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BDO Statsautoriseret revisionsaktieselskab
Havnegade 18
DK-9850 Hirtshals
CVR no. 20 22 26 70

DANISH SALMON SLAGTERI APS

SØREN NORDBYSVEJ 15, 9850 HIRTSHALS

ANNUAL REPORT

1 JANUARY 2020 - 31 MARCH 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 10 June 2021

Carl Højrup

CVR NO. 36 02 21 24

CONTENTS

COMPANY DETAILS

Company	Danish Salmon Slagteri ApS Søren Nordbysvej 15 9850 Hirtshals
	CVR No.: 36 02 21 24 Established: 25 June 2014 Registered Office: Hjørring Financial Year: 1 January 2020 - 31 March 2021
Board of Directors	Erik Munk Poulsen, chairman Alex Lynnerup Jensen, vice-chairman Kazunari Nakamura Terutaka Kuraishi Tomohiko Hirano
Executive Board	Kim Hieronymus Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havnegade 18 9850 Hirtshals

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Danish Salmon Slagteri ApS for the financial year 1 January 2020 - 31 March 2021.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2021 and of the results of the Company's operations for the financial year 1 January 2020 - 31 March 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Hirtshals, 25 May 2021

Executive Board

Kim Hieronymus Nielsen

Board of Directors

Erik Munk Poulsen Chairman	Alex Lynnerup Jensen Vice-chairman	Kazunari Nakamura
Terutaka Kuraishi	Tomohiko Hirano	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Danish Salmon Slagteri ApS

Opinion

We have audited the Financial Statements of Danish Salmon Slagteri ApS for the financial year 1 January 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 January 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

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’ Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary
Management is responsible for the Management Commentary.

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

Based on the work we have performed, we conclude that the Management Commentary 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 of the Management Commentary.

Hirtshals, 25 May 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Lasse Toft
State Authorised Public Accountant
MNE no. mne35389

MANAGEMENT REVIEW

Principal activities
The Company's principal activities are harvesting of fish and other related activities.

Significant events after the end of the financial year
No events have happened after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY 2020 - 31 MARCH 2021

	Note	2020/21 15 months DKK	2019 12 months DKK
GROSS PROFIT	1	**198,958**	**26,031**
Distribution expenses		0	-12,500
Administrative expenses		-79,007	-61,893
OPERATING PROFIT		**119,951**	**-48,362**
Financial expenses		-39,805	-1,982
PROFIT BEFORE TAX		**80,146**	**-50,344**
Tax on profit/loss for the period	2	-17,632	10,979
PROFIT FOR THE PERIOD		**62,514**	**-39,365**

PROPOSED PROFIT ALLOCATION

Retained earnings		62,514	-39,365
TOTAL		**62,514**	**-39,365**

BALANCE SHEET AT 31 MARCH

ASSETS	Note	2021 DKK	31.12.2019 DKK
Land and buildings		205,761	0
Production plant and machinery		3,302,109	3,719,372
Other plant, machinery tools and equipment		4,047	26,356
Leasehold improvements		31,284	82,907
Property, plant and equipment	3	**3,543,201**	**3,828,635**
NON-CURRENT ASSETS		**3,543,201**	**3,828,635**
Raw materials and consumables		46,474	0
Inventories		**46,474**	**0**
Receivables from Group enterprises		0	919,050
Other receivables		84,998	55,649
Receivables		**84,998**	**974,699**
Cash and cash equivalents		**547,662**	**11**
CURRENT ASSETS		**679,134**	**974,710**
ASSETS		**4,222,335**	**4,803,345**

BALANCE SHEET AT 31 MARCH

EQUITY AND LIABILITIES	Note	2021 DKK	31.12.2019 DKK
Share capital		50,000	50,000
Retained earnings		139,074	76,560
EQUITY		**189,074**	**126,560**
Provision for deferred tax		281,731	264,099
PROVISIONS		**281,731**	**264,099**
Bank loan		0	3,972,000
Non-current liabilities	4	**0**	**3,972,000**
Lease liabilities		222,693	0
Trade payables		300,569	158,988
Debt to Group companies		3,096,250	0
Other liabilities		132,018	281,698
Current liabilities		**3,751,530**	**440,686**
LIABILITIES		**3,751,530**	**4,412,686**
EQUITY AND LIABILITIES		**4,222,335**	**4,803,345**

Contingencies, etc.	5		
Charges and securities	6		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020	50,000	76,560	126,560
Proposed profit allocation		62,514	62,514
Equity at 31 March 2021	**50,000**	**139,074**	**189,074**

NOTES

	2020/21 15 months DKK	2019 12 months DKK	Note
Staff costs			1
Average number of employees	4	4	

Tax on profit/loss for the year			2
Adjustment of deferred tax	17,632	-10,979	
	17,632	**-10,979**	

Property, plant and equipment 3

	Land and buildings	Production plant and machinery
Cost at 1 January 2020	0	5,251,051
Additions	548,695	21,952
Cost at 31 March 2021	**548,695**	**5,273,003**
Depreciation and impairment losses at 1 January 2020	0	1,531,679
Depreciation for the year	342,934	439,215
Depreciation and impairment losses at 31 March 2021	**342,934**	**1,970,894**
Carrying amount at 31 March 2021	**205,761**	**3,302,109**
Finance lease assets	205,761	

	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2020	107,313	713,549
Cost at 31 March 2021	**107,313**	**713,549**
Depreciation and impairment losses at 1 January 2020	80,957	630,642
Depreciation for the year	22,309	51,623
Depreciation and impairment losses at 31 March 2021	**103,266**	**682,265**
Carrying amount at 31 March 2021	**4,047**	**31,284**

Long-term liabilities 4

	31/3 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Bank loan	0	0	0	3,972,000
Lease liabilities	222,693	222,693	0	0
	222,693	**222,693**	**0**	**3,972,000**

NOTES

	Note
Contingencies, etc.	**5**

Joint liabilities
The Company is jointly and severally liable together with the parent company and the other Group companies in the joint taxable Group for tax on the Group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Garnet Marine Capital ApS, which serves as management company for the joint taxation.

Charges and securities	**6**

The company has not provided security.

ACCOUNTING POLICIES

The Annual Report of Danish Salmon Slagteri ApS for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies and classification
The accounting policies have been changed in the following areas:

- In order to comply with Group policies, the Company has changed its financial year to end on 31 March. For 2020/21 the financial year is 15 months.

  The comparative figures in the income statement have not been restated due to the change of the financial year. For the comparative year 2019 the financial year is 12 months.

- The Company has changed the presentation of the income statement from classification according to type of expenditure to classification according to type of function.

  The reason for the change is that it is Management's assessment that this form of presentation provides a more accurate picture.

  It has no effect on the profit for the year, equity or balance sheet total.

- During the financial year the Company has implemented IFRS 16 regarding presentation of operating leases in the balance sheet. As a result of the implementation, the balance sheet total has been increased by DKK 548,695 at the beginning of the year.

  The result for the year shows a decrease of DKK 25,930 due to the implementation of IFRS 16.

  The comparative figures have not been adjusted.

INCOME STATEMENT

Net revenue
The Company's net revenue is recognised and measured in accordance with IFRS 15.
Revenue is measured at the fair value of the consideration received or receivable for the sale of goods in the ordinary course of business. Revenue is recognised net of discounts and VAT.

The Company's revenue arises from sale of goods and revenue is recognised at the point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs
Production costs comprise costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year. This includes direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Amortisation of capitalised development and research costs and the development costs that do not fulfil the criteria for capitalisation are also recognised in production costs.

Impairment losses are recognised in connection with expected losses on project contracts.

ACCOUNTING POLICIES

Distribution costs
The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

Administrative expenses
Administrative expenses include costs incurred during the year regarding management and administration of the Group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses, etc. and related amortisation.

Financial income and expenses
Financial income and expenses include interest income and expenses, 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
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 may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

	Useful life	Residual value
Buildings...	2 years	0 %
Production plant and machinery...	15 years	0 %
Other plant, fixtures and equipment..	5 years	0 %
Leasehold improvements..	5 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 in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Lease contracts
Lease contracts relating to tangible fixed assets are recognised in accordance with IFRS 16.

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. 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.

Impairment of fixed assets
The carrying amount of tangible assets is assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the lower amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of 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 and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

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.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

ACCOUNTING POLICIES

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.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Amortised cost of short-term liabilities corresponds usually to nominal value.