



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 918 719 547
Organisasjonsform: Aksjeselskap
Foretaksnavn: MILAREX INVESTCO AS
Forretningsadresse: Dronningens gate 6
0152 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jon Hindar
Dato for fastsettelse av årsregnskapet: 22.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 15.06.2022



Resultatregnskap

Beløp i: EUR	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Personnel expenses	1		
Other operating expenses	1, 2	312 505	53 456
Sum kostnader		312 505	53 456
Driftsresultat		-312 505	-53 456
Finansinntekter og finanskostnader			
Annen renteinntekt		1	6
Currency gain		3 841	275
Sum finansinntekter		3 842	281
Rentekostnad til foretak i samme konsern	2	4 110	2 907
Annen rentekostnad		204 300	
Currency loss			525
Other financial expenses		150 000	
Sum finanskostnader		358 411	3 432
Netto finans		-354 569	-3 151
Ordinært resultat før skattekostnad		-667 074	-56 607
Tax on ordinary result	5		
Ordinært resultat etter skattekostnad		-667 074	-56 607
Årsresultat		-667 074	-56 607
Årsresultat etter minoritetsinteresser		-667 074	-56 607
Totalresultat		-667 074	-56 607
Overføringer og disponeringer			
Udekket tap		-667 074	-56 607
Sum overføringer og disponeringer		-667 074	-56 607



Balanse

Beløp i: EUR	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		
Finansielle anleggsmidler			
Investering i datterselskap	2	50 456 951	35 456 951
Sum finansielle anleggsmidler		50 456 951	35 456 951
Sum anleggsmidler		50 456 951	35 456 951
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Bank deposit	7	536 065	3 041
Sum bankinnskudd, kontanter og lignende		536 065	3 041
Sum omløpsmidler		536 065	3 041
SUM EIENDELER		50 993 016	35 459 992
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	3	1 200 646	1 198 740
Annen innskutt egenkapital	3	34 368 806	34 258 211
Sum innskutt egenkapital		35 569 451	35 456 951
Opptjent egenkapital			
Udekket tap		799 157	132 083
Sum opptjent egenkapital		-799 157	-132 083
Sum egenkapital		34 770 294	35 324 868



Balanse

Beløp i: EUR	Note	2020	2019
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6	12 000 000	
Sum annen langsiktig gjeld		12 000 000	
Sum langsiktig gjeld		12 000 000	0
Kortsiktig gjeld			
Leverandørgjeld		2 354	9 727
Tax payable	5		
Kortsiktig konserngjeld	2, 7	207 951	112 217
Other provisions	4	4 000 000	
Other current debt	7	12 416	13 180
Sum kortsiktig gjeld		4 222 722	135 123
Sum gjeld		16 222 722	135 123
SUM EGENKAPITAL OG GJELD		50 993 016	35 459 992



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		279 150 569	222 349 471
Sum inntekter		279 150 569	222 349 471
Kostnader			
Varekostnad		222 115 230	180 020 620
Lønnskostnad		27 404 219	21 669 858
Avskrivning av driftsmidler og immaterielle eiendeler		6 461 175	4 844 602
Annen driftskostnad		13 471 439	10 544 796
Sum kostnader		269 452 063	217 079 876
Driftsresultat		9 698 506	5 269 595
Finansinntekter og finanskostnader			
Annen renteinntekt		7 019	21 260
Annen finansinntekt		52 735	1 194 329
Sum finansinntekter		59 754	1 215 589
Annen rentekostnad		1 804 508	1 051 649
Annen finanskostnad		6 410 138	278 920
Sum finanskostnader		8 214 646	1 330 568
Netto finans		-8 154 891	-114 979
Ordinært resultat før skattekostnad		1 543 615	5 154 616
Skattekostnad på ordinært resultat		770 266	1 064 079
Ordinært resultat etter skattekostnad		773 349	4 090 537
Årsresultat		773 349	4 090 537
Minoritetsinteresser		37 800	1 117 243
Årsresultat etter minoritetsinteresser		735 548	2 973 293
Totalresultat		735 548	2 973 293



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.		168 001	235 848
Utsatt skattefordel		1 917 763	996 839
Goodwill		8 230 091	8 815 651
Sum immaterielle eiendeler		10 315 855	10 048 338
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom		57 715 110	64 985 894
Sum varige driftsmidler		57 715 110	64 985 894
Sum anleggsmidler		68 030 965	75 034 232
Omløpsmidler			
Varer			
Sum varer		34 031 426	30 071 656
Fordringer			
Kundefordringer		27 960 075	23 988 163
Andre kortsiktige fordringer		397 581	300 706
Sum fordringer		28 357 656	24 288 869
Investeringer			
Andre finansielle instrumenter		1 223 318	2 739 837
Sum investeringer		1 223 318	2 739 837
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		3 948 969	7 752 296
Sum bankinnskudd, kontanter og lignende		3 948 969	7 752 296
Sum omløpsmidler		67 561 370	64 852 658
SUM EIENDELER		135 592 334	139 886 890



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		1 200 643	1 198 740
Overkurs		34 368 808	34 258 211
Sum innskutt egenkapital		35 569 451	35 456 951
Opptjent egenkapital			
Annen egenkapital		1 240 505	5 260 231
Sum opptjent egenkapital		1 240 505	5 260 231
Minoritetsinteresser		1 423 384	15 302 345
Sum egenkapital		75 043 295	96 736 709
Gjeld			
Langsiktig gjeld			
Utsatt skatt		716 077	649 587
Sum avsetninger for forpliktelser		716 077	649 587
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		43 774 989	36 200 608
Øvrig langsiktig gjeld		404 847	296 374
Sum annen langsiktig gjeld		44 179 836	36 496 982
Sum langsiktig gjeld		44 895 913	37 146 569
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		13 664 896	8 956 109
Leverandørgjeld		24 899 472	29 121 968
Betalbar skatt		1 434 972	157 956
Skyldig offentlige avgifter		45 829	43 681
Andre kortsiktige avsetninger		4 000 000	
Annen kortsiktig gjeld		8 417 913	8 441 081
Sum kortsiktig gjeld		52 463 081	46 720 794
Sum gjeld		97 358 994	83 867 363



Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EGENKAPITAL OG GJELD		135 592 334	139 886 890



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	16.11.2017	29.11.2017
Telefon	Deres referanse	Vår referanse
90076012	Hallvard Helgetun	2017/1193468

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 16. november 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- Milarex InvestCo AS, org.nr. 918 719 547
- Milarex TopCo AS, org.nr. 918 719 636
- Milarex HoldCo AS, org.nr. 918 719 598
- Milarex BidCo AS, org.nr. 918 501 053

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ovenstående selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Selskapene er norske holding-selskap som har investeringer i datterselskap med drift i Polen, Tyskland og Italia. Aksjonærene i selskapene er norske, svenske og kypriotiske.

Det søkes om at engelsk språk benyttes ved utarbeidelsen av årsregnskap og årsberetning for bådeselskapene og konsernet fra og med regnskapsåret som slutter 31.12.2017.

Bakgrunnen for dette er at Milarex er et internasjonalt konsern hvor all drift foregår i utlandet.

Selskapenes arbeidsspråk er engelsk. Engelsk språk benyttes i all hovedsak både ved intern og ekstern kommunikasjon.

Det er ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk.

En norsk oversettelse vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

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Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post:
skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

**Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er en del av et internasjonalt konsern, hvor deler av aksjonærene er utenlandske. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.



Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Kopi til:

MILAREX TOPCO AS	Postboks 2014 Vika	0125	OSLO
MILAREX HOLDCO AS	Postboks 2014 Vika	0125	OSLO
MILAREX INVESTCO AS	Postboks 2014 Vika	0125	OSLO
MILAREX BIDCO AS	Postboks 2014 Vika	0125	OSLO

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Milarex InvestCo AS - Consolidated financial Statements 2020.pdf

Signers:

Name	Method	Date
Hindar, Jon	BANKID_MOBILE	2021-04-22 18:54 GMT+2
Indahl, Reynir Kjær	BANKID_MOBILE	2021-04-22 19:14 GMT+2
Farstad, Thomas Henning	BANKID_MOBILE	2021-04-22 23:10 GMT+2
Michelsen, Johan	BANKID_MOBILE	2021-04-23 19:00 GMT+2

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Milarex InvestCo AS Group Consolidated Financial Statement 2020

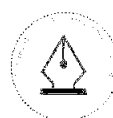
Income statement

	Note	2020 EUR	2019 EUR
Revenues			
Revenues	11, 13	279 150 569	222 349 471
Total revenues		279 150 569	222 349 471
Operating expenses			
Materials and consumables used	3, 13	222 115 230	180 020 620
Payroll expenses	9, 12	27 404 219	21 669 858
Depreciation and amortization	1, 2, 19	6 461 175	4 844 602
Other operating expenses	14	13 471 439	10 544 796
Total operating expenses		269 452 063	217 079 876
Operating profit		9 698 506	5 269 595
Financial income and expenses			
Interest income		7 019	21 260
Financial income		52 735	1 194 329
Interest expense		1 804 508	1 051 649
Financial expenses		6 410 138	278 920
Net financial income / expenses	15	-8 154 891	-114 980
Operating result before tax		1 543 615	5 154 615
Tax on ordinary result	10	770 266	1 064 079
Net Income	7	773 349	4 090 536
Non-controlling interests	7	-1 068 636	1 117 243
Majority interests	7	1 841 984	2 973 293

Statement of other comprehensive income

		2020 EUR	2019 EUR
Other comprehensive income			
Net Income	7	773 349	4 090 536
<i>Items that may be reclassified to profit or loss</i>			
Currency translation		-3 672 036	513 408
Total		-3 672 036	513 408
Total comprehensive income		-2 898 687	4 603 944

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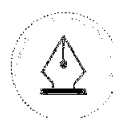


Milarex InvestCo AS Group Consolidated Financial Statement 2020

Balance sheet statement as of 31.12.

Assets	Note	2020 EUR	2019 EUR
Intangible and fixed assets			
Intangible assets			
Goodwill	1	8 230 091	8 815 651
Deferred tax asset	10	1 917 763	996 839
Other intangible assets	1	168 001	235 848
Total intangible assets		10 315 855	10 048 338
Fixed assets			
Property, plant and equipments	2, 4, 13, 19	57 715 110	64 985 894
Total fixed assets		57 715 110	64 985 894
Total intangible and fixed assets		68 030 965	75 034 232
Current assets			
Inventories	3	34 031 426	30 071 656
Receivables			
Account receivables	4, 5, 17	27 960 075	23 988 163
Other receivables	5, 17	397 581	300 706
Total receivables		28 357 656	24 288 869
Other current assets			
Other current assets	17	1 223 318	2 739 837
Total other current assets		1 223 318	2 739 837
Cash and bank	6, 17	3 948 969	7 752 296
Total current assets		67 561 369	64 852 658
Total assets		135 592 334	139 886 890

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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Balance sheet statement as of 31.12.

	Note	2020 EUR	2019 EUR
Equity and liabilities			
Equity			
Paid-in equity			
Share capital	8	1 200 643	1 198 740
Share premium		34 368 808	34 258 211
Total paid-in equity		35 569 451	35 456 951
Retained earnings			
Retained earnings		1 240 505	5 260 231
Total retained earnings		1 240 505	5 260 231
Total equity to majority		36 809 956	40 717 182
Non-controlling interests		1 423 384	15 302 345
Total equity	7	38 233 340	56 019 527
Liabilities			
Provisions			
Deferred tax	10	716 077	649 587
Total provisions		716 077	649 587
Long-term liabilities			
Debt to credit institutions		43 774 989	36 200 608
Other long-term liabilities	4	404 847	296 374
Total long-term liabilities		44 179 836	36 496 982
Short-term liabilities			
Liabilities to financial institutions	4	13 664 896	8 956 109
Account payables	5	24 899 472	29 121 968
Other provisions for liabilities	14	4 000 000	-
Taxes payable	10	1 434 972	157 956
Public duties payable		45 829	43 681
Other short-term debt	5, 19	8 417 913	8 441 081
Total short-term liabilities	17	52 463 081	46 720 794
Total liabilities	4	97 358 994	83 867 363
Total equity and liabilities		135 592 334	139 886 890

Oslo, 22.04.2021

The board of Milarex InvestCo AS Group

Jon Hindar
chairman of the board

Johan Bernt Michelsen
member of the board

Reynir Kjær Indahl
member of the board

Thomas Henning Farstad
general Manager

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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Cash flow statement

	Note	2020 EUR	2019 EUR
Indirect cash flow			
Cash flows from operating activities			
Profit/loss before tax		1 543 614	5 154 616
Depreciation and amortization		6 337 008	4 705 251
Depreciation lease		124 167	139 351
Change in lease principal amount		-125 964	-142 943
Interests on lease liability		-5 244	-8 349
Change in net working capital		-3 956 761	-4 234 183
Changes in other accrual items		3 999 237	-
Taxes paid	10	-179 755	-143 911
Gain/loss currency exchange		-951 538	328 078
Currency translation effects		-2 042 879	156 618
Net cash flows from operating activities		4 741 885	5 954 529
Cash flows from investment activities			
Purchase of shares / capital increase in subsidiaries		-15 000 000	-
Purchase of intangible assets	1	-16 316	-111 685
Purchase of property, plant and equipment	2	-4 172 554	-12 469 133
Net cash flows from investment activities		-19 188 870	-12 580 818
Cash flows from financing activities			
Proceeds from liabilities to financial institutions	4	19 036 165	6 983 522
Repayment of loan		-6 653 398	-566 581
Interest paid		-1 739 109	-1 419 033
Net cash flows from financing activities		10 643 658	4 997 909
Net change in cash and cash equivalents		-3 803 327	-1 628 381
Cash at the beginning of the period		7 752 296	9 380 677
Cash and cash equivalents at the end of the period		3 948 969	7 752 296



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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Accounting principles

The Group's financial statements for the accounting year 2019 have been prepared on going concerned basis in accordance with Simplified International Financial Reporting Standards (simplified IFRS) approved by the Norwegian Ministry of Finance on 21st of January 2008 pursuant to Norwegian Accounting Act section 3-9, 5th paragraph. The period for the financial statements is January 1st, 2020 to December 31st, 2020. The financial statement is determined and approved by the Board on 22.04.2021.

Group structure

Milarex InvestCo AS was established in 2017 to act as a holding company and is controlled by Summa Equity Fund I. The company acquired the shares in Milarex Holding AS on April 6th, 2017. On April 6th, 2017 Milarex Holding AS acquired the shares in Milarex Group AS and Milarex Group AS acquired the shares in Milarex AS. On July 17th, 2017 and July 20th, 2017 the companies was capitalized to carry out the acquisition of the shares in Milarex Sp. z.o.o. on July 20th, 2017.

Use of simplification rules according to simplified IFRS

The basis and methods of simplification stated in § 1-4 is used when adopting IFRS in the consolidated financial statements. Entities are allowed to measure assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported in the parent. The same retrospective methods are applied for IFRS 16 Leases, using cumulative effect of initial application.

The Group has used the exception criteria in simplified IFRS, §3-1, nr 3 regarding dividends. Dividends to shareholders are accounted for in accordance with Norwegian Generally Accepted Accounting Policies.

In accordance with the Norwegian regulations on simplified application of international accounting standards § 2-3 the financial statement is deviating from the IFRS requirement for presentation of financial position at the beginning of the earliest comparative period.

The Group chooses not to include a separate statement of changes in equity, but presents the changes in a separate note. The Group has one operating segment only, but is operational in several geographies.

Use of estimates

The preparation of financial statements in accordance with simplified IFRS requires the use of estimates. Furthermore, application of the Group's accounting principles requires management to exercise judgement. Areas which to a high a degree involve such discretionary judgements, a high degree of complexity, or areas where assumptions and estimates are significant to the financial statements, are described in the notes.

Future events could cause these estimates to change. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the change occurs. If the changes also apply to future periods, the effect is allocated over the current and future periods.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro (EUR). The functional currency for all entities within the group, except for Milarex Sp. z.o.o., is EUR. The functional currency for Milarex Sp. z.o.o. is PLN.

Transactions and balance sheet items

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to functional currency at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to functional currency using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to functional currency using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.



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Milarex InvestCo AS Group Consolidated Financial Statement 2020

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Shares in subsidiaries

Subsidiaries are entities over which the parent company has control, and thus the power to govern the financial and operating strategies of the entity, generally by owning more than half of the voting capital. The Group also assesses whether control exists in cases where the parent company holds less than 50 per cent of the votes but in practice is able to govern the financial and operating policies of the entity.

The following companies are part of the Group on 31.12.:

<i>Parent and subsidiary companies</i>	<i>Ownership</i>
Milarex InvestCo AS (parent)	
Milarex Holding AS	100 % owned by Milarex InvestCo AS
Milarex Group AS	97,4 % owned by Milarex Holding AS
Milarex AS	100 % owned by Milarex Group AS
Milarex Sp. z.o.o.	100 % owned by Milarex AS
Arctic Seafood GmbH	100 % owned by Milarex Sp. z.o.o.
Milarex Italia S.r.l.	100 % owned by Milarex Sp. z.o.o.
Milarex France SARL	100 % owned by Milarex Sp. z.o.o.
Milarex UK Limited	100 % owned by Milarex Sp. z.o.o.

Consolidation principles

Subsidiaries are consolidated from the date when control is transferred to the Group (the date of acquisition). In the consolidated financial statements the item shares in subsidiaries has been replaced by subsidiary's assets and liabilities. The consolidated financial statements are presented as if the Group were a single economic entity. Transactions, unrealised gains and intercompany balances are eliminated. Acquisition costs are allocated to identifiable assets and liabilities in the subsidiary which are valued at fair value at time of acquisition. The excess of the consideration over the fair value of the net identifiable assets acquired is recorded as goodwill. If the consideration is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and balance sheet respectively.

Foreign currencies

The results and balances of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
 - (ii) income and expenses for each income statement are translated at the average exchange rate for the year.
- All currency effects are booked to other comprehensive income.

Goodwill, other intangible assets and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Sales revenue

Income from sale of goods are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer. Historical data is applied to estimate and recognise provisions for quantity rebates and returns at the sales date.



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Each contract with a customer consist of one or more products, and each product or batch order of the same product constitute one performance obligation, since the customer can benefit from each good or batch on its own or together with other resources already available. The fixed transaction price, which represents the stand alone selling price of each product, is separately stated for each product or batch of products within the contract.

Revenue from sales of goods to retail is recognized at a point in time, when a Group entity has sold the product to the customer. Control of the good transfers immediately at the point of delivery. Customers are invoiced on a regular or daily basis with payment terms mainly between 30 and 60 days. A receivable is recognised for the delayed payment terms, which is included in the line item Accounts receivable in the balance sheet.

Several customer agreements include bonuses payable to the customer. These bonuses are flat and measured as a percentage of the sales price to the customer and are presented as a reduction in revenues.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Borrowing costs from general and specific financing related to the acquisition are capitalised as part of the cost of the asset. All other interest expenses are recognised in the period in which they are incurred.

Intangible assets and goodwill

Goodwill arises on the acquisition of businesses and constitutes the consideration transferred less the portion of the fair value of the net identifiable assets and liabilities of the acquired business.

Trademarks and licenses are stated at cost. Trademarks and licenses acquired in a business combination are stated at fair value at the acquisition date. Licenses are amortised on a straight-line basis over their estimated useful lives.

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred.

Assets are tested for impairment annually, or more frequently in case of events or changes in circumstances which indicate impairment. The carrying amount is compared with the recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment charge is recognised, which in the case of goodwill is not reversed in subsequent periods.

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Fixed assets

Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset.

Leasing

IFRS 16 implementation results in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for: short-term leases that have a lease term of 12 months or less; leases of low-value assets (the initial value lower than EUR 5,000). The election can be made on a leases-by-lease basis. Example of low value assets are IT equipment, mobile phones or office furniture. The Groups recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease.

Leases relating to non-current assets under which the Group essentially takes over all risks and rewards of ownership are classified as finance leases. At the inception date of the lease, finance leases are recognised at the lower of the fair value of the asset and the minimum lease payments.

Each lease payment is apportioned between the liability and finance charge so as to produce a constant periodic rate of interest on the remaining balance of the liability. The corresponding lease obligation (less the finance charge) is included in other long-term liabilities. The interest element of the finance charge is expensed over the lease term so as to produce a constant rate of interest on the remaining balance of the liability in each period. Non-current assets under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Financial Instruments

All financial assets (excluding derivatives) are classified at amortised cost if they meet the criteria:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortized cost includes trade receivables and other short-term deposit. Trade receivables are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers. No significant financing components are identified. Financial derivatives are measured at fair value through profit and loss recognition.

Inventories

Inventories mainly comprise of materials, goods in progress, finished goods and packaging materials. Inventories of goods are measured at the lower of cost and net realizable value. The cost of finished goods includes direct material costs, direct personnel expenses and indirect processing costs (full production cost). Interest costs are not included in the inventory value. The cost price of purchased materials is the actual purchase price. The cost is based on the principle of first-in first-out, except for value-added products, where the cost is assigned by using specific identification of their individual costs.

Receivables

Accounts receivable are initially recognised at fair value when the Group has an unconditional right to receive the consideration and the payment is only dependent on the passage of time. Accounts receivable are subsequently measured at amortised cost less any loss allowance. Accounts receivable are managed as held for collection and meet the criteria for SPPI. The loss allowance is based on the lifetime expected credit loss model and adjusted for market and economic conditions based on management judgement. If collection is expected in one year or less, they are classified as current assets. If not, they are classified as a non-current asset.

Liabilities

Liabilities are stated at fair value less transaction costs when payment is made. In subsequent periods liabilities are stated at amortised cost.

Pensions

The group has a defined contribution benefit plan. The pension schemes are financed through payments to insurance companies.

Defined contribution plan

With a defined contribution plan the group pays contributions to an insurance company. After the contribution has been made the group has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



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Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Note 1 Intangible assets and goodwill

	Goodwill	Other intangible assets	Total
Gross carrying amount at 01.01.2020	8 815 651	377 645	9 193 296
Additions	0	16 419	16 419
Disposals	0	0	0
Currency effects	-585 560	-15 167	-600 727
Gross carrying amount at 31.12.2020	8 230 091	378 897	8 608 988
Accumulated depreciation 01.01.2020	0	141 797	141 797
Depreciation in the year	0	69 193	69 193
Currency effects	0	-95	-95
Accumulated depreciation on disposals	0	0	0
Accumulated depreciation 31.12.2020	0	210 895	210 895
Net book value 31.12.2020	8 230 091	168 001	8 398 092
Depreciation in the year	0	69 193	69 193

Estimated useful life	Not applicable	5 years
Depreciation plan	None	Straight line

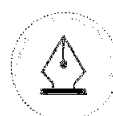
Other intangible assets consists of:

Other intangible assets are related to investments in company IT systems, licenses for users, etc.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flow.

The main value drivers considered in the impairment test are related to sales growth, EBITDA margin development, capex development and cost of capital. The Group expects to continue its double digit sales growth in the short term, whereas the sales growth rates is expected to decline towards low levels in the terminal period. EBITDA margins are assumed to be in the customary range for seafood processing companies and in the lower end towards the terminal period. Capex is expected to remain above or at depreciation rates. Cost of capital is determined by applying customary approach of determining cost of equity and cost of debt. The conclusion of the impairment test is robust to changes in the main value drivers.

All the goodwill is related to the purchase price allocation of the acquisitions of Milarex Sp. z o.o.



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**Milarex InvestCo AS Group
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Note 2 Fixed assets

	Buildings and land	Machines	Motor vehicles	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Gross carrying amount at 01.01.2020	36 006 391	37 806 780	1 015 143	2 177 434	349 253	77 355 001
Additions	184 585	3 456 163	179 028	283 162	-139 382	3 963 556
Disposals	-22 352		-11 097			-33 448
Currency effects	-2 656 268	-3 046 154	-82 806	-97 268	-21 831	-5 904 327
Gross carrying amount at 31.12.2020	33 512 356	38 216 789	1 100 269	2 363 327	188 041	75 380 781
Accumulated depreciation 01.01.2020	2 168 547	8 985 950	316 730	870 793	0	12 342 021
Depreciation in the year	886 446	4 763 190	212 118	530 229	0	6 391 982
Currency effects	-175 012	-785 053	-28 354	-76 217	0	-1 064 635
Accumulated depreciation on disposals	-183	0	-3 514		0	-3 697
Accumulated depreciation 31.12.2020	2 879 798	12 964 087	496 980	1 324 806	0	17 665 671
Net book value 31.12.	30 632 558	25 252 702	603 288	1 038 521	188 041	57 715 110

Depreciation in the year 886 446 4 763 190 212 118 530 229 0 6 391 982

Estimated useful life	40 years / indefinite	7-10 years	5-7 years	5-10 years
Depreciation plan	Straight line / none	Straight line	Straight line	Straight line

Annual lease of non-financial assets

List of agreements:

Arctic Seafood

Subject of the agreement	Start date	Term of payment	Duration	Termination	Annual fee	Monthly fee
Office Wallenhorst	15.05.2019	3rd day of the month	30.04.2021	6 months notice	13 980 EUR	1 864 EUR
Office Schwedt	01.07.2019	3rd day of the month	indefinite	3 months notice	756 EUR	126 EUR
Lease of a vehicle	15.02.2019	7 days from invoice date	14.02.2022		14 359,08 EUR	1 196,59 EUR

Milarex Italia

Subject of the agreement	Start date	Term of payment	Duration	Termination	Annual fee	Monthly fee
Premises for office purposes	01.09.2017	10th day of the month	31.08.2023	6 months notice	14 400 EUR	1 200 EUR

Milarex France

Subject of the agreement	Start date	Term of payment	Duration	Termination	Annual fee	Monthly fee
Premises for office purposes	01.04.2018	1st day of the month	01.03.2024	3 months notice	6 000 EUR	500 EUR

Milarex Sp. z o.o.

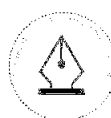
Subject of the agreement	Start date	Term of payment	Duration	Termination	Annual fee	Monthly fee
Office Grottegera	03.07.2017	10th date of the month	indefinite	6 months notice	302 504,88 PLN	25 208,74 PLN

Milarex AS

Subject of the agreement	Start date	Term of payment	Duration	Termination	Annual fee	Every other month
Premises for office purposes	01.04.2021	1st day of the quarter	31.03.2024	3 months notice	108 000 NOK	18 000 NOK

Both office leases ending in 2019 were terminated. For the indefinite office lease contract a duration of two years was applied.

For a Polish company, the Group adopts Polish treasury bond interest rate with a maturity equal to the lease term increased by a 2% margin as an incremental interest rate. For companies which functional currency is EUR, the Group adopts an interest rate on the investment loan granted to Polish company that is EURIBOR 3M increased by a 2% margin as an incremental interest rate.



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	Margin		Incremental interest rate
Interest on 2-year treasury bonds	2,10%	2,00%	4,10%
Interest on 3-year treasury bonds	2,20%	2,00%	4,20%

Arctic Seafood, Milarex France, Milarex Italy

Euribor 3M + 2,0%

Right of use assets and lease liabilities per asset class

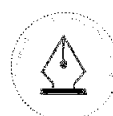
	Value of right-of- use assets 31.12.2020	Value of lease liabilities 31.12.2020	Depreciation (2020)
Milarex Sp.z o.o	62 384	65 511	62 384
Arctic Seafood	22 297	22 839	35 473
Milarex Italy	36 236	37 416	13 589
Milarex France	17 943	18 431	5 666
Milarex AS	30 572	29 133	7 055
Total	169 432	173 331	124 167

Note 3 Inventories

	2020	2019
Raw materials	19 125 408	13 508 369
Inventories under production	6 784 467	9 136 397
Purchased finished goods (other materials)	2 492 803	2 422 987
Finished goods of own production	5 628 748	5 003 903
Total	34 031 426	30 071 656
Inventory valued at purchase cost	21 618 211	15 931 356
Inventory valued at net realisable value	12 413 215	14 140 300
Total	34 031 426	30 071 656

Effect of allowance for obsolescence on the income statement for the financial year is EUR 298 977 (EUR 319 481 in 2019).

The balance sheet value of allowance for obsolete goods in 2020 is EUR 383 951 (EUR 356.171 in 2019).



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Note 4 Receivables and liabilities

Account receivables

	2020	2019
Account receivables at nominal value	28 804 256	24 385 958
Provision for bad debts	-844 181	-397 795
Account receivables in the balance sheet	27 960 075	23 988 163

Receivables which fall due later than one year

	2020	2019
Account receivables	0	46 251
Other long-term receivables	17 884	0
Total	17 884	46 251

Long-term liabilities which fall due later than 5 years

	2020	2019
Liabilities to credit institution	14 100 000	0
Other long-term liabilities	0	72 916
Total	14 100 000	72 916

Long-term liabilities are accounted at fair value at the time of the transaction. In succeeding periods the liabilities are accounted at amortised cost. Fair value of short-term liabilities equals the balance sheet value as the effects of discounting is immaterial. There are covenant requirements towards interest bearing debt. The Company was not in breach of the covenant requirements by year end 2020.

Liabilities to financial institutions

The group entered into a loan agreement in March 2018 consisting of three different tranches. Tranche A has a principle amount of EUR 25 million and was at 31.12.2020 utilized by approximately 89%. Tranche A has a maturity of 6 years measured from the date of agreement. Tranche B (capital expenditures) has a limit of EUR 15 million and was at 31.12.2020 utilized by 94%. Tranche B has a maturity of 7 years measured from the date of agreement. Tranche C (overdraft) had an initial limit of EUR 20 million with a maturity of 3 years measure from the date of agreement, but the limit of Tranche C was reduced from EUR 20 to EUR 15 million in June 2019 when Tranche D was established. At year-end 2020, Tranche C was utilized by approximately 23%. In December 2020, Tranche C was extended with maturity in March 2023. Tranche D, an inventory financing facility, was renewed in July 2020 and converted into a two year multi-currency loan denominated in PLN with a limit of PLN 34 million. At year end 2020, Tranche D was utilized by approximately 77%. In June 2020, as part of the Polish anti-crisis shield (covid related) the company established a fifth Tranche, Tranche E, a multicurrency loan with a limit of PLN 54 million, which matures in June 2022. Utilization of Tranche E at year end 2020 was 0%. The lender of Tranche A-E is Milarex Sp. z o.o.. In July 2020, Milarex InvestCo As entered into a loan agreement with Pareto Bank. This loan with a limit of EUR 12 million was utilised by 96% at year end 2020. The Pareto loan will mature at the latest 2 years after the establishment of the credit facility. Securities consists of mixed assets such as; real estate, pledge over the company's enterprise up to EUR 84 million, the company's rights and revenues under insurance policies and voluntary enforcement in accordance with Article 777 of Civil Code.

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	2020	2019
Liabilities secured by mortgage	53 994 913	39 036 206
Balance sheet value of assets placed as security:		
Fixed assets		
Cash	2 023 774	6 135 059
Inventory	0	0
Trade receivables	0	0
Total	2 023 774	6 135 059
The assets are in addition placed as security for:		
Unutilised bank overdraft	11 555 485	16 019 231
Contractor guarantees	0	0
Total	11 555 485	16 019 231

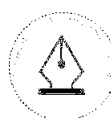
Repayment profile loans	Currency	2021	2022	2023	2024	2025
Tranche						
A	EUR	3 000 000	3 500 000	4 000 000	11 700 000	
B	EUR	1 500 000	1 800 000	2 100 000	2 400 000	6 300 000
C	EUR	N/A	N/A	In Full		
D	PLN	N/A	In Full			
E	PLN	N/A	In Full			

Tranche C is a bank overdraft with maturity in March 2021, but has later been refinanced (fall of 2020) to end March 2023. Tranche D was refinanced and has maturity in June 2022. Both Tranche D and E, which will mature in 2022 will have a step down in availability towards maturity. The available limit of Tranche D will be reduced by PLN 2.8 million monthly, starting July 1st, 2021 until maturity. The available limit for Tranche E will be reduced by PLN 3.6 million monthly starting April 4th, 2021 until maturity.

Note 5 Balance with related parties

2020	Account receivables	Other receivables	Other short-term debt	Trade creditors
Associated companies	0	0	0	0
Entities controlled by key management personnel	0	0	0	0
Other related parties	80 145	0	693	27 116
Total	80 145	0	693	27 116
2019	Account receivables	Other receivables	Other short-term debt	Trade creditors
Associated companies	0	0	0	0
Entities controlled by key management personnel	0	0	0	0
Other related parties	19 812	0	192 066	457 811
Total	19 812	0	192 066	457 811

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Note 6 Restricted bank deposits, overdraft facilities

Restricted bank deposits	2020	2019
Withheld employee taxes	26 357	25 209
Overdraft facilities granted		
Unused bank overdraft	93 766 889	16 019 231

Note 7 Shareholders' equity

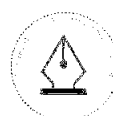
Equity changes in the year	Share capital	Share premium	Retained earnings	Cumulative translation differences	Non-controlling interests	Total
Equity 01.01.2019	1 198 740	34 258 211	3 051 793	-996 422	13 903 260	51 415 582
Profit for the year 2019	0	0	2 973 294	0	1 117 243	4 090 537
Currency effects 2019	0	0	0	231 566	281 842	513 408
Equity 31.12.2019	1 198 740	34 258 211	6 025 087	-764 856	15 302 345	56 019 527
Change in non-controlling interests	0	0	-1 083 239	0	-13 916 761	-15 000 000
Capital increase	1 903	110 597	0	0	0	112 500
Profit for the year 2020	0	0	1 841 984	0	-1 068 636	773 349
Currency effects 2020	0	0	0	-4 778 471	1 106 435	-3 672 036
Equity 31.12.2020	1 200 643	34 368 808	6 783 832	-5 543 327	1 423 384	38 233 340

Note 8 Share capital and shareholder information

The share capital of EUR 1 200 643 consists of 11 301 692 shares with nominal value of 0,106 EUR each.

List of shareholders at 31.12.

	Number of shares	Ownership
Summa Equity Fund I (No. 2) AB	5 142 112	45,5 %
Summa Equity Fund I (No. 1) AB	3 455 649	30,6 %
Summa Equity Fund I (No. 3) AB	1 958 996	17,3 %
Milcom AS	556 757	4,9 %
Ci Xi AS	167 027	1,5 %
Tyrion AS	21 151	0,2 %
Total number of shares	11 301 692	100,0 %



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Note 9 Pensions

In Norway the Group has a defined-contribution scheme which covers all employees. The commitment related to the pension scheme is covered through an insurance company. The defined-contribution scheme is expensed on an ongoing basis. The group's pension schemes meet the requirements of the law on compulsory occupational pension. In other countries the Group complies with social security obligations as required by law. The social security system meets the definition of a defined contribution plan.

Persons covered by the schemes

	Active	Pensioners
Defined contribution scheme	2	0
Social security obligations	1 568	0

Note 10 Taxes

Components of the income tax expense	2020	2019
Payable tax on this year's result	1 738 094	989 950
Adjustment in respect of priors	-40 908	-20 300
Total payable tax	1 697 186	969 650
Change in deferred tax based on original tax rate	-854 434	98 962
Change in deferred tax due to change in tax rate	-72 486	-4 533
Tax expense	770 266	1 064 079
Whereas domestic	126 126	-18 348
Whereas abroad	644 140	1 082 427
Reconciliation from nominal to effective tax rate	2020	2019
Result before taxes	1 543 615	5 154 616
Expected tax with nominal tax rate	339 595	1 134 016
Tax effect from the following items:		
Permanent differences	270 460	17 724
Change in deferred tax asset not shown in the balance sheet	151 013	6 946
Change in deferred tax due to change in tax rate	21 060	-4 533
Group elimination on temporary differences	0	0
Tax prior years	-40 908	-20 300
Effect of different tax rate abroad	29 045	-69 773
Tax expense	770 266	1 064 079
Effective tax rate	50%	21%

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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Calculation of deferred tax/deferred tax asset

	2020	2019
Temporary differences		
Fixed assets	2 129 357	2 033 646
Receivables	-54 284	-379 447
FX differences	-3 227 230	114 814
Inventory	-477 515	-49 369
Employee benefits liabilities and provisions	-1 671 727	-1 298 341
Accrued interest on loans	-164 008	-371 245
Provisions for other liabilities	-1 977 007	-1 298 622
Derivative financial instruments	-809 630	0
Other	-131 865	569 505
Net temporary differences	-6 383 910	-679 059
Tax losses carried forward	-498 107	-1 190 145
Basis for deferred tax (asset)	-6 882 016	-1 869 204

Deferred tax (asset)	-1 514 044	-411 225
Effect of different tax rate abroad	492 428	93 031
Deferred tax asset not shown in the balance sheet	-180 071	-29 058
Net deferred tax (asset) in the balance sheet	-1 201 686	-347 252
Deferred tax asset	1 917 763	996 839
Deferred tax liability	-716 077	-649 587

Change in deferred tax (asset)

	2020	2019
Net ingoing balance deferred tax (asset)	-347 252	-446 214
Change in deferred tax (asset) through profit and loss	-926 920	94 429
Acquisition of companies	0	0
Currency effects	72 486	4 533
Net deferred tax (asset) in the balance sheet	-1 201 686	-347 252

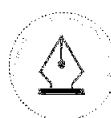
Deferred tax assets by country

	2020	2019
Poland	1 891 421	820 823
Italy	0	0
France	26 342	49 891
Norway	0	93 668
Total	1 917 763	964 382

Deferred tax liabilities by country

	2020	2019
Poland	-716 077	-649 587
Italy	0	0
France	0	0
Norway	0	0
Total	-716 077	-649 587

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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Payable taxes in the balance sheet

Payable tax in the tax charge	1 434 972	118 549
Payable tax in the balance sheet	1 434 972	118 549
Whereas receivable	0	39 407
Whereas liability	1 434 972	157 956

Deferred tax assets are related to different legal entities within the Group and cannot be netted between the entities. The deferred tax assets are primarily related to the Polish entity Milarex Sp. z o.o. but also to Milarex France. It is expected that both legal entities with deferred tax assets will make taxable profits in the coming years which will enable both companies to utilize their tax assets. Furthermore, the value of tax losses carried forward has been reduced from 2019, justifying the value carried in the balance sheet.

Note 11 Operating income

The Group has one operating segment only, but is operational in several geographies. The Milarex Group is a value added processor of fish, mainly salmonids. The main product categories are cold smoked, hot smoked, marinated, fresh, cooked and frozen products. All product categories are considered by the group to belong to one product segment of value added seafood products.

	2020	2019
Sales income	279 150 569	222 349 471
Total	279 150 569	222 349 471

Activity distribution	2020	2019
Sale of processed fish	266 659 216	212 371 715
Other income	12 491 353	9 977 756
Total	279 150 569	222 349 471

Geographical distribution	2020	2019
Germany	139 155 242	132 188 944
Italy	38 289 811	26 035 499
Norway	0	190 345
Poland	26 150 556	24 046 929
Other countries	75 554 960	39 887 754
Total	279 150 569	222 349 471



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Milarex InvestCo AS Group
Consolidated Financial Statement 2020

Notes to the accounts

Note 12 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	2020	2019
Salaries/wages	24 152 327	18 425 243
Social security fees	2 619 068	2 609 559
Pension expenses	71 798	75 264
Other employee benefits	561 026	559 792
Total	27 404 219	21 669 858

Number of employees in the accounting year	1 571	1 523
--	-------	-------

2020	Board remuneration	Salary (incl. bonuses)	Other benefits	Pension cost	Total remuneration
Senior Executives					
Thomas H. Farstad, CEO		319 096	2 910	16 680	338 687
Jon W. Ringvold, CFO		226 775	2 109	16 680	245 565
Charles Kasprzak, Director Organizational Development		158 546			158 546
Bard of Directors					
Jon Hindar	38 203				
Johan B. Michelsen	28 652				
Reynir K. Indahl					
Total remuneration	66 856	704 418	5 020	33 361	742 798

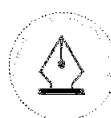
*Board remuneration paid by Milarex AS.

The chief executive received his salary from Milarex AS. He has an agreement on salary for a period of six months after leaving his position if the Company is cancelling the contract. The chief executive have a bonus agreement. Under this he will receive in maximum 25 % of the yearly agreed salary. The bonus agreement is for one year and is decided by the board on a yearly basis.

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

The company has an agreement with Petrus Holding AS, a related party to Jon Hindar, for advisory services. Total payment to Petrus Holding AS under this agreement amounted to NOK 600 000 (EUR 60 312).

The company also has an agreement with M.A.I.K.O Consulting, related party to Maiko van der Meer, for advisory services. Total payment to M.A.I.K.O Consulting Under this agreement amounted to EUR 5 000.



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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Expensed audit fee	2020	2019
Statutory audit (incl. technical assistance with financial state)	124 427	152 406
Tax advisory fee (incl. technical assistance with tax return)	0	0
Other assistance	1 117	19 256
Total audit fees	125 544	171 662

Note 13 Related-party transactions

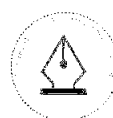
Remuneration to executives is disclosed in note 12, and balance with group companies is disclosed in note 5.

Related-party transactions	2020	2019
a) Sales of goods and services		
Sales of goods:		
- Associated companies	0	0
Sales of services:		
-Parent company	0	0
-Family members of shareholders	244 360	183 806
b) Purchases of goods, services and assets		
Purchases of goods:		
- Associated companies	0	0
- Entity controlled by key management personnel	0	0
Purchases of assets:		
- Entity controlled by key management personnel	0	0
Purchases of services:		
- Entity controlled by key management personnel	5 208 714	11 264 877

Transactions with related parties are related to purchases of goods, machinery and services. Purchases of goods are related to raw materials and finished products distributed by the Group. Purchases of Machinery is related to processing equipment used in the Groups production plant. Purchases of services are related to project management services for capex projects. In addition, in 2018, a shareholder loan was repaid.

The Group has in 2020 undertaken transactions with related parties. The Group is selling products, both consumer goods and industrial products, to companies controlled by related parties. The Group has also been purchasing consumer goods for re-sale as well as services from related parties. Further related party transaction are related to the purchase of fixed assets. All related party transaction are carried out at arm's length and at market prices.

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**Milarex InvestCo AS Group
Consolidated Financial Statement 2020**
Notes to the accounts
Note 14 Earn-out

On May 19th, Milarex InvestCo AS entered into a share purchase agreement (SPA) with Friendmall Ltd, whereby Milarex InvestCo AS acquired all shares (25%) in Milarex Holding AS held by Friendmall Ltd. Following the closing of the transaction on September 30th, 2020, Milarex InvestCo AS became the sole owner of Milarex Holding AS. The transaction with Friendmall included a payment in cash and a deferred payment element. The deferred payment shall be paid no later than 24 months after closing or earlier if an event occurs resulting in Milarex InvestCo AS would own less than 50% of the shares in Milarex Holding AS. The deferred payment has a minimum value of EUR 4 million but may be higher should certain conditions be met. The deferred payment obligation has been assessed and valued to EUR 4 million at year end 2020.

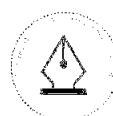
Note 15 Specification of financial income and expenses

Financial income	2020	2019
Foreign exchange gains	37 633	786 304
Other financial income	15 102	408 025
Total financial income	52 735	1 194 329

Financial expenses	2020	2019
Foreign exchange losses	4 606 656	10 015
Other financial expenses	1 803 482	268 904
Total financial expenses	6 410 138	278 920

Note 16 Other operating expenses

Other operating expenses	2020	2019
Premises	61 201	33 188
External services	10 809 839	8 356 257
Office and meeting costs	1 757 918	1 225 712
IT equipment and operations	545 810	336 848
Marketing	1 862	2 424
Travel expenses	83 244	198 962
Other operating expenses	211 565	391 405
Total other operating expenses	13 471 439	10 544 796





Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Note 17 Financial instruments

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to EUR, NOK and PLN. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The group is actively hedging its currency positions according to its hedging policy.

Interest risk

The group is exposed to changes in the interest market if they have a significant amount of interest-bearing debt.

The group does not have any interest rate swap agreement.

Liquidity risk

The group has limited liquidity risk. Liquidity management is followed-up through budgets and forecasts. The long-term financial needs has been covered by a bank overdraft.

From 2018 new loan facilities has been entered to ensure that the group maintains sufficient cash to meet obligations when due. We refer to note 4 for a description of the new facilities.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a group basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by line management.

Description of account receivables

The majority of account receivables as of 31.12. consists of customers who have bought from Milarex Sp. z.o.o., Arctic Seafood GmbH and Milarex Italia S.r.l. for more than 6 months.

There are no history of defaults with the customers with outstanding balances as of 31.12. and the risk related to recovery of the receivables are considered low.

The group does not expect on incur any net losses from overdue receivables. The increase in the overdue balances from 2018 is mainly caused by issues related to internal processes in Milarex, which have been identified and improved. The group's customers are mainly large retail companies.

On 1 January 2018 the Group adopted IFRS 9 and now measures the impairment loss on accounts receivable using a lifetime expected credit loss (ECL) model. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The maximum exposure to credit risk at the balance sheet date is the carrying value of accounts receivables as disclosed in the table below. The Group holds no security in trade receivables as collateral.

Factoring

The company has entered into a non-recourse and off balance factoring agreement in its German subsidiary, including most customers of this legal entity.



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Milarex InvestCo AS Group
Consolidated Financial Statement 2020

Notes to the accounts

Age distribution of account receivables

	2020	2019
Not due	20 030 370	16 872 435
Overdue 0-30 days	5 487 635	3 703 817
Overdue 31-90 days	2 415 320	2 005 081
Overdue 91-180 days	365 440	883 524
Overdue 181+ days	505 491	533 306
Total nominal value at 31.12	28 804 256	23 998 163

Impaired account receivables

	2020	2019
At 01.01	397 795	169 296
Provision for impairment recognised during the year	446 386	228 499
Receivables written off during the year as uncollectible	0	0
Unused amount reversed	0	0
At 31.12	844 181	397 795

Financial assets by category

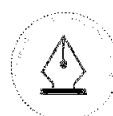
2020

	Assets at fair value through profit and loss	Assets at fair value through OCI	Amortised cost	Total
Account receivables	0	0	27 960 075	27 960 075
Other short-term receivables	0	0	397 581	397 581
Other current assets	0	0	1 223 318	1 223 318
Cash and cash equivalents	3 948 969	0		3 948 969
Total 31.12.2020	3 948 969	0	29 580 974	33 529 943

2019

	Assets at fair value through profit and loss	Assets at fair value through OCI	Amortised cost	Total
Account receivables	0	0	23 988 163	23 988 163
Other short-term receivables	0	0	300 706	300 706
Other current assets	0	0	2 739 837	2 739 837
Cash and cash equivalents	7 752 296	0		7 752 296
Total 31.12.2019	7 752 296	0	27 028 706	34 781 002

The group has interest income of EUR 6 960 related to loans and receivables (in 2019 EUR 21 123).



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**Milarex InvestCo AS Group
Consolidated Financial Statement 2020**
Notes to the accounts
**Financial liabilities by category
2020**

	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Total
Liabilities to financial institutions	0	13 664 896	13 664 896
Liabilities to credit institutions (long term)	0	43 774 989	43 774 989
Non-interest bearing liabilities	0	45 829	45 829
Account payables	0	24 899 472	24 899 472
Other short-term liabilities	0	14 973 808	14 973 808
Total 31.12.2020	0	97 358 994	97 358 994

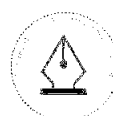
2019

	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Total
Liabilities to financial institutions	0	8 956 109	8 956 109
Liabilities to credit institutions (long term)	0	36 200 608	36 200 608
Non-interest bearing liabilities	0	43 681	43 681
Account payables	0	29 121 968	29 121 968
Other short-term liabilities	0	8 553 549	8 553 549
Total 31.12.2019	0	82 875 915	82 875 915

The group has interest cost of EUR 1 804 508 related to liabilities at amortised cost (in 2019 EUR 1 051 649).

Note 18 Changes in accounting principles
IFRS 16 Lease

Milarex Group (the "Group") has applied IFRS 16 Leases retrospectively with the cumulative effect of initially application, at 1 January 2019. Therefore, the comparative information has not been restated. The Group recognizes lease liabilities at the date of initial application for agreements previously classified as an operating lease applying IAS 17 at the present value of the remaining lease payment, discounted using the lessee's incremental borrowing rate at 1 January 2019. Right-of-use assets are recognized at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized before the date of initial application.



Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Note 19 Right of use assets and lease liabilities

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, on or after 1 January 2019.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

For a Polish company, the Group adopts Polish treasury bond interest rate with a maturity equal to the lease term increased by a 2% margin as an incremental interest rate. For companies which functional currency is EUR, the Group adopts an interest rate on the investment loan granted to Polish company that is EURIBOR 3M increased by a 2% margin as an incremental interest rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. The useful life of right-of-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment loss, if any, and adjusted for certain remeasurements of the lease liability.

The table below shows the right of use assets and lease liabilities per 31.12.2020:

Value of right-of-use assets 31.12	169 432
Value of lease liabilities 31.12	173 331
Depreciation (2020)	124 167

Age distribution of payables

	Nominal value	Net present value
>1 year	118 875	116 410
2-5 years	62 265	61 089
5< years	0	0
Total	181 139	177 499

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Milarex InvestCo AS Group Consolidated Financial Statement 2020

Notes to the accounts

Note 20 - Impact of covid 19

The pandemic caused by the covid-19 virus has led to considerable uncertainty in several industries, a general weakening of economies and crisis packages granted by governments worldwide. Overall, the pandemic has had limited impact on operations and the financial performance of the Group.

Milarex prepared operationally and strategically in February 2020 to handle with the impact of the covid-19 virus. The key focus has been to ensure the safety and health of employees and several measures were introduced to reduce the risk of the covid-19 virus spreading among employees in the factory. Although Milarex employees have been infected by covid-19, to date, the company is not aware of any spreading events taking place at the workplace. All operational measures implemented to prevent spreading of covid-19 in the workplace are being upheld.

From a market perspective, Milarex is mainly exposed to the retail market, a segment that partly has seen positive effects from the pandemic as hotels, restaurant and catering segments (horeca) have remained closed for longer periods in several of Milarex core markets. Milarex has limited exposure to the horeca segment, and the negative demand development in this segment has had limited impact on Milarex.

In June 2020, Milarex Sp. z o.o applied for a Polish state guaranteed anti-crisis shield loan which was granted to the company. To date, Milarex has only to a limited extent utilized this additional credit line. The new credit line is to be fully repaid by the end of June, 2022. At year end 2020, the facility was not utilized.

Note 21 Subsequent events

In May 2020, Milarex Sp. z o.o. received a protocol from the local tax authorities claiming that the company should repay PLN 7 million in incorrectly deducted VAT refunds. Milarex Sp. z o.o. strongly disagrees with the protocol and has engaged a tax advisor to assist in answering up to the protocol received. In January 2021, Milarex Sp. z o.o. received an updated protocol from the tax authorities where the claim for repayment had been reduced to PLN 6.4 million. Milarex Sp. z o.o. continues to disagree with the findings and has submitted an answer to the highest administrative tax office. Milarex Sp.z o.o position is that no repayment shall be made. No accrual has been made for the claims put forward by the tax authorities towards Milarex Sp.z o.o. The background for this is that Milarex AS, under the Share Purchase Agreement of 2017, will seek a refund from the seller of Milarex Sp. z o.o for any loss or cost related to among others such tax issues. The seller has in a letter dated February 10th, 2021 confirmed its SPA obligations towards the buyer of Milarex Sp. z o.o.

On March 3rd 2021, Milarex signed and closed an agreement to acquire Ultco LLC, the company's exclusive distributor in the Americas. Ultco has been working with Milarex since 2018. The purchase price is consisting of an upfront payment that was financed by available company funds and a deferred payment element which will become payable 2 years after closing of the transactions, contingent upon certain criteria. Ultco LLC was purchased by Milarex US LLC, a wholly owned subsidiary of Milarex Sp z o.o.

Group has secured adequate funding to cover required cash outflows within the next 12 months since the date of the Financial statement.



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Indahl, Reynir Kjær	BANKID_MOBILE	2021-04-22 19:15 GMT+2
Farstad, Thomas Henning	BANKID_MOBILE	2021-04-22 23:12 GMT+2
Michelsen, Johan	BANKID_MOBILE	2021-04-23 18:59 GMT+2

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2020 ANNUAL REPORT MILAREX INVESTCO AS

Nature of the business activities and where these are conducted

Milarex InvestCo AS was established in 2017 and owns 100% of the shares in Milarex Holding AS after acquiring the remaining 25% of the shares in Milarex Holding AS from Friendmall Ltd. in July 2020. Milarex InvestCo AS is located in Oslo and has no employees.

Milarex InvestCo is the ultimate parent company in the Milarex Group and the group figures are consolidated in Milarex InvestCo AS. The group comprises Milarex Sp. z o.o., a Polish fish processing and sales company, that was acquired by Milarex AS in 2017. Milarex InvestCo AS is an indirect shareholder in Milarex Sp.z o.o through its indirect 100% ownership in Milarex Holding AS. Milarex Holding on its hand has a 97.4% ownership in Milarex Group AS which again owns 100% of Milarex AS, which owns 100 % of the equity interest in Milarex Sp. z o.o Milarex Sp. z o.o., located in Slupsk, Poland, has 100% owned subsidiaries in Germany, Italy, France and United Kingdom. The Milarex mission is to make convenient and high-quality seafood for all.

Analysis of the annual accounts, key risks and uncertainties

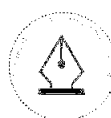
The company reports its figures in Euro, the presentation currency of the Group. In 2020, Milarex InvestCo AS had no revenues. The revenues of the group were EUR 279.2 million. The group's revenues are generated from selling value added seafood products in European and selected overseas markets. The company's current main products are varieties of fresh, frozen, cold and hot smoked products based on Atlantic salmon and other salmonids as raw material.

For Milarex InvestCo AS, the net loss for the year was EUR -667,074, whereas for the group, the net income was EUR 773,349.

Total investments in Milarex InvestCo AS is EUR 50.457 million and total assets as of 31 December 2020 amounted to EUR 35.5 million. Total equity was EUR 34.770 million, equivalent to an equity share of 61%. The acquisition of 25% of Milarex Holding AS in July 2020 was financed by entering into a debt facility agreement.

For the Group, total assets amounted to EUR 135.6 million, of which goodwill represented EUR 8.2 million. Total equity was EUR 38.2 million, equivalent to an equity share of approximately 28%. At year-end 2020, total interest-bearing debt in the group was EUR 57.4 million, net interest-bearing debt amounted to EUR 53.5 million. The group has available credit lines and the financial situation is considered good. The Group is compliant with all covenants in its loan agreements.

The development of the group going forward depends on the outlook for fish consumption and the group's ability to remain competitive in this market. Milarex Sp. z o.o. commenced operations in 2016 and has experienced a strong volume growth in the period 2016-2020. Germany remains the company's key market



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2020 ANNUAL REPORT MILAREX INVESTCO AS

and the company has succeeded in establishing strong relations with most of the major German retail companies. Volume growth has also been strong in other markets such as Italy, North America and France.

As evidenced by the cash flow statement, the company had negative cash flow from operations in 2020, but the liquidity status at year end remained satisfactory.

For the group, cash flow from operations was positive with EUR 4.7 million, impacted by a net increase in the group's working capital.

The group operates in the fish processing industry, which is traditionally subject to considerable intra-year fluctuations. The key risk and uncertainty for the investment in the group is the development of the raw material prices, the price for farmed Atlantic salmon in particular, and Milarex Sp.z o.o.'s ability to pass negative changes (increases) in the raw material prices on to its customers. Although there exists a financial market for securing the Atlantic salmon price (Fish Pool), both the price spread and the volume of this market is limited and does in practise not represent a true hedging opportunity for the Group.

The group is vulnerable to changes in foreign exchange rates as it has both revenues and cost in multiple currencies, however mainly in EUR, providing a natural hedge. Other major trading currencies are Polish Zloty and USD. The group is actively hedging its currency positions according to its hedging policy.

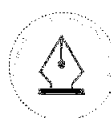
Neither the company nor the group is not engaged in any research or development of its own within the meaning of the accounting regulations. Any development activities of the group operating companies are limited to enhancement of the company's products and production facilities.

Business outlook

There has been a good demand growth in the market for Milarex Sp.z o.o products also during 2020, whereas the overall salmon market has grown at a lower rate in line with the supply growth. The Milarex group continued to increase its markets shares and geographical reach also in 2020.

The general market outlook for processed fish remains positive. Overall growth is driven by the supply growth of farmed Atlantic salmon, which is limited. In 2021, we expect the group to continue to grow its sales volumes in line with or above the supply growth in the market as the company continues to win market shares in existing markets and is entering new markets in line with the company's growth strategy. Demand for fish products is driven by increased focus on health and well-being as well as sustainability of the protein source. Fish products represents a more sustainable protein source compared to red meat, pork and poultry. Competition is present from several fish processors in Eastern European countries and in the local markets, and competition is expected to remain hard throughout 2021 and beyond as competitors aim to re-win lost market shares. This may result in continued price competition and margin pressure.

Raw material prices for seafood tend to be volatile and has the potential to negatively impact on the profitability of group.



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2020 ANNUAL REPORT MILAREX INVESTCO AS

The group aims to further expand its market shares in 2021. The growth is expected to require incremental investments in the factory.

The Board of Directors continuously examines the prospects for various forms of collaboration or acquisition on both the production side and the sales side. The outlook for the company is positive and the Board of Directors expects the company to be able to continue its profitable growth.

The pandemic caused by the covid-19 virus has led to considerable uncertainty in several industries, a general weakening of economies and crisis packages granted by governments worldwide. Overall, the pandemic has had limited impact on operations and the financial performance of the Group.

Milarex prepared operationally and strategically in February 2020 to handle with the impact of the covid-19 virus. The key focus has been to ensure the safety and health of employees and several measures were introduced to reduce the risk of the covid-19 virus spreading among employees in the factory. Although Milarex employees have been infected by covid-19, to date, the company is not aware of any spreading events taking place at the workplace. All operational measures implemented to prevent spreading of covid-19 in the workplace are being upheld.

From a market perspective, Milarex is mainly exposed to the retail market, a segment that partly has seen positive effects from the pandemic as hotels, restaurant and catering segments (horeca) have remained closed for longer periods in several of Milarex core markets. Milarex has limited exposure to the horeca segment, and the negative demand development in this segment has had limited impact on Milarex.

In June 2020, Milarex Sp. z o.o applied for a Polish state guaranteed anti-crisis shield loan which was granted to the company. To date, Milarex has only to a limited extent utilized this additional credit line. The new credit line is to be fully repaid by the end of June, 2022. At year end 2020, the facility was not utilized.

Financial risk

Financial risk in the company is limited and primarily relates to exchange rate fluctuations as well as changes in interest rates. For the Group, financial risk is depending on fluctuation in currency rates, interest rates as well as changes in the raw material prices. The Group currently has contracts for hedging of raw materials on Fish Pool and evaluates from time to time to engage in further such hedging activities.

Going concern

The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts. The company and the group have favourable sales developments, have adequate equity and are well placed to continue operations.

The Group has secured adequate funding to cover required cash outflows within the next 12 months from the date of the financial statements.



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Subsequent events

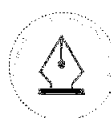
In May 2020, Milarex Sp. z o.o. received a protocol from the local tax authorities claiming that the company should repay PLN 7 million in incorrectly deducted VAT refunds. Milarex Sp. z o.o. strongly disagrees with the protocol and has engaged a tax advisor to assist in answering up to the protocol received. In January 2021, Milarex Sp. z o.o. received an updated protocol from the tax authorities where the claim for repayment had been reduced to PLN 6 million. Milarex Sp. z o.o. continues to disagree with the findings and has submitted an answer to the highest administrative tax office. Milarex Sp.z o.o position is that no repayment shall be made. No accrual has been made for the claims put forward by the tax authorities towards Milarex Sp.z o.o. The background for this is that Milarex AS, under the Share Purchase Agreement (SPA) of 2017, will seek a refund from the seller of Milarex Sp. z o.o according to indemnities given in the SPA by the seller. The seller has in a letter dated February 10th, 2021 confirmed its SPA obligations towards the buyer of Milarex Sp. z o.o.

On March 3rd 2021, Milarex signed and closed an agreement to acquire Ultco, LLC, the company's exclusive distributor in the Americas. Ultco has been working with Milarex since 2018. The purchase price is consisting of an upfront payment that was financed by available company funds and a deferred payment element which will become payable 2 years after closing of the transactions, contingent upon certain criteria. Ultco, LLC was purchased by Milarex US, LLC, a wholly owned subsidiary of Milarex Sp z o.o.

Working environment

The company has no employees and thus no sick leave. For the Group, the average sick leave in 2020 was on average 10.2%, of which 4.5% was long-term. Sick leave in 2020 increased as a direct consequence of covid-19 and was in particular high during the first months of the pandemic. Average sick leave in the second half of 2020 normalised and was 7.9%, of which 3.5% long term. Measures to reduce sick-leave are in place and will continue to be a priority. The number and frequency of reported accidents in Milarex Sp. z o.o. in 2020 is considered to be in line with the industry norm and Lost Time Injuries went down from 8.3 in 2019 to 5.3 in 2020. The number of reported incidents were in line with the numbers reported in previous years. The Board of Directors and the General Manager are of the view that the working environment of the Group and Group businesses is satisfactory but considers the need for implementing improvement measures on a continual basis, in particular focusing on HSE and a reduction of accidents and sick leave.

The group has a stable and well-qualified staff and is recognised as an attractive employer both in general as well as in the seafood industry. Hence, the company normally experiences no difficulties in recruiting



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2020 ANNUAL REPORT MILAREX INVESTCO AS

qualified personnel for vacancies.

Equal opportunities

In the group, the majority of the employees are female. In Poland, where the majority of the group employees are employed, of the 1,674 employees at YE 2020, 1,068 or 64% were female. In addition, Milarex Sp. z o.o also employs consultants and temporary employees, of which the majority is also female.

The policy of the group is to be gender neutral in all respects. We are of the view that equal opportunities issues have been adequately accommodated, and no specific measures have been initiated or planned with regard thereto. No feedback has been received to the effect that the personnel policy of the company is considered to discriminate on the basis of gender.

Non-discrimination and accessibility

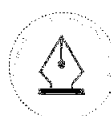
There is no indication of differential treatment of employees, or that upon recruitment, there is no discrimination on the basis of ethnicity, national origin, extraction, colour, language, religion or faith.

External environment

The Group aims to be perceived as a Group running an environmentally-friendly operation. The activities of Milarex Sp z o.o. and its subsidiaries, where the absolute majority of our personnel are employed, have a positive impact on the external environment through the sustainability of fish as a protein source compared to other protein sources, however, the operating activities, which includes transportation of products by lorry, consumption of water and energy as part of the production processes as well as business travelling, have a negative impact on the external environment.

Oslo, April 22nd, 2021.

Thomas H. Farstad	Jon Hindar	Reynir Kjær Indahl	Johan B Michelsen
General Manager	Chairman of the board	Board member	Board member



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Financial Statements 2020

Milarex InvestCo AS

Org.no.: 918 719 547

Prepared by:

NRP Procurator 



Milarex InvestCo AS

Statement of profit or loss and other comprehensive income

	Note	2020	2019
All amounts in EUR			
Operating income and expenses			
Other operating expenses	1, 2	312 505	53 456
Total operating expenses		312 505	53 456
Net operating profit / loss		-312 505	-53 456
Financial income and expenses			
Other interest income		1	6
Currency gain		3 841	275
Financial income		3 842	281
Interest expense to group companies	2	4 110	2 907
Other interest expenses		204 300	0
Currency loss		0	525
Other financial expenses		150 000	0
Financial expenses		358 411	3 432
Net financial income / expenses		-354 569	-3 151
Operating result before tax		-667 074	-56 607
Net Income / loss		-667 074	-56 607
Other comprehensive income			
This years net income / loss		-667 074	-56 607
Total comprehensive income		-667 074	-56 607
Result disposal			
Loss brought forward		-667 074	-56 607
Net brought forward		-667 074	-56 607



Milarex InvestCo AS

Balance statement

	Note	2020	2019
All amounts in EUR			
Assets			
Financial non-current assets			
Investments in subsidiaries	2	<u>50 456 951</u>	<u>35 456 951</u>
Total financial non-current assets		50 456 951	35 456 951
Total non-current assets		50 456 951	35 456 951
Bank deposit			
Bank deposit	7	<u>536 065</u>	<u>3 041</u>
Total bank deposits		536 065	3 041
Total current assets		536 065	3 041
Total assets		50 993 016	35 459 992



Milarex InvestCo AS

Balance statement

All amounts in EUR

	Note	2020	2019
Equity and liabilities			
Equity			
Paid-up equity			
Share capital	3	1 200 646	1 198 740
Share premium		34 368 806	34 258 211
Total paid-up equity		35 569 451	35 456 951
Retained earnings			
Uncovered loss		-799 157	-132 083
Total retained earnings		-799 157	-132 083
Total equity		34 770 294	35 324 868
Liabilities			
Other long-term liabilities			
Liabilities to financial institutions	6	12 000 000	0
Total of other long term liabilities		12 000 000	0
Current debt			
Accounts payable		2 354	9 727
Accounts payable for group companies	2, 7	207 951	112 217
Other provisions	4	4 000 000	0
Other current debt	7	12 416	13 180
Total current debt		4 222 722	135 123
Total liabilities		16 222 722	135 123
Total equity and liabilities		50 993 016	35 459 992

Oslo, 22.04.2021

The board of Milarex InvestCo AS

Jon Hindar
chairman of the board

Reynir Kjær Indahl
member of the board

Johan Bernt Michelsen
member of the board

Thomas Henning Farstad
general Manager



Milarex InvestCo AS

Statement of cash flows

All amounts in EUR	Note	2020	2019
Cash flows from operating activities			
Profit/loss before tax		-667 074	-56 607
Change in accounts payable		88 362	56 527
Change in other accrual items		-763	112
Net cash flows from operating activities		-579 476	32
Cash flows from investment activities			
Purchase of shares / capital increase in subsidiaries	2	-15 000 000	0
Net cash flows from investment activities		-15 000 000	0
Cash flows from financing activities			
Proceeds from the issuance of new long-term liabilities		12 000 000	0
Proceeds from shareholder contributions		112 500	0
Net cash flows from financing activities		12 112 500	0
Net change in cash and cash equivalents		-3 466 976	32
Cash and cash equivalents at the start of the period		3 041	3 009
Cash and cash equivalents at the end of the period		-3 463 935	3 041



Milarex InvestCo AS

Statement of changes in equity

All amounts in EUR

	Share capital	Share premium	Uncovered loss	Total equity
Total equity 31.12.2019	1 198 740	34 258 211	-132 083	35 324 868
Capital increase by debt conversion	1 905	110 595	0	112 500
Net income / - loss for the year	0	0	-667 074	-667 074
Total equity 31.12.2020	1 200 646	34 368 806	-799 157	34 770 294



Milarex InvestCo AS

Notes

Accounting principles

The Company's financial statements for the accounting year 2020 have been prepared in accordance with Simplified International Financial Reporting Standards (simplified IFRS) approved by the Norwegian Ministry of Finance on 21 of January 2008 pursuant to Norwegian Accounting Act section 3-9, 5th paragraph.

The company transactions, assets and financing are denominated in EUR. EUR is therefore used as functional and presentation currency.

Use of estimates

The preparation of the financial statements in accordance with simplified IFRS requires management to make judgements and assumptions that have affected the statement of profit or loss and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date.

Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Foreign currency

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to EUR at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to EUR using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to EUR using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. Deferred tax asset is not booked as there are uncertainty if it can be utilized later.

Classification and valuation of short-term liabilities

Short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction and held at amortized cost.

Subsidiaries and associated companies

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

A provision has been made for expected guarantee costs. The guarantee provision is entered in the balance sheet under other short-term liabilities.



Milarex InvestCo AS

Notes

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Exemptions from IFRS principles

The Company has used the exception criteria in simplified IFRS, §3-1, nr 3 regarding dividends and group contribution. Dividends/group contributions to shareholders/from subsidiaries are accounted for in accordance with Norwegian Generally Accepted Accounting Policies.

In accordance with the Norwegian regulations on simplified application of international accounting standards § 2-3 the financial statement is deviating from the IFRS requirement for presentation of financial position at the beginning of the earliest comparative period.

In accordance with IFRS 8 and IAS 33, the Group chooses not to present segment information and earnings per share, respectively.

Note 1 Salary costs and benefits

There are no employees in the company and therefore no obligations as salary costs or benefits in 2020 or in 2019.

The board has not received any remuneration.

Auditor

Audit fees expensed for 2020 amount to EUR 14 015. Also expensed fees for other services from the auditor amounts to EUR 0. For 2019 the audit expenses was EUR 29 878 and for other services from the auditor EUR 0. The company has not purchased services from other affiliated companies of the auditor.

Note 2 Subsidiaries and transactions and balances with group companies and related parties

Milarex InvestCo AS owns 100,0% of the shares in Milarex Holding AS, which gives Milarex InvestCo AS 100,0% of the votes in the company. Milarex Holding AS has its registered office in Oslo in Norway. The annual result for 2020 was EUR -30 154. The book value of equity capital as at 31.12.2020 was EUR 46 874 386.

No payment plan has been established for balances among group companies and related parties.

The following internal transactions have taken place (EUR):

	2020	2019
Interest expense to group companies		
Milarex AS	4 110	2 907
Total interest income from group companies	4 110	2 907



Milarex InvestCo AS

Notes

Payables group companies	2020	2019
Milarex AS	207 951	112 217
Total payables group companies	207 951	112 217

Other operating expenses	2020	2019
Management fee (Milarex AS)	10 000	10 310
Other	225 000	0
Total other operating expenses	235 000	10 310

Note 3 Share capital and Shareholders

The share capital in Milarex InvestCo AS as of 31 December 2020 consists of (EUR):

	No. of shares	Par value	Book value
Ordinary shares	11 301 692	0,106236	1 200 646
Total shares outstanding	11 301 692		1 200 646

Ownership structure

	Ordinary shares	Total shares	Ownership	Voting rights
Ci Xi AS	167 027	167 027	1,48 %	1,48 %
Summa Equity Fund I (No. 1) AB	3 455 649	3 455 649	30,58 %	30,58 %
Summa Equity Fund I (No. 2) AB	5 142 112	5 142 112	45,50 %	45,50 %
Summa Equity Fund I (No. 3) AB	1 958 996	1 958 996	17,33 %	17,33 %
Milcom AS	556 757	556 757	4,93 %	4,93 %
Tryion AS	21 151	21 151	0,19 %	0,19 %
Total number of shares	11 301 692	11 301 692	100,00 %	100,00 %

Note 4 - Earn-out

On May 19th, Milarex InvestCo AS entered into a share purchase agreement (SPA) with Friendmall Ltd, whereby Milarex InvestCo AS acquired all shares (25%) in Milarex Holding AS held by Friendmall Ltd. Following the closing of the transaction on September 30th, 2020, Milarex InvestCo AS became the sole owner of Milarex Holding AS. The transaction with Friendmall included a payment in cash and a deferred payment element. The deferred payment shall be paid no later than 24 months after closing or earlier if an event occurs resulting in Milarex InvestCo AS would own less than 50% of the shares in Milarex Holding AS. The deferred payment has a minimum value of EUR 4 million but may be higher should certain conditions be met. The deferred payment obligation has been assessed and valued to EUR 4 million at year end 2020.



Milarex InvestCo AS

Notes

Note 5 Tax

This year's tax expense (EUR)	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary profit/loss before tax	-667 074	-56 607
Permanent differences	553 953	-215
Changes temporary differences	-763	112
Allocation of loss to be brought forward	113 885	56 710
Taxable income	0	0
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0
Calculation of effective tax rate		
Profit before tax	-667 074	-56 607
Calculated tax on profit before tax	-146 756	-12 454
Tax effect of permanent differences	121 870	-47
Change in not booked deferred tax assets	24 887	12 501
Total	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2020	2019	Difference
Accruals	-12 416	-13 180	-763
Accumulated loss to be brought forward	-232 788	-118 903	113 885
Not included in the deferred tax calculation	245 204	132 083	-113 121
Deferred tax (22 %)	0	0	0

Deferred tax asset is not booked as there are uncertainty if it can be utilized later.



Milarex InvestCo AS

Notes

Note 6 - Liabilities to financial institutions

In July 2020, Milarex InvestCo As entered into a loan agreement with Pareto Bank. This loan with a limit of EUR 12 million was utilised by 96% at year end 2020. The Pareto loan will mature at the latest 2 years after the establishment of the credit facility.

		2021	2022
Repayment profile loan	Currency		
Pareto loan	EUR	0	12 000 000

Note 7 - Financial Instruments

Foreign exchange risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to EUR and NOK. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The company does not have any foreign exchange hedging.

Interest risk

The company is exposed to changes in the interest market to some extent as it has an amount of interest-bearing debt. The company does not have any interest rate swap agreements.

Liquidity risk

The company has limited liquidity risk. Liquidity management is followed-up through budgets and forecasts.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Credit risk is managed on a group basis.

Financial assets by category (EUR):

2020	Assets at fair value through profit and loss	Assets at fair value through OCI	Amortized cost	Total
Account receivables	0	0	0	0
Other short-term receivables	0	0	0	0
Other current assets	0	0	0	0
Cash and cash equivalents	536 065	0	0	536 065
Total	536 065	0	0	536 065



Milarex InvestCo AS

Notes

Financial liabilities by category (EUR):

2020	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Total
Liabilities to financial institutions	0	12 000 000	12 000 000
Non-interest bearing liabilities	0	4 000 000	4 000 000
Account payables	0	210 306	210 306
Other short-term liabilities	0	12 416	12 416
Total	0	16 222 722	16 222 722

Financial assets by category (EUR):

2019	Assets at fair value through profit and loss	Assets at fair value through OCI	Amortized cost	Total
Account receivables	0	0	0	0
Other short-term receivables	0	0	0	0
Other current assets	0	0	0	0
Cash and cash equivalents	3 041	0	0	3 041
Total	3 041	0	0	3 041

Financial liabilities by category (EUR):

2019	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Total
Liabilities to financial institutions	0	0	0
Non-interest bearing liabilities	0	0	0
Account payables	0	121 944	121 944
Other short-term liabilities	0	13 180	13 180
Total	0	135 123	135 123

Note 8 - Covid 19

The pandemic caused by the covid-19 virus has led to considerable uncertainty in several industries, a general weakening of economies and crisis packages granted by governments worldwide. The company prepared operationally and strategically in February 2020 in order to handle with the impact of the covid-19 virus. A key focus has been to ensure the safety and health of our employees and several measures were introduced to reduce the risk of the covid-19 virus spreading among employees.

The main impact seen so far has been somewhat increased demand and reduced raw materials prices. However, to date, the covid-19 situation has had limited effects on the company's (and group's) activities and thus, no financial estimate for the event has been prepared.



To the General Meeting of Milarex InvestCo AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Milarex InvestCo AS, which comprise:

- The financial statements of the parent company Milarex InvestCo AS (the Company), which comprise the balance statement as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Milarex InvestCo AS and its subsidiaries (the Group), which comprise the balance sheet statement as at 31 December 2020, the income statement, statement of other comprehensive income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in

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authorised accounting firm*



Independent Auditor's Report - Milarex InvestCo AS



accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

(2)



Independent Auditor's Report - Milarex InvestCo AS



Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 April 2021
PricewaterhouseCoopers AS

Hallvard Helgetun
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Helgetun, Hallvard	BANKID_MOBILE	2021-04-28 12:54

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