

**Deloitte.**



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## Entity details

### Entity

Baffin Seafood ApS  
Niels Jernes Vej 12  
9220Aalborg Øst

Business Registration No.: 43917994  
Registered office: Aalborg  
Financial year: 01.04.2024- 31.03.2025

### Executive Board

Christopher John Flanagan  
Glen Llewelyn Douglas Grandy  
Jan Søgaard Frøslev

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Østre Havnepromenade 26, 4th floor  
9000 Aalborg

## Statement by Management

The Executive Board has today considered and approved the annual report of Baffin Seafood ApS for the financial year 01.04.2024 - 31.03.2025.

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 Entity's financial position at 31.03.2025 and of the results of its operations and cash flows for the financial year 01.04.2024 - 31.03.2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 09.07.2025

### Executive Board

**Christopher John Flanagan**

**Glen Llewelyn Douglas Grandy**

**Jan Søgaard Frøslev**

# Independent auditor's report

## To the shareholders of Baffin Seafood ApS

### Opinion

We have audited the financial statements of Baffin Seafood ApS for the financial year 01.04.2024 - 31.03.2025, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 Entity's financial position at 31.03.2025 and of the results of its operations and cash flows for the financial year 01.04.2024 - 31.03.2025 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the 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 the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information

required by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 09.07.2025

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Sami Nikolai El-Galaly**

State Authorised Public Accountant  
Identification No (MNE) mne42793

# Management commentary

## Financial highlights

	2024/25 DKK'000	2023/24 DKK'000
<b>Key figures</b>		
Gross profit/loss	21,504	16,327
Operating profit/loss	18,193	13,472
Net financials	(978)	1,501
Profit/loss for the year	13,372	11,677
Total assets	64,813	75,187
Equity	25,088	11,717
Cash flows from (used in) operating activities	(10,431)	12,759
Cash flows from (used in) financing activities	0	(40)
<b>Ratios</b>		
Equity ratio (%)	38.71	15.58

The financial highlights only contain two comparative figures as this is the entity's second financial year.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Equity ratio (%) :

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

**Primary activities**

Baffin Seafood ApS (BSA) is a subsidiary of Niqitaq Fisheries Ltd. (NF), based in Canada. The primary purpose of BSA is to sell seafood products sourced from vessels owned by NF. These products consist of Greenland halibut and shrimp, both harvested from sustainable fisheries.

The companies are owned by five Hunters and Trappers Organizations (H&Ts) located in local Inuit communities across Nunavut. Profits generated by the companies are reinvested in these communities to support education, job creation, social initiatives, and other efforts that foster community development and ensure long-term business sustainability.

**Development in activities and finances**

This is the company's second financial year, covering a 12-month period. The net profit for the period was DKK 13.5 million after tax. Management considers this result satisfactory.

**Profit/loss for the year in relation to expected developments**

The company had originally budgeted for a post-tax profit of DKK 9–11 million for the 2024/2025 financial year, but ended with approximately DKK 13.372 million, primarily due to higher prices for halibut and increased external purchases.

The result exceeded management's expectations for the 2024/2025 financial year, reflecting strong market conditions for Greenland halibut and efficient operations. However, the shrimp market remained under pressure.

**Outlook**

The upcoming financial year is expected to be even more challenging than the previous one. Although prices are generally increasing, China's recently imposed 25% tariff on Canadian goods has limited the benefit of higher prices in the Chinese market. Nevertheless, through a swift adjustment in market focus and production strategy, the company expects to maintain results at a similar level to last year. A significant price decline back to earlier levels would, of course, negatively impact earnings.

Management aims to maintain earnings in the range of DKK 12–14 million, depending on market developments.

**Environmental performance**

The group continues to actively work on reducing energy consumption throughout the entire value chain – from harvesting and production to logistics. All NF quotas and vessels are MSC-certified, which confirms the fisheries are sustainable.

A key milestone this year was the delivery of the new vessel Inuksuk II to NF from the Tersan Shipyard in Turkey. As BSA sells all products from NF, this means a significantly reduced environmental footprint per kilogram of product sold in the market. The vessel is equipped with the world's most fuel-efficient marine diesel engine, which is expected to substantially reduce both greenhouse gas emissions and fuel costs. In addition, new trawling techniques are being developed to further minimize seabed impact.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2024/25

	Notes	2024/25 DKK	2023/24 DKK
<b>Gross profit/loss</b>		<b>21,504,096</b>	<b>16,327,077</b>
Staff costs	1	(3,310,706)	(2,855,360)
<b>Operating profit/loss</b>		<b>18,193,390</b>	<b>13,471,717</b>
Other financial income	2	1,117,028	1,684,473
Other financial expenses	3	(2,095,175)	(183,181)
<b>Profit/loss before tax</b>		<b>17,215,243</b>	<b>14,973,009</b>
Tax on profit/loss for the year	4	(3,843,481)	(3,296,343)
<b>Profit/loss for the year</b>	5	<b>13,371,762</b>	<b>11,676,666</b>

## Balance sheet at 31.03.2025

### Assets

	Notes	2024/25 DKK	2023/24 DKK
Deposits		26,207	26,207
<b>Financial assets</b>	6	<b>26,207</b>	<b>26,207</b>
<b>Fixed assets</b>		<b>26,207</b>	<b>26,207</b>
Manufactured goods and goods for resale		4,697,020	15,977,415
<b>Inventories</b>		<b>4,697,020</b>	<b>15,977,415</b>
Trade receivables		58,033,585	46,464,255
<b>Receivables</b>		<b>58,033,585</b>	<b>46,464,255</b>
<b>Cash</b>		<b>2,056,398</b>	<b>12,719,112</b>
<b>Current assets</b>		<b>64,787,003</b>	<b>75,160,782</b>
<b>Assets</b>		<b>64,813,210</b>	<b>75,186,989</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2024/25 DKK</b>	<b>2023/24 DKK</b>
Contributed capital		40,000	40,000
Retained earnings		25,048,428	11,676,666
<b>Equity</b>		<b>25,088,428</b>	<b>11,716,666</b>
Prepayments received from customers		0	2,392,372
Trade payables		1,695,155	1,257,623
Payables to group enterprises	7	37,815,344	56,361,931
Tax payable		43,481	3,296,343
Other payables		170,802	162,054
<b>Current liabilities other than provisions</b>		<b>39,724,782</b>	<b>63,470,323</b>
<b>Liabilities other than provisions</b>		<b>39,724,782</b>	<b>63,470,323</b>
<b>Equity and liabilities</b>		<b>64,813,210</b>	<b>75,186,989</b>
Unrecognised rental and lease commitments	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		
Non-arm's length related party transactions	12		
Group relations	13		

## Statement of changes in equity for 2024/25

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	40,000	11,676,666	11,716,666
Profit/loss for the year	0	13,371,762	13,371,762
<b>Equity end of year</b>	<b>40,000</b>	<b>25,048,428</b>	<b>25,088,428</b>

## Cash flow statement for 2024/25

	Notes	2024/25 DKK	2023/24 DKK
Operating profit/loss		18,193,390	13,471,717
Working capital changes	8	(21,477,719)	(2,262,779)
<b>Cash flow from ordinary operating activities</b>		<b>(3,284,329)</b>	<b>11,208,938</b>
Financial income received		1,117,028	1,733,355
Financial expenses paid		(1,167,559)	(183,181)
Taxes refunded/(paid)		(7,096,348)	0
<b>Cash flows from operating activities</b>		<b>(10,431,208)</b>	<b>12,759,112</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(10,431,208)</b>	<b>12,759,112</b>
Cash increase of capital		0	(40,000)
<b>Cash flows from financing activities</b>		<b>0</b>	<b>(40,000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(10,431,208)</b>	<b>12,719,112</b>
Cash and cash equivalents beginning of year		12,719,112	0
Currency translation adjustments of cash and cash equivalents		(231,506)	0

<b>Cash and cash equivalents end of year</b>	<b>2,056,398</b>	<b>12,719,112</b>
Cash and cash equivalents at year-end are composed of:		
Cash	2,056,398	12,719,112
<b>Cash and cash equivalents end of year</b>	<b>2,056,398</b>	<b>12,719,112</b>

## Notes

### 1 Staff costs

	<b>2024/25 DKK</b>	<b>2023/24 DKK</b>
Wages and salaries	3,168,661	2,811,646
Other social security costs	142,045	43,714
	<b>3,310,706</b>	<b>2,855,360</b>

Average number of full-time employees	<b>2</b>	<b>2</b>
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	<b>Remuneration of Management 2024/25 DKK</b>	<b>Remuneration of Management 2023/24 DKK</b>
Board of Directors	2,278,328	2,083,705
	<b>2,278,328</b>	<b>2,083,705</b>

Staff costs includes salaries to employees employed by Niqitaq Fisheries Ltd. amounting to DKK 1.491 thousand. Salaries for employees employed by Niqitaq Fisheries Ltd. are not included in the calculation of the average number of employees.

## 2 Other financial income

	2024/25 DKK	2023/24 DKK
Exchange rate adjustments	1,117,028	1,684,473
	<b>1,117,028</b>	<b>1,684,473</b>

## 3 Other financial expenses

	2024/25 DKK	2023/24 DKK
Other interest expenses	528,670	183,181
Exchange rate adjustments	1,566,505	0
	<b>2,095,175</b>	<b>183,181</b>

## 4 Tax on profit/loss for the year

	2024/25 DKK	2023/24 DKK
Current tax	3,843,481	3,296,343
	<b>3,843,481</b>	<b>3,296,343</b>

## 5 Proposed distribution of profit and loss

	2024/25 DKK	2023/24 DKK
Retained earnings	13,371,762	11,676,666
	<b>13,371,762</b>	<b>11,676,666</b>

## 6 Financial assets

	Deposits DKK
Cost beginning of year	26,207
<b>Cost end of year</b>	<b>26,207</b>
<b>Carrying amount end of year</b>	<b>26,207</b>

## 7 Payables to group enterprises

Payables to group enterprises consists of trade payables.

## 8 Changes in working capital

	2024/25 DKK	2023/24 DKK
Increase/decrease in inventories	11,280,390	(15,977,415)
Increase/decrease in receivables	(10,860,626)	(46,490,461)
Increase/decrease in trade payables etc	(21,897,483)	60,173,979
Other changes	0	31,118

**9 Unrecognised rental and lease commitments**

	2024/25 DKK	2023/24 DKK
Liabilities under rental or lease agreements until maturity in total	146,426	188,727

**10 Assets charged and collateral**

An indemnity bond has been issued in the form of a floating charge nominally for 500,000 CAD to The Bank of Nova Scotia. The floating charge is secured through the following assets.

As of 31 March 2025, the floating charge includes the following assets at book value:

- Simple receivables arising from the sale of goods DKK 58.033 thousand
- Inventories DKK 4.697 thousand

**11 Related parties with controlling interest**

Niqitaq Fisheries Ltd., Iqaluit, Canada, owns the majority of the shares in the Entity, thus exercising control.

**12 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

**13 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Niqitaq Fisheries Ltd, Iqaluit, Canada

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Niqitaq Fisheries Ltd, Iqaluit, Canada

Copies of the consolidated financial statements of Niqitaq Fisheries Ltd, may be ordered at the following address:  
Niqitaq Fisheries Ltd. 1217 Kenmount Rd, Paradise, NL A1L 0V8, Canada

## Accounting policies

### Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

### Non-comparability

The comparative figures cover a period of 13 months, as last year was the company's first financial year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial

recognition is effected as described below for each financial statement item.

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

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### **Income statement**

##### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

##### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

##### **Changes in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes normal writedowns of such inventories.

##### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory

writedowns.

##### **Other external expenses**

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

##### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

##### **Other financial income**

Other financial income comprises interest income, including payables and transactions in foreign currencies.

##### **Other financial expenses**

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies.

##### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## **Balance sheet**

### **Inventories**

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### **Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

## **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

