svendborg, Denmark.....	53.620	4.763	100%	53.620	4.763
Nordic Seafood France SAS, Le Touquet Paris Plage, France	8.485	965	90%	7.637	869
Seafood Middle East FZC, Dubai, UAE.....	45.351	1.342	80%	36.281	1.074
Seabreeze Seafood AB, Ljungby, Sweden.....	26.732	6.831	100%	26.732	6.831
Dengsö A/S, Hanstholm, Denmark.....	9.576	1.894	60%	5.746	1.136
Maxima Seafood Holding BV, IJmuiden, Holland	53.064	5.977	60%	31.838	3.586
Nordic Frozen Food ApS, Hirtshals, Denmark	6.954	3.240	60%	4.172	1.944
Nordic Seafood Fresh ApS, Hirtshals, Denmark ..	7.079	2.711	60%	4.247	1.627
Nordic Seafood International, Hirtshals, Denmark	930	25	100%	930	25
Retail Sale ApS*), Hirtshals, Denmark	2.453	882	100%	100	0
Nordic Seafood Italy ApS, Hirtshals, Denmark	23.185	7.165	60%	13.911	4.299
Nordic Seafood UK Ltd, Louth Lincolnshire, United Kingdom.....	6.347	3.787	80%	5.078	2.286
Nordic Seafood SEE d.o.o, Rijeka, Croatia	6.392	956	80%	5.114	765
J.P. Klausen Polska Sp. z.o.o., Szczecin, Poland ..	7.622	1.839	80%	6.098	1.471
Nordic Seafood Supply ApS, Esbjerg, Denmark ..	4.217	1.708	60%	2.530	1.025
Nordic Seafood Cruise Supply ApS, Hirtshals, Denmark	0	138	60%	0	138
Nordic Seafood Benelux BVBA Brugge, Belgium	1.237	668	60%	742	401
				204.776	32.240
Goodwill at 31 December 2024.....				25.622	
Goodwill, amortisation of the year					-2.782
				230.398	29.458

*) The Parent Company own the majority shareholding in Retail Sale ApS, but can't claim dividend, for which reason the shareholding is valuated at cost price.

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	Group		Parent Company		Note
	31/12 2024	31/12 2023	31/12 2024	31/12 2023	
	DKK '000	DKK '000	DKK '000	DKK '000	
Investments in associates					9
Cost at 1 January	12.075	12.115	12.075	12.115	
Additions.....	0	0	0	0	
Disposals	0	-40	0	-40	
Cost at 31 December	12.075	12.075	12.075	12.075	
Revaluation at 1 January	8.091	3.483	8.091	3.483	
Exchange adjustment at closing rate	104	21	104	21	
Dividend to parent company	-368	-942	-368	-942	
Profit for the year	2.325	4.682	2.325	4.682	
Revaluation disposal	0	847	0	847	
Revaluation at 31 December	10.152	8.091	10.152	8.091	
Carrying amount at 31 December	22.227	20.166	22.227	20.166	

Investments are specified as follows (DKK '000):

Name and registered office.	Equity	Profit for the year	Ownership	Parent Company	
				Equity	Profit for the year
Nordic Meeresfrüchte G.m.b.H, Neumarkt, Germany	989	766	33,3%	330	256
Nordic Seafood Iceland ehf. Reykjavik, Iceland	5.724	1.463	50,0%	2.862	732
P/F Vestmanna Fiskavirki Vestmanna, The Faroe Islands	62.120	7.353	25,0%	15.530	1.838
				18.722	2.826
Goodwill at 31 December 2024.....				3.505	
Goodwill, amortisation of the year					-501
				22.227	2.325

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Note

Derivative financial instruments

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Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent Company	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
	DKK '000	DKK '000	DKK '000	DKK '000
Assets	5.841	0	4.699	0
Liabilities	0	3.084	0	2.348

Forward exchange contracts have been concluded to hedge future purchase and sale of goods in foreign currencies. At the balance sheet date, the nominal value of the exchange contracts amounts to DKK 204 million for the Parent Company and DKK 245 million for the Group. According to group foreign currency policy all purchases and sales are hedged when it is likely that the underlying contract will be fulfilled. Purchase contracts have been hedged for a period of 0-10 months and sales contracts for a period of 0-4 months.

Prepayments and accrued income

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Prepayments consist of prepaid expenses concerning rent, leasing, software, insurance, sales promotion cost as well as financial charges.

	Group		Parent Company	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
	DKK '000	DKK '000	DKK '000	DKK '000
Cash and cash equivalents				
Cash	64.883	30.566	58.063	22.301
Debts to banks	-352.438	-442.847	-352.438	-385.519
	-287.555	-412.281	-294.375	-363.218
Reconciliation to cash flow statement				
Balances as above	-287.555	-412.281	-294.375	-363.218
Debt to bank not considered as cash equivalents	349.593	378.239	349.593	378.239
Cash and cash equivalents	62.038	-34.042	55.218	15.021

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	Group		Parent Company		Note
	31/12 2024	31/12 2023	31/12 2024	31/12 2023	
	DKK '000	DKK '000	DKK '000	DKK '000	
Deferred tax					13
Deferred tax liability at 1 January	10.310	2.268	2.650	2.859	
Amounts recognised in the income statement for the year	-758	-450	-1.266	-250	
Amounts recognised in equity for the year	2.652	8.492	2.246	41	
Deferred tax liability at 31 December ..	12.204	10.310	3.630	2.650	
Deferred tax concerns:					
Fixed assets	10.344	10.696	1.708	1.625	
Current assets	1.860	-386	1.922	1.025	
	12.204	10.310	3.630	2.650	
Provision for pensions and similar liabilities					
Provision for pensions and similar liabilities at 1 January	158	252	0	0	
Amounts recognised in the income statement for the year	-100	-94	0	0	
Provision for pensions and similar liabilities at 31 December	58	158	0	0	
Provision for pensions and similar liabilities concerns:					
Long terms	58	158	0	0	
	58	158	0	0	
Provision for other liabilities					
Provision for other liabilities at 1 January	38.651	0	0	0	
Amounts recognised in equity for the year	9.237	38.651	0	0	
Provision for other liabilities at 31 December	47.888	38.651	0	0	
Provision for other liabilities concerns:					
Long terms	47.888	38.651	0	0	
	47.888	38.651	0	0	

Provision for other liabilities includes provision for signed put-options in regards to shares in non-controlling interests.

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Note

Long-term liabilities

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DKK '000	Total liabilities 1/1 2024	Total liabilities 31/12 2024	Repayment next year	Long-term liabilities 31/12 2024	Debt outstanding after 5 years
Mortgage debt.....	24.536	22.840	1.709	21.131	14.156
Leasing debt.....	67	0	0	0	0
Parent company, total	24.603	22.840	1.709	21.131	14.156
Mortgage debt.....	46.346	24.982	1.835	23.147	15.734
Leasing debt.....	7.728	6.217	1.925	4.292	0
Group, total	54.074	31.199	3.760	27.439	15.734

Contingencies etc.

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The Parent Company has issued joint and several surety for J.P. Klausen Co. A/S', Seafood Middle East FZC' and Nordic Seafood France SAS' engagement with banks.

The Group's payments under operation leases concerning office premises is 715 DKK'000. The remaining terms is 1-12 months.

The Group's payments under operation leases concerning cars and equipment is 339 DKK'000. The remaining terms is 1-39 months.

Except as mentioned above, the Parent Company and the Group have no guarantee and warranty obligations, or other contingent liabilities.

The Group's Danish companies are joint and several liable regarding tax on the Group's jointly taxed income etc. The total due corporation tax amount is shown in the Annual Report of Nordic Seafood A/S which is the administrative company in relation to the joint taxation. The Group's Danish companies are also joint and several liable for Danish tax at source in the form of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent corrections to corporation taxes and tax at source may result in the Company's liabilities constituting a larger amount.

Mortgages and securities

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As security for the parent company's mortgage debt, a mortgage of 22.840 DKK'000 have been registered on property. The booked value of the property is 36.335 DKK'000.

As security for the Group's mortgage debt, mortgages have been registered on property of 24.982 DKK'000. The booked value of the property is 46.839 DKK'000.

NOTES

Note

Related parties

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Nordic Seafood A/S' related parties include:

Controlling interest

Nissui Europe B.V., Hoger Einde-Zuid 6, 1191 AG, Ouderkerk aan de Amstel, The Netherlands

Other related parties having performed transactions with the Company

Nordic Seafood A/S' related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers. Additionally, companies within the broader Nissui Group are also considered related parties.

Transactions with related parties

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)(6) of the Danish Financial Statements Act.

Transactions with related parties have been performed on arm's length terms.

There has not been made any payments to the Board of Directors, neither in the financial year 2024 nor in the financial year 2023, however the remuneration for the Board of Directors is, for the time spent, estimated to be 400 DKK'000 in both 2024 and 2023. The payment (inclusive incentive payment) to the management amounts to 11.284 DKK'000 in the financial year 2024 against 8.643 DKK'000 in the financial year 2023.

Ownership

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The following shareholders are recorded in the Company's register of shareholders as owning more than 5% of the votes or the share capital:

Nissui Europe B.V.

Hoger Einde-Zuid 6, 1191 AG, Ouderkerk aan de Amstel, The Netherlands

The Company's ultimate parent is:

Nissui Corporation Ltd.,

Nishi-Shimbashi Square, Minato-ku, Tokyo 105-8676 Japan

The Group Annual Report for Nissui Corporation Ltd. may be obtained at the following address:

Nishi-Shimbashi Square, Minato-ku, Tokyo 105-8676 Japan. www.nissui.co.jp

NOTES

	Group		Parent Company		Note
	2024	2023	2024	2023	
	DKK '000	DKK '000	DKK '000	DKK '000	
Proposed distribution of profit					19
Minority interests' share of profit in subsidiaries	13.585	8.847	0	0	
Dividend for the financial year.....	35.000	19.000	35.000	19.000	
Allocation to reserve for net revaluation under the equity method.....	0	0	19.652	-11.378	
Retained profit	34.645	17.765	14.993	29.143	
	83.230	45.612	69.645	36.765	
Fee to auditors appointed by the General Meeting					20
Audit	718	608	405	310	
Other statement	36	54	36	54	
Tax and VAT consultancy	483	336	464	317	
Other services.....	120	63	49	15	
	1.357	1.061	954	696	
Segment details					21
Net revenue:					
Scandinavia	716.427	745.772	459.776	459.906	
Europe	2.260.630	2.036.795	1.398.629	1.400.230	
Other countries	527.611	497.886	52.796	79.262	
	3.504.668	3.280.453	1.911.201	1.939.398	

NOTES

Note

OECD Pillar Two model rules

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The group is within the scope for the OECD Pillar Two model rules. The group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax.

Under the legislation, the group, or the ultimate parent company of the group, is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. The group has effective tax rates that exceed 15% in all jurisdictions in which it operates, except for UAE where two of its subsidiaries operates and Uruguay where one of its subsidiaries operates. For 2024, the average effective tax rate of the entity's operating in UAE is 6% and for the entity operating in Uruguay is 2%

The group are in close cooperation with the ultimate parent company of the group in the process of assessing its exposure to the Pillar Two legislation. The assessment indicates that for the subsidiary operation in UAE and Uruguay, the average effective tax rate based on the accounting profit is below 15% for the annual reporting period ending 31 December 2024. However, although the average effective tax rate is below 15%, the group's exposure to paying Pillar Two income taxes might not be for the full difference in tax rates. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12.

In the annual report 31 December 2024 the group has made a provision of 610 DKK'000 to cover the difference between the average effective tax rate in UAE and Uruguay and the GloBE tax rate of 15%.

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Subsequent events

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

ACCOUNTING POLICIES

The Annual Report of Nordic Seafood A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

In order to give a more fair presentation of the Financial Statements, we have changed the comparative figures in some places. The change has not affected profit or equity. Otherwise, the accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in DKK'000.

General information about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits 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 likely that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

Consolidated financial statements

The consolidated financial statements include the parent company Nordic Seafood A/S and its subsidiary enterprises in which Nordic Seafood A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group chart.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiary enterprises by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

ACCOUNTING POLICIES

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiary enterprises' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities, inclusive of provision for liabilities for restructuring, are recognised in intangible fixed assets as goodwill and amortised systematically in the income statement under an individual assessment of the useful life. Negative differences which correspond to an expected unfavourable development in the enterprises are recognised as negative goodwill under accruals in the balance sheet and recognised in the income statement as and when the unfavourable development is realised.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated according to the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

Minority interests

The accounting items of the subsidiary enterprises are recognised fully in the consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiary enterprises is adjusted annually and stated as separate items in the income statement and balance sheet.

Foreign currency translation

All companies in the group have determined a functional currency which is the currency that the relevant enterprise primarily is affected by when fixing prices for purchase and sale. All transactions are measured in the functional currency. Foreign currencies are all other currencies than the functional currency.

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.

Associates are translated to the presentation currency of the group. The group's share of results is translated at an average exchange rate and the investment is translated at the rate on the balance sheet date. Exchange rate adjustments are recognised separately in the equity.

ACCOUNTING POLICIES

Business combinations

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.

Leases

Leases are recognised in the balance sheet at the calculated amount of the lease liability. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or the Groups incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for the Company's other fixed assets.

The Group has chosen to apply the exemptions concerning short-term and low-value leases. Therefore, such lease assets are not recognised as assets and liabilities in the balance sheet. The costs are recognised in the income statement on a straight-line basis over the lease term.

The lease liability is recognised in the balance sheet under debt and is adjusted for prepaid lease payments on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale. The Group applies IFRS 15 for recognition and measurement of revenue.

Costs of goods sold

Costs of goods sold comprise the raw materials and consumables consumed to achieve revenue for the year.

Other operating income and expenses

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

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income.

Other external expenses

Other external costs include expenses for distribution, sales, advertising, administration, premises, loss on bad debts, etc., production and quality assurance.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Investments in subsidiary enterprises and associates

The income statement of the parent company recognises the proportional share of the results of each subsidiary enterprise after full elimination of internal gains/loss and deduction of amortisation of goodwill.

The consolidated income statement and the parent company income statement recognise the proportional share of the results of each associate after elimination of the proportional share of internal gains/loss and deduction of amortisation of goodwill.

ACCOUNTING POLICIES

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of financial leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

The parent and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method)

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life, which is estimated to 5-10 years.

Acquired licences and other rights are measured at cost less accumulated amortisation. Licences and other rights are amortised on a straight-line basis over the expected useful life, which is estimated to 5 years.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down. No depreciation is provided on land.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Buildings (administration).....	20 years	50% of cost
Buildings (Cold store and production)	20 years	0%
Production plant and machinery	3-10 years	0%
Other plants, fixtures and equipment	3-10 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised as other operating income and expenses in the income statement.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

Lease contracts

Lease contracts relating to tangible fixed assets, where the company bears all material risks and benefits attached to the ownership (financials lease), are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

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

Fixed asset investments

Investments in subsidiary enterprises and associates are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises and associates are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiary enterprises and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value with deduction of amortisation of goodwill.

Inventories

Inventories are measured at cost based on weighted average prices. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of inventories is calculated at acquisition price with addition of direct payroll costs, transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials, and payroll cost and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Inventories and liabilities are recognised in the balance sheet when the goods physically are received on stock.

ACCOUNTING POLICIES

Accounts receivable

Accounts receivable are measured at amortised cost, which usually corresponds to nominal value. Write-down is provided to meet expected losses.

Accruals

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other securities and investments

Securities recognised as current assets are measured at the historical cost price.

Dividend

Dividends proposed for the reporting period are presented as a separate item under 'Equity'.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax.

Provision for pensions and similar liabilities

The group has recognised provisions for pensions and liabilities of uncertain timing or amount including pension liabilities and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Provision for other liabilities

Provisions are recognized 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.

Provision for other liabilities includes provision for signed put-options in regards to shares in non-controlling interests. The liability linked to the put-options depends on the average performance in the years before utilization of the put option. The valuation model is stated in the shareholders agreements and we use the same formula each year to calculate the current liability.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Mortgage debt is measured at amortised cost which for cash loans is equal to the debt outstanding and for bond loans is equal to the debt outstanding, calculated on the basis of the underlying cash value of the loan at the time of borrowing.

ACCOUNTING POLICIES

Other liabilities which include debt to suppliers, subsidiaries and associates and other debt are measured at amortised cost which usually corresponds to the nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

Derivative financial instruments

Derivative financial instruments are recognised first time in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other debt. The fair value of derivative financial instruments is calculated based on market data received from the company's bank.

Change of the fair value of derivative financial instruments that are not classified as hedging instruments are recognized in the income statement as financial income or expenses.

Change of the fair value of derivative financial instruments, classified as and fulfilling the criteria for hedging of the fair value of a recognised asset or liability, is recognised in the income statement together with any changes in the fair value of the hedged asset or the hedged liability.

Change of the fair value of derivative financial instruments, classified as and fulfilling the criteria for hedging of future cash flows, is recognised temporarily in the equity until the hedged transaction is carried out. If the future transaction results in recognition in assets or liabilities, the value of the hedging instrument is to be transferred from equity to the cost of the asset or the liability. If the future transaction results in income or expenses, the value of the hedging instrument is to be transferred to the income statement

CASH FLOW STATEMENT

The cash flow statement shows the company's and the group's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include short-term bank overdraft and liquid funds, that are part of ongoing liquidity management, where there are only insignificant risks of impairment.

The cash-flow statement cannot be deduced from the published account material alone.