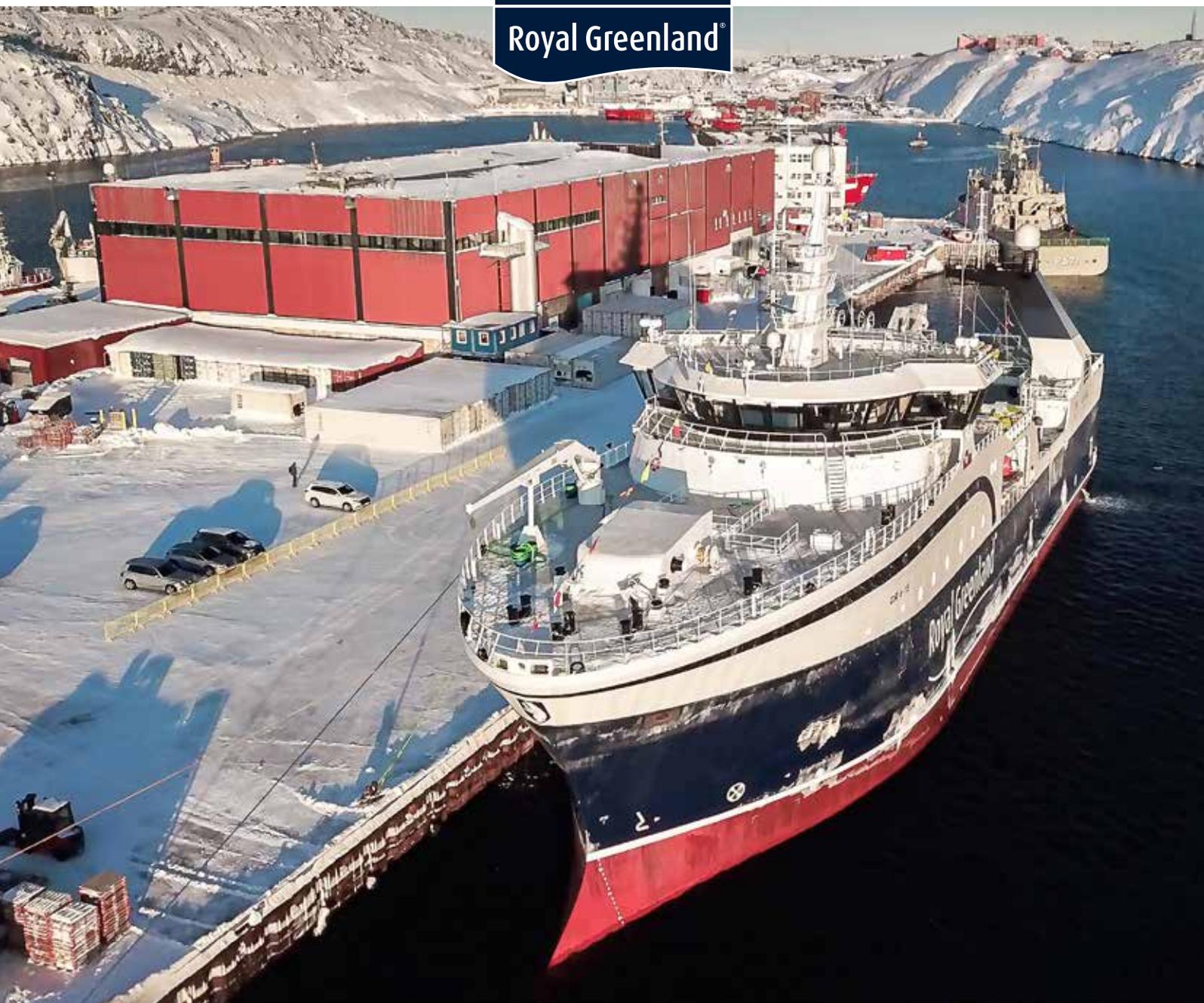


BY APPOINTMENT TO THE ROYAL DANISH COURT

Royal Greenland®



ANNUAL REPORT

ROYAL GREENLAND A/S

JANUARY 1ST 2020 - DECEMBER 31ST 2020

ANNUAL REPORT
Royal Greenland A/S

2020
January 1st - December 31st



CVR-nr. 13645183
The annual report has been prepared and
approved by the ordinary
Annual General Meeting on May 20th 2021

Peter Schriver
Dirigent

THE GROUP'S VALUE CHAIN

FISHERY

We fish in large areas of the North Atlantic and in the Arctic, with our own fleet and in collaboration with independent fishermen.

PRODUCTION

At our factories and landing facilities, local fishermen and our own fleet land their daily catches of fish and shellfish. The raw materials are processed and packed.

QUALITY

The supply of high-quality products is the core of our business. We take responsibility for our products, from sea to table, and hold certifications in accordance with international standards.

SALES

We have a well-consolidated sales and distribution network to consign products from various locations in Greenland, Atlantic Canada, Denmark and Germany to customers throughout the world.

IN THE KITCHEN

Our products are used in many different cultures, with various flavour preferences, and end up as healthy, tasty meals in homes, canteens and restaurants all over the world.

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The pictures in the annual report
mainly derive from
Royal Greenland's internal archive

Statement by the Management on the Annual Report

The Supervisory Board and Executive Board have today considered and adopted the Annual Report for Royal Greenland A/S for the financial year from January 1st 2019 to December 31st 2020.

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

In our opinion, the consolidated financial statements and the Annual Report give a true and fair view of the Group's and the company's assets, liabilities and financial position on December 31st 2020 and of the results of the Group's and the company's activities and the Group's cash flow for the financial year from January 1st to December 31st 2020.

It is also our opinion that the management's review provides a true and fair review of the development in the Group's and the company's activities and financial affairs, the profit or loss for the year, and the Group's and the company's financial position.

We recommend the Annual Report for adoption by the Annual General Meeting.

Nuuk, April 14th 2021

The independent auditor's audit report

To the shareholders of Royal Greenland A/S

Conclusion

We have audited the consolidated financial statements and annual accounts for Royal Greenland A/S for the financial year from January 1st - December 31st 2020, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group and the company, in addition to the cash flow statement for the Group. The consolidated financial statements and the annual accounts have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the annual accounts give a true and fair view of the Group's and the company's assets, liabilities and financial position at December 31st 2020 and of the results of the Group's and the company's operations and the Group's cash flows for the financial year from January 1st - December 31st 2020, in accordance with the Danish Financial Statements Act.

Basis for the conclusion

We conducted our audit in accordance with international auditing standards and the additional requirements applicable in Greenland. Our responsibility under these standards and requirements is described in more detail in the section entitled "Auditor's responsibility for the audit of the consolidated financial statements and the financial statements" (hereinafter referred to as "the financial statements"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the international code of ethics for professional accountants (IESBA Code) and the additional requirements applicable in Greenland, and we have fulfilled our other ethical responsibilities in accordance with these regulations and requirements.

The management's responsibility for the financial statements

The management is responsible for the preparation of consolidated financial statements and annual accounts that gives a true and fair view

Executive board

Mikael Thinghuus
CEO

Bruno Olesen
GROUP SALES DIRECTOR

Nils Duus Kinnerup
CFO

Lars Nielsen
GROUP PRODUCTION DIRECTOR

in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for any internal controls it deems necessary in the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial statements

Our aim are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report with an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Greenland will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Greenland, we exercise professional judgement and maintain professional scepticism during the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Supervisory board

Niels Harald de Coninck-Smith
CHAIRMAN

Niels Smedegaard

Malik Hegelund Olsen
Elected by the employees

Jan H. Lyng-Pedersen
DEPUTY CHAIRMAN

Tina Lyng Schmidt

Niels Ole Møller
Elected by the employees

Pernille Fabricius

Kristine Winberg

Mika Heilmann
Elected by the employees

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of the auditing policies applied by the management, as well as the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our opinion is based on the audit evidence obtained up until the date of our auditor's report. However, future events or conditions may mean that the Group and the company can no longer continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the notes, as well as whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- We have obtained sufficient and appropriate audit evidence for the financial information for the companies or business operations in the Group to be able to form an opinion about the Group financial statements. We are responsible for directing, supervising and conducting the Group audit. We are solely responsible for our audit opinion.

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

Statement concerning the management's review

The management is responsible for the management's review.

Our opinion concerning the financial statements does not include the management's review, and we do not express any form of opinion or assurance about the management's review.

In connection with our audit of the financial statements, it is our responsibility to read the management's review and in this context to consider whether the management's review is substantially inconsistent with the financial statements or the information obtained from the audit, or otherwise appears to contain material misstatements.

It is also our responsibility to consider whether the management's review includes the information required in accordance with the Danish Financial Statements Act.

Based on the work we have conducted, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatements in the management's review.

Nuuk, April 14th 2021

EY Grønland

Godkendt Revisionsanpartsselskab
CVR-nr: 33 94 61 71

Claus Hammer-Pedersen
State-authorized public accountant - mne21334

Michael Christiansen
State-authorized public accountant - mne34515

FINANCIAL HIGHLIGHTS AND KEY RATIOS

PROFIT/LOSS

KEY FIGURES - DKK mill.	2020	2019	2018	2017	2016
Net revenue	4.849	5.327	5.169	5.613	5.589
Profit from primary operations, including associated companies	(15)	437	292	290	251
Net financials	(44)	(33)	(29)	(35)	(16)
Net profit before tax	(59)	404	263	255	235
Net profit for the year	(57)	311	175	187	152
Royal Greenland's shareholders' share of the profit for the year	(92)	267	148	158	125

BALANCE SHEET

KEY FIGURES - DKK mill.	31.12.20	31.12.19	31.12.18	31.12.17	31.12.16
Fixed assets	2.732	2.679	1.745	1.623	1.587
Net working capital	1.625	1.710	1.597	1.424	1.518
Equity	1.780	1.888	1.601	1.515	1.486
Royal Greenland's shareholders' share of equity	1.584	1.715	1.467	1.396	1.383
Net interest-bearing debt	2.433	2.195	1.521	1.328	1.347
Balance sheet total	5.430	5.733	4.614	4.358	4.552
Investments in property, plant and equipment	311	991	222	314	355

RATIOS

%	31.12.20	31.12.19	31.12.18	31.12.17	31.12.16
EBIT-margin	(0,3)	8,2	5,7	5,2	4,5
EBT-margin	(1,2)	7,6	5,1	4,5	4,2
ROIC including goodwill	(0,9)	11,1	9,1	9,1	8,2
Return on equity (ROE)	(3,4)	19,6	12,2	13,5	11,2
Equity ratio	29,8	30,7	32,3	32,2	31,4
Net interest-bearing debt / EBITDA	16,0	3,7	3,5	2,9	3,0

NUMBER OF EMPLOYEES

	2020	2019	2018	2017	2016
Greenland	1.452	1.432	1.487	1.363	1.401
Denmark	165	199	205	198	197
Other countries	613	569	536	972	1.171
Total	2.230	2.200	2.228	2.533	2.769

Since the 2015/16 financial year was a 15-month period, the key figures are compared with the 2016 calendar year. These key figures, and other references in the report to financial information for the 2016 calendar year, are unaudited, but are prepared on the basis of internal financial reporting.

ROYAL GREENLAND IS FINDING NEW PATHS IN THE TOUGHEST YEAR IN THE COMPANY'S RECENT HISTORY

Covid-19 and the related restrictions and lockdowns severely affected markets and sales channels, pushing down sales prices. Royal Greenland moved considerable sales volumes from traditionally lucrative markets to areas exposed to far more intense competition. Faithful to Royal Greenland's DNA and ownership we chose to maintain fishery and production at more or less the same level, thus acting as buffer towards the markets in order not to create substantial socio-economic problems in our many local communities.

Despite our considerable efforts, we were unable to offset the financial impact of an unprecedented loss of revenue. Nonetheless, we take an optimistic view of the future outlook.

After a number of years with increased earnings, Royal Greenland's result from primary operations before tax is a loss of DKK (44) million. A further loss amounting to DKK (15) million concerns the replacement of a pelagic trawler, bringing the total loss to DKK (59) million.

Net revenue fell by DKK 478 million, or 9%. Sales prices for the main species, prawn, Greenland halibut and cod, give an income loss of DKK (372) million.

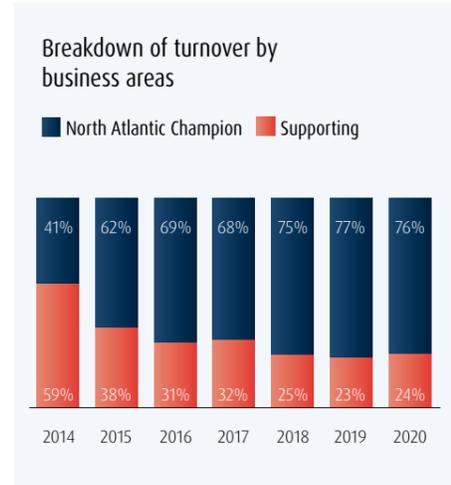
The focus was on staying strong enough to re-establish growth and earnings on the other side of the pandemic. Early in the year it was already clear that Covid-19 would have an extremely negative impact on earnings. Nonetheless, Royal Greenland decided to maintain the activity at approximately the same level as planned.

This was based on the simple, but decisive, fact that in supply terms Royal Greenland operates in geographical areas where the company's activities dominate employment and economic activity. Besides potential permanent damage to our access to resources, a drastic reduction of fisheries and production would have entailed significant socioeconomic problems for local communities in both Greenland and Canada.

Despite the negative performance, our financial reserves were not challenged. The extra credit facilities totalling DKK 700 million that were negotiated early in the year were thus not required.

With two lockdown waves in Europe and Japan, and highly restricted market access to the important Chinese market in the second half of the year, 2020 was an extremely challenging year.

In China, more stringent import procedures, and China's zero-tolerance policy towards Covid-19, also made consumers less inclined to buy imported food products, in particular fish and shellfish, but also led to closure of ports and cold stores. For the time being, there is an actual ban on imports of frozen products to China. Since normally 20% of our revenue is from the Chinese market, this is naturally a major setback.



The core North Atlantic activities are the foundation for our business, accounting for 76% of revenue, compared to only 41% seven years ago.

Despite the pandemic, a number of offensive measures were taken during the year. In sales terms, our e-commerce activities were strengthened, particularly in Japan and China. In the Chinese market, the joint

Royal Greenland's mission is:

“We sustainably maximise the value of the North Atlantic marine resources, for the benefit of our owner and the local communities in which we operate.”



venture with Beiyang Jiamei is beginning to take shape. Beiyang Jiamei operates the largest fish and shellfish e-commerce brand in China.

It was also possible to establish sales and distribution of snow crab within retail and foodservice in the USA, where Royal Greenland has traditionally sold to industrial customers. Going forward, there will generally be a stronger focus on North America.

Concurrently, the joint venture in Chile is firming up and will open up new product and market opportunities.

A new joint venture in Newfoundland, Canada, was established with the Canadian company Clearwater Seafood for the operation of a prawn and fish processing plant in St. Anthony, to replace a facility that burnt down in nearby Black Duck Cove.

On the investment front, the planned trawler investments were maintained. The M/tr Nataarnaq

prawn trawler is expected to be delivered at the end of 2021, and most recently, a new fishing trawler to replace the M/tr Tuugalik was ordered for delivery in 2022. The new trawlers that were delivered in 2019 are performing very well and achieving the targeted improvements in efficiency and product quality.

In the autumn of 2020, the pelagic trawler Tasiilaq was replaced by a larger trawler with greater fish and freezer capacity. This has significantly improved conditions to develop pelagic fishing in Greenlandic waters, and so far this has already had a positive impact in 2021.

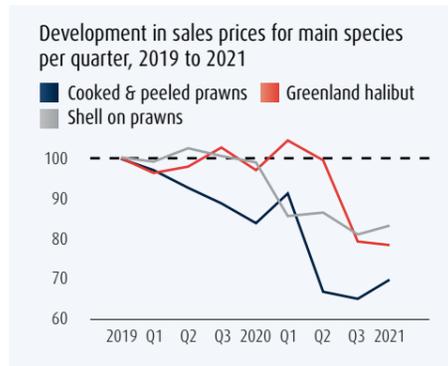
The new processing plant in Nuussuaq, near Upernavik, under the Arctic Fish joint venture, has been completed. The joint venture also includes the processing plant in Nutaarmiut, so that in future it will comprise three settlements in Northern Greenland, which are Kullorsuaq, Nuussuaq and Nutaarmiut.

FINANCIAL STATEMENTS

The result before tax of DKK (59) million is not satisfactory, but a considerable improvement is expected in 2021, as the markets gradually normalise. Strongly declining prices are the main reason for our poor result. In terms of total assets, it was possible to maintain working capital unchanged in 2020.



A number of measures to protect results and liquidity took place during the year, such as an employment freeze, a pay freeze, strongly reduced travel activity, a reduction of spending on marketing and consultants, and, where possible, investment restraint.



Shell-on prawns continue to deliver strong earnings, but are affected by the pandemic's impact on the Chinese and Scandinavian markets. On the other hand, the Russian market performed positively. The market performance generally reduced sales prices by an average of 14% during the year.

Cooked & peeled prawns is the category that was most affected in 2020. Even before the pandemic, the market for cooked & peeled prawns was affected by declining prices as a consequence of a greater supply, but Covid-19, and the two lockdowns in Europe, exacerbated this trend. This was amplified by the uncertainty concerning Brexit. The market was very uncertain and nervous, which also reduced sales prices by an average of 17% during the year. Prices for large prawns fell even more, and these were quite exceptionally priced at almost the same level as the small and medium-sized prawns.

As the world's largest company for Greenland halibut, and with 90% of sales going to Asia, this product category was highly exposed to the pandemic's impact on the Asian markets. The main markets are China, Japan and Taiwan. Sales fell by 10%, and together with lower sales prices, a weaker USD underscored the decline in earnings.

Recent years' upgrading of the processing plants in Northern Greenland (Uummanaq, Aappilattoq, Upernavik Kujalleq and Nuussuaq) has entailed higher costs, but on the other hand, these investments, together with the establishment of joint ventures with fishermen and employees, have strengthened Royal Greenland's position. This is necessary in view of the intense competition for the fish resources.

Based on Quin-Sea Fisheries and A&L Seafoods, snow crab performed well in 2020. As a consequence of Covid-19, the start of the season was deferred for the month it took for the required personnel safety measures to be installed at the processing facilities and on the ships. The impact of the pandemic on the markets in the USA and Japan severely affected sales. The season proceeded better than feared, however, due to the establishment of sales to the retail and foodservice segments in the USA. Royal Greenland also produces crab in Greenland, Norway and Quebec (Canada).

North Atlantic cod is still a loss-making product for Royal Greenland, and the situation is further exacerbated by declining market prices. The land-based activities are a major challenge. There is constant focus on increasing the proportion of Nutaaq cod from Manitsaq, in order to deliver a top-range product at an attractive fixed price. The proportion of Nutaaq cod increased from 12% in 2019 to 23% in 2020.

Lumpfish roe achieved positive earnings once again in 2020, with France as the most important market.

As in 2019, the pelagic season was disappointing. Royal Greenland's activities were also affected by the replacement of ships prior to the season's start. In addition, there was no allocation of the financially attractive capelin quota.

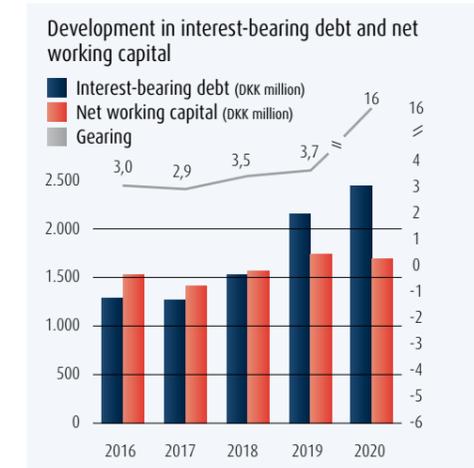
Earnings for the flatfish range from the business partner A. Espersen, which took over Royal Greenland's Polish facility in 2017, were at break-even level.

For the other non-North Atlantic product groups, smoked products and the zip-lock convenience range continued to return losses.

The result for the year after deduction of minority inte-

A number of measures to protect results and liquidity took place during the year, such as an employment freeze, a pay freeze and strongly reduced travel activity

rests amounts to DKK (92) million. Minority interests in Ice Trawl Greenland, Pelagic Greenland, Gaia Fish, Arctic Fish and Inughuit Seafood amount to DKK (36) million.

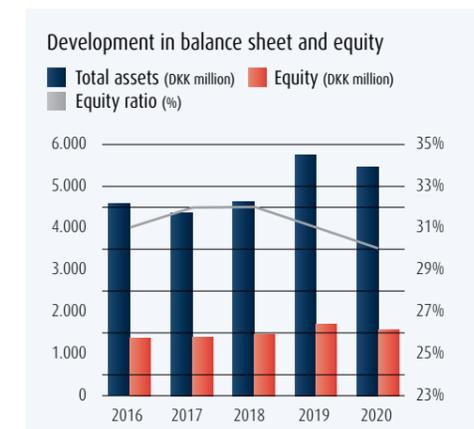


Royal Greenland maintained working capital at an unchanged level, despite the sales-related challenges. Stocks actually fell by DKK 250 million, which was offset by a slightly higher debtor portfolio and a lower creditor portfolio.

Interest-bearing debt increased by DKK 238 million as a consequence of investments, including new trawlers and the establishment of joint ventures. Interest-bearing debt closed the year at DKK 2.4 billion.

Debt as a ratio of EBITDA amounts to 16. The high gearing naturally reflects the low earnings in 2020 as a consequence of the pandemic, but also a high investment level in recent years. The target is gearing of 2-2.5, which is also reflected in the strategic financial projection. Available liquidity amounts to DKK 1.4 billion. Despite the pandemic, there are sound financial reserves, and as the markets normalise, operations will be consolidated and debt will be reduced.

Cash flows from operating activities amount to DKK 45 million, and to DKK (193) million after investment activities. Total cash flows amount to DKK (137) million after financing. In 2020, no dividend was paid to the Government of Greenland, and only a small amount to the associated companies.



Equity capital amounts to DKK 1,584 million, while the equity ratio is 30%.

In accordance with the dividend policy agreed with the owner (50% of the profit for the year after tax), no dividend will be paid. It has been decided to distribute DKK 60 million, however, as a consequence of no dividend being paid for the 2019 financial year.

No events have occurred after the close of the financial year that affect the result or the balance sheet significantly.

Outlook

As the markets gradually normalise, the outlook for 2021 is a very positive sales performance for our wild-caught, high-quality products.

The focus is on re-establishing the core activities' sales and earnings levels, but also on getting back on track with our strategic ambition to maximise the value of existing resources, and to achieve growth from supplementary core activities.

It is expected that 2021 will reflect the markets' gradual normalisation during the year, as vaccination programmes are rolled out and countries begin to open their borders again. We still expect the first half of 2021 to be severely affected by the pandemic, and that there will be no significant normalisation until the third and fourth quarters. As the predominant share of Royal Greenland's earnings is achieved in the second half-year, and not least in the fourth quarter, with Christmas and New Year in the western world and sales up to Chinese Lunar New Year, a gradual normalisation towards the summer will be particularly important for us.

The result from primary operations before tax will not be back at the 2019 level, but we do expect a profit above DKK 100 million. The general course of the global economy, including the market consequences of Covid-19 and Brexit, still constitute very significant uncertainties, however.

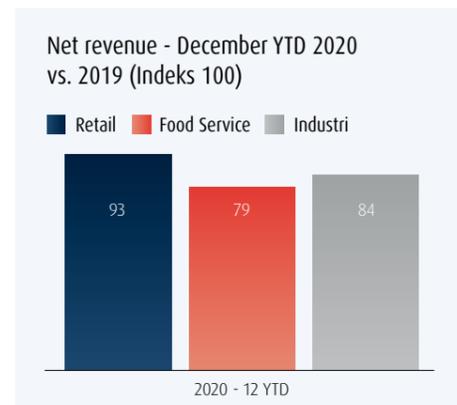
Concerning Brexit, contrary to expectations the current agreement means that prawns from Greenland are subject to a customs tariff of 20%, while for cod the tariff is 6%. Assessed on the basis of the dialogue preceding Brexit, our expectation is that this is incorrect, since Greenland was promised a one-year extension of the exemption from customs tariffs. Intensive political efforts are underway for this agreement to be changed. Nonetheless, the more stringent documentation and import procedures are here to stay. Royal Greenland has built up stocks in the UK as a buffer during a transition period. To some extent, Royal Greenland can also sell tariff-free Canadian cooked & peeled prawns in the UK.

As a consequence of Covid-19, the interest-bearing debt will be at the same level in 2021.

MARKETS AND SALES PRICES SUFFER THE CONSEQUENCES OF COVID-19

In 2020, the market took a very different course to the assumptions at the start of the year. At that time, most markets were flourishing, with every expectation of staying on the positive course built up over many years. Covid-19 meant that most of the economies in the world were locked down, in order to stop the infection from spreading.

For Royal Greenland, this first and foremost reduced foodservice sales significantly, while retail sales landed slightly below last years level. There were also major challenges in the Chinese market, which resulted in significantly lower sales to the industry segment.



Sales to the foodservice channel in 2020 only reached 79% of sales in 2019, while sales to the industry segment fell by 16%.

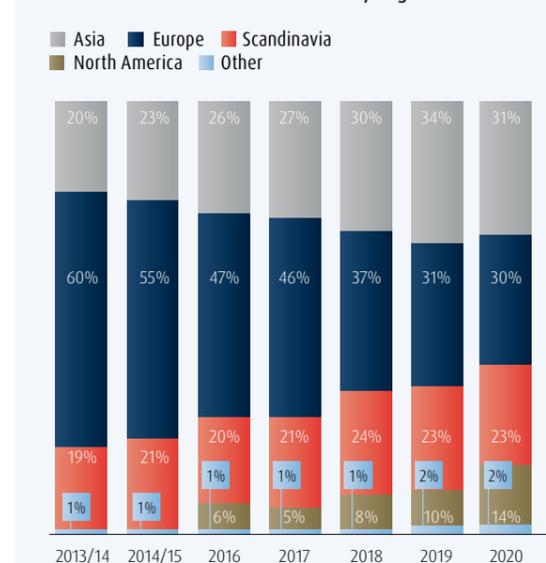
Sales prices were also under strong downward pressure, since foodservice and industry products now had to be sold in the retail market.

Prices for the main species, Greenland halibut, prawn and cod, all dived, while snow crab, which is particularly important for Royal Greenland's Canadian activities, achieved a small increase, based on a shift from industry to retail and foodservice sales.

The sales strategy during the Covid-19 crisis has been to maintain sales levels which match the catches of trawlers and fishermen. This was achieved to a satisfactory extent, so that stocks were kept under control. Lower priority was given to recent years' strong focus on increasing sales to the Asian markets and the foodservice sector, in favour of a dedicated focus on available sales channels such as retail and e-commerce.

Asia is still the largest market, together with Central Europe, but the ratio has declined somewhat, to 30% of revenue. The North American market is growing, on the other hand, to a great extent buoyed up by snow crab. Revenue shares for Central Europe and Scandinavia are stable.

Historical distribution of revenue by regions



Asia

Sales to Asia amount to DKK 1.5 billion, which is 17% lower than for 2019. Measured by revenue share, however, this still represents growth by 11% points over the last seven years.

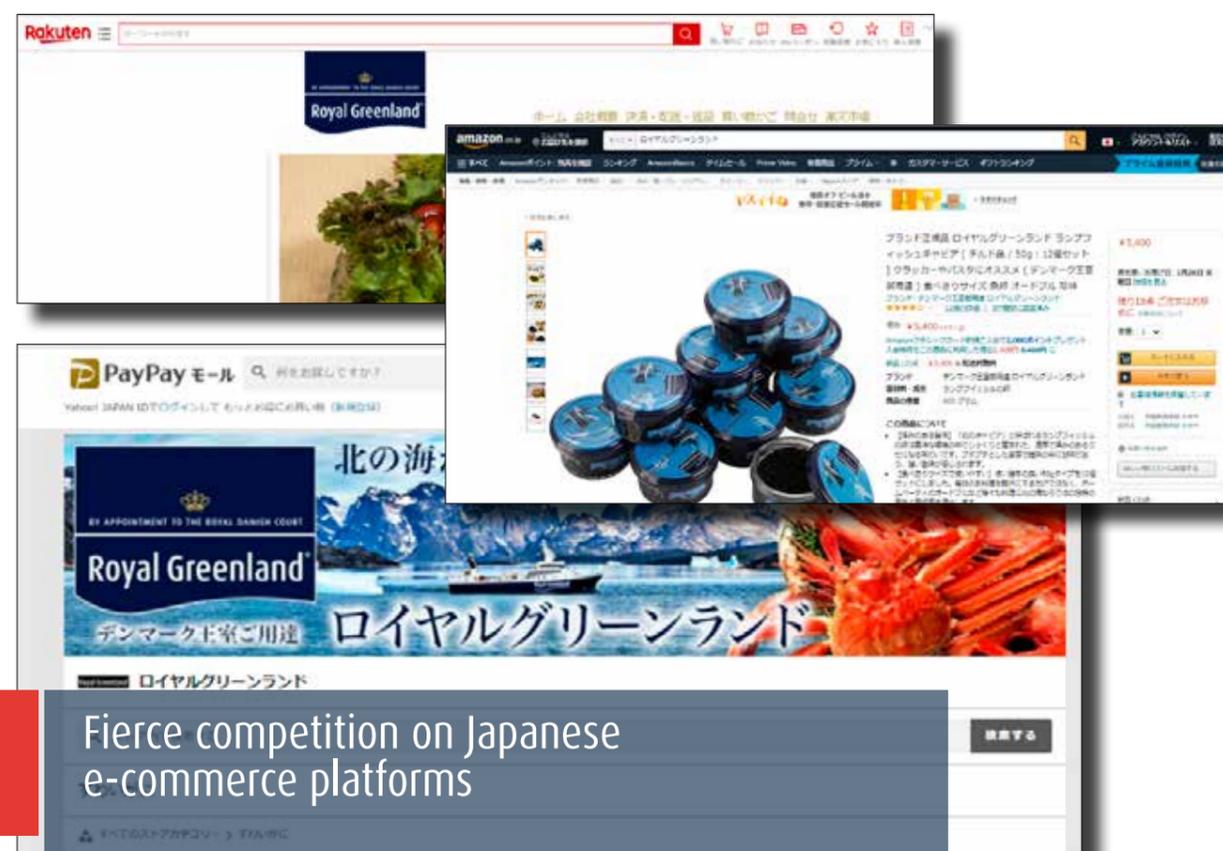
The downturn in 2020 is mainly due to actual price reductions, since the sales volume measured in tonnes was at the 2019 level.

In China, volumes achieved in the first ten months exceeded expectations, while the close of the year was very strongly affected by the restrictions imposed by the authorities to avoid the spread of Covid-19 infection. For shell-on prawns in particular, the situation was serious, as there were several Covid-19 outbreaks in Northeastern China, which is the main market for shell-on prawns in China. Ports, cold stores and local markets were either closed or subject to limited access, with the consequence that importers found it difficult to sell their products, and were reluctant to place new orders up to Chinese New Year.

In several instances, the authorities suspected imported fish and shellfish to be carriers of Covid-19 infection, which eroded Chinese consumers' confidence in these products.

Based on previous experience, Royal Greenland expects the Chinese market to normalise quite quickly after the pandemic is brought under control and the restrictions can be lifted.

The Japanese market was also affected by several lockdowns. Royal Greenland traditionally sells a large share of its products to sushi restaurants, and saw a sales decline of 9%. Yet it was possible to increase sales to the retail segment, and speed up the e-commerce initiative.



Fierce competition on Japanese e-commerce platforms

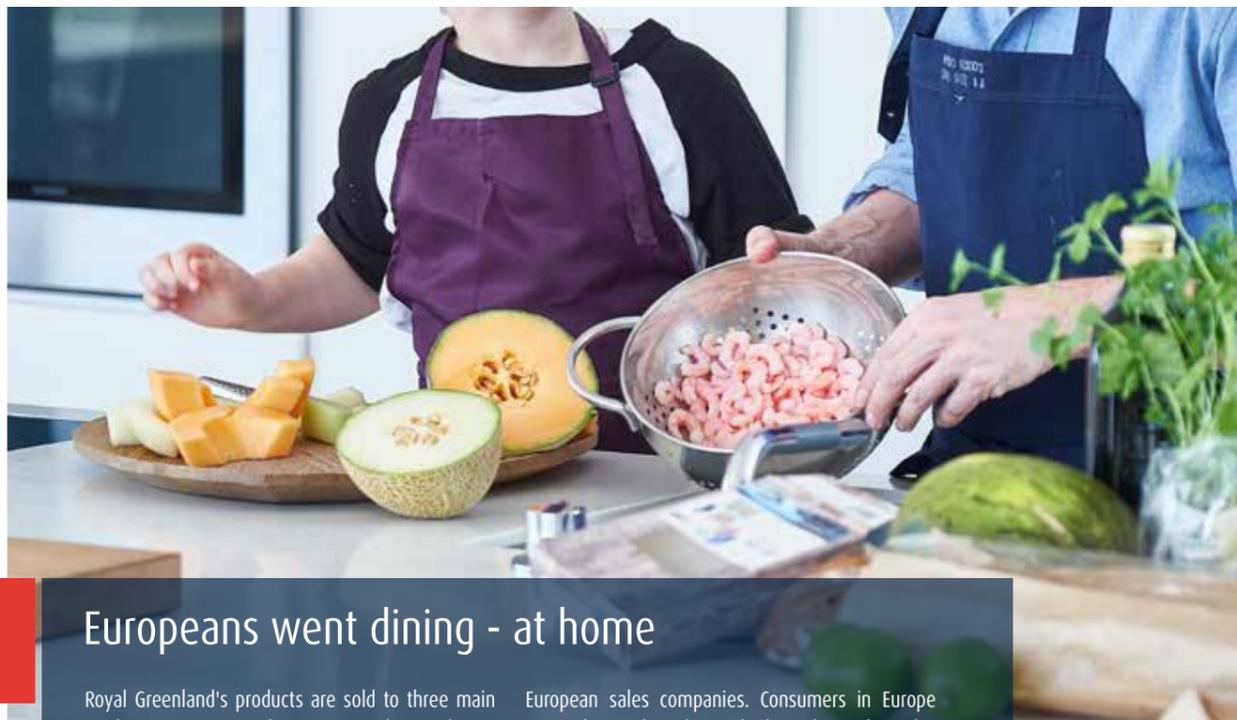
2020 was a year in which Royal Greenland Japan ramped up from a minor e-commerce operation on the Rakuten online platform to also opening up for sale on Amazon and Yahoo. Operating online sales is a very special discipline and also a fiercely competitive market.

For the most part, online sales in Japan are driven by campaigns and time-limited offers. The consumer is relentless: coupon sales, 2-for-1 and here-and-now offers cause consumers to switch their loyalty from one supplier to another, in just a few clicks on a mobile or iPad.

Another vital factor is delivery time and costs; or what is also known as 'last-mile performance'.

The consumer prefers a supplier who – at the lowest possible cost – can deliver where and when required. Warehouse management, logistics and transport areas are therefore of crucial importance to e-commerce operations in Japan.

Based on experience from online sales on the Rakuten platform over a couple of years, in 2020 Royal Greenland Japan ramped up its sales by including Yahoo and Amazon. Snow crab is the best-selling species on all three platforms and most of the sales happens at the end of the year.



Europeans went dining - at home

Royal Greenland's products are sold to three main market segments: retail, i.e. supermarkets; industry, i.e. other producers that further process the raw material; and foodservice. The latter comprises a wide range of sub-segments such as restaurants, business canteens and school kitchens. These were all shut down for large parts of 2020, with a significant decline in Royal Greenland's sales as a consequence.

It is just as expected that a significant proportion of foodservice sales should go to private households instead. The surprising aspect, however, is the clear retail sales increase experienced by several

European sales companies. Consumers in Europe not only purchased standard products, but also snow crab, prawn, lobster and Greenland halibut, to cook at home. These are slightly more expensive products which are usually sold to restaurants to a great extent.

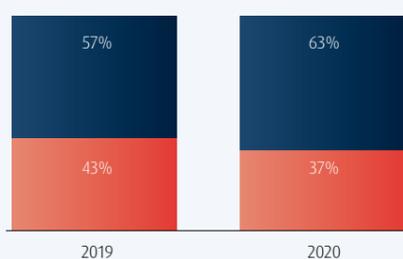
During 2021 and 2022, when sales in Europe hopefully normalise, it will be interesting to see which new consumption patterns emerge. One thing is certain: European consumers have become better at peeling prawns, splitting lobsters and boning snow crab at home in their own kitchens.

Central Europe

Revenue from the Central European markets totalled DKK 1.4 billion. Sales fell by 14%, despite reaching the same percentage share as in 2019.

Percentage turnover in Europe by business area

■ North Atlantic Champion ■ Supporting



In line with our strategy, there were major changes in the revenue breakdown, with North Atlantic products increasing from 57% to 63% of revenue. This development was due to higher prawn sales in the UK, Germany and Russia, increased sales of filleted Greenland halibut products in Germany and France, and an increase in cod sales to Southern Europe. On the other hand, sales of retail-packed fish of non-North Atlantic origin were being phased out.

This shift was achieved in a period when the European foodservice segment was closed down for large parts of the year. Royal Greenland had the advantage of a network of sales offices close to the customers in the individual markets, making it well-placed to tackle the local challenges on an optimum basis.

As in other regions, sales prices were under pressure. It was positive to note, however, that prices rose again for a period during the summer, when many of the restrictions were lifted. This underpins the expectation

Business without the handshake

In the spring of 2020, it quickly became clear that digital, high-quality platforms would become an even more relevant tool than previously for Royal Greenland's sales teams. Reliable real-time product data and images became crucial for an effective sales process in a time where physical meetings was not an option.

Royal Greenland has for years offered a detailed, digital product catalogue for foodservice products. This platform was supplemented in the spring with an advanced application containing the company's industrial

products; all species, product specifications and delivery formats can be displayed through search. During the summer and early fall, we also launched a digital catalogue with retail products to support the dialogue with supermarket chains and the growing demand from the consumers.

The digital platforms have streamlined the sales process and have further professionalised the dialogue with customers and supported the sales during a difficult time of business without the handshake.



that the markets will recover relatively quickly, once the world returns to normal.

During the year, a lot of work was devoted to preparing for Brexit, including new requirements of procedures and documents. To safeguard delivery capability to customers in the UK, in-country stocks were built up. This proved to be very worthwhile, since at the close of the year there was still no agreement between the UK and Greenland concerning future customs tariffs on products imported from Greenland.

Scandinavia

Revenue in Scandinavia amounts to DKK 1 billion, or 23% of the Group's revenue. Revenue fell by 10% from 2019.

Scandinavia is particularly important for sales of prawn, cod, smoked products and breaded products.

The Scandinavian countries have adopted varying strategies to fight Covid-19, which is reflected in the sales

performance in the respective markets. In Denmark and Norway, the foodservice area was closed down for large parts of the year, while Sweden only introduced limited restrictions. As a consequence, sales in the Swedish market were at the 2019 level, while Norway and Denmark lost ground. In Denmark, however, to a great extent Royal Greenland was able to compensate for the lower foodservice sales by increasing retail sales.

Unfortunately, as for the other markets, prices were under pressure.

Covid-19 has changed consumer behaviour, and the focus was on matching the new trends to the greatest possible extent. Examples include Click & Collect, food and meal boxes, e-commerce and take-away in foodservice.

North America

In 2020, sales in North America increased to DKK 0.7 billion, and now account for 14% of Royal Greenland's total sales.

The revenue growth of 26% is primarily due to significantly higher sales of snow crab to retail and food-service customers, which made it possible to achieve higher prices than from traditional industrial customers. This also meant that a large proportion of snow crab sales was moved to American, rather than Japanese, customers.

Retail contracts for cooked & peeled prawns could also be established with Canadian and American customers, together with sales of a number of other products.

In overall terms, the very positive performance in the North American market has led to a decision to expand investment in this market, and increase staff numbers based at the office already established in Boston.



Virtual customer meetings replaced trade fair participation in the USA

In the course of a year, Royal Greenland attends several major trade fairs all over the world. In 2020, the first trade fair to be cancelled because of Covid-19 was Seafood Expo North America (SENA), which should have taken place in March.

The USA is still a relatively new market for Royal Greenland. Traditionally, trade fairs and customer visits are important ways of meeting new business partners, presenting our products and networking.

During the spring and summer, telephone calls, use of digital platforms and video meetings became the new daily routine for Royal Greenland's sales office in Boston. In the autumn, the digital network organisation ECRM offered two days of intensive virtual meetings between buyers and suppliers, and

Royal Greenland naturally signed up for this.

ECRM's platform made virtual meeting facilities and data capacity available, advising both buyers and suppliers on meeting planning, presentation management and subsequent follow-up.

In the course of two days, two Royal Greenland colleagues from Denmark and the USA, respectively, attended meetings with 21 potential customers across the USA who had already expressed interest in meeting Royal Greenland. Each meeting lasted just 20 minutes, as a kind of 'speed-dating'. This type of meeting was surprisingly effective and resulted in a number of interesting agreements, which have become actual sales orders.

NEW PRODUCTS AND INNOVATION

The aim of Royal Greenland's internal development projects and participation in external research collaboration is to increase the utilisation and value of our core species and prioritised product areas.

In 2020, for the second consecutive year, Royal Greenland took part in the European WASEABI research project



This project has received funding from the Bio Based Industries Joint Undertaking (JU) under grant agreement No 837726. The JU receives support from the European Union's Horizon 2020 research and innovation programme and the Bio Based Industries Consortium.

The strategic species and product portfolio is concentrated on the core North Atlantic species. The primary aim of innovation projects is to maximise value and processes at an early stage of the value chain. For consumers, there is also a focus on developing specific products to meet consumer trends, and on creating market-oriented product solutions.

Shell-on prawns in a new three-year industrial research project

Royal Greenland's prawn activity is a core strategic area in which research and opportunities to gain new expertise rank high on the list of priorities for development resources. Once again in 2020, it was pleasing to note that Royal Greenland was able to start up an industrial research project with the support of Innovation Fund Denmark, in this instance with focus on shell-on prawns. The project 'Shell-on prawns - new technologies to manage oxidation, and microbiological quality and food safety (NEWSOP)', is being undertaken by Hanne Aarslev Jensen, in close cooperation with the National Food Institute under the Technical University of Denmark (DTU) in Lyngby (north of Copenhagen).

The project was started up in April, but due to the Covid-19 pandemic, the process was changed from start-up directly in the laboratory at the National Food Institute, to initial collection and documentation of available literature on quality parameters for sea-cooked prawn in terms of fishing, processing, microorganisms and conserving.

When laboratory work became possible again, the first part of the actual project was launched, with the aim of investigating the reason for quality changes during frozen storage of shell-on prawns, and how these can be prevented.

In the second part of the project, the aim is to develop new shell-on prawn products for cold storage. The development work is based on the National Food Institute's knowledge of conservation methods and microbiological quality changes and growth potential, and of models to predict bacterial growth, based on a product's characteristics. Most of the industrial research project will take place at the National Food Institute.

During the three-year project, field research will also take place, e.g. onboard Royal Greenland's prawn trawlers and at the processing plant in Cuxhaven (Germany).

European WASEABI research project to test fresh cod side-streams

In 2020, for the second consecutive year, Royal Greenland took part in the European WASEABI research project, which is running from 2019 to 2023, with the participation of three research institutions and nine European companies. The project is financed under the EU's Horizon 2020 programme.

Royal Greenland has conducted tests and frozen samples of fresh cod carcasses, heads and guts from production in Maniitsoq. The samples were sent to the National Food Institute for durability testing the effect of antioxidants. The purpose is to investigate various potential uses for these resources from cod side-streams, for the long-term development of healthy and nutritious ingredients.

Scientific documentation of production chains

In early summer 2020, the completed industrial research project 'Capture-based aquaculture of Atlantic cod (*Gadus morhua* L.) in Greenland' was presented by Jonas Steenholdt Sørensen who, besides his thesis in 2020, has published several scientific articles documenting the work and the results.

The aim of the project was to achieve scientific documentation and quality validation of three production chains for Nutaaq® cod produced by Royal Greenland in Maniitsoq. This has made it possible to gain vital new knowledge concerning fresh, frozen and thawed production chains.

Based on the results, Royal Greenland has developed optimised best practice for an innovative new production process. The thesis results serve as the basis for production work, and also for market initiatives based on documentation of the high quality achieved by Royal Greenland from the professional and innovative activities undertaken during the past five years.

The industrial research project is financed by Innovation Fund Denmark and Royal Greenland, and undertaken in close cooperation with the Maniitsoq's processing plant's employees.

Scientific articles:

Article 1:

*Jonas Steenholdt Sørensen, Niels Bøknæs, Ole Mejlholm and Paw Dalgaard. Superchilling in combination with modified atmosphere packaging resulted in long shelf-life and limited microbial growth in Atlantic cod (*Gadus morhua* L.) from capture-based-aquaculture in*

Greenland. *Food Microbiology*, 88, 2020.

<https://doi.org/10.1016/j.fm.2019.103405>

Article II:

Jonas Steenholdt Sørensen, Niels Bøknæs, Ole Mejlholm, Karsten Heia, Paw Dalgaard and Flemming Jessen. *Short-term capture-based aquaculture of Atlantic cod (Gadus morhua L.) generates good physicochemical properties and high sensory quality during frozen storage. Innovative Food Science & Emerging Technologies*, 65, 2020.

<https://doi.org/10.1016/j.ifset.2020.102434>

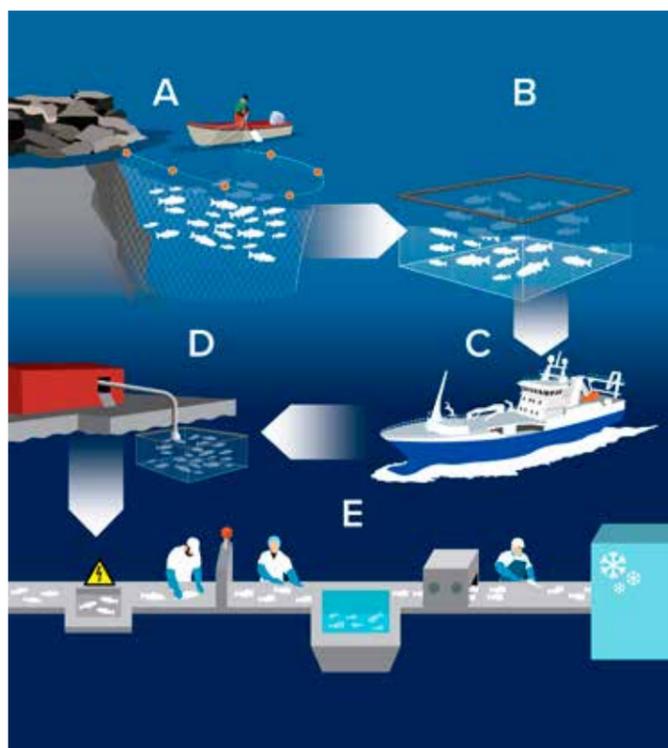
Article III:

Jonas Steenholdt Sørensen, Oliver Ørnfeld-Jensen, Niels Bøknæs, Ole Mejlholm, Flemming Jessen and Paw Dalgaard. *Thawed and chilled Atlantic cod (Gadus morhua L.) from capture-based aquaculture in Greenland - Options for improved distribution. LWT - Food Science and Technology*, 131, 2020.

<https://doi.org/10.1016/j.lwt.2020.109473>

Illustration below

- A) Catch using pound nets
- B) Live storage in fishermen's cages
- C) Transfer of live cod onboard the well boat
- D) Live storage before transfer to the processing facility
- E) Anaesthesia, decapitation, bleeding, sorting, filleting and freezing maximum two hours after the cod left the water.



Newfoundland lobster online

Via the Canadian division Quin-Sea Fisheries, Royal Greenland has invested considerable economic and human resources in developing lobster production in the Canadian province. In 2020, the organisation was capable of delivering raw, cooked and live lobster to the whole world. Since distribution channels were closed due to Covid-19, the organisation took the initiative to establish local Canadian distribution of live lobster via an online platform on which consumers can place direct orders. This is a typical example of an innovative local measure undertaken by the organisation.

Lumpfish roe in practical new piping bag

Royal Greenland's lumpfish roe from Greenland is primarily sold to retail consumers in small 50-100g glass jars. For the foodservice sector, there is both red and black lumpfish roe in 250g PET trays.

In recent years, lumpfish roe has undergone considerable development to reduce salt content and introduce natural colours. These improved products have attracted market interest, and customers in the foodservice sector have requested a dosing method that is more practical than PET trays. Lumpfish roe is often used to garnish open-faced sandwiches, plated salads and tapas dishes, where precise dosing enhances overall presentation. With inspiration from the dosing method used for toppings, Royal Greenland has developed a piping bag for rapid, precise and hygienic lumpfish dosing. The piping bag's content of 250g is a suitable size for most professional kitchens. The product can also be ordered as 1kg bags, with a practical reseal-



able clip, so that the lumpfish can be stored in the refrigerator for up to five days.

New range of VESTERHAVS (North Sea) plaice has generated strong demand

One of Royal Greenland's more consumer-oriented new product launches in 2020 was a new range of breaded plaice products. This range is designed for professional foodservice customers in Denmark, for whom high quality and good craftsmanship are imperative. This range, called 'VESTERHAVS Plaice', comprises fish caught in Danish North Sea waters. The plaice fillets have high-quality breading based on coarse wheat-based breadcrumbs and egg. The coarse bread- ing and high-quality raw materials ensure an extra

crispy product, which appears tasty and homemade, also due to the low breeding ratio.

The plaice fillets can be prepared straight from frozen state and have generated sound demand from not only kitchens and restaurants, but also fishmongers, and are perfect for open-faced sandwiches, cold fish dishes and hot meals.

In accounting terms, the product development costs defrayed for all development activities are recognised in the income statement.



Online product presentations

During a normal year, Royal Greenland's own chefs and product developers often take part in customer visits. They collaborate with sales staff to present, prepare and advise on various products. During the Covid-19 pandemic, on several occasions the product development kitchen in Denmark was transformed into a photo and food studio. With the help of advanced film, lighting and audio equipment, we could meet up virtually with customers, to give lively and interesting food preparation and product

presentations. Customers could observe directly from their own kitchens, while preparing sample products, or receive samples and guidance after the presentation.

In several markets, Royal Greenland invited customers to attend webinars to which they could log in and view a presentation of new products. Subsequently, several presentations were made available on our web platform.

KEEPING FISHING AND PRODUCTION ACTIVITIES AS CLOSE TO NORMAL LEVELS AS POSSIBLE, DESPITE THE PANDEMIC

The Covid-19 pandemic has also presented major challenges for fishing and production activities, requiring many practical measures to protect employees and maintain activity levels. Optimising the value of the fish resources always takes high priority in Royal Greenland's fishing and production. It was possible to keep fishing and production running, thereby avoiding potential economic and social problems in our immediate communities.

Raw material: Fisheries and procurement

Greenland

Privileged access to quotas is vital for Royal Greenland, whether this is ensured with own fisheries, or by processing raw material from external shipping companies and fishermen in the Group's facilities.

Fisheries

Royal Greenland's fleet comprises three ocean-going prawn trawlers, two ocean-going production trawlers for Greenland halibut, cod, etc., a line boat for Greenland halibut, cod, etc., and two smaller inshore prawn trawlers. To increase the volume of Greenland halibut landed for processing, Royal Greenland has also invested in a number of larger cutters for fishing in Northern Greenland.

The trawlers M/tr Sisimiut and M/tr Avataq were put into operation in 2019. Both vessels fished well in 2020, but also, as expected, faced some commissioning challenges, as is normally the case when new trawlers are put into production. Despite these challenges, we have proved that the new trawlers can fish and deliver to a significantly higher standard. The new Sisimiut fishing trawler, for example, has almost doubled the average daily catch. Furthermore, the unloading time has been reduced from three to four days, to now 16-24 hours.

In a single trip, the M/tr Avataq prawn trawler set a new all-time record of almost 1,000 tonnes, and the use of triple trawl proved its worth in outlying areas where catches are normally small.

Despite the pandemic, the trawler replacement investment programme was maintained. In 2021, the M/tr Nataarnaq prawn trawler will thus be replaced with a new trawler being built at Murueta Astilleros Shipyards in Bilbao (Spain). A contract has also been established for the replacement of the M/tr Tuugaalik trawler, with planned delivery of the new trawler from the same yard in 2022.

Under the Pelagic Greenland joint venture with the Icelandic company Isfélag, two pelagic trawlers are operated for fishing off East Greenland. In 2020, the company's Tasillaq trawler was replaced by a newer pelagic trawler, Christian i Grótium, which has greater fishing and freezing capacity. The new trawler is named Tasillaq.

The Group fished a total of 58,500 tonnes in 2020, which is an increase of 5% from 2019. The improvement is due to higher prawn fishing capacity, as a consequence of the launch of M/tr Avataq. The level of pelagic fishing was lower than in 2019, due to the replacement of the trawler during the mackerel season.

There was no fishing off Svalbard or East Greenland.

In 2020, the prawn quota for West Greenland was increased to 110,000 tonnes, and raised further in 2021 to 115,000 tonnes, in accordance with the biological recommendations and the MSC management plan.

Procurement

Royal Greenland's processing plants in Greenland received 61,660 tonnes of fish and shellfish during the financial year, which represents a decrease of 8%.

The decline is due to lower catches of prawn, and particularly Greenland halibut. On the other hand, cod landing increased from the levels seen in recent years. The increase in landing of live cod for the Nutaq production in Maniitsoq is very positive. This provides a better basis for improving the land-based production.

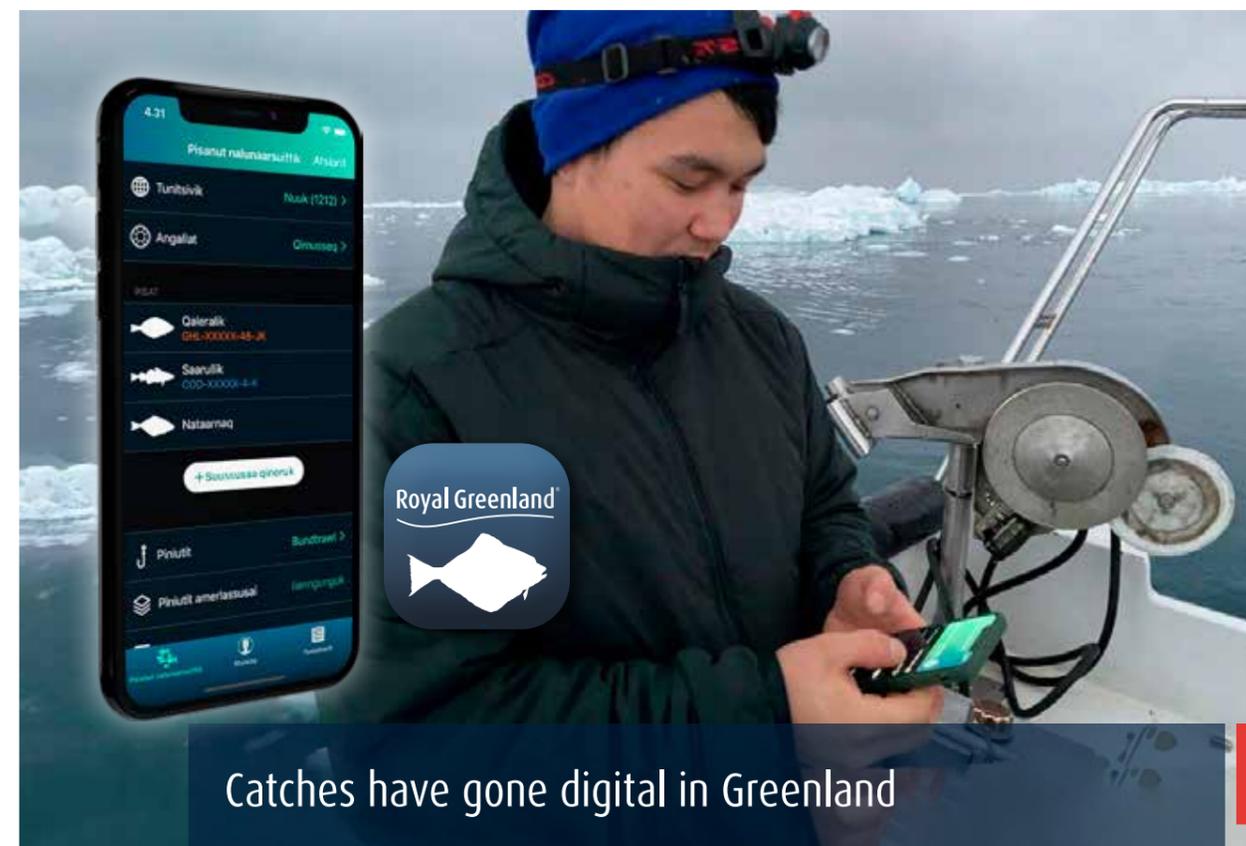
For the first time in many years, the average landing price is lower than the year before, having dropped by almost 7% in 2020, driven by the general market decline due to Covid-19. Prices for prawn, cod, lumpfish roe and crab fell in particular.

In 2020, payment to coastal fishermen in Greenland totalled DKK 750 million. During a nine-year period, the total payment to fishermen in Greenland increased by DKK 422 million.

The new Sisimiut fishing trawler has almost doubled the average daily catch. Furthermore, the unloading time has been reduced from three to four days, to now 16-24 hours

Catches landed to Royal Greenland in Greenland (tonnes)

	2016	2017	2018	2019	2020
Prawns	25.003	26.935	26.852	30.991	29.753
Greenland halibut	20.697	17.591	19.997	22.249	18.141
Crab	1.055	1.330	1.535	1.551	1.581
Roe	460	718	685	780	869
Cod	21.432	19.199	14.028	10.227	10.611
Other	557	521	341	947	705
Total	69.204	66.294	63.438	66.745	61.660



Catches have gone digital in Greenland

Local fishermen, fishery consultants from Royal Greenland and the IT department have jointly made a digital quantum leap when it comes to registering and settling fishermen's catch - all available from the mobile phone.

For years, the more than 1.000 dinghy fishers, that land their catches daily to Royal Greenland along the west coast of Greenland, have been used to sail in to the quay with the catch, contact the catch landing facility, fill out the paperwork and await weighing and registry, often queuing behind other fishermen.

In 2019, to better assist the many fishermen and optimise the registrations, Royal Greenland set out to develop a digital solution.

The app factors in the entire process from catch to cash settlement, so that fishermen signed up for the

app already register their catch and position in the app on location at the fishing ground. Arriving at the catch landing facility, the catch is weighed, registered and quality assured by the staff before finally gathering the data in a web application, that sends data to the underlying IT systems. From these systems, data is also sent to Greenland's Fisheries License Control Authority, GFLK and finally the fisherman receives a bank statement directly in the app, where the value and weight of the catch is displayed immediately.

By the end of 2020, more than 40 fishermen - all from Ilulissat, which have piloted the commissioning - were registered as users of the app. During 2021, the new digital registration and cash settlement is expected to spread to a row of other catch landing facilities along the coast.



Strong season for fresh cod

Royal Greenland's solid position in the cod market has gradually become firmly cemented with the highly appreciated Nutaaq® cod. It was therefore positive that 2020 was a season with stable deliveries of live cod from a large geographical area along the west coast of Greenland.

The cod season, which runs from May to October, involved a record-high number of fishermen, from Qeqertarsuaq in the north to Paamiut in the south, with all of the fishermen collecting bonuses based on the volumes delivered.

The excellent volume and good quality of the cod,

together with new employees from other areas, made it possible to scale up production to two shifts at the factory in Maniitsoq during the late summer. The Nutaaq® cod filleted here is now ready for better times in European restaurants, which account for a significant share of the demand.

However, not all the live cod was filleted. A small proportion was frozen as whole fish and stored for the production of the popular 'Chilled Selection™' series, which is thawed and filleted at Royal Greenland's factory in Cuxhaven, Germany, and sold fresh to European restaurants and chains.

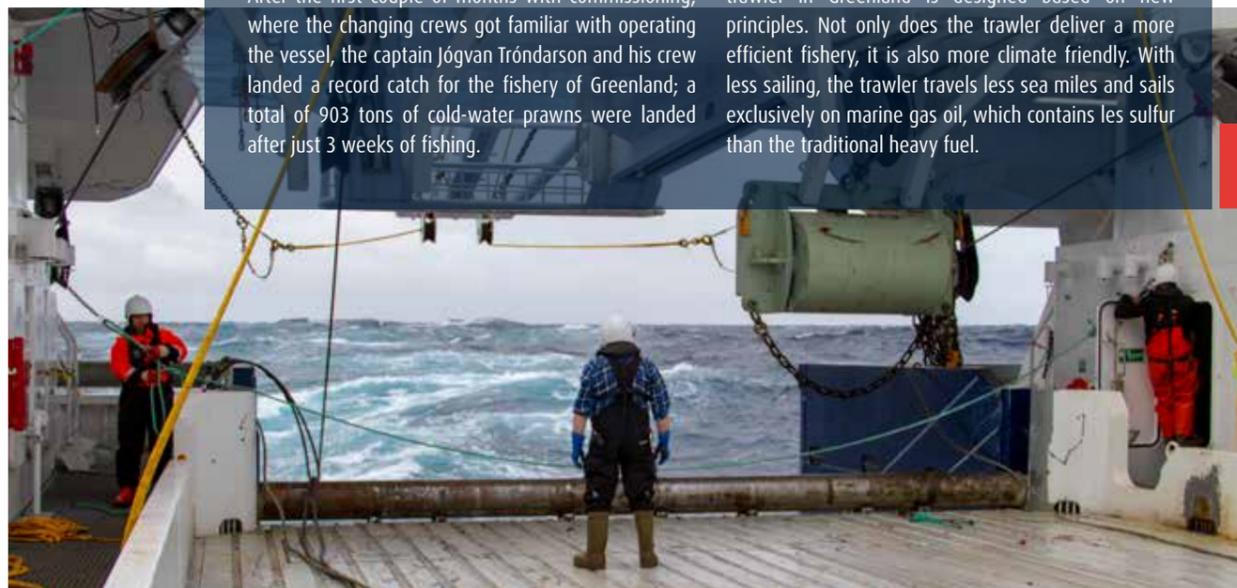
M/tr Avataq breaks all catch records

Large prawn trawlers in Greenland typically land between 400 and 600 tons of prawns after each trip. In January 2020, the biggest and most modern prawn trawler to date in the history of fishing in Greenland, M/tr Avataq, was initiated into the fishery following its christening in Nuuk.

After the first couple of months with commissioning, where the changing crews got familiar with operating the vessel, the captain Jógvan Tróndarson and his crew landed a record catch for the fishery of Greenland; a total of 903 tons of cold-water prawns were landed after just 3 weeks of fishing.

The trawler's other captain, Tórdar Dímon and his crew did not leave the record unchallenged and already in August broke the record with 24 tons, when they landed 927 tons, also after three weeks of sailing.

With a hold capacity of 2.850 cubic meters, measuring 82,3 meters in length and 18 meters wide, the biggest trawler in Greenland is designed based on new principles. Not only does the trawler deliver a more efficient fishery, it is also more climate friendly. With less sailing, the trawler travels less sea miles and sails exclusively on marine gas oil, which contains less sulfur than the traditional heavy fuel.



Crew shifts during a time of Covid-19

Royal Greenland employs more than 360 crew members on board our own 8 seagoing vessels and a number of vessels in subsidiaries. Fishery takes place in the North Atlantic, along the west coast of Greenland, in the Baffin Bay in Northern Greenland and in the Barents Sea. A trip typically lasts for up to 6 weeks and the crew, coming from different places, typically onboard in Northern Norway, Iceland and in Greenland.

When Covid-19 paralyzed the world in March 2020, large parts of international flights were cancelled, and the scheduled crew shifts became impossible. The crew ready for departure had to stay at sea, while all efforts were put into navigating a new and critical situation; how do we ensure our crew's journey home as well as onboard a new crew all the while avoiding bringing any risk of infection or contamination on board the vessels?

During April 2020, Royal Greenland succeeded in changing 200 crew members on 7 vessels during one day through a close collaboration with health

authorities and chartered plane from the Faroe Islands and Greenland. All crew members of the new crew were tested for Covid-19 and isolated 14 days prior to the crew shift and new routines were established.

The remainder of 2020 went on without any cases of infection on board and new standards for tests, quarantine and other safety measures were established. The crew has displayed a remarkable sense of responsibility during this time and strictly apply all safety measures.

During 2020, Royal Greenland's fleet jointly landed 58.000 tons of seafood, making a continuous operation of the fleet crucial for the business. At the beginning of 2021, all crew members have spent a total of 830 days in quarantine in their homes or at hotels – an expensive, tiring and difficult time for both the individual employee and for the company, but essential for an effective operation of our joint workplace.

Canada

Procurement

Royal Greenland does not operate its own fishing in Canada. All production is based on procurement of fish and shellfish from independent fishermen and shipping companies, with which it is therefore vital to have sound cooperation.

In Newfoundland, the principal species are snow crab and prawn.

After several years of declining quotas, the crab quota in Newfoundland was increased by 10% in 2020. Royal Greenland's Newfoundland subsidiary, Quin-Sea Fisheries, increased its activities, and on the back of the higher quota succeeded in increasing its market share again this year.

In 2020, Quin-Sea entered into an agreement with Clearwater Seafoods to acquire a processing facility in St. Anthony. A new joint venture, St. Anthony Seafoods, has been established with Clearwater Seafoods. Activities primarily concern cooked & peeled prawn, but also white fish.

In Quebec/Gulf of St. Lawrence, rather surprisingly the prawn quota was raised. Stable prawn development is expected in 2021. The newly-established crab factory performed well in 2020, and further growth in the crab supply is expected in 2021.

In Nova Scotia, the crab stock is healthy, and larger quotas are expected in the coming years. Royal Greenland's subsidiary, A&L Seafoods, saw high activity in 2020, and again in 2021 further growth in the crab intake is expected.

In overall terms, 20,000 tonnes of raw material were purchased for processing at the factories in Atlantic Canada, with increasing crab volumes, but lower prawn volumes.

Other procurement

To supplement our own production of cooked & peeled prawns, 900 tonnes of MSC-certified prawns were purchased in 2020, for production at the prawn factories in Sisimiut, Greenland and Old Perlican, Newfoundland.

As a supplement to Greenland halibut purchased in Greenland, 1,400 tonnes of Greenland halibut were purchased from external sources in Norway and Canada, for processing in Poland, China and Denmark. The processed products are used in smoked production, or sold to customers in Europe.

Raw materials such as salmon, warmwater prawns, flat fish and MSC-certified cod are procured in the world market. MSC-certified cod, primarily from Norway, constitutes the largest individual element, at 4,500 tonnes. This MSC-certified cod serves as a supplement to our Greenlandic cod.

Salmon is procured primarily from Norway for the smoking facility in Hirtshals. In 2020, an unchanged 3,300 tonnes of farmed Atlantic salmon was purchased. The fresh salmon is delivered to the smoking facility. Also in 2020, a proprietary salmon-filleting plant was established in Øksfjord, Northern Norway, to strengthen the production of smoked salmon.

7,700 tonnes of flounder and plaice were purchased for processing at the A. Espersen factory in Koszalin (Poland). Flounder is used for breaded fillets of fish for the Scandinavian market, while plaice is to a greater extent sold as natural fillets and filled products. Royal Greenland continues to purchase raw material under the cooperation agreement with A. Espersen in Koszalin. As a supplement to plaice and flounder, 3,000 tonnes of yellow fin and rock sole were purchased.

Plaice is purchased at auction in Denmark, while flounder is fished from Danish and Polish trawlers in the Baltic Sea.

Royal Greenland has established cooperation with a Norwegian crab boat to purchase snow crab as a supplement to the snow crab activities in Canada, Greenland and Chile. The development in Barents Sea quotas is very promising, and activity levels have been increasing. Almost 500 tonnes of snow crab were processed.

Production

Greenland

Royal Greenland owns 38 facilities in Greenland, of which five are operated in collaboration with local fishermen and employees. All facilities are in operation.

The facilities are all operated without service contracts from the Government of Greenland.

Activity was at a lower level than in 2019, and with significant variation between the species. There was continued high activity at the prawn factories and increased cod activity, particularly the Nutaaq production in Maniitsoq. On the other hand, Greenland halibut activity declined by 20%.

Even though the level of investment in the Greenlandic facilities was reduced in 2020, due to Covid-19, during the past five years more than DKK 480 million has been invested, to achieve the objective of a higher processing level at the facilities in Greenland.

In 2020, there was focus on completion of the expansion of the Greenland halibut capacity, including the commissioning of a new facility in Nuussuaq, in the Upernavik area. Besides the capacity increases, a number of Greenland halibut facilities were realigned in order to support the aim of further local processing. In the future, more facilities will produce both J-cuts and fillets, and not just whole fish as before. These realignments are continuing in 2021.

At the prawn factories in Sisimiut and Ilulissat, significant investments in production and buildings commenced in 2020.

With regard to cod, the final official approvals of the new cod processing facility in Sisimiut are still pending, and the facility has not yet been commissioned. It is expected to be taken into operation in 2021.

The new ownership model under Arctic Fish, whereby fishermen and employees are co-owners of two processing plants in Nuussuaq and Kullorsuaq, respectively, in the Upernavik area, continues to be very successful, with increased activity and sound financial performance. As from 1 January, the Arctic Fish collaboration will comprise three processing plants in Northern Greenland.

It continues to be very challenging to achieve a sufficiently large workforce, particularly during high season. Royal Greenland has recruited manpower from other areas of Greenland with high unemployment rates, to work in the processing facilities in Maniitsoq, Uummannaq and Ilulissat, and also recruited manpower from abroad. The travel restrictions in 2020 made it very difficult to obtain the manpower required, which affected production at several locations, including Maniitsoq and Uummannaq. We continue to work with the authorities to attract foreign manpower to Greenland. The opportunity to employ more manpower from abroad will increase opportunities for processing in Greenland, and thereby also generate greater economic value.

Canada

With nine processing plants in Newfoundland, Quebec and Nova Scotia, Royal Greenland has significant inshore fishing activities in Canada. A total of 20,000 tonnes of raw material were landed to the factories in Atlantic Canada.

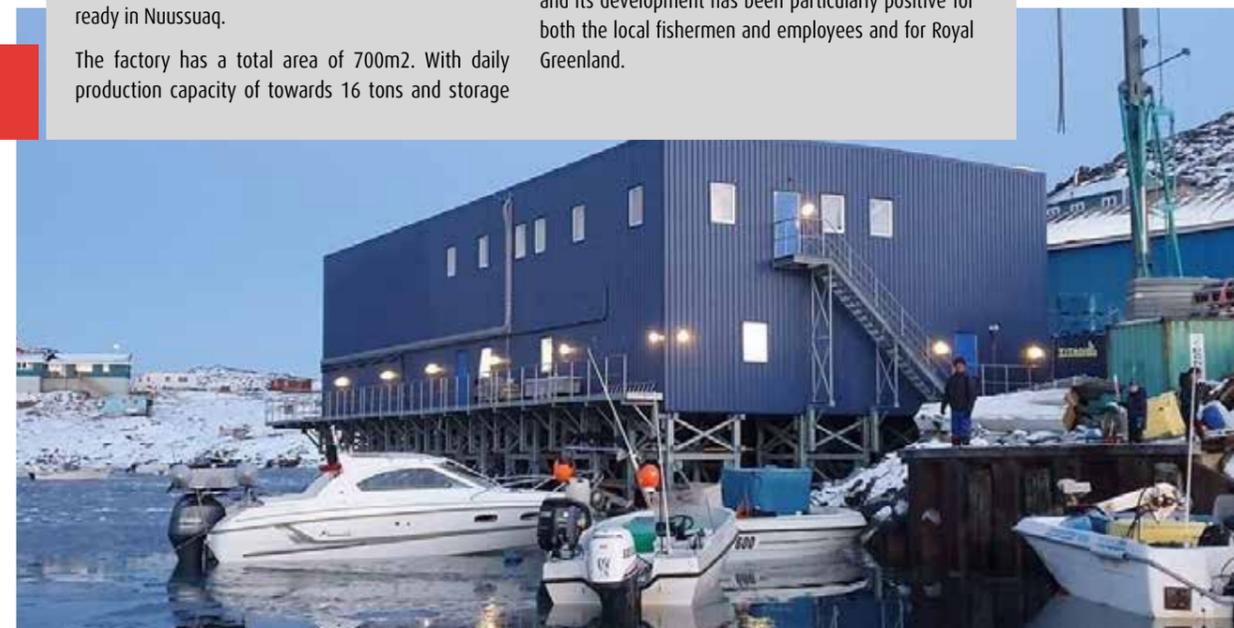
Opening of a new factory in northern Greenland

For Arctic Fish Greenland, a joint company owned by local fishermen in Kullorsuaq and Nuussuaq in northern Greenland, and Royal Greenland, 2020 was a busy construction year. At the end of the year, a new factory for the head and tail cutting of Greenland halibut was ready in Nuussuaq.

The factory has a total area of 700m². With daily production capacity of towards 16 tons and storage

capacity of 500 tons, the factory can employ up to 30 people and service the settlement's 45 fishermen, who can land catches at the factory all year round.

The jointly owned company was established in 2017 and its development has been particularly positive for both the local fishermen and employees and for Royal Greenland.



Besides snow crab, lobster and prawn, the Newfoundland activities include sea cucumber, cod, Greenland halibut and pelagic species. After the establishment of the new facility in New Harbour, during the past couple of years lobster has become an important species, on a par with prawn.

Via Quin-Sea Fisheries, Royal Greenland owns seven processing facilities in Newfoundland, including the joint-venture facility in St. Anthony.

In Quebec, Royal Greenland runs a processing plant for cooked & peeled prawn and crab. As a consequence of excess processing plant capacity, there is intense competition for the raw material. The expansion of activities to include crab proceeded very positively.

In Nova Scotia, a crab factory is operated under the auspices of A&L Seafoods.

Denmark

Royal Greenland's range of smoked products is produced by a sub-supplier in Denmark. The Group has no other production activities in Denmark.

Cuxhaven, Germany

Royal Greenland operates five factories at three locations in Cuxhaven. They produce lumpfish roe in jars, the zip-lock/chain-pack range and fresh fish, as well as prawns in brine, and packing of frozen prawns.

The factories are subject to shared management and administration.

Cuxhaven is Royal Greenland's European production centre. It is expected that potential new production in Europe will also be located in Cuxhaven.

China

For many years, Royal Greenland has collaborated with Chinese sub-suppliers that process raw material from Greenland into high-quality sushi products for the Japanese market. Cod and salmon are also processed for sale and further processing in Europe. Processing of Greenlandic cod in China was discontinued in 2020. Instead, the fish is sold to industrial customers. Production of purchased MSC-certified cod will be continued in China.

Chile

The new joint venture in Chile got off to a slow start, as a consequence of the Covid-19 restrictions. The expected raw material volumes were not produced in 2020. On the other hand, the activities were optimised and better integrated into Royal Greenland's business system. The outlook for 2021 is positive.

Production in Chile primarily concerns crab (king crab and snow crab) and Patagonia Toothfish/Chilean Seabass.

At the end of 2020, activities in Atlantic Canada are a strong element of our overall business

From both market and production perspectives, there are significant synergies between the species caught and produced in Greenland and Atlantic Canada. Back in 2016, Royal Greenland invested in the Newfoundland-based company Quin-Sea Fisheries. This investment has made a significant contribution to the Group's fine performance, and to developing new initiatives within fisheries and processing in the Canadian province.

In the first few years, the integration of Quin-Sea's five factories in Newfoundland required a lot of time to gain a full insight into the business and understand the local conditions. During the last few years, a lot of things have happened; the local organisation has been strengthened significantly, all five factories have undergone full integration to SAP on a par with the rest of the Group, and a number of core functions within category and business development have been established.

In 2019, Royal Greenland invested in Nova Scotia through the acquisition of 100% of the shares in A&L Seafood, a well-run company with substantial crab activities. In both 2019 and 2020, the supply of crab from Nova Scotia contributed significantly to the Group's development.

In autumn 2020, Royal Greenland acquired 75% of the shares in St. Anthony Seafoods, which is located on the northern reaches of Newfoundland's Great Northern Peninsula. This is where Leif Eriksson is said to have reached land on his expedition via Greenland almost 1,000 years ago, and where the remains of the first Viking settlement have been discovered. Today, there is a busy fishing town where many fishermen land their catches of prawn and cod, which are business areas we have high expectations towards.



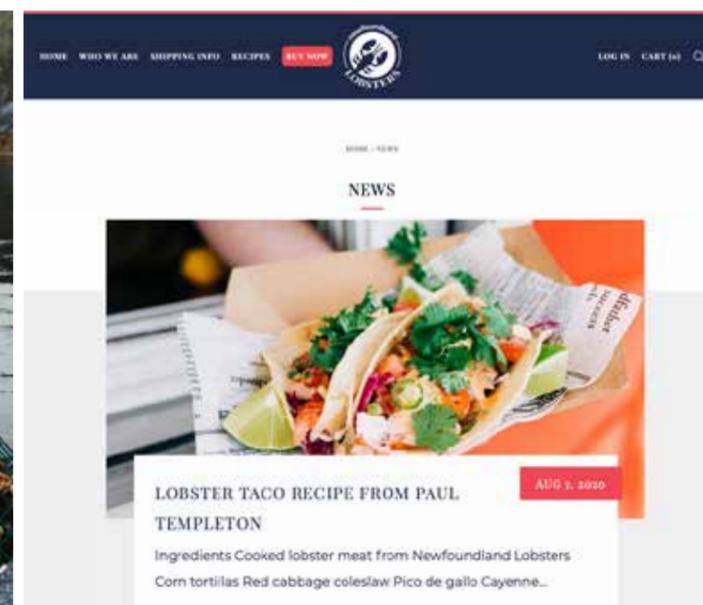
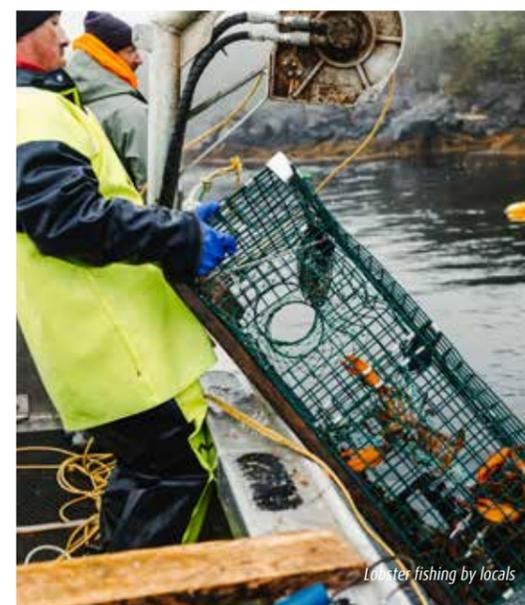
Investment and development of important raw materials

There has been considerable investment in the crab and lobster business in particular. For the crab business, the acquisitions have created a strong foundation for joint sales and marketing of crab from both Canada and Greenland. In 2020, retail packaging of crab for the US market commenced. With the outbreak of Covid-19, and the shutdown of large parts of the foodservice market, retail demand for Canadian crab rose significantly, and within just a few months we procured and installed local equipment and scaled up crab packaging for the American market. The crab production project team worked around the clock to create great results.

Within the lobster business, Royal Greenland's investments in facilities for the storage and packaging of live lobster and the start-up of the Fishery Improvement Project (FIP) for the

lobster stock in Newfoundland attracted a lot of attention and recognition. The ambition is for some of the live lobster to be flown out for sale to such countries as China. Once again, Covid-19 interfered with some of the plans. To boost domestic demand in Canada, Royal Greenland launched the 'Newfoundland Lobster' brand and an associated online platform where customers could order live lobster locally.

At the end of 2020, the activities in Atlantic Canada were a strong element of the overall portfolio. On the market side, products and know-how are in demand. In organisational terms, we succeeded in attracting skilled employees within both category and business development, who have now been established locally at the St. John's office in Newfoundland.



FOOD SAFETY

Food safety, traceability and high quality are key parameters for Royal Greenland.

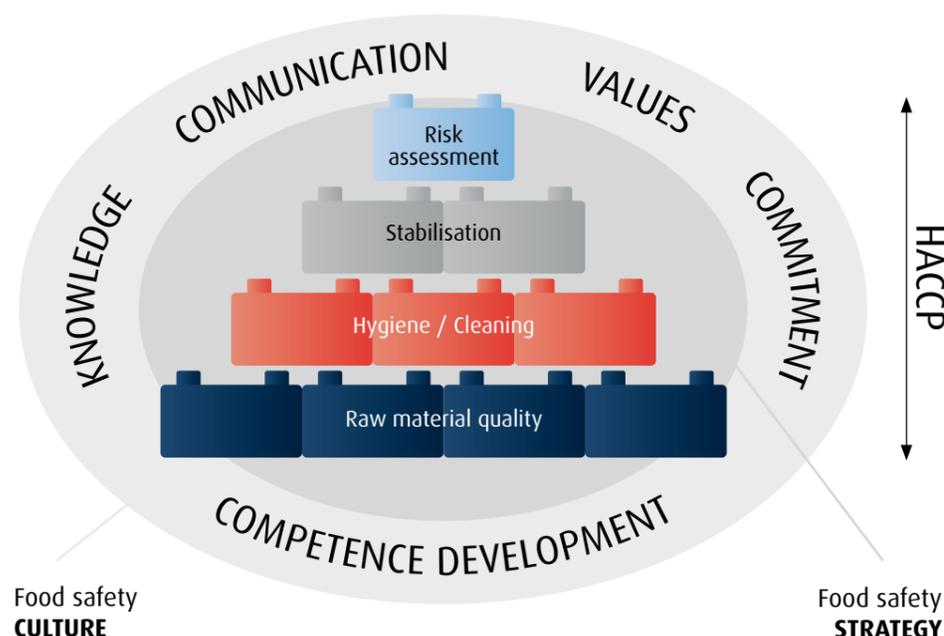
Covid-19 definitively set the food safety agenda for 2020, even though it has repeatedly been emphasised that Covid-19 cannot be transmitted directly via food, and that food products therefore do not constitute a risk.

This situation has not entailed any downgrading of Royal Greenland's other food safety activities. As always, this is an area that takes the highest priority, and of which there is constant high awareness.

Fish is healthy, and fish products play a key role in the latest official dietary recommendations from the Danish authorities (January 2021). The message is clear – eat more fish and shellfish. Royal Greenland's task is to deliver a wide range of high-quality products that make it both easy and inspiring to eat fish and shellfish. In this respect, ready-to-eat products are an important category, since they represent easy preparation and a wide range of different flavours. This is also the product category that sets the most exacting food safety requirements, in particular to protect products from the occurrence and propagation of pathogenic bacteria such as *Listeria monocytogenes*.

In this area in particular, Royal Greenland is an absolute leader due to a tested and recognised strategy for production of ready-to-eat products (such as smoked Greenland halibut and prawns in brine) to a high and well-documented food safety standard. Involvement in various research and development projects has laid the foundations for Royal Greenland's food safety. The recurring theme of these projects has been process and product development, with the aim of generating new knowledge and developing tools for the improvement and documentation of both food quality and food safety.

The food safety strategy is closely related to and supported by strong food safety awareness. Royal Greenland's food safety culture is based on shared values, dedication, know-how, communication and competence development. The last-mentioned is an important action area for Royal Greenland, and every year, many resources are devoted to education and training in every part of the organisation, from production to sales. This contributes to developing competent, independent employees, who can take important decisions, also in matters concerning food safety.



A year of comprehensive safety and quality management in the global organisation

As a food supplier with production and deliveries to the entire world, Royal Greenland works with strict hygiene and cleaning requirements on all production units, both on land and at sea. Therefore, when Covid-19 spread in the spring, it was a great advantage to be able to draw on already existing measures to create maximum protection against the spread of the virus among our staff.

A small group of employees in key positions were appointed as central and decentralised task forces. Throughout the year, they have been in close dialogue with the health and food authorities to keep up to date with developments in Covid-19 and associated guidelines. Daily reporting and discussions with top management have formed the framework for extensive coordination across departments and countries.

Royal Greenland operates 37 production facilities in Greenland, nine factories in Atlantic Canada and three units for the production and packaging of five types of finished goods categories in Cuxhaven in Germany. In the different countries, local guidelines are followed based on national recommendations and safety measures. All plants and factories operate with risk level 1, 2, 3 or 4, where 1 is normal production and 4 is illness among the staff or in the immediate family.

General guidelines and crisis management have been extended to include Covid-19.

- A contingency plan for suspected and confirmed cases of Covid-19 has been implemented in all business areas
- New adjusted health certificates
- Stricter requirements for hand hygiene with e.g. hand sanitizer at all entrances
- Stricter requirements for more frequent cleaning of both production areas and common areas (telephones, door handles, coffee machines, changing rooms, etc.)
- Introduction of staggered working hours and only small designated groups in common areas at the same time
- No physical contact with each other - no handshakes
- Training of all employees
- Training of external suppliers e.g. cleaning staff
- Key employees do not work together physically, where it is possible

- To the greatest possible extent, administrative staff in the production units work from home when risk levels are higher than 1

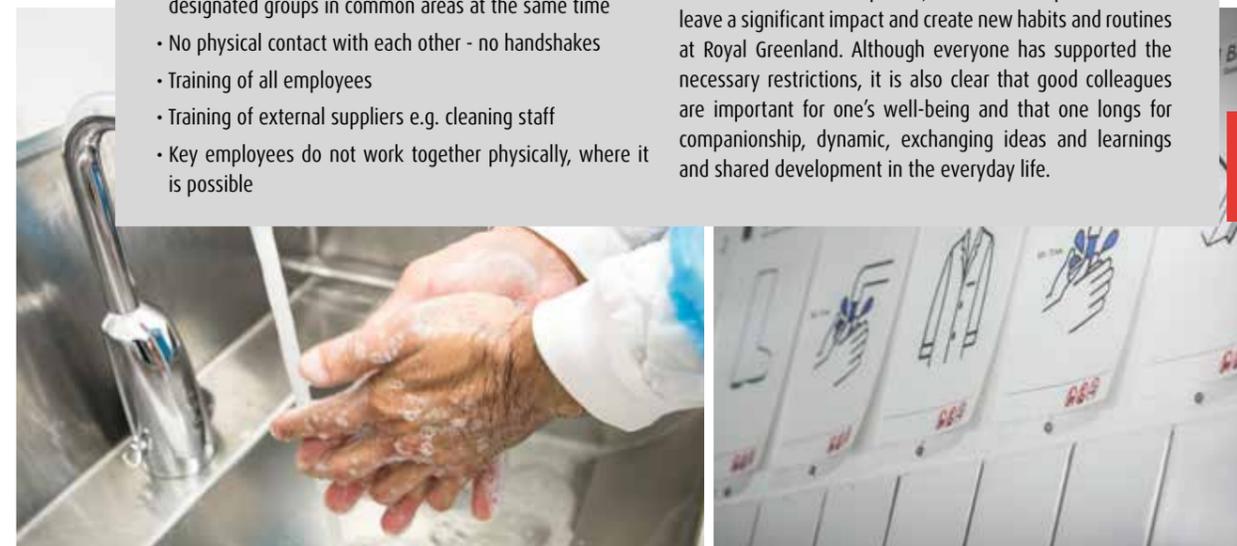
- Informative signs are visible everywhere, and employees with even the slightest symptoms must stay at home

By the time Covid-19 reached the northern hemisphere in March, Royal Greenland had seven of the group's eight sea-going trawlers fishing and planned crew changes were postponed. The first collective change was made in April after a 14-day quarantine for the enlisted crew members and then the fleet found new routines and so-called Corona bubbles with tight restrictions, Covid-19 tests and quarantine periods prior to each crew change. On board the vessels, the distance requirements cannot be met. Therefore, it is crucial that any enlisted crew is disease free.

In all countries, local offices have strictly complied with national guidelines from the authorities, and most offices have had very limited attendance and meetings have mainly taken place online. Depending on the size of the office facilities from the head office in Nuuk in Greenland to the smaller sales offices with few employees, central office principles apply, adapted to national guidelines:

- Strongly reduced staffing plan based on the authorities' recommendations (work from home)
- As a rule, visitors are not allowed
- There must be distance between people, both standing and sitting at desks, in meeting rooms, for lunch, etc.
- Gloves must be used when serving lunch at the buffet
- All doors to offices and common areas are open to the extent possible
- Stricter requirements for cleaning common facilities and hand hygiene

As with all other companies, the Covid-19 pandemic will leave a significant impact and create new habits and routines at Royal Greenland. Although everyone has supported the necessary restrictions, it is also clear that good colleagues are important for one's well-being and that one longs for companionship, dynamic, exchanging ideas and learnings and shared development in the everyday life.



Royal Greenland's suppliers are subject to the same high requirements and expectations, including certification approved by the Global Food Safety Initiative (GFSI), regular auditing and DNA analyses of fish. Purchased fish and shellfish may not originate from illegal, unregulated and unreported fisheries.

Detailed inspection of our products and processes is important to maintain high food safety and ensuring traceability from sea to table.

Since 2012, the traceability of the raw material has been a statutory requirement in the fisheries industry. It must always be possible to trace the raw material one link forward and one link back in the value chain. The traceability requirements have gradually become stricter, and today the following raw material data is tracked:

Landing date	Landing port	Country of origin	Catch method	Catch area (FAO)	Catch area (description)	Carch area sub-area
Catch period	Ship name	Ship number	Flag state	IUU certificate no.	Alpha 3 code	Production date
1. Freezing date	Expiry date (shelf life)	Auth. no. production	Auth. no. secondary supplier	Name of Aquaculture unit	Factory name (production unit)	Town and country name of (production unit)

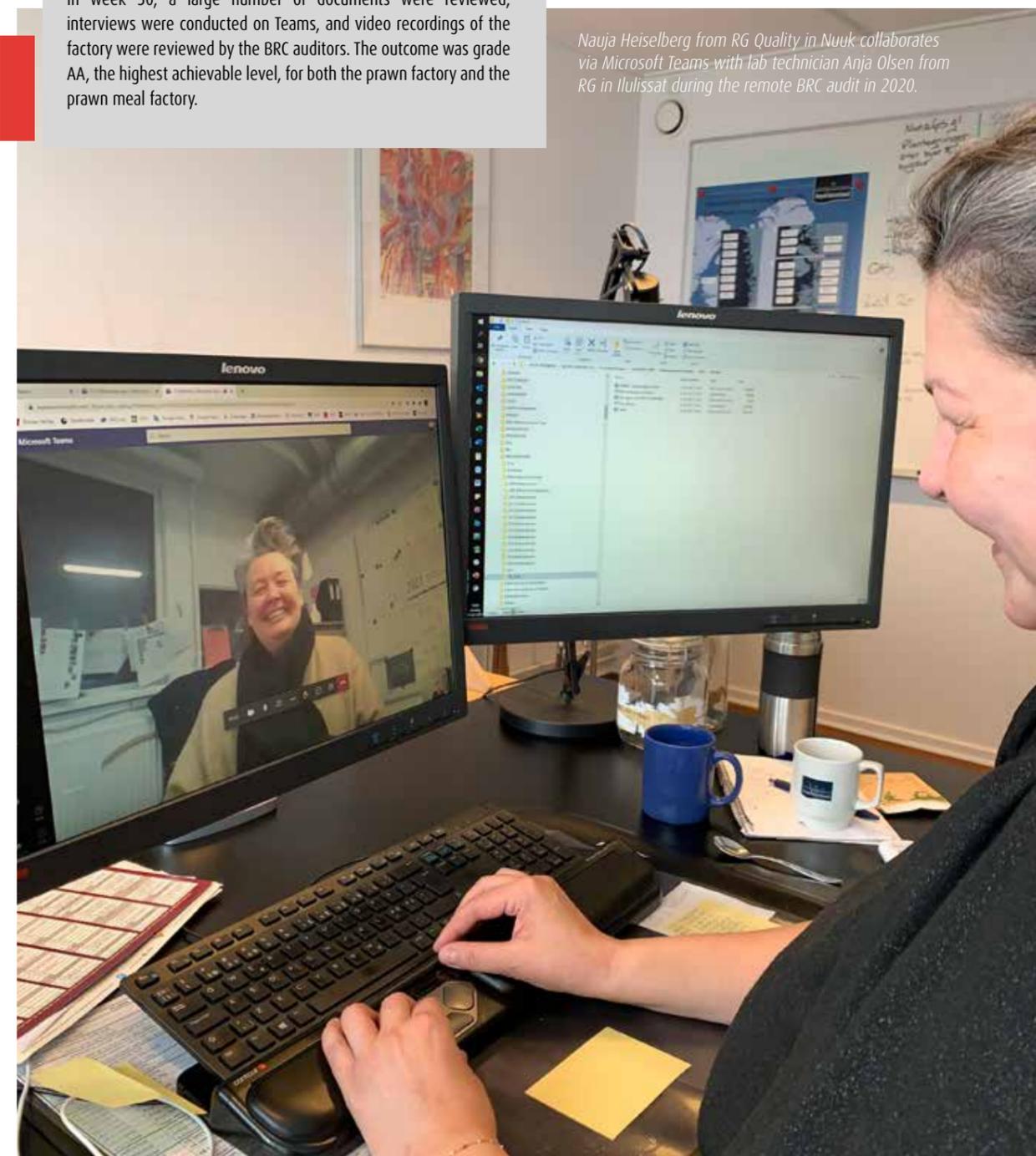


Online audit gives highest grade to the prawn factory in Ilulissat

Every year, the Group's processing plants welcome a large number of auditors who inspect and validate the factories. Due to Covid-19, one of the important international certifications, by the British Retail Consortium (BRC), could not take place. Fortunately, BRC had developed a plan for remote audits, and in December the teams in Ilulissat were busy preparing for the unusual remote audit procedure.

In week 50, a large number of documents were reviewed, interviews were conducted on Teams, and video recordings of the factory were reviewed by the BRC auditors. The outcome was grade AA, the highest achievable level, for both the prawn factory and the prawn meal factory.

Nauja Heiselberg from RG Quality in Nuuk collaborates via Microsoft Teams with lab technician Anja Olsen from RG in Ilulissat during the remote BRC audit in 2020.



SNOWCRAB

Production Certifications

Quin-Sea Fisheries Ltd. (Old Perlican, St. Johns, Cape Broyle) Conche Seafoods Limited	MSC CoC, BRC audit planned for May 2021
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PRAWN FLOUR

Production Certifications

Ilulissat	BRC grade AA
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GREENLAND HALIBUT

Production Certifications

Qasigiannugit Maniitsaq Paamiut	MSC CoC, No IFS due to Covid-19
Quin-Sea Fisheries Ltd. (Cupid, Old Perlican, Cape Broyle, Southern Harbour) Conche Seafoods Limited	MSC
Trawler Masilik Trawler Avataq Trawler Tuugalik Trawler Sisimiut	MSC, West Greenland offshore halibut

COOKED & PEELED PRAWNS

Production Certifications

Sisimiut	MSC CoC, BRC Grade A
Ilulissat Matane	MSC CoC, BRC Grade AA
Quin-Sea Fisheries Ltd.Old Perlican	MSC CoC, BRC Grade AA (Extension) Audit planned for May 2021
Quin-Sea Fisheries Ltd.St. Johns	MSC CoC
Cuxhaven Caviar and Prawns	MSC CoC, BRC Grade AA, IFS Higher level

GREENLAND COD

Production Certifications

Trawler Sisimiut	MSC, Greenland Cod, Haddock and Saithe from the Barents Sea and the North-East Atlantic
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SHELL-ON PRAWNS

Production Certifications

Trawler Akamalik Trawler Avataq Trawler Nataarnaq (Ice Trawl Greenland A/S)	MSC, West Greenland & Faroe Islands, North-East Arctic cold-water prawns
Cuxhaven Caviar and Prawns	MSC CoC, BRC Grade AA, IFS Higher level

LUMPFISH ROE

Production Certifications

Akunnaaq Atammik Attu Ikamiut Qeqertarsuatsiaat Qeqertarsuaq Kangaamiut Kangaatsiaq Qaarsut Maniitsaq Narsaq Paamiut Nuuk Itilleq Sisimiut Headoffice, Nuuk	MSC CoC
Cuxhaven, rogn	MSC CoC, BRC Grade AA, IFS Higher level

SUPPORTING

Production Certifications

Cuxhaven, Zip-lock	MSC CoC , ASC, BRC Grade AA+, IFS Higher level
Dan Salmon, Røg produkter	MSC CoC/ASC/Global Gab, IFS Higher level
Trading	MSC CoC/ASC/Global Gab

SALES OFFICES
Production Certifications

Royal Greenland Seafood A/S Royal Greenland UK Ltd. Royal Greenland Italy Spa. Royal Greenland Japan Ltd. Royal Greenland Vertriebs GmbH RG Seafood (Qingdao) Co. Ltd. Royal Greenland Norge AS Royal Greenland Sweden AB	MSC CoC , ASC
Quin-Sea Fisheries Ltd.	MSC CoC

RISKS

The Covid-19 pandemic has led to risk exposure on an unprecedented scale in extraordinary market and operational conditions. In a normalised world, Royal Greenland seeks to reduce vulnerability to fluctuations in quotas and catches by diversifying the intake of raw material across several stocks of core species, and across several geographical areas. The exposure to financial, currency and interest rate risks in global activities is monitored closely and reduced through the company's fixed policy in this area.

Pandemic

Covid-19 created an extraordinary market and operational situation in 2020, which challenged Royal Greenland in every respect. The pandemic is probably a transient situation, but requires readiness for change in every area of operations, in order to minimise the damage left in its wake.

Measures to reduce this impact are the development of new sales channels, such as e-commerce, a better sales balance between retail and foodservice, a reduction of fisheries and production, a lower cost base, and a reduction of catch-landing prices for fishermen. It is naturally also necessary to ensure the required liquidity reserves.

In accordance with its mission and ownership, Royal Greenland has chosen to maintain the supply chain, thereby to a considerable extent serving as a buffer between the declining markets and the supply chain.

It is still important to adhere to the "North Atlantic Champion" strategy of diversification across several core activities and various geographical markets and raw material areas, since all other things being equal, this greater diversification will reduce the impact of extraordinary situations such as Covid-19.

Raw material

Access to the raw material and the development in raw material prices are a significant operating risk for Royal Greenland. This risk is predominantly related to the live resources in the ocean around Greenland and Eastern Canada. These stocks constitute 83% of Royal Greenland's total raw material resources.

The quotas for Royal Greenland's core species are generally favourable. The prawn quota in Greenland was increased in 2020 and will be raised further in 2021. On the other hand, the prawn quota in Atlantic Canada was reduced. The crab quota in Greenland is stable, while it is increasing in Atlantic Canada.

For inshore Greenland halibut, the quota in the three management areas in Greenland has been unchanged, but is expected to be reduced, although not down to the level recommended by biologists. It should be noted that around 4,000 tonnes of the quota are not normally fished.

A significant element of the "North Atlantic Champion" strategy is to diversify activities across several geographical resource areas, so as to also diversify the risk and reduce the volatility of the company's earnings.

Concerning the development in the quotas, experience shows that lower quotas often entail higher sales prices, thereby maintaining the value of the activities.

The uncertainty concerning the raw material resources requires a sharper focus on value optimisation of the raw material and an increased processing level, in order to maintain earnings from the resources. These areas are in focus in the "North Atlantic Champion".

Royal Greenland's raw material purchases total DKK 1.8 billion. We seek continuously to maintain the relative earnings level, irrespective of the development in raw material prices. The aim is to hedge this risk by adjusting sales prices, as well as close follow-up and back-to-back currency hedging concerning major purchase and sales agreements.

Financial risks

Through its operations, investments and financing, Royal Greenland is exposed to changes in exchange rates and interest rate levels. The parent company manages the financial risks on a centralised basis, and coordinates liquidity management, including capital procurement and the placement of surplus liquidity. The Group pursues a financial policy that is based on a low risk profile, so that currency, interest rate and credit risks only arise on the basis of commercial conditions.

The use of derivative financial instruments is governed by a specific policy adopted by the Supervisory Board, as well as internal procedures to e.g. set amounts and determine which derivative financial instruments may be used.

Currency risks

The Group's activities are affected by exchange rate fluctuations, since revenue is primarily invoiced in foreign currency, while costs, including wages and salaries, are primarily defrayed in Danish kroner, euro, and Canadian and American dollars.

It is still important to adhere to the "North Atlantic Champion" strategy of diversification across several core activities and various geographical markets and raw material areas

The Group will thus be exposed via net positions in a number of currencies. Other countries than Greenland and Denmark account for 85% of the Group's revenue, with an emphasis on the euro-area member states, China, Japan, the UK, Sweden and the USA. Revenue in EUR and DKK accounts for 39% of Royal Greenland's total revenue, and is not assessed to present any real currency risk. The primary currency exposure concerns US dollars, Japanese yen, Pounds sterling, Swedish kronor and Canadian dollars, and also, indirectly, Chinese yuan. The Group is also affected by fluctuating exchange rates, since a number of subsidiaries' results and equity at the close of the year are converted to Danish kroner on the basis of the average and balance-sheet date exchange rates, respectively.

Currency risks are primarily covered by matching receipts and payments in the same currency, and by us-

ing forward contracts. The Group's currency policy is to hedge 75% of the expected currency risks within six months, and 50% of the currency risks during a 6-12 month period. Large contracts are hedged individually. The currency risk in relation to EUR is not hedged.

Interest rate risks

The interest-bearing debt has been swapped for DKK, EUR and JPY. The proportion of the debt at variable interest rates was 40% at the close of the financial year. An increase by 1 percentage point in the general level of interest rates would increase the Group's annual interest costs by DKK 9.7 million.



SUSTAINABILITY – THE NATURAL CHOICE

A strong sustainability focus will maximise Royal Greenland's long-term earnings and lay a sound environmental, economic and social foundation.

At Royal Greenland, we are responsible for conducting sound business operations in a vertically integrated, international value chain on behalf of our owner, the Government of Greenland, while along the coasts of Greenland and Canada we contribute to safeguarding employment and stability in traditional fishing and hunting communities.

At Royal Greenland we will create maximum value, sustainable development and growth for all stakeholders, both local and global, while reducing any negative impacts of our activities.

Sustainability – the UN's Sustainable Development Goals

We have built up a broad sustainability programme that is founded on our business strategy, with specific goals for 2022 and ambitions for 2030.

Royal Greenland's social responsibility and sustainability initiatives are naturally based on the UN's 17 Global Goals for Sustainable Development. All 169 targets under the Global Goals were reviewed as part of this process, and 52 targets were selected for further consideration.

Royal Greenland has a considerable impact on several of the Sustainable Development Goals, but goals 4, 8, 12 and 14 are those for which Royal Greenland has the greatest opportunity to make a difference – see Figure 1.

The full sustainability programme is uploaded at <https://www.royalgreenland.com/sustainability/>.

How we work with sustainability

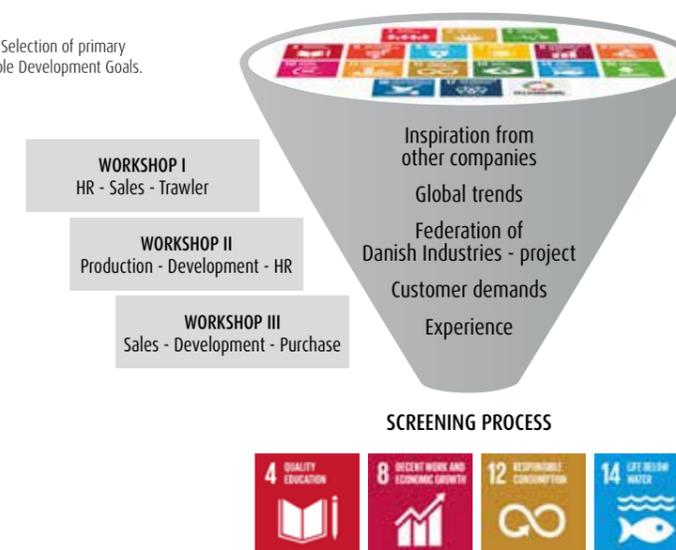
On the basis of the sustainability programme, continuous adjustment and employee contributions, decisions are taken by the steering group and then implemented in the organisation. The steering group comprises the Executive Board and managerial employees within Communication, HR, Marketing and Sustainability. Most recently, a representative of the Canadian activities joined the steering group.

The steering group meets four times per year, with one meeting allocated to the annual evaluation. Final overall decisions concerning the strategic direction are taken by the Executive Board and Supervisory Board.



Fig. 2: Competence and cohesion between the CSR/sustainability steering group and decision makers.

Figure 1: Selection of primary Sustainable Development Goals.



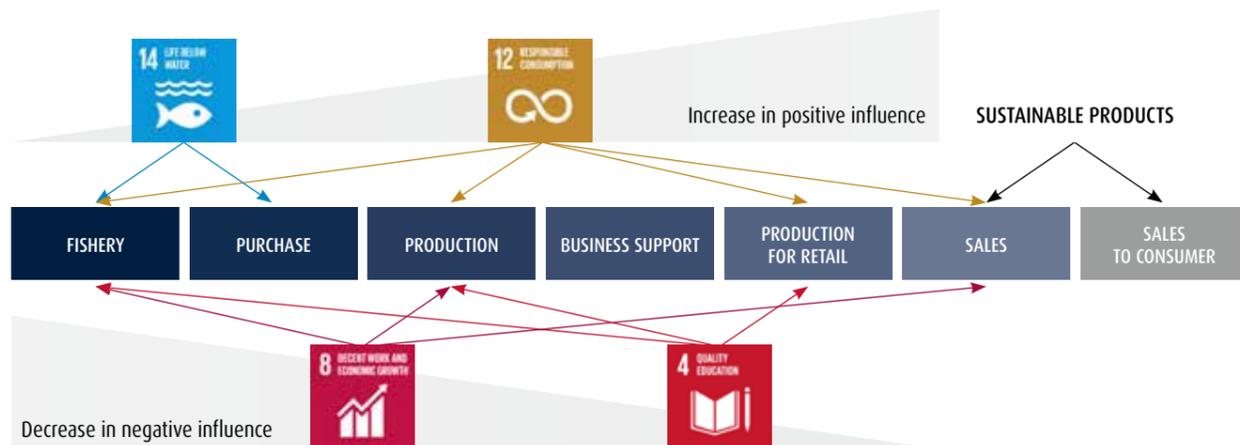


Fig. 3: Influence on Royal Greenland's value chain, with input from the Sustainable Development Goals.

The sustainability activities are based on the natural resources to which we have access, and the four selected Sustainable Development Goals. This illustrates the importance of sustainable fisheries and increased use of natural resources.

Through a holistic approach to sustainability in the value chain, we wish to create the basis for new business opportunities, while reducing the negative impact on the environment. We meet our customers' and consumers' demand for sustainable products and also contribute to achieving the UN's Sustainable Development Goals.

Policies and reporting

The following policies are covered by the sustainability programme:

- Working environment policy (2020)
- Sustainable fisheries policy (2019)
- Environment and climate policy (2019)
- Human rights policy (2019)
- Anti-bullying and harassment policy (2018)
- Policy concerning the under-represented gender (2014)
- Anti-corruption and bribery policy (2014)

The policies can be read in their full length on our website: <https://www.royalgreenland.com/royal-greenland/sustainability/related-documents/>

Below is a description of Royal Greenland's initiatives within the four selected Sustainable Development Goals:



No. 14 Life Below Water - SUSTAINABLE FISHING



No. 12 Responsible Consumption - RESPONSIBLE FOOTPRINT



No. 8 Decent Work and Economic Growth - HEALTHY WORKING LIVES



No. 4 Quality Education - EDUCATION IN GREENLAND



UN's Sustainable Development Goals is the framework for Royal Greenland's sustainability programme

Royal Greenland has worked with sustainable business operation and development on a structured basis for several years. In 2020, the various efforts were brought together within the framework of UN's 17 Sustainable Development Goals.

Based on the company's strategy, business areas and initiatives, four goals were selected as a framework including up to 25 underlying sub-goals, which are applied across the organisation.

Royal Greenland's aim is to ensure that the work with sustainable solutions is a natural part of the employees' daily lives and that all colleagues see themselves in the company's sustainability programme. At the same time, in the on-going dialogue with customers and other stakeholders, we want our sustainability efforts to be about more than just reporting on target figures; therefore, at www.royalgreenland.com (link) you can meet a lot of our skilled colleagues who work with sustainability in their everyday lives.

Sustainable fishing

Our fisheries must be managed in accordance with the scientific advice and be certified by an independent third

party. We procure fish and shellfish according to equivalent principles and contribute to building knowledge of sustainable fisheries, the marine environment and new species.

Responsible footprint

We will maximise the degree of utilisation by creating new food products from the fish and shellfish that we produce. We will minimise our environmental footprint through responsible consumption and circular handling of non-renewable resources.

Healthy working lives

We will integrate a working environment and environmental system that addresses the physical and psychosocial working environment of all employees, and their well-being. We make the same requirements of our suppliers as we make of ourselves.

Education in Greenland

We take responsibility for competence development and education in Greenland's society through specific training programmes, in close cooperation with educational institutions and via our own Royal Greenland Academy.



SUSTAINABLE FISHING

Our fisheries must be managed in accordance with the scientific advice and be certified by an independent third party. We procure fish and shellfish according to equivalent principles and contribute to building knowledge of sustainable fisheries, the marine environment and new species.

We can divide our access to raw material into (i) ocean fishing, (ii) coastal fishing and direct purchase from local fishermen, and (iii) purchase from external suppliers. More than 80% is fished from our own vessels or landed directly, so that only a small proportion is purchased in the world market. Farmed species account for around 3% of the total raw material volume.

Royal Greenland's Sustainable fisheries policy obliges us to adhere to the development in new fisheries requirements, react to scientifically proven changes in populations, and participate actively in the development of new technology.

Our aim for both ocean and coastal fishing is to support a sustainable approach to fisheries management, based on a precautionary principle, and to work for the certification of the most important fisheries.

Risks

The greatest volume of raw material is sourced from Greenland, where the following risks have been identified.

- High Total Allowable Catch (TAC) determination compared to the scientific advice
- Surplus coastal fisheries capacity
- Impacts on habitats
- Ghost fishing with derelict fishing gear

For several years, the fixed TAC quotas for coastal fishing of Greenland halibut and cod have exceeded the scientific recommendations. Royal Greenland wishes to have TAC quotas that adhere to the recommendations, since a data-based approach based on scientific investigations is the best basis for management of a common stock. Over a number of years, many new Greenland halibut and cod fisheries operators have appeared, which increases the political pressure on how TAC is determined. This is particularly apparent towards the end of the year, when the quotas are often raised.

Greenland's waters are extensive, and many areas are not fished at all. There is a requirement, however, for fishing in new areas to adhere to a precautionary principle. Parties engaged in ocean-going Greenland halibut fishing, for example, must apply for a licence to fish in new areas, since the authorities, NGOs and MSC certification require greater consideration than before of virgin areas with vulnerable ecosystems and habitats.

The proportion of farmed raw material in Royal Greenland's own production is very small compared to wild-caught fish and shellfish. Farmed raw material can present risks concerning medication and environmental pollution. At Royal Greenland, we require our suppliers to ensure responsible risk management through dialogue and acceptance of Royal Greenland's Supplier Code of Conduct.

Opportunities and goals

Focus on sustainable fishing safeguards resources. A higher proportion of certified species and fishing also gives access to more, and more advantageous, markets. This requires sustainability to be documented. The European markets in particular are imposing requirements. In recent years, the focus on this area has increased equivalently in Asia and the USA.

The establishment of sound cooperation concerning certification with other industry operators in Greenland and Canada presents great opportunities to improve access to the markets.

Royal Greenland is also independently engaged in trial fishing of sea cucumber and whelk, and harvesting of seaweed.

Our goals for 2022:

- > More than 60% of our raw material is certified
- > More than 85% of our raw material is sustainable, based on internal assessment
- > Commercialisation of at least one new species

Ambitions for 2030:

- > Certification of more than 75% of our raw material
- > More than 95% of our raw material is sustainable, based on internal assessment
- > Commercialisation of at least three new species

We believe that our goals and ambitions are clear and realistic, but require a number of measures, particularly within coastal fishing in Greenland. Royal Greenland undertakes this work independently, and also through involvement in the Sustainable Fisheries Greenland (SFG) partnership. The aim is to increase focus on identified risks, initiate Fishery Improvement Projects (FIPs) and create a basis for MSC certification of Greenlandic fisheries. Besides other Greenlandic organisations, the Greenland Business Association and the Association of Fishers and Hunters in Greenland (KNAPK) are also members of SFG.

Development in share of MSC-certified fisheries and ambitions for 2030



Royal Greenland is also a member of the Global Sustainable Seafood Initiative (GSSI), whose primary task is to assess sustainability standards.

Actions and results

2020 was a busy year with many new management plans for fisheries in Greenland. Royal Greenland participated in working groups appointed by Greenland's Ministry of Fisheries, Hunting and Agriculture, in cooperation with Sustainable Fisheries Greenland. Together with other operators, in 2020 sustainable management plans were drawn up for the following species:

- Ocean-going Greenland halibut
- Prawn fishing
- Cod fishing in East Greenland
- Lumpfish fishing
- Crab fishing

With the exception of the last-mentioned, these are all updates of existing MSC certificates. The management plan for crab is new, and in future there will be biological advice for eight crab management areas in West Greenland. Investigation has also commenced of the extent and seasonal variations in the prevalence of soft-shell crab, in order to determine an optimum fisheries season. This investigation is taking place in

collaboration with Pinngortitaleriffik (the Greenland Institute of Natural Resources). The many initiatives in 2020 are expected to provide an adequate basis for MSC certification of crab.

Coastal Greenland halibut fishing

Coastal Greenland halibut fishing is not certified, but its management has progressed well, and today all coastal Greenland halibut fishing in West Greenland is subject to quotas.

Three management areas have thus been established in the southern part of West Greenland, within NAFO 1B-1F. This fishing was previously managed as non-regulated fishing, but NAFO (the Northwest Atlantic Fisheries Organization) has recognised this area as an independent management area. Qaanaaq, in North Greenland, has been established as a management area.

Parallel to this, the previous quota-free areas in the three northern management areas for Greenland halibut, Disko Bay, Uummanaq and Upernavik, have been cancelled. All of these measures create a basis for far better management of coastal Greenland halibut fishing.

Figure 7: MSC certification of Greenlandic and Norwegian fisheries, of which Royal Greenland is part.



Prawn fishery
West Greenland
2013

Cod, haddock and Saithe
Barents Sea
2015

Lumpfish fishery
West Greenland
2015

Off-shore
Greenland halibut
West Greenland
2017

Prawn fishery
Barents Sea
2017

Another improvement measure is the creation of a set of recommendations as a consequence of the ongoing Fishery Improvement Project (FIP). Royal Greenland has contributed more than three million observations concerning the weight of the fish, which together with fish size can be used to determine optimum fisheries for all fisheries operators.

MSC-certification

Royal Greenland is part of the "Client Group" for five MSC certifications (see Figure 7) and contributes to partnerships preparing several forthcoming certifications. It takes time to prepare fisheries for certification. The standard sets many requirements, and may entail

changes in national legislation, investigation methods and scope, and impose new requirements on actual fishing, including reporting. A project usually begins with a pre-assessment, to identify any weak points. These are improved via a Fishery Improvement Project (FIP). Once a certificate has been achieved, it applies for five years, with annual status reviews. The fisheries are re-certified at the fourth monitoring audit, and on any new version of the standard.

In 2020, 57% of the resources fished and purchased by Royal Greenland were certified, see Figure 5. This means that more than half (51%) of our end-products carry the blue MSC logo.

New recommendations for management of the inshore Greenland halibut fishery are ready

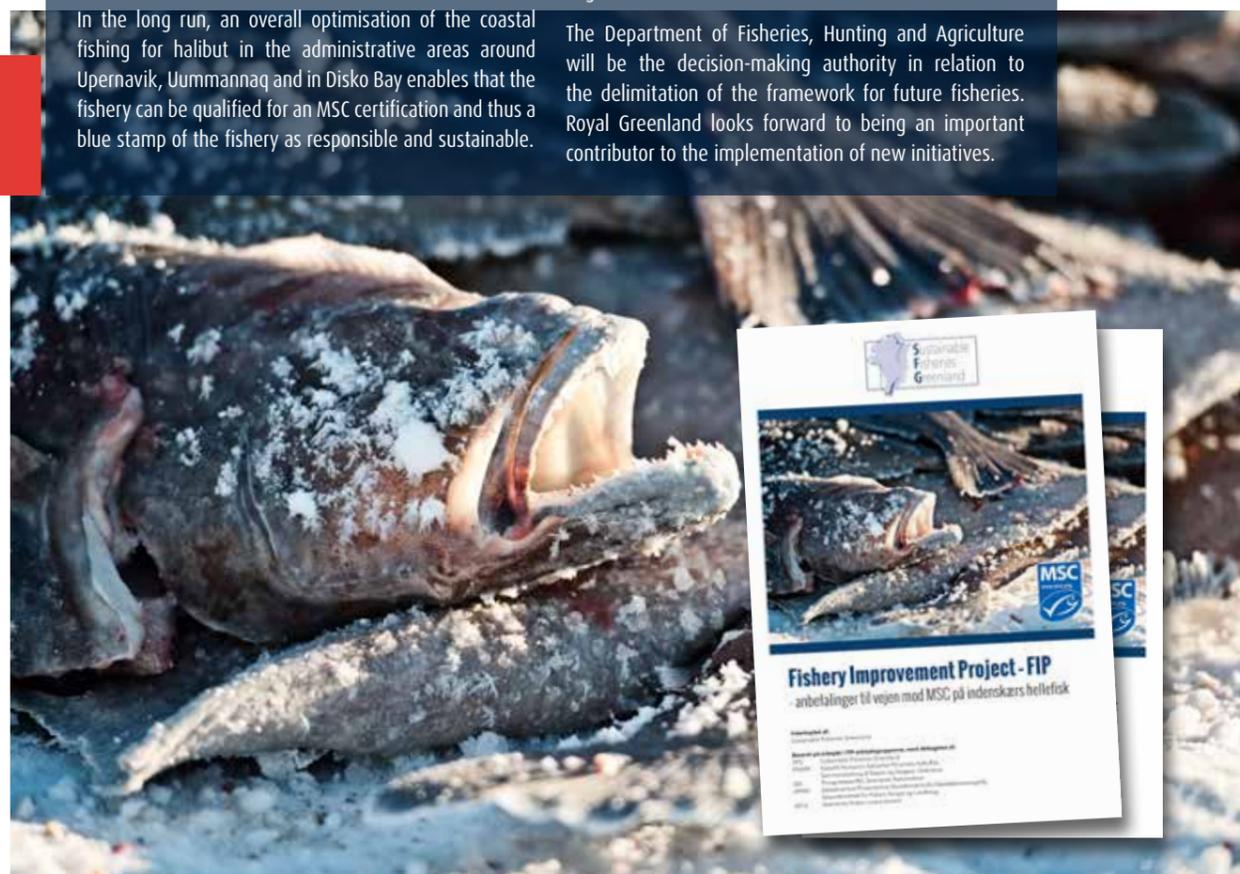
Since 2018, a project group consisting of Sustainable Fisheries Greenland (SFG), Greenland Fisheries License Control Authority GFLK, Fishermen and the catcher organisation KNAPK, Greenland Institute of Natural Resources and the Ministry of Fisheries, Hunting and Agriculture have worked closely together. The focal point has been a so-called Fishery Improvement Project (FIP), which has aimed to ensure the healthiest possible Greenland halibut stock and the most appropriate management of the fishery.

For Royal Greenland's commercial outlets, it is of course of great importance that the fishery is managed sustainably. Through a chairmanship of SFG and the project's reference group, the company has a significant share in the recommendations that the group has reached.

In the autumn of 2020, the project group presented their recommendations, including fixed target for the fishery as the basis for management of the fishery, striving for average length of landed Greenland halibut and alignment of mesh size on nets.

In the long run, an overall optimisation of the coastal fishing for halibut in the administrative areas around Upernavik, Uummannaq and in Disko Bay enables that the fishery can be qualified for an MSC certification and thus a blue stamp of the fishery as responsible and sustainable.

The Department of Fisheries, Hunting and Agriculture will be the decision-making authority in relation to the delimitation of the framework for future fisheries. Royal Greenland looks forward to being an important contributor to the implementation of new initiatives.



Every year, all species and fisheries are reviewed in order to assess their sustainability status. The categorisation is based on a breakdown into sustainable, less sustainable and critical species, where the first-mentioned is defined as the fishing of healthy populations that are fished responsibly, in accordance with the biological advice (Figure 6).

Around 80% of Royal Greenland's species are fished sustainably, while 20% lie within the category of less sustainable fishing. This is primarily related to the inshore cod and Greenland halibut fishing in Greenland. The latest improvements in the management of coastal Greenland halibut fishing mean that as from 2021, the fisheries will be, and will be categorised as, sustainable. The critical species account for only 0.1% and are eliminated in real terms.

Habitats and ecosystems

For many years, Sustainable Fishery Greenland (SFG) and thereby Royal Greenland, together with the Zoological Society of London and Pinngortitaleriffik (the Greenland Institute of Natural Resources), have investigated trawled and non-trawled seabed areas. One of the MSC requirements is that fisheries do not irreversibly damage vulnerable marine areas. Project work so far indicates that there are cold-water coral reefs and sponges in some of the untouched areas. Prawn fishing in the Melville Bay is therefore limited to particular areas, while operators of ocean-going Greenland halibut

fishing must apply for a licence to extend their current fishing area.

Gill nets and lines are the traditional methods used in coastal fishing. In recent years there has been greater awareness of lost fishing gear, also called ghost fishing. Royal Greenland has contributed a sponsorship to recover lost fishing gear in the Disko Bay, and through SFG has contributed to a trial to record the condition of the seabed concurrently with remediation.

Outlook for the coming year

We expect the commencement of MSC certification of crab in Greenland. There are still a few outstanding issues that are expected to be clarified during 2021. If the certification process is launched in the autumn of 2021, certification could be achieved during 2022.

It is also expected that the FIP recommendations concerning coastal Greenland halibut fishing will entail further management measures, and that the preparation of an actual management plan will be launched.

In our Canadian activity, lobster is registered under a Fishery Improvement Project (FIP) at www.fisheryprogress.org. The "Client Group" now includes a larger group covering Newfoundland and Labrador, besides Royal Greenland's subsidiary, Quin-Sea Fisheries Ltd. The project is being run in 2020-2024, and the fisheries are expected to achieve certification in 2025.

Fig. 5
Share of certified fish resources



Fig. 6
Percentage distribution of purchased and fished raw materials in accordance with sustainability

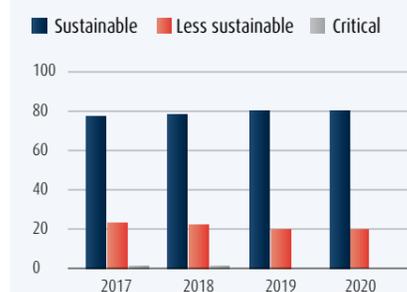


Fig. 8: Royal Greenland's involvement in Fishery Improvement Projects (FIP)



Lobster
Newfoundland
2019 - 2024

Coastal Greenland halibut
West Greenland
FIP 2018 - 2021

Crab
West Greenland
FIP 2020 - 2021

New species

Our trials for the utilisation of new species in Greenland, such as seaweed, sea cucumber, and whelk, are ongoing, with the ambition to achieve commercialisation in due time. In 2020, around 2,000 kg of seaweed were harvested. The quantities will be increased, and an actual market will be identified, so that sale can be established.

Sustainable Development Goals - SDG contributions

Through its work with sustainable fisheries, Royal Greenland contributes to achieving the UN's Sustainable Development Goals by promoting fisheries that reflect the size of the stock, with due consideration of the surrounding environment. Our key contributions lie within the following targets¹:

14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.

14.a: Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing states and the least developed countries.

¹<https://www.sdgs.un.org/goals/goal14>



12 RESPONSIBLE CONSUMPTION



RESPONSIBLE FOOTPRINT

We will maximise the degree of utilisation by creating new food products from the fish and shellfish that we produce. We will minimise our environmental footprint through responsible consumption and circular handling of non-renewable resources.



The sustainability programme's Responsible Footprint campaign is defined in the Environment and climate policy.

The policy focuses on maximum utilisation of the fish resources landed in our processing plants or processed onboard our ocean-going factory vessels. The policy also sets the standard for the responsible utilisation of other environmental resources and describes initiatives within the following areas:

- Reduction of consumables and materials
- Recovery as a circular philosophy
- Use of renewable resources

Maximum utilisation of resources

RoyalGreenland is focused on the greatest possible utilisation of our raw materials, by developing new food products, ingredients or feeds, and by using new technologies in cooperation with other sectors.

In 2020, Royal Greenland utilised 67% of the landed raw material in Greenland, and at Group level the ratio was 65%. This means that there is still a considerable share that is not utilised. The remaining share is organic material comprising protein, fish oil and e.g. calcium from carcasses, called side-streams.

Risks

Side-streams present the challenge that the residual material differs considerably from the products traditionally produced. Furthermore, some of these materials are at facilities that are located far apart, in logistics terms, since it should be noted that towns and settlements in Greenland are not connected by roads, and that Royal Greenland operates a total of 38 processing facilities on the west coast. This requires the collection of residual materials, innovative solutions, investments, external cooperation partners and the time to increase resource utilisation significantly.

Opportunities and goals

The best opportunities for better utilisation of resources can be found at the large processing facilities, where relatively large volumes are processed, with equivalent large quantities of side-streams. Among facilities in Greenland, this particularly concerns Sisimiut and Maniitsoq.

In Sisimiut, residual prawn shells, and thereby production of prawn meal, are relevant. The technology for production of prawn meal is known from the prawn factory in Ilulissat. There are equivalent opportunities at the prawn factories in Old Perlican, St. Anthony and Matane in Canada.

The degree of utilisation in the production of Nutaaq cod, which is landed as live cod at the facility in Maniit-

soq, is relatively low because guts and heads, which are discarded at sea in coastal fishing, are part of the first processing stage. Here, there are good opportunities to increase resource utilisation.

The degree of utilisation of Greenland halibut is already high, since more than 90% of the raw material is utilised. A large share of the raw material is sold as whole fish and processed by the buyer, or via own processing facilities in Greenland and China, where heads, tails and fins can be sold.



Our goals for 2022:

- > Increase the utilisation of potential raw materials in the Group to minimum 80%
- > Develop new products with positive financial returns
- > Reduce the discharge of shells and fish residue via wastewater pipes

Ambition for 2030:

- > Full utilisation of potential raw materials in the Group

To achieve our goals, it is necessary to start with the realistic opportunities, viewed from a logistics standpoint. This means that we initially focus on the locations with side-streams on a scale that can serve as the foundation for the development of new products.

Actions and results

The new M/tr Sisimiut trawler is a factory trawler to process cod and Greenland halibut into ready-for-sale products. The residual resource can also be processed onboard the trawler, since a fish meal and oil plant is installed onboard. The plant has not yet been taken into use, as adjustments were required prior to start-up. It is expected to be commissioned in 2021.

Production of prawn meal at the prawn factory in Sisimiut was planned to commence in 2020, but due to Covid-19 it was not possible to construct the prawn meal plant.

On the other hand, sales of cod heads from the production of live cod (Nutaq) in Maniitsoq increased significantly in 2020. The cod heads are sold fresh for subsequent drying, and for fishing bait. Smaller quantities of cod skin, cod stomachs and roe are also sold.

In overall terms, the utilisation of resources in Greenland and by the Group is at around the same level as in 2019, as Figure 10 shows, despite a 4% increase in cod landings.

Fig. 10

Resource utilisation of the influx of raw materials to the processing plants



Royal Greenland is involved in several projects with the aim of increasing the utilisation of resources:

- **Better utilization of the seafood industry's side-streams** also called WASEABI, is a four-year EU project that is headed by the National Food Institute under the Technical University of Denmark (DTU). The aim of the project is to develop methods and technologies to utilise side-streams for new products such as proteins, minerals and other high-tech products. See <https://www.waseabi.eu/>. The project focuses on residual cod resources, and Royal Greenland delivers raw materials for the sub-projects.

- **Cooperation with Kvalvik Bait** - development of fish paste and fish meal for use as bait, and extraction of protein and oil from crab shells. Royal Greenland has acquired an interest in Kvalvik Bait, which utilises residual products. Crab shells in particular are interesting, since they give the bait a good odour.

- **Aqualeather**, with the aim of processing fish skin into tanned leather. The project was supported by the Green Development and Demonstration Programme (GUDP) in Denmark. The project involved trials with dyeing smoked Greenland halibut skin as a new resource, but unfortunately, smoked skin is not suitable for the tanning process. The project was completed in 2020.

Outlook for the coming years

In 2021-2022, Royal Greenland expects to be able to commercialise several new products based on residual side-stream materials, such as prawn shells for production of prawn meal and residual products on the M/tr Sisimiut trawler.

Environmental resources

Energy and climate:

Ocean-going trawlers account for the largest share of the Group's energy consumption. They consume energy during navigation, fishing (at great depths), processing and freezing onboard. Royal Greenland exclusively uses Marine Gas Oil, as recommended for Arctic regions. The sulphur content is around 30 times lower than for the Heavy Fuel Oil normally used, and acidification and the occurrence of black particles are reduced. On investing in new vessels, it is sought to reduce fossil oil consumption by using electrical, rather than hydraulic winches, for example.

Electricity and district heating for Royal Greenland's processing plants are delivered by Nukissiorfiit, (the Greenland Energy Company) from their local supply facilities. Gas and oil are also purchased directly, for combustion at the processing plants, where necessary.

Around half of the onshore energy consumption in Greenland is delivered as electricity from the utility company. Of this consumption, renewable hydro-power-based energy accounted for 57% of electricity consumption in 2020, equivalent to one third of the total energy consumption. The processing plants in Ilulissat, Sisimiut, Narssaq and Nuuk all receive hydro-power-based energy. Royal Greenland has the greatest total energy consumption at the two prawn factories in Ilulissat and Sisimiut.

Risks

The greatest risk on using larger volumes of energy based on fossil fuel is the emission of CO₂ equivalents to the atmosphere, which affects global warming. Extreme weather conditions and impacts on biomass and fish species' growth patterns can already be seen in Arctic regions. Royal Greenland will do what it can to prevent a further increase in global warming and its consequential effects, locally and globally.

Opportunities and goals

Since ships account for the greatest energy consumption, specific goals have been set for them. During the next few years, Royal Greenland wishes to reduce consumption significantly, with the ambition of a reduction by one fourth in 2030, on a comparable basis. To achieve this, more efficient energy consumption is required, and, to a greater extent, every fisheries activity should be planned on the basis of energy consumption. Increasing fish volumes per fisheries activity will reduce energy consumption per tonne fished. The introduction of triple trawl, as on the newest prawn trawler, Avataq, may also be a more efficient fishing method, by reducing fishing time and streamlining fisheries.

In 2021-2022, Royal Greenland expects to be able to commercialise several new products based on residual side-stream materials

Our goals for 2022:

- > Continued reduction of energy consumption per tonne of end-product in the Group by around 5 % per annum. This means that we aim for maximum consumption of 2,300 kWh/tonne of end-product.
- > Reduce our climate footprint by converting oil-based plants to electricity, based on renewable environmental resources.
- > Pursue the International Maritime Organization's target for reduction of bunker oil consumption. Royal Greenland does not have a specific goal for 2022

Ambition for 2030:

- > Continued reduction of energy consumption, with a total reduction for the Group of around 30 % per tonne of end-product, compared to 2018.
- > Reduction of the ships' climate footprint in 2030, by 25 % per tonne of volumes fished.

Actions and results

Energy consumption at the individual factories and vessels is monitored on the basis of monthly reports. In addition, at least once a year the Group's total energy consumption is compiled. Reducing energy consumption is always in focus for newbuilding and maintenance tasks.

Figure 11 presents energy consumption for the 2017-2020 period. As shown, energy consumption rose during 2020. The increase is particularly significant in Cuxhaven, as a consequence of the relocation of the facility in Aalborg to Cuxhaven. As from 2019, energy consumption per tonne of end-product concerns all ships under Royal Greenland's management. Previously, only wholly-owned ships were included. Together with the change in fishing patterns, this explains the increase from 2019 to 2020.

Fig. 11: Energy consumption in the Group and for Greenland.

Energy consumption - kWh/tonnes finished goods



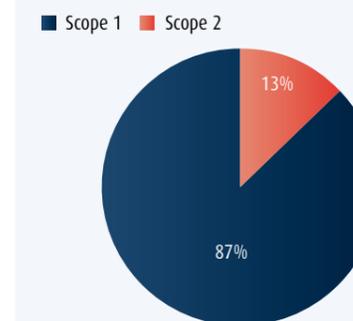
Climate footprint

In 2020, Royal Greenland determined the Group's climate footprint in scope 1 and scope 2. Scope 1 is Royal Greenland's direct consumption of energy

resources and related CO₂ emissions, while scope 2 concerns indirect emissions via purchased power and district heating.

Figur 12: CO₂e emissions from the Group's activities.

Royal Greenland CO₂e emissions in



The emissions total approximately 100,000 tonnes of CO₂ equivalents, of which approximately 70% originate from large vessels in particular.

CO₂ emissions from vessels reflect variations in the vessels' fishing patterns, such as inshore and ocean-going fishing, and benthic and surface fishing. As Figure 13 shows, pelagic vessels with surface fishing are the most energy-efficient.

Fig. 13: CO₂e emissions from the Group's vessels.

CO₂e/t catch



A small increase in emissions can be seen for demersal and pelagic vessels, which is due to adjustment of the fishing pattern. The emission of tonnes of CO₂ per tonne of volume fished for the new trawlers, M/tr Sisimiut and M/tr Avataq, reflects a decrease in oil consumption and thereby emissions. This is due, among other things, to electrically-powered winches. The vessels are also subject to energy optimisation based on the latest technology.

Future outlook

The replacement of the trawler fleet, including a new M/tr Nataarnaq, to be delivered at the end of 2021, will further reduce energy consumption.

Climate footprint in product chains

Unfortunately, it is not possible to definitively calculate the climate footprint per kg of end-product. Several methods can be used, and therefore Royal Greenland is involved in an EU project to determine Product Environmental Footprint (PEF) rules for fish products, of which the calculation of CO₂ equivalents is part.

Furthermore, in 2020 a master's student was attached to the project, with focus on screening three different calculation methods, tested on iced prawns. The master's thesis showed that the three methods do not yield significantly different results and that iced prawns from Ilulissat, up to and including retail packing in Aalborg, have a footprint of 5.1-6.0 kg of CO₂e/kg prawns, depending on the method selected. The result is lower than the typical figures for prawn in available databases, which do not take direct account of our specific value chain.

Fresh water

Fresh water of good quality is an important resource for all Royal Greenland production units. Water may be part of a product, a means of transport during production, and a means to clean a workplace.

In Royal Greenland's production units, fresh water may originate from surface water, groundwater or sea water. Fresh water is delivered by Nukissioffiit, (the Greenland Energy Company) and local utility companies. At some geographical locations in Greenland, fresh water is in short supply, and fresh water is produced via a reverse osmosis (RO) system.

Risks

The greatest risk for Royal Greenland is a lack of fresh water for production. At some locations, the processing plant is the town or settlement's largest water consumer. Prawn factories are the entities that consume most water, but they are situated at locations with ample fresh water supplies.

Opportunities and goals

To counter any shortage of fresh water, regular meetings are held with Nukissioffiit (the Greenland Energy Company), in order to coordinate changes in fish production and drinking water supplies.

In recent years we have worked on the purification of sea water to drinking water quality. This has yielded some good results, but we are still waiting for permission from the Greenlandic authorities to use the purified water in fish and shellfish production.

Our goals for 2022:

- > Reduce consumption at the Group's processing plant by around 5% per year, to an average of 35 m³ per tonne of end-product
- > Development of production of fresh water from sea water in towns and settlements with a shortage of fresh water

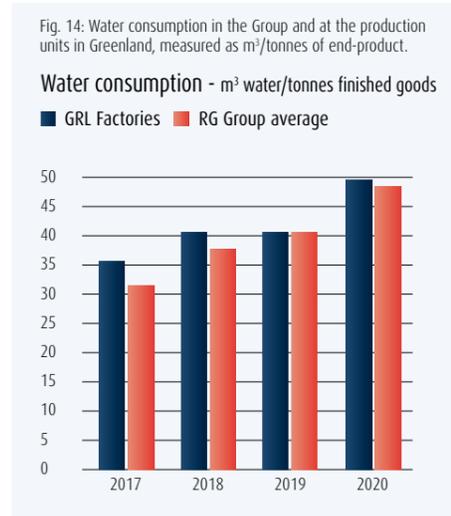
Ambition for 2030:

- > Total reduction of 20% from 2018
- > A stable water resource of drinking water quality

Actions and results

By exercising due diligence and in dialogue with the utility company, there are now good opportunities for coordination of production and local fresh water supplies. In the longer term, there is focus on our own purification of sea water.

Royal Greenland continuously monitors fresh water consumption in Greenland and at Group level.



As Figure 14 shows, water consumption per tonne of end-product has increased from the previous year, which is due in particular to increased processing in Greenland. The more the fish is processed, the greater the water consumption, since all sub-processes require water for internal transport, storage, and cleaning of equipment and premises. At Royal Greenland, the prawn factories account for the highest consumption, since peeling prawns requires large volumes of water.

Future outlook

In 2021, Royal Greenland expects to achieve approval of a licence to clean seawater for use in fish processing, which will eliminate the risk of a shortage of water. Our aim is to work specifically with the towns and settlements where fresh water is in short supply. This will also make it possible to increase the level to which fish is processed in the settlements, thereby creating new employment.

Royal Greenland is involved in an EU project to determine Product Environmental Footprint (PEF) rules for fish products, of which the calculation of CO₂ equivalents is part

Paper, cardboard and plastic

The Environment and climate policy also concerns the recirculation of packaging and plastic materials in production, and greater use of renewable resources. This applies in particular to paper, cardboard and plastic.

Risks

To a great extent, plastic is produced on the basis of finite fossil materials. There is also often discarded packaging, gill nets, fish boxes and other materials in towns and settlements. The risk on leaving discarded or lost fishing gear in the sea is that this can contribute to ghost fishing. Discarded trawl nets contain plastic, which the sea can break down into microplastic, with a serious adverse effect on the sea's natural resources.

The EU has adopted a directive which requires all plastic to be recyclable by 2030. Under the directive, fisheries-related items account for 27% of all marine waste. Royal Greenland gives this directive its full support.

Opportunities and goals

Royal Greenland wishes to increase reuse and recycling in its activities. Recipients of used plastic can produce plastic granulate, which can be turned into new plastic items, although there are still some plastic elements that cannot be recycled. Plastic that does not consist of monomaterials is not recyclable.

Today, our paper and cardboard are already made from FSC-certified materials (Forest for ALL – Forever).

Our goals for 2022:

Plastic in production and fisheries:

- > Fish tubs made from the monomaterial PE/PE, rather than polyethylene(PE)/polyurethane(PUR)
- > Used fish boxes and tubs are collected and granulated for recycling
- > Fish trawl nets and gill nets are collected, processed and recycled

Packaging:

- > Minimum 85% of Royal Greenland's plastic packaging comprises recyclable monomaterials
- > All cardboard and paper is FSC-certified, or the equivalent

Ambition for 2030:

- > Full reuse of used trawl and gill nets owned by Royal Greenland
- > All packaging is made from recyclable materials

Actions and results

A major project has been launched concerning packaging and plastic used in fisheries and production. In 2020, there was focus on developing tools to quantify types of plastic used in packaging, among other things by building up databases with actual weight units, in order to assess the task, follow up on measurements,

and be able to document compliance with EU requirements. Production trials have also been run to replace multi-layer plastic in packaging with mono-layer plastic, while retaining product quality. This has been successful for several products, and is expected to be implemented in 2021.

Positive results have also been achieved with large bulk packaging, whereby multi-layer packaging comprising paper and plastic is replaced with mono-layer polypropylene (PP) packaging.

Tubs and boxes are subject to equivalent initiatives. In 2020 it was decided that Royal Greenland would only procure fish tubs made from monomaterials. In 2020, more than 250 PE/PUR tubs were sold for repair and reuse. They were replaced with tubs made from the monomaterial PE, as well as metal tanks with an extended lifetime.



Figur 15. PE/PE tub for production in Greenland

Outlook for the coming year

In 2021, more multi-layer packaging will be replaced with mono-layer materials. In Greenland, collection of used fish boxes, tubs, gill nets and trawl nets will be organised, so that they can be recirculated.

SDG contribution

By working to achieve better utilisation of the fish resources, reduce fossil fuels, and increase the utilisation of sea water and the recirculation of paper, cardboard and plastic, we will contribute to achieving Sustainable Development Goal¹².

The most important targets are:

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

¹² <https://sdgs.un.org/goals/goal12>

The journey towards recyclable plastic material in packaging

As part of Royal Greenland's sustainable development goal # 12 Responsible Footprint, efforts are being made to reduce the consumption of plastic and to ensure that as much as possible of the plastic used is recyclable.

Today, the vast majority of Royal Greenland's retail range is packed in plastic bags. These bags are made of one or more layers of plastic with different qualities, depending on what type of product the bag is designed for. For many products, a high barrier quality is essential to avoid air from seeping into the bag, whereas other bags must be resistant to sharp objects to avoid cuts during the packing process of frozen products.

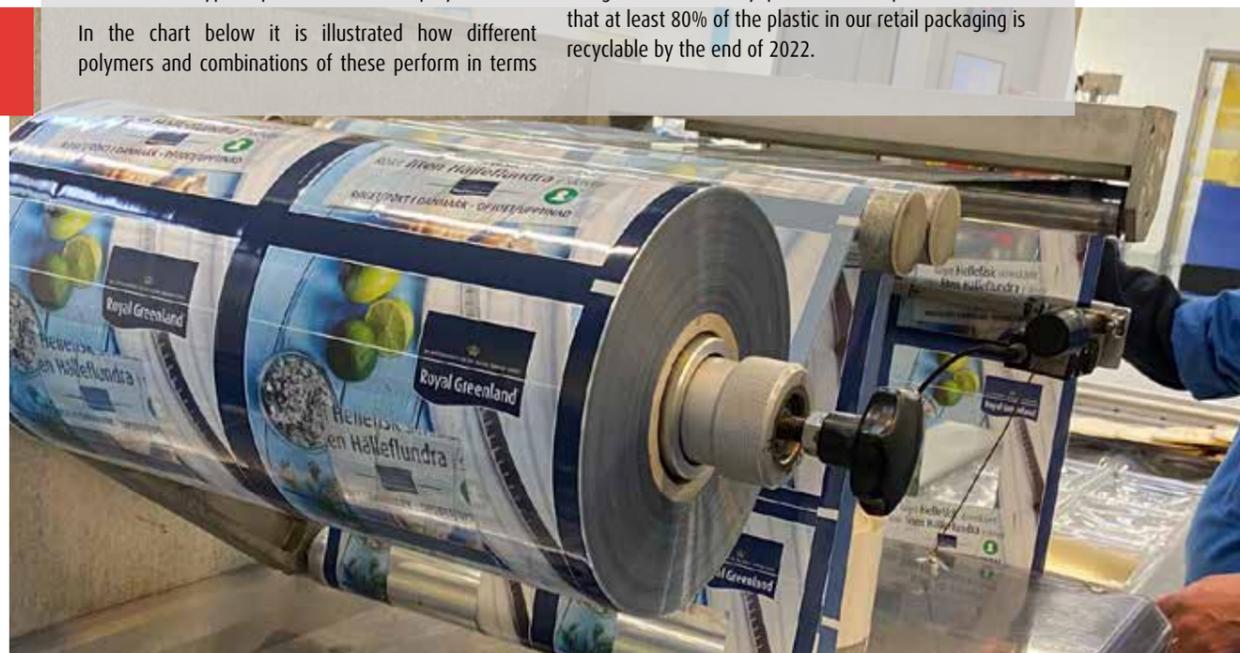
For plastic to be suitable for recycling it can usually only consist of one type of plastic or so-called polymer.

In the chart below it is illustrated how different polymers and combinations of these perform in terms

of recyclability. As stated in the chart, it is a determining factor that the polymers are compatible. Non-compatible polymers are not separable in the recycling process and are therefore only fit to include in a combustion process.

For Royal Greenland, the first step towards reducing plastic consumption within retail is to make sure all retail packaging are made from compatible polymers. With this choice, we ensure that our retail packaging is as recyclable as possible.

During 2020, numerous of Royal Greenland's packaging has been registered in relation to the content of plastic and the degree of recyclability. Because of this, an implementation plan has been made for all product categories and factory plants with a plan to achieve that at least 80% of the plastic in our retail packaging is recyclable by the end of 2022.



RECYCLABILITY SCHEME

OPA/PE PA/PE PET/PE EVOH PET/PE	OPP/PE	O-PE/PE EVOH PE/PE EVOH	O-PE/PE PE/PE PE PP PET	TYPE OF MATERIAL	
NO RECYCLABILITY	MEDIUM RECYCLABILITY	HIGH RECYCLABILITY			
×	×	×	×	×	SINGLE-LAYER
×	×	×	×	×	MULTI-LAYER
×	×	×	×	×	MONO-MATERIAL
×	×	×	×	×	MULTI-MATERIAL
×	×	×	×	×	COMPATIBLE POLYMERS
×	×	×	×	×	NON-COMPATIBLE POLYMERS

8 DECENT WORK AND ECONOMIC GROWTH



HEALTHY WORKING LIVES

We will integrate a working environment and environmental system that addresses the physical and psychosocial working environment of all employees, and their well-being. We make the same requirements of our suppliers as we make of ourselves.

At Royal Greenland we have a great responsibility to create as many commercially and socially worthwhile local workplaces as possible. This requires a focus on job creation and on the physical and psychosocial working environment.

Working environment

In 2020, we added an important new policy, the Working environment policy, to the series of policies in the social area under the sustainability programme. As a company with several hazardous workplaces in fisheries and production, it is important to stay focused and be aware of new and existing risks, and to take effective action should an adverse event occur.

Risks

For some work roles, fisheries can be physically very demanding. The work might involve lifting blocks of frozen fish, working at a filleting machine and moving boxes, and in fisheries, hauling the filled trawl nets onto the ship's deck. Filleting furthermore involves using sharp knives.

There is a greater risk of occupational injuries if working conditions, training and protective equipment are not optimised. It is the local manager's responsibility to ensure safe conditions, and that the policy is observed. Local managers are naturally supported by Group functions in the performance of this task.

For several years, statutory workplace assessments (APV) have taken place, both ashore and at sea. This has provided greater knowledge of critical working conditions. The three most critical working-environment related conditions at the processing facilities are (i) heavy lifting, (ii) cold and draughts, and (iii) slippery floors.

Occupational injury reports show that most injuries are the result of falling and stumbling accidents in processing facilities and on vessels, while heavy lifting and operation of machines also present challenges in land-based work.

Opportunities and goals

Royal Greenland is a geographically diversified company that operates in many countries, with various different working environment traditions. We can therefore see great opportunities to create a simple, overall working environment system for the entire Group. This will make it possible to set up uniform procedures and create tools that can be adapted locally. Transparency and a uniform approach to this work across the Group will be ensured.

Education and training will support the focus on the working environment, and strengthen and enhance many work functions.

The goal is to continuously improve working conditions in sometimes cold and wet working environments. This applies to Royal Greenland's employees, but also to our suppliers' working conditions.

Our goals for 2022:

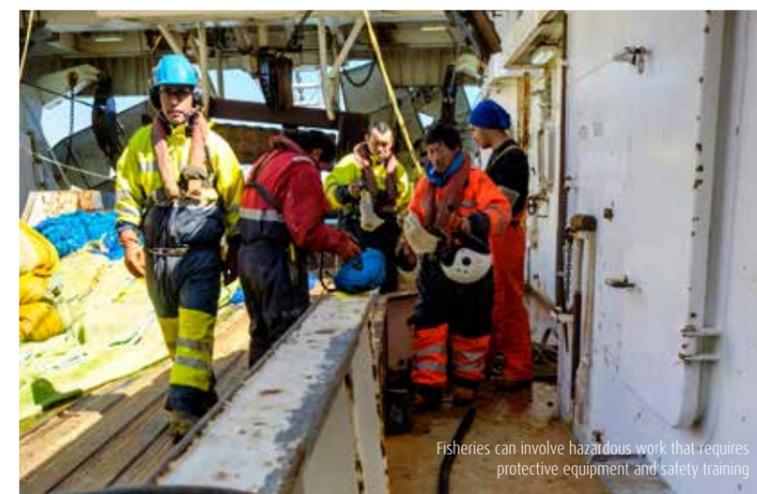
-> Opbygning af et enkelt og velfungerende arbejdsmiljøstyringssystem i sammenhæng med det ydre miljø

Ambition for 2030:

-> Build up a simple, well-functioning working environment management system, in harmony with the external environment

Actions and results

Every year, occupational injury data is collected and evaluated, and relevant statistics are prepared. In 2020, managers in Greenland received training in correct reporting of occupational injuries, and were updated on employees' rights concerning injuries and possible compensation.



Fisheries can involve hazardous work that requires protective equipment and safety training

Figur 16: Number of occupational injuries per 100 employees without absence and with minimum one day's absence.

Reported occupational injuries /100 emp.



In Greenland, the number of actual reported injuries fell in 2020, and the injury frequency per 100 full-time employees (FTEs) also fell.

This year, attention was on the aforementioned critical work functions, with special focus on heavy lifting at the processing facilities. A new lifting concept in conjunction with freezing has been developed, and will be tested at two processing facilities in Greenland in 2021.

To avoid draughts from cold rooms, air sluices at gates have been tested. This has yielded positive results.

In addition, managers in settlements have received training in working environment issues, and in conjunction with a technical review of the facilities, protective equipment was reviewed and any deficiencies were rectified.

Finally, a task force has been established that, with technical assistance, will undertake continuous improvements to machines and similar equipment, so as to correct any irregularities as soon as possible.

Concerning the psychosocial working environment, a working group has been appointed to ensure that

selected local contact persons are trained in personal counselling on private matters, should a colleague so require. If additional expertise is required, further assistance will be available via the employee's supervisor and HR.

Future outlook

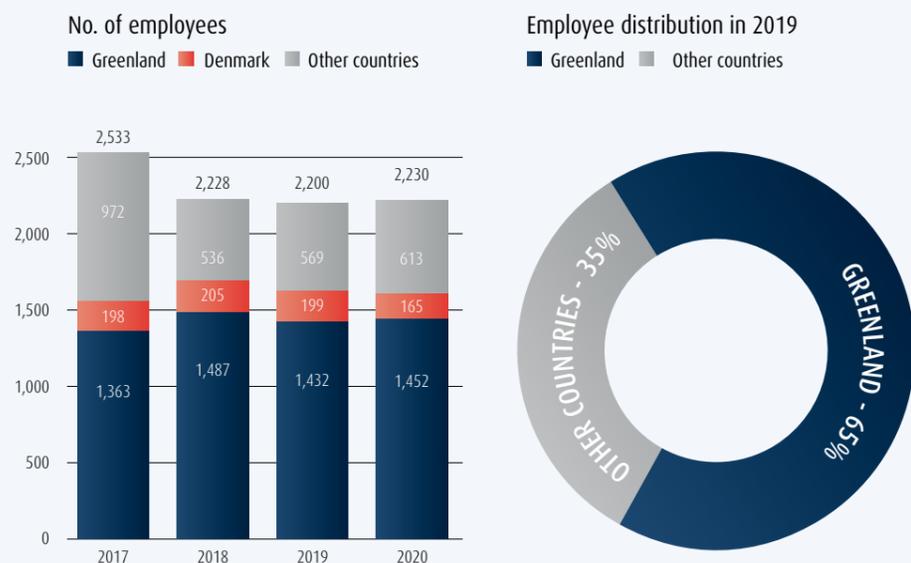
A Health & Safety consultant in Greenland has been added to the organisation, in order to strengthen this initiative and launch a working environment and environmental management system. There is also growing awareness among facility managers of both the physical and psychosocial working environment, and we therefore expect even greater commitment in the coming years.

Job creation and diversity

At Group level, the number of employees converted to full-time employees (FTEs) is at the same level as in 2019, notwithstanding Covid-19. At the processing facility in Cuxhaven, there are also 40 full-time positions based on temporary contracts.

Employees in Greenland account for 65% of the Group's total number of employees.

Fig.17: Number of full-time employees and employee breakdown in 2020.



Royal Greenland operates in value chains across national borders, legislation and cultures, and SCOC will ensure a minimum set of rules for our suppliers

Risks

During the high season from April to October, there is a great need for many employees to process the fish and shellfish landed. The greatest risk is thus a lack of manpower when the fish is ready for landing and processing. This is a well-known challenge.

Opportunities and goals

In recent years, part of the solution has been to bring in foreign manpower during high season, and on a more permanent basis. Employment under the Nordjobb exchange programme in towns and settlements of Greenland has been a great success. Under the Nordjobb programme, young students from the Nordic countries can sign up to work for a longer period. More long-term contracts have usually been with Chinese employees.

In 2019, we analysed the gender breakdown at our production facilities and could see potential benefits from adapting the workplaces to additional employee groups, including women and young people. This will create opportunities to expand the recruitment basis and also establish good working conditions based on greater diversity. This is still an issue in focus.

Our goals for 2022:

- > Policy and plan for the adjustment of the labour supply to include all workforce groups, including seniors, young people aged 15-18, disabled employees, etc. in relevant job functions.
- > Establishment of specifications and goals for recruitment of external employees, including a minimum housing standard.

Ambition for 2030:

- > Full implementation of working opportunities for special workforce groups.

Actions and results

During 2020 it was necessary to supplement local manpower with young people taking summer jobs (the Nordjobb exchange programme), and people of other nationalities (primarily Chinese) who work at our largest factories in Greenland under two-year contracts. With the help of a trained Chinese HR expert who is resident in Greenland, the Chinese personnel engaged under these contracts have settled in well and take part in the work on an equal footing with other permanent employees. Recruitment took place around Qingdao, where Royal Greenland's Chinese subsidiary and business partners are located. This employment concerns single people, as well as couples. They see this as an opportunity to earn money for their future lives back in China. Some of them have settled in so well in Greenland that they have extended their contracts for longer than originally planned.

Future outlook

Royal Greenland expects that we can offer women, seniors and young people a workplace that takes greater account of physical challenges, and thereby creates equal opportunities for everyone, irrespective of age and gender.

Gender breakdown of the senior management

According to Royal Greenland's gender policy, the members of the Supervisory Board elected by the Annual General Meeting must comprise equal numbers of male and female members. As in previous years, the elected members of the Supervisory Board comprise three women and three men. The members elected by the employees are three men.

In accordance with the Policy for the under-represented gender, the goal for the senior management is set at 26%. The senior management comprises the three levels immediately below the Supervisory Board, including skippers of seafaring vessels, and comprises 97 people. In 2020, the under-represented gender accounted for 14% of the senior management.

	Number	Men	Women
Managers, cf. the policy	97	86%	14%
All managers excluding officers	141	74%	26%
All managers including officers	371	90%	10%

The goal in accordance with the policy was not achieved, but including the next management level on land, the under-represented gender accounts for a total of 26%, which matches the goal.

Including all marine officers, including affiliated and associated companies, women account for a total of 10%, out of an overall group totalling 371 people. The group of officers on vessels accounts for around one half of the employees in the group. Working at sea is traditionally and historically a male occupation, but thanks to modern equipment and good facilities on the new vessels, in future the role of marine officer will be suitable for both men and women.

Future outlook

For several years, Royal Greenland has not achieved the goal of 26% women at senior management level. In future, extra efforts must be made to achieve more women in senior management.

Ethical supply chain management, human rights and due diligence

Royal Greenland's Supplier Code of Conduct (SCOC) is an important document to ensure compliance with current standards drawn up by the ILO, IMO and UN. We operate in value chains across national borders, legislation and cultures, and SCOC will ensure a minimum set of rules for our suppliers, based on internationally recognised standards. Wherever we trade, and whoever it is with, we have an obligation to ensure compliance with human rights and employee rights, as well as environmental conditions, and to ensure that product traceability requirements are fulfilled.

The good life – for children and adults

MIO – children throughout Greenland must know their rights

With more than 3,200 employees on the payroll during 2020, spread across towns and settlements in Greenland, Royal Greenland commands a good position to reach out to many families.

This is a perfect match for the work of the children's rights organisation MIO, which works to raise awareness of the UN Convention on the Rights of the Child.

MIO is focused on disseminating knowledge of children's rights on many platforms, including the media and schools. Since Royal Greenland is the country's largest workplace, it can reach even further and deeper in the dialogue with both children and adults about children's rights. It is also possible to disseminate very specific practical tools for everyday family life, raising children and understanding children's values and well-being.

Together we create the good life

This is the heading of the cooperation agreement that Royal Greenland and Paarisa entered in 2020.

Paarisa is a unit of the Greenlandic Agency for Preventive Healthcare and Social Conditions, which works to promote healthcare within the social and healthcare field.

This is not the first time that Royal Greenland and Paarisa have worked together. Previously, a joint cookbook was published and in 2018, the two parties produced a TV-kitchen programme for families. In the new cooperation agreement, there will be focus on disseminating knowledge of healthy choices throughout



Greenland, at the many locations where Royal Greenland has catch handling, production and offices.

Sulisa+ courses go online

Every year, a large number of courses are normally held under the auspices of the Royal Greenland Academy, including courses in the Sulisa+ programme, which focuses on nurturing a good workplace culture and everyday life. The programme is rolled out across several production units and both management and employee courses are very popular. Employees at the factory in Paamiut started a series of Sulisa+ courses in the spring of 2020, as a good programme that was well received.

The outbreak of Covid-19 put an end to the next courses, but the disappointment at having to stop before they had got off to a proper start led the HR department and the factory management to decide to continue online.

In 2020, more than 70 employees thus attended online courses with trainers from Nuuk. Reviews of private finances, employee rights, pension rights and joint physical team exercises were run successfully on a remote basis.

Mind Your Own Business – or can we help you?

With financial support from three funds, Mind Your Own Business, MYOB, works to motivate young boys from underprivileged backgrounds to work with entrepreneurship and launch their own micro companies. MYOB was established in Greenland in 2019 and in 2020, Royal Greenland entered into a partnership with the organisation.

Three business mentors from Royal Greenland are helping to advise and motivate young boys who, through Mind Your Own Business, will hopefully be inspired and motivated to gains jobs and education.

Risks

According to our risk analysis based on official assessments (Human Development Index, Environmental Index and Corruption Index), Royal Greenland only purchases a small volume of goods from suppliers in countries where there is a relatively great risk of breaches of human rights and employee rights, as well as corruption. Nonetheless, human rights, anti-corruption and environmental measures are included in the Supplier Code of Conduct. According to the supplier's risk profile, control measures are differentiated in our due diligence and supply chain management system. Our own internal assessments are updated with BSCI (Business Social Compliance Initiative) assessments.

Opportunities and goals

Royal Greenland's supplier management focuses on suppliers from high-risk countries. Today, many of our suppliers are audited in accordance with the recognised SMETA standard, which gives significant insights into suppliers' environmental and working environment conditions, and greater security for Royal Greenland. We wish to continuously improve our suppliers' performance by requiring more of our suppliers to undergo a SMETA audit. Based on our current experience, we have set goals for 2022 and ambitions for 2030.

Our goals for 2022:

-> Third-party audits of resources and end-product suppliers from high-risk countries, as a minimum every second year.

Ambition for 2030:

-> Third-party audits of resources, ingredients and packaging suppliers from high-risk countries, as a minimum every second year.

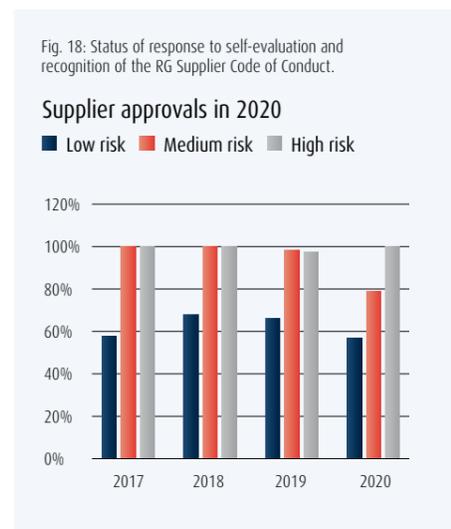
Actions and results

As Figure 18 shows, in the last four years we have had close to 100 % response from and approval of suppliers from high-risk countries. In the mandatory self-evaluation for suppliers in these countries, there is particular focus on issues concerning the health and safety of employees, as well as child labour, modern slavery and the environment. Each supplier is scored according to a scale and threshold value. If the score is too low, it is assessed whether there is a need for further dialogue, launch of an action plan, and acceptance of the cooperation.

On an annual basis, a declaration concerning modern slavery and human trafficking is prepared and presented, together with clarification of our due diligence in this area.

The number of suppliers is highest and most dynamic with regard to suppliers from low-risk countries. The response rate is equivalently low, however, although this is required to be addressed within the first half-year of any commercial relationship. It is thus possible to transact a purchase without prior acceptance of the supplier. Ongoing replacement of suppliers from

low-risk countries will thus automatically give a lower response rate, since there is a delay of up to six months in the self-evaluation.



Royal Greenland Code of Conduct

Internally, everyone at Royal Greenland must be informed of their rights and good business practice. This takes place by distributing the Code of Conduct to new employees in offices and production facilities. Should an employee discover a breach of the Code of Conduct, a complaint procedure (a whistleblower scheme) exists that enables the employee to make an official complaint about the conduct while still being assured protection.

Outlook for the coming years

Our supply chain management system has been implemented for several years and experience has been positive. The system will also be introduced in the newest elements of the Group. In addition, we will impose tighter requirements for suppliers of resources and end-products in high-risk countries, so that they can be SMETA audited.

Anti-corruption

Royal Greenland trades in a global market, with many different stakeholders. It is therefore important that relevant employees are aware of the risks which their jobs may entail. At Royal Greenland we do not tolerate any form of corrupt behaviour. This might be tax evasion, money laundering, embezzlement or bribery, as described in the Anti-corruption policy of 2014.

Our goal for 2022:

-> Ensure that our employees are aware of the risks and consequences of corruption
 -> Prevention of complicity in corruption
 -> Establishment of an extended whistleblower scheme for Royal Greenland

Ambition for 2030:

-> The whistleblower scheme is still active, possibly extended to include partly-owned companies

Actions and results

In accordance with Royal Greenland's anti-corruption policy and procedures, at least every other year employees who are exposed to risk must receive training in dilemmas that are adapted to the employees' everyday work and national context. In total, 228 risk-exposed employees took this training in 2018-2019, with a response rate of 99%. No training took place in 2020, but it will be held in 2021 for all employees selected.

It has also been decided to implement an expanded whistleblower scheme, to be launched in 2021. The scheme will apply to all of Royal Greenland's 100%-owned activities and will be managed via an external law firm. The scheme will include: Economic crime, including corruption and irregularities in connection with auditing, environmental pollution, infringement of employee and human rights, including child labour and forced labour, and infringement of food safety regulations. The scheme will be evaluated after one year.

SDG-contribution

By focusing on employees at our own factories and at suppliers, we will contribute to healthy working lives. Employees are a very important part of the company and we will contribute to achieving Sustainable Development Goal 8³ by continuing to engage with our employees.

The targets we contribute to achieving are:

88.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

³<https://www.sdgs.un.org/goals/goal8>





4 QUALITY EDUCATION EDUCATION IN GREENLAND

We take responsibility for competence development and education in Greenland's society through specific training programmes, in close cooperation with educational institutions and via our own Royal Greenland Academy.

In Greenland, young people do not pursue higher education as a matter of course. Today, only half of a youth cohort in lower secondary schools in Greenland will achieve higher education. The ambition is for more young people to pursue higher education, in order to strengthen Greenland's prosperity and employment. This applies in particular to the technical and maritime educational programmes. Royal Greenland contributes actively to motivating young people to enrol for higher education, and takes great responsibility for and exerts influence on achieving more students in the fisheries sector, and that they complete their course of education. Royal Greenland wishes to fulfil its responsibility for educational programmes' competence building in line with Greenland's opportunities and ambitions.

Building competences in Greenlandic society

Sustainable Development Goal 4 concerns creating equal opportunities for education and education of high quality. At Royal Greenland, we convert this Sustainable Development Goal into a wish for far more education for those with the least education. We also wish to continue to upgrade the qualifications of our managers internally, and to support apprentices, trainees, cadets and technical students to a greater extent than before.

Risks

Royal Greenland is the largest company in Greenland and needs many skilled employees at all levels and within many different trades and professions. Education is an important basis for creating new jobs, but also for meeting the needs of society, including requirements in the fisheries industry.

Fig. 19: Development and status for numbers of trainees, apprentices and students attached to Royal Greenland.

Apprentices/trainees and students

- No. of apprentices/trainees in RG (GRL)
- No. of apprentices/trainees in RG (Group)
- Short-cycle higher vocational education RG (GRL)
- Short-cycle higher vocational education RG (Group)



Opportunities and goals

Royal Greenland is dedicated to contributing to building up expertise in our society by offering trainees and apprentices practical training positions under short-, intermediate- and long-cycle higher education.

Our goals for 2022:

- > Training of apprentices and trainees for the fisheries sector minimum 50 employees per year
- > "Qaqisa lower secondary school exchange programme at factories and facilities"

Ambition for 2030:

- > Maintain a minimum of 50 trainees and apprentices per year
- > Qaqisa is the standard procedure

Actions and results

At Group level there were 48 apprentices and trainees in 2020, of whom 39 were based in Greenland. In total, 13 apprentices, trainees or students completed their course of education.

Particular measures are taken to support students from Greenland who are taking vocational higher education programmes. In 2020, 16 students from Greenland associated with Royal Greenland were taking programmes in such fields as process engineering and fishing technology, or were aspiring engineer officers or deck officers.

Royal Greenland thus had 64 apprentices, trainees and students attached to the company, of whom 55 in Greenland.

Each year, the numbers of trainees, apprentices and students are evaluated. Training initiatives are considered regularly by the steering group, and HR assesses how Royal Greenland can support more students' educational careers.

Future outlook

Education in Greenland is an important element of our sustainability programme, and we will continue our efforts to upgrade the competence levels of our employees and the apprentices,

Royal Greenland Academy

A large proportion of Royal Greenland's production employees are unskilled. These employees' skills and competences are developed continuously with professional courses offered by educational institutions, or as internal courses held by Royal Greenland Academy. The Academy coordinates such initiatives as "Sulisa+", which will contribute to achieving a good workplace culture, with focus on well-being and job satisfaction. There are also a number of statutory courses that are administered via Royal Greenland Academy.

Royal Greenland is the largest company in Greenland and needs many skilled employees at all levels and within many different trades and professions

Risks

Competence and motivation are important aspects of the day-to-day work. Royal Greenland Academy has been active for many years and is still important in building up employees' skills and competences on a broad basis. A lack of skills would present both a financial and professional risk for the company.

Opportunities and goals

Royal Greenland Academy gives employees opportunities for professional and personal development via tailored courses. The Academy offers ambitious training and further educational initiatives to ensure that Royal Greenland is always developing skilled new managers, and which motivate individuals to continue to do their best for the company.

Our goals for 2022:

- > "Sulisa+" management development at selected factories and trawlers in Greenland
- > A minimum of 20 % of the employees annually attend Royal Greenland Academy courses
- > Courses for local fishermen among Royal Greenland's suppliers in a minimum of five towns

Ambition for 2030:

- > Management development takes place within a fixed system
- > A minimum of 20% of the employees annually attend Royal Greenland Academy courses
- > Courses for local fishermen are a fixed programme as part of Royal Greenland Academy

Actions and results

In 2020, there was greater focus on employees' personal development, both at the workplace and in their private lives. In all three Sulisa+ courses, trauma therapy and empowerment have been part of the programme, which has given employees tools to discuss and handle personal challenges, whether they are related to their professional or private lives.

In 2020, Royal Greenland Academy was challenged by the Covid-19 restrictions, which prevented several planned courses from being held. This is evident from the number of courses held, which regrettably was fewer than planned. Using online platforms, such as Teams and Zoom, it was possible to experiment with virtual courses, and this will continue to be used in 2021, to the extent that this is necessary and possible.

Royal Greenland Academy will continue to be developed in 2021, with competence-building initiatives and projects as a significant element of the annual calendar.

Outlook for the coming years

Royal Greenland wishes to increase competence building in Greenland, for example by selecting skilled employees who will contribute to achieving this goal. This takes place by training key persons via a Train the Trainer course. The course is expected to start up in September 2021, with experienced, competent employees being selected to participate. On this basis, more key persons will be able to train their colleagues in different areas. Train the Trainer will make it possible for training to take place locally, and for trainers to have the best conditions to pass on knowledge, while in the longer term this will reduce the need to use external instructors.

In recent years, there has been greater focus on training managers under the Sulisa+ programme, but further initiatives are required. In 2021, a special course for Royal Greenland managers will be launched, with a more in-depth, development-oriented agenda. This will ensure that managers are more robust and motivated to work on developing their managerial skills, and also to set specific goals for their own development. A management team from a specific factory will form a pilot project, and the experience gained from this process will provide the basis for further development of the management course. The course will run under the auspices of Royal Greenland Academy.

Fig. 20: Course activities for Royal Greenland employees, 2017-2020

Courses for production employees in Greenland

- 2017
- 2018
- 2019
- 2020

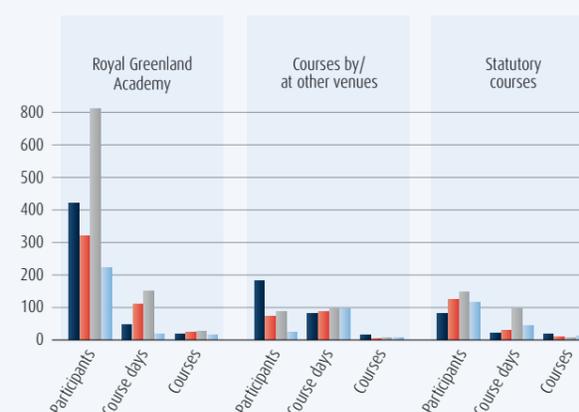
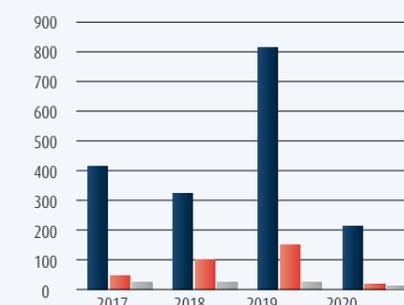


Fig. 21: Participants and course days for Royal Greenland Academy in 2017-2020.

Royal Greenland Academy course activities

- Participants in RGA
- Course days
- Courses



³ QAQISA is a cooperation initiative between schools and industry with the aim of motivating lower secondary school leavers to choose a course of education on a qualified basis. Via QAQISA, companies contribute to motivating, helping and guiding the young people who are to be an active part of the workforce.

Royal Greenland Academy will continue to be developed in 2021, with competence-building initiatives and projects as a significant element of the annual calendar.

There are also equivalent course activities in other parts of Royal Greenland, such as at the processing facilities in Newfoundland.

SDG contribution

Royal Greenland undertakes the ethical responsibility of training and educating its employees and holding courses to strengthen individual personal development. Royal Greenland undertakes the responsibility of continuing to train employees throughout their working lives.

SDG targets⁵ will contribute to:

4.3: *By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.*

4.4: *By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.*

⁵ <https://www.sdgs.un.org/goals/goal4>



Sustainable fishing	2017	2018	2019	2020	Goal 2022	Ambition 2030
Sustainable fisheries and utilisation of resources						
Share of sustainable species, cf. Royal Greenland ¹	76%	77%	80%	80%	>85%	>95%
Share of less sustainable species	24%	22%	20%	20%	<15%	<5%
Share of critical species	< 1%	<1%	0%	0%	0%	0%
MSC certification of raw materials	46%	52%	56%	57%	60%	>75%
ASC and Global Gap certification of raw materials	2%	<1%	1%	0%	-	-
Commercialisation of new species from coastal fisheries	-	-	-	0	1	3

Responsible consumption	2017	2018	2019	2020	Goal 2022	Ambition 2030
Utilisation of resources						
Utilisation of resources, processing plants in Greenland ²	67%	65%	67%	67%	-	-
Utilisation of resources, Royal Greenland	-	-	-	65%	80% of RG's marine potential	Full utilisation of RG's marine potential
Energy consumption						
Energy consumption, all production units and trawlers, GWh ³	249	239	307	399	-	-
Royal Greenland (kWh/tonnes of end-product)	2,567	2,693	2,660	3,230	2300 kWh/t FV	Total reduction of 30% from 2018
Greenland processing plants (kWh/tonnes end-product)	1,413	1,560	1,350	1,560	-	-
Vessels (kWh/tonnes end-product) ⁴	7,157	6,186	4,316	4,784	-	-
CO₂e-emissions						
GHG emissions from vessels, measured in tonnes of CO ₂ e/t end-product						
Prawn and benthic fishing trawlers, longline, offshore ⁵	-	1.65	1.72	1.78	-	25% reduction of from 2018
Coastal vessels (trawlers, skiffs, wellboats) ⁵	-	1.20	0.86	0.85	-	25% reduction of from 2018
Pelagic vessels	-	0.72	0.54	0.66	-	25% reduction of from 2018
Total emissions for Royal Greenland, scope 1 and scope 2, tonnes ⁶	-	-	-	100,270	-	25% reduction of from 2018
Total emissions of GHG, including scope 3, in Royal Greenland, measured in tonnes of CO ₂ equivalents	-	-	-	-	Calculation method is determined and status compiled	-
Product groups' Carbon Footprint ⁷	-	-	-	Method screened in 2020 for iced prawns	Develop and test method	Communication of product groups' carbon footprint and reduction of carbon footprint
Water consumption						
Water consumption, all production units, million m ³	2	3	2	3	-	-
Royal Greenland (m ³ /tonnes end-product)	32	38	41	46	35	Total reduction min. 20% from 2018
Greenland processing plants (m ³ /tonnes end-product)	36	41	41	49	Development of seawater resource	Stable water resource
Plastic, paper, cardboard						
Fish boxes and tubs changed to monomaterials and recycled	-	Initiated	Subject to planning	Substitution has commenced	Full recycling is possible	Full recycling is possible
Fish trawls and nets are processed and recycled	-	Initiated	Subject to planning	Status quo	Reuse/recycling of most of the trawl nets owned by RG	Full recycling of all trawl and gill nets owned by RG
RG plastic packaging is recyclable ⁸	-	39%	41%	73%	85%	All packaging
Paper and cardboard of FSC fibre	-	-	-	100%	100%	100%

Healthy working lives	2017	2018	2019	2020	Goal 2022	Ambition 2030
Number of employees						
Royal Greenland in total	2,533	2,228	2,200	2,230	-	-
Greenland	1,363	1,487	1,432	1,452	-	-
Other countries	1,170	741	768	778	-	-
Greenland, in %	54%	67%	65%	65%	-	-
Other countries, in %	46%	33%	35%	35%	-	-
Diversity						
Board of Directors (w/m)	50%	50%	50%	50%	50%	50%
Management ⁹ , the under-represented gender, see the gender equality policy	13%	15%	14%	14%	26%	26%
Management ¹⁰ , the under-represented gender	-	-	27%	26%	-	-
Working environment						
Physical and psychosocial working environment. Building up and implementing an adapted working environment/environmental management system at Group level	-	-	Environmental procedure is being compiled	Environmental procedure is being compiled	Fully developed system	Fully implemented and functioning working environment and environmental management system
Adjustment of the labour supply to include women, young employees and seniors	-	Approximately 1/3 of production employees are women	Focus on heavy lifting, for adjustment of the labour supply	Tests have taken place for heavy lifting	Plan adopted for all defined working groups Min. 40% women at RG's factories in Greenland	Fully implemented procedure
External manpower. Define specifications and targets for recruitment of external employees, including a minimum standard for housing conditions	-	Recruitment of external manpower in accordance with legislation	Recruitment of external manpower in accordance with legislation	Recruitment of external manpower in accordance with legislation	Targets and specifications have been determined and incorporated	Targets and specifications are fully implemented
Employee safety						
Occupational injuries ¹¹ per 100 employees in Greenland	9	9	10	9	Building up and implementing an adapted working environment/environmental management system	Fully implemented and functioning working environment and environmental management system
Occupational injuries ³ per 100 employees, Other countries	9	8	11	8		
Occupational injuries ³ with min. one day of absence per 100 employees, Greenland	5	4	5	4		
Occupational injuries ³ with min. one day of absence per 100 employees, Other countries	2	3	3	3		
Employee satisfaction						
Job satisfaction ¹² , score for Royal Greenland in Greenland, max. 100	79	-	81	-	Takes place every second year	
Anti-corruption						
Anti-corruption training, percentage completed among selected participants ¹³	-	76%	23%	-	Training in 2021. Implementation of whistleblower scheme	
Ethical supply chain management						
Working conditions and environment in the supply chain. Requirement of third-party certification of raw materials, ingredients and packaging suppliers from high-risk countries, as a minimum every second year	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Besides fulfilling RG's supply chain management system, all fish and shellfish suppliers from high-risk countries must be third-party audited	Besides fulfilling RG's supply chain management system, all fish and shellfish suppliers from high-risk countries must be third-party audited
Suppliers from high-risk countries ¹⁴ , percentage completed among those selected	100%	100%	96%	100%	100%	100%
Suppliers from medium-risk countries, percentage completed among those selected	100%	100%	98%	79%	95%	100%
Suppliers from low-risk countries, percentage completed among those selected	59%	65%	66%	57%	60%	75%

Education - Greenland	2017	2018	2019	2020	Goal 2022	Ambition 2030
Training and education - Greenland						
RG Academy course participants	426	321	815	209	20% of employees	30% of employees
Number of RG Academy course days	54	107	148	19		
Number of RG Academy courses	23	25	28	10		
Course participants, other colleges	177	63	80	17	-	-
Number of course days, other colleges	82	88	95	95	-	-
Number of courses, other colleges	23	5	11	4	-	-
Course participants, statutory courses	150	244	294	227	cf. legislation	cf. legislation
Number of course days, statutory courses	44	51	191	88	-	-
Number of courses, statutory courses	41	24	22	26	-	-
Number of course participants in total	753	628	1,189	453	-	-
"Sulisa+" management development at selected factories and trawlers in Greenland	-	Initiated	Three large factories	Three large factories	Performed at selected factories	Management development in a fixed system
"Qaqisa" lower secondary school exchange programme at all factories and facilities in Greenland	-	Planning together with CSR Greenland and other companies	Qaqisa in Royal Greenland is subject to planning	Qaqisa completed	Qaqisa as inspiration for young people's interest in education implemented	Qaqisa is a standard programme for young people
Courses for local fishermen in Greenland as suppliers	-	Not commenced	Not commenced	Not commenced	Commenced in min. 5 towns	Part of RGA
Apprentices/trainees and students						
Royal Greenland, number of apprentices and trainees	51	48	47	48	>50	>50
Greenland, number of apprentices and trainees	36	41	41	39	50	50
Greenland, attached students taking higher vocational education in Greenland	20	21	14	16	-	-
Royal Greenland, attached students	-	-	-	25	-	-

¹ Royal Greenland's assessment is based on assessment of the stock, fishing method and management.

² Resource utilisation is calculated as the difference between intake of raw materials and output of end-product. Cooking and dripping losses have not been taken into account.

³ In 2019, 2020 incl. ocean-going and coastal vessels owned by RG and associated companies under RG's management (kWh/tonne catch)

⁴ In 2019, 2020 incl. ocean-going and coastal vessels owned by RG and associated companies under RG's management (kWh/tonne catch)

⁵ The English DEFRA database is used as the calculation basis.

⁶ All departments of the organisation are included in the calculation. Publicly recognised databases are used (UK DEFRA 2020) as a basis for calculating CO₂.

⁷ Iced prawn product screened according to several methods, including ISO14067, PAS2050 and PEF.

⁸ Monomaterials can be recirculated.

⁹ Percentage of the under-represented gender (women) in the management, as defined in the policy (in addition to the Board of Directors).

¹⁰ Percentage of the under-represented gender (women) in the top four management levels (in addition to the Board of Directors).

¹¹ Definition: A sudden, unexpected adverse event that results in the registration of personal injury, calculated per 100 employees.

¹² The employee satisfaction survey is conducted by an external analysis agency.

¹³ Anti-corruption training takes place as e-learning.

¹⁴ Suppliers in the system are included when their deliveries in annual terms exceed a fixed minimum level.



INCOME STATEMENT

	Note	Group		Parent	
		2020 DKK 1,000	2019 DKK 1,000	2020 DKK 1,000	2019 DKK 1,000
Revenue	2	4,848,640	5,327,510	2,609,681	3,072,052
Change in inventories of finished goods		(148,732)	103,762	(19,983)	(75,134)
Other operating income	3	50,996	200,641	37,820	189,703
		4,750,904	5,631,913	2,627,518	3,186,621
Costs of raw materials and consumables		(2,703,090)	(3,179,959)	(1,553,151)	(1,610,249)
Other external expenses		(867,061)	(893,308)	(517,119)	(501,018)
Staff costs	4	(1,043,125)	(1,030,886)	(678,637)	(684,365)
Depreciation, amortisation and impairment losses	5	(167,090)	(150,849)	(107,405)	(91,407)
Other operating costs		(15,150)	(5,715)	(526)	(540)
Operating profit		(44,612)	371,196	(229,320)	299,042
Profit/loss from investments in group enterprises after tax		0	0	84,305	40,211
Profit/loss from investments in associates after tax		29,820	66,104	26,823	18,317
Financial income	6	45,036	38,601	23,654	17,370
Financial expenses	7	(89,438)	(71,612)	(38,357)	(43,613)
Profit before tax		(59,194)	404,289	(132,895)	331,327
Tax on profit	8	2,622	(93,290)	40,463	(63,872)
Profit for the year		(56,572)	310,999	(92,432)	267,455
The Group's profit is distributed as follows:					
Shareholders of Royal Greenland A/S		(92,432)	267,455		
Minority interests		35,860	43,544		
		(56,572)	310,999		
Proposed distribution of profit					
Proposed dividend				60,000	0
Retained earnings				(152,432)	267,455
				(92,432)	267,455

ASSETS

	Note	Group		Parent	
		31.12.20 DKK 1,000	31.12.19 DKK 1,000	31.12.20 DKK 1,000	31.12.19 DKK 1,000
Intangible assets	9	193,691	224,076	41,618	42,627
Buildings		395,368	335,472	236,704	241,524
Plant and machinery		247,597	263,130	121,740	156,265
Vessels		986,865	943,418	782,469	799,418
Other fixtures and fittings, tools and equipment		21,036	22,927	15,290	18,170
Fixed assets in progress		319,807	315,731	67,999	28,994
Property, plant and equipment	10	1,970,673	1,880,678	1,224,202	1,244,371
Investments in group enterprises	11	0	0	1,842,661	1,842,116
Receivables from Group enterprises	12	0	0	38,015	43,863
Investments in associates	11	197,915	171,160	36,862	31,334
Receivables from associates	12	41,487	6,048	5,436	6,048
Derivative financial instruments		112,434	148,948	112,434	148,948
Other fixed asset investments	13	215,840	248,007	79,039	75,016
Fixed asset investments		567,676	574,163	2,114,447	2,147,325
FIXED ASSETS		2,732,040	2,678,917	3,380,267	3,434,323
Inventories	14	1,572,089	1,821,789	711,121	752,177
Trade receivables		804,370	747,228	7,703	9,504
Receivables from Group enterprises		0	0	457,646	672,543
Receivables from associates		345	7,273	0	7,273
Other receivables	15	51,792	54,075	6,177	2,769
Deferred tax assets	17	88,305	70,685	0	0
Income tax receivable		3,985	17,310	0	0
Prepayments	16	6,438	28,407	1,999	2,371
Receivables		955,235	924,978	473,525	694,460
Cash		170,343	307,644	16,663	24,686
CURRENT ASSETS		2,697,667	3,054,411	1,201,309	1,471,323
ASSETS		5,429,707	5,733,328	4,581,576	4,905,646

EQUITY AND LIABILITIES

	Note	Group		Parent	
		31.12.20 DKK 1,000	31.12.19 DKK 1,000	31.12.20 DKK 1,000	31.12.19 DKK 1,000
Share capital		850,000	850,000	850,000	850,000
Reserve for net revaluation under the equity method		0	0	0	0
Retained earnings		673,758	864,639	673,758	864,639
Proposed dividend		60,000	0	60,000	0
Shareholders of Royal Greenland A/S' share of equity		1,583,758	1,714,639	1,583,758	1,714,639
Minority interests		196,635	173,218	0	-
TOTAL EQUITY		1,780,393	1,887,857	1,583,758	1,714,639
Deferred tax	17	111,044	161,070	58,644	110,287
Other provisions	18	8,910	8,687	177	0
PROVISIONS		119,954	169,757	58,821	110,287
Other credit institutions		2,328,987	2,414,910	2,250,879	2,414,910
Other long-term debt		9,584	30,107	6,516	2,435
Derivative financial instruments		29,852	5,487	29,852	5,487
Long-term liabilities other than provisions	19	2,368,423	2,450,504	2,287,247	2,422,832
Short-term portion of long-term liabilities other than provisions		86,546	60,869	76,904	0
Credit institutions		260,343	197,930	108,917	102,486
Trade payables		468,884	561,733	129,968	143,266
Payables to Group enterprises		0	0	144,642	120,490
Payables to associates		32,551	78,208	32,551	78,192
Income taxes	8	52,838	85,970	0	44,005
Other payables	20	253,574	233,487	158,323	169,449
Deferred income		6,201	7,013	445	0
Short-term liabilities other than provisions		1,160,937	1,225,210	651,750	657,888
LIABILITIES OTHER THAN PROVISIONS		3,529,360	3,675,714	2,938,997	3,080,720
EQUITY AND LIABILITIES		5,429,707	5,733,328	4,581,576	4,905,646
Accounting policies	1				
Mortgages and contingent liabilities	21				
Other notes	22-25				

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital DKK 1,000	Retained earnings DKK 1,000	Proposed dividend DKK 1,000	Total DKK 1,000	Minority interests DKK 1,000	Equity in total DKK 1,000
Equity at December 31 st 2018	850,000	479,927	64,338	1,394,265	119,189	1,513,454
Addition	0	0	0	0	12,998	12,998
Exchange rate adjustment	0	35,017	0	35,017	0	35,017
Fair value adjustments recognised in equity	0	12,513	0	12,513	0	12,513
Tax, fair value adjustments	0	(4,040)	0	(4,040)	0	(4,040)
Paid dividend	0	0	(62,979)	(62,979)	(17,846)	(80,825)
Net profit for the year	0	267,455	0	267,455	43,544	310,999
Equity at December 31st 2019	850,000	864,639	0	1,714,639	173,218	1,887,857
Addition	0	0	0	0	5,877	5,877
Exchange rate adjustment	0	(50,756)	0	(50,756)	11	(50,745)
Fair value adjustments recognised in equity	0	19,166	0	19,166	0	19,166
Tax, fair value adjustments	0	(6,859)	0	(6,859)	0	(6,859)
Paid dividend	0	0	0	0	(18,331)	(18,331)
Net profit for the year	0	(152,432)	60,000	(92,432)	35,860	(56,572)
Equity at December 31st 2020	850,000	673,758	60,000	1,583,758	196,635	1,780,393

STATEMENT OF CHANGES IN EQUITY - PARENT

	Share capital DKK 1,000	Reserve under the equity method DKK 1,000	Retained earnings DKK 1,000	Proposed dividend DKK 1,000	Total DKK 1,000
Equity at December 31 st 2018	850,000	0	553,694	62,979	1,466,673
Exchange rate adjustment	0	0	35,017	0	35,017
Fair value adjustments recognised in equity	0	0	12,513	0	12,513
Tax, fair value adjustments	0	0	(4,040)	0	(4,040)
Paid dividend	0	0	0	(62,979)	(62,979)
Net profit for the year	0	0	267,455	0	267,455
Equity at December 31st 2019	850,000	0	864,639	0	1,714,639
Exchange rate adjustment	0	0	(50,756)	0	(50,756)
Fair value adjustments recognised in equity	0	0	19,166	0	19,166
Tax, fair value adjustments	0	0	(6,859)	0	(6,859)
Paid dividend	0	0	0	0	0
Net profit for the year	0	0	(152,432)	60,000	(92,432)
Equity at December 31st 2020	850,000	0	673,758	60,000	1,583,758

The company's share capital consists of 850,000 shares of DKK 1,000 or multiples thereof. The share capital is not divided into classes. There have been no changes in the share capital for the last 5 years.

CONSOLIDATED CASH FLOW STATEMENT

	Note	2020 DKK 1,000	2019 DKK 1,000
Net profit for the year		(56,572)	310,999
Adjustments relating to net profit for the year	26	177,165	61,170
Working capital changes	27	72,755	(120,179)
Cash flows from operating activities before net financials		193,348	251,990
Ingoing payments relating to financial items		17,462	32,308
Outgoing payments relating to financial items		(77,220)	(39,197)
Cash flows from ordinary activities		133,590	245,101
Paid taxes		(88,623)	(83,074)
Cash flows from operating activities		44,967	162,027
Purchase of net assets on transfer of company ownership		0	(88,009)
Purchase of intangible assets and property, plant and equipment		(315,754)	(992,958)
Purchase of shares in associates		(20,197)	(5,902)
Purchase of other fixed asset investments		(46,551)	(133,532)
Sale of intangible assets and property, plant and equipment		55,614	351,565
Sale of other fixed asset investments		60,484	39,477
Dividends received from associates		28,726	44,065
Cash flows from investing activities		(237,678)	(785,294)
Proceeds from obtaining/(instalments on) long-term liabilities		5,451	585,573
Debt displacement on credit facilities		62,413	26,095
Paid dividend		0	(62,979)
Sale to/supply of capital from minority interests		5,877	12,998
Dividends paid during the year to minority interests		(18,331)	(17,846)
Cash flows from financing activities		55,410	543,841
Increase/decrease in cash and cash equivalents		(137,301)	(79,426)
Cash and cash equivalents, beginning of year		307,644	373,286
(Reduction)/addition connected to business transfer		0	13,784
Cash and cash equivalents, end of year	28	170,343	307,644

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

General

The Annual Report for Royal Greenland A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for state-owned public limited companies in accounting class D.

The accounting policies applied remain unchanged from last year.

Consolidation

The consolidated financial statements comprise Royal Greenland A/S (the parent company) and the associated companies (subsidiaries), in which the parent company directly or indirectly owns more than 50% of the voting rights or otherwise has a controlling interest. Companies in which the Group has a significant influence, but not a controlling interest, are considered to be associates. The Group summary is presented on page 91.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' audited financial statements, which are all presented in accordance with the Group's accounting policies. All intra-Group receivables and debt, income and expenses, dividends and unrealised intra-Group gains and losses are eliminated, together with set-off of all internal shareholdings.

Subsidiaries' accounting items are recognised 100% in the consolidated financial statements. Minority interests' share of the profit or loss for the year and of the equity of subsidiaries that are not wholly owned are included in the Group's profit or loss and equity, but are presented separately. Purchase and sale of minority interests subject to a continuing controlling influence are recognised directly to equity as a transaction between capital owners.

Business combinations

Newly acquired or established companies are included in the Group financial statements from the time of takeover. Sold or liquidated companies are included in the consolidated statement of income up until the time of disposal.

Comparative figures are not adjusted for newly acquired companies. Discontinued activities are presented separately, cf. below.

The acquisition date is the date on which the Group actually achieves control of the acquired company.

On the acquisition of new companies in which the parent company achieves a controlling interest, the purchase method is used, after which the newly acquired companies' identifiable assets and liabilities are measured at fair value at the time of takeover.

Any positive difference (goodwill) between the cost price, the value of minority interests in the acquired

company, and the fair value of any capital interests previously acquired, on the one hand; and the fair value of the identifiable assets, liabilities and contingent liabilities acquired, on the other hand, is recognised as goodwill under intangible assets. Goodwill is written off on a linear basis in the income statement, according to an individual assessment of useful life.

Costs incurred in conjunction with company acquisitions are recognised in the income statement in the year in which they are incurred.

Gain or loss from the transfer or disposal of subsidiaries is calculated as the difference between the sales sum or the disposal proceeds and the carrying amount of the net assets at the time of transfer or disposal, including unamortised goodwill, earlier price adjustments and anticipated costs of the sale or disposal. Gains and losses are included in the income statement.

Intra-group business combinations

For business combinations such as purchase and sale of capital interests, mergers, demergers, contribution of assets and share swaps, etc. on participation in activities subject to the parent company's controlling influence, the book value method is applied whereby the combination is deemed to have taken place as of the acquisition date, without adjustment of comparative figures. Differences between the agreed remuneration and the acquired company's carrying amount are recognised directly to equity.

Minority interests

On calculating consolidated income and consolidated equity, the minority interests' proportionate share of the subsidiaries' profits and equity is stated separately.

Foreign currency translation

Transactions in foreign currency are initially translated at the exchange rate on the transaction date. Receivables, debts and other monetary items in foreign currency that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. Any differences in exchange rates that occur between the rate on the transaction date and the rate on the payment date or balance sheet date, respectively, are included in the income statement as financial items.

The income statements of foreign subsidiaries and associates are translated into Danish kroner at the average exchange rate for the year, while the balance sheets are translated at the exchange rate on the balance sheet date. Exchange rate differences arising from the translation of the foreign subsidiaries' equity at the beginning of the year at the exchange rate on the balance sheet date are included directly in equity. The same applies to any exchange rate differences arising as a result of translation of the income statement from the average exchange rate for the year to the exchange rate on the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

Derivative financial instruments

Derivative financial instruments are measured initially in the balance sheet at cost price and subsequently at fair value. Derivative financial instruments are included in the balance sheet under fixed asset investments and long-term liabilities.

Changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for hedging of a recognised asset or a recognised liability are included in the income statement under financial items together with any changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for hedging of future transactions are included directly in equity. Once the hedged transactions are realised, the accumulated changes are included in the relevant account entries.

If derivative financial instruments do not fulfil the conditions for processing as hedging instruments, the changes to the fair value are included on an ongoing basis in the income statement as financial items.

Statement of income

Revenue

The company has chosen IAS 11/IAS 18 as the interpretation basis for revenue recognition.

Net revenue is measured as the fair value of the agreed remuneration, excluding VAT and taxes collected on behalf of third parties. All types of discounts given are recognised in net revenue.

Income from the sale of commodities and finished goods is included in the net revenue once the transfer of significant benefits and risks to the buyer has taken place, the income can be reliably compiled and payment is expected to have been received. The date of transfer of significant benefits and risks is in accordance with standardised delivery terms, based on Incoterms® 2010. In cases where sold items are continuously delivered and integrated with the buyer's property, revenue is recognised in net revenue in step with delivery, whereby the net revenue corresponds to the sales value of the work performed during the year.

Other operating income and operating costs

Other operating income and operating costs cover income and costs of a secondary nature seen in relation to the Group's primary operations.

Research and development costs

Research and development costs cover costs, including remuneration and amortisation, that can be attributed to research and development activities.

Research costs are included in the income statement for the year in which they were incurred.

Development costs incurred for the maintenance and optimisation of existing products or production processes are charged as an expense. Costs for the development of new products are included in the income statement, unless the criteria for inclusion in the balance sheet have been fulfilled for the individual development project.

Financial items

Financial items cover interest income and interest costs, the interest share of financial leasing services, realised and unrealised exchange rate gains and losses in regard to any securities, liabilities and transactions in foreign currency, amortisation supplements/deductions in regard to mortgage debt, cash discounts etc., as well as supplements and allowances in accordance with the on-account tax scheme.

Tax

The year's tax, which comprises the current tax for the year and any amendments to deferred tax, is included in the income statement as the share that can be attributed to the profit or loss for the year, and directly in equity as the share that can be attributed to items posted directly to equity. The share of the recognised tax that relates to the year's extraordinary profits is recognised here, while the remaining share is included in the year's ordinary profits.

Income tax payable or receivable and current tax receivables, respectively, are recognised in the balance sheet as tax calculated on the year's taxable income, adjusted for tax paid on account.

Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying and taxable values of assets and liabilities, whereby the taxable value of the assets is calculated on the basis of the planned use of the individual asset. No deferred tax is allocated for shares in subsidiaries. Deferred tax is measured on the basis of the tax regulations and rates in the respective countries that will be applicable on the balance sheet date when the deferred tax is expected to be released as current tax. Any changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Deferred tax assets, including the tax value of any tax loss carryforwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, by offsetting deferred tax liabilities or as net tax assets.

Balance sheet

Intangible assets

The value of goodwill, quotas and other intangible fixed assets is in real terms kept intact for an indefinite period, but is written off over a period of up to 20 years in accordance with the Greenlandic Financial Statements Act.

NOTES TO THE FINANCIAL STATEMENTS

Goodwill and concern goodwill

Goodwill is amortised linearly over its assessed useful lifetime, which is determined on the basis of the management's experience within the individual business areas. The amortisation period normally constitutes 5 years, but may be longer for strategic acquisitions with a strong market position and long-term earnings profile, should the longer amortisation period be assessed to better reflect the Group's utilisation of the relevant resources.

The carrying amount of goodwill is assessed regularly and reduced to the lower recoverable amount in the income statement should the carrying amount exceed the expected future net income from the company or operations to which the goodwill is related.

Quotas, IT and licences

Acquired intellectual property rights in the form of quotas, IT and licences are measured at cost price with deduction of accumulated amortisation. Amortisation occurs linearly over 3-10 years. The acquired intellectual property rights are written down to the recoverable amount should this be lower than the carrying amount.

Development projects

Development projects cover costs, salaries and remuneration, as well as amortisation, that can be linked directly or indirectly to the company's development activities and which fulfil the criteria for recognition in the balance sheet.

Capitalised development costs are measured at cost price minus accumulated amortisation, or at the recoverable amount, should this be lower.

Capitalised development projects are amortised linearly after completion of the development activities over the assessed useful economic lifetime. The amortisation period normally constitutes 3-10 years.

Other intangible fixed assets

Other intangible fixed assets concern commercial agreements and are measured at cost price with deduction of accumulated amortisation. The lifetime is considered to be indefinite, so that amortisation takes place on a linear basis over 20 years. The acquired intellectual property rights are written down to the recoverable amount should this be lower than the carrying amount.

Property, plant and equipment

Land and buildings, vessels, technical facilities and machinery, as well as other plant, operating equipment and fixtures, are measured at cost price minus the accumulated depreciation and impairment losses. Land is not written off.

The cost price concerns the purchase price and any costs directly attached to the purchase, as well as the costs of preparing the asset until the time when the

asset is ready to be taken into use. For own-produced assets, the cost price covers direct and indirect costs of materials, components, sub-suppliers and salaries.

Interest costs on loans to finance the manufacture of property, plant and equipment are included in the cost price providing that they relate to the manufacturing period. All other financing costs are included in the income statement.

The depreciation period and residual value are determined at the time of purchase and reassessed annually. Should the residual value exceed the carrying amount of the asset, depreciation is discontinued.

The depreciation base is the cost price minus the expected residual value after the useful lifetime. Linear depreciation is based on the following assessment of the expected useful lives of the assets:

Buildings	10 - 50 years
Vessels	7 - 16 years
Production facilities that are included in the financial entry "vessels"	5 - 10 years
Production facilities and machinery	5 - 20 years
Other facilities, operating equipment and fixtures	3 - 5 years

Property, plant and equipment is written down to the recoverable amount should this be lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the sales price minus the sales costs and the carrying amount at the time of sale. Gains are recognised in the income statement under other operating income, while losses are recognised in the income statement under other operating costs.

Lease contracts

The company has chosen IAS 17 as the interpretation basis for the classification and recognition of lease contracts.

On initial recognition in the balance sheet, lease contracts concerning assets, where the company carries all significant risks and benefits associated with the right of ownership (financial leasing), are measured at the lower of fair value and current value of the future leasing payments. The current value is calculated at the internal interest rate in the lease agreement, or the alternative borrowing rate as the discounting factor. Financial leased assets are thereafter treated in the same way as the company's other assets.

The capitalised residual leasing obligation is recognised as a liability in the balance sheet, and the interest element of the leasing payment is recognised in the income statement over the lifetime of the contract.

All other lease contracts are considered operational leasing. Payments related to operational leasing and

NOTES TO THE FINANCIAL STATEMENTS

other lease agreements are recognised in the income statement during the lifetime of the contract. The company's total obligation concerning operational leasing and lease agreements is disclosed under contingent items, etc.

Fixed asset investments

Investments in subsidiaries and associates

Investments in subsidiaries and associated companies are measured in the parent company's annual financial statements, according to the equity method. The company considers the equity method for subsidiaries to be a consolidation method.

On initial recognition, investments in subsidiaries are measured at cost, cf. the description under accounting policies applied concerning the consolidated financial statements, i.e. without addition of transaction costs.

On initial recognition, investments in associated companies are measured at cost including transaction costs.

The cost price is allocated according to the acquisition method, cf. the aforementioned accounting policy concerning the consolidated accounts. The cost price is adjusted by the profit shares after tax, compiled according to the consolidated accounting policy with deduction or addition of unrealised intra-Group profit/loss.

Actual added value and any goodwill in relation to the equity value of the underlying company is amortised in accordance with the accounting policy applied to the consolidated accounts. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying value.

Investments in subsidiaries and associated companies that are measured at equity value are subject to an impairment test requirement, if there are indications of impairment.

The parent company's share of the company's profits is included in the income statement after the elimination of any unrealised intra-Group gains and losses and with the deduction or addition of amortisation of Group goodwill or negative Group goodwill, respectively.

Subsidiaries and associates with a negative equity value are measured at DKK 0, and any receivables in these companies are reduced by the parent company's share of the negative equity value, to the extent that this is assessed to be irrecoverable. Should the negative equity value exceed the receivable, the remaining amount is included under provisions, to the extent that the parent company has a legal or constructive obligation to cover the relevant company's liabilities.

Net revaluation of investments in subsidiaries and associates is transferred to the reserve for net revaluation of investments to the extent that the carrying amount exceeds the cost price.

Other fixed asset investments

Other fixed asset investments primarily concern long-term receivables and unlisted investments.

Investments and receivables that are not held until maturity are measured upon acquisition at cost price and subsequently at fair value. Should it not be possible to reliably determine the fair value, they are measured at cost price.

Receivables that are held until maturity are measured upon acquisition at cost price and subsequently at amortised cost price.

Any depreciation to a lower value takes place with due consideration of an individual assessment of the risk of loss.

Inventories

Inventories of consumables are measured at cost price, calculated according to weighted average prices, or at net realisable value, should this be lower.

The inventory of consumables includes packaging, operating supplies and fishing boxes.

The inventory of fishing boxes is measured at a fixed amount. Additional purchases are expensed on an ongoing basis. Other inventories of consumables are measured at cost price, calculated according to the FIFO method, or at net realisable value, should this be lower.

Inventory that falls under manufacture or end products, including end products produced onboard own trawlers, are measured at cost price, calculated according to weighted average prices, or at net realisable value, should this be lower. The cost price covers the costs of the raw materials, consumables and direct salaries, as well as any indirect production costs. Indirect production costs are allocated on the basis of the individual production units' normal capacity. Indirect production costs cover indirect materials and salaries, the costs of maintenance, depreciation and impairment of the trawlers used in the production process, processing plant buildings, machinery and equipment, as well as the costs of factory administration and management.

Receivables

Receivables are measured at amortised cost price, which normally corresponds to the nominal value minus a reduction to accommodate any anticipated loss.

Accruals

Accruals included under assets cover costs incurred in regard to the subsequent financial year. Accruals are measured at amortised cost price, which normally corresponds to the nominal value.

Equity

Dividends are recognised as a liability at the time of adoption at the Annual General Meeting. The proposed dividends for the financial year are listed as a separate entry under equity.

NOTES TO THE FINANCIAL STATEMENTS

Provisions

Provisions are recognised when the Group, as a result of an event before or on the balance sheet date, has a legal or constructive obligation, and it is likely that there may be financial gains from settling the obligation.

Provisions with an expected maturity beyond one year from the balance sheet date are discounted using a market-based interest rate.

Liabilities

Financial liabilities

Financial liabilities are measured at the time of borrowing at cost price, corresponding to the proceeds received minus incurred transaction costs. The liability is subsequently measured at the amortised cost price corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Provided that a financial liability is effectively hedged by a derivative financial instrument, the financial liability is measured at fair value, and any changes to the fair value are recognised in the income statement under financial items together with any changes in the fair value of the derivative financial instrument.

Other financial liabilities

Other financial liabilities are recognised at amortised cost price, which normally corresponds to the nominal value.

Accruals

Accruals recognised under liabilities cover income received for recognition in subsequent financial years. Accruals are measured at amortised cost price, which normally corresponds to the nominal value.

Cash flow statement

The cash flow statement for the Group is presented according to the indirect method and shows the cash flows in regard to operations, investments and financing, as well as the Group's liquid assets at the beginning and end of the year. A separate cash flow statement has not been prepared for the parent company, as this is included in the cash flow statement for the Group.

The liquidity effect of the purchase and sale of new businesses is shown separately under cash flows relating to investment activities. Cash flow from acquired companies is recognised in the cash flow statement from the acquisition date, while cash flow from sold companies is recognised up until the time of sale.

Cash flow from operating activities is calculated as the operating profit adjusted for non-cash operating items, changes in working capital and paid corporate income tax.

Cash flow from investment activities covers payments in connection with the purchase and sale of companies and activities, as well as the purchase and sale of intangible assets, property, plant and equipment, and fixed asset investments.

Cash flow from financial activities covers changes in the size or composition of the Group's share capital and any related costs, as well as any borrowing, repayment of interest-bearing debt and payment of dividends to shareholders.

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

Segment information

The Group's primary segment comprises the business segment, while the secondary segment is geographical markets.

The Group's primary segment

The Group's primary segment is reported on the basis of the internal reporting to the Group management and is distributed on retail, foodservice, industry and others.

The Group's secondary segment

The Group's secondary segment is the geographical markets and is distributed on Scandinavia, Europe, Asia, North America and other markets, respectively.

Financial highlights

The key figure 'net interest-bearing debt' is obtained after offsetting derivative financial instruments with a positive value. On calculating the equity ratio and net interest-bearing debt/EBITDA, derivative financial instruments with a positive value are offset in both the total assets and the net interest-bearing debt. On calculating the return on equity, Royal Greenland's shareholders' share of the profit for the year is used. On calculating the equity ratio, Royal Greenland's shareholders' share of equity is used.

As the 2015/16 financial year covers 15 months, the financial year's figures from the income statement are calculated proportionally for 12 months to the extent they are included in the calculation of key figures.

NOTES TO THE FINANCIAL STATEMENTS



EBIT margin	=	$\frac{\text{Profit from primary operations, including associated companies}}{\text{Net revenue}} \times 100$
EBT margin	=	$\frac{\text{EBT} \times 100}{\text{Net revenue}}$
ROIC including goodwill	=	$\frac{\text{EBITA} \times 100}{\text{Average invested capital including goodwill}}$
Return on equity (ROE)	=	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total}}$
Net interest-bearing debt / EBITDA	=	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA including associated companies}}$

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent			
	2020 DKK 1,000	2019 DKK 1,000	2020 DKK 1,000	2019 DKK 1,000		
2 Net revenue - Geographical markets						
Scandinavia	1,103,434	1,230,935	-	-		
Europe	1,437,800	1,671,603	2,354,473	2,808,492		
Asia	1,482,222	1,793,697	-	-		
North America	693,703	551,945	-	-		
Other markets	131,481	79,330	255,208	263,560		
	4,848,640	5,327,510	2,609,681	3,072,052		
Business segments						
Retail						
Food service	1,684,653	1,788,083				
Industry	799,406	943,983				
Other	2,330,644	2,580,499				
Øvrige	33,937	14,945				
	4,848,640	5,327,510				
3 Other operating income						
Management fees	2,750	7,818	12,987	14,874		
Rental income	6,218	20,927	5,272	4,603		
Sale of annual quota	12,276	12,656	17,276	13,814		
Profit on sale of fixed assets	7,588	150,389	1,493	144,113		
Grants received	9,829	1,811	0	0		
Other operating income	12,335	7,040	792	12,299		
	50,996	200,641	37,820	189,703		
4 Staff costs						
The total amount of wages and salaries, etc. is specified as follows:						
Salaries and wages	915,597	905,773	600,006	605,772		
Pension contributions and other social costs	53,585	49,604	42,119	38,732		
Other staff costs	73,943	75,509	36,512	39,861		
	1,043,125	1,030,886	678,637	684,365		
Average number of employees	2,230	2,200	1,452	1,454		
Remuneration of the Supervisory Board and Executive Board						
Remuneration of the Parent Company's Supervisory Board	2,200	2,200				
Remuneration of the Executive Board	Fixed 2020	Bonus* 2020	Total 2020	Fixed 2019	Bonus* 2019	Total 2019
Mikael Thinghuus	4,496	416	4,912	4,496		
Nils Duus Kinnerup	2,917		3,016	2,900		
Bruno Olesen	2,762		2,941	2,745		
Lars Nielsen	2,793		3,006	2,776		
Executive Board in total	12,968	907	13,875	12,917	512	13,429

* No bonus has been allocated to the Executive Board for 2020. The aforementioned bonus amount reflects the accounting cost for the 2019 bonus year, paid out in 2020. In addition to the fixed salary, the Group Executive Board can earn a performance-based bonus.

In 2020, CEO Mikael Thinghuus received a bonus of DKK 1.0 million concerning 2019, equivalent to fulfilment of the objectives at 35%. The total remuneration in 2019 thus amounted to DKK 5.5 million.

The Executive Board members also receive a free company vehicle, telephone, Internet and newspaper subscription. The Executive Board do not have any pension, severance or retention schemes.

CEO Mikael Thinghuus and Group Production Director Lars Nielsen are subject to 18 months' notice of termination by the company, and must themselves give six months' notice of termination. CFO Nils Duus Kinnerup and Group Sales and Marketing Director Bruno Olesen are subject to 12 months' notice of termination by the company, and must themselves give six months' notice of termination.

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	2020 DKK 1,000	2019 DKK 1,000	2020 DKK 1,000	2019 DKK 1,000
5 Depreciation, amortisation and impairment losses				
Buildings	37,580	31,412	31,507	26,730
Plant and machinery	59,608	51,394	34,992	30,408
Vessels	36,078	33,871	26,047	18,087
Other fixtures and fittings, tools and equipment	9,351	9,103	7,594	7,474
Goodwill	10,385	9,205	2,525	2,524
Quotas	3,411	4,019	661	1,269
IT and licences	4,126	5,094	4,079	4,915
Other intangible assets	6,551	6,751	0	0
	167,090	150,849	107,405	91,407
6 Financial income				
Capital gains	32,755	26,663	13,065	9,132
Interest from affiliated businesses	-	-	6,912	3,843
Interest on bank deposit	212	916	84	549
Income from fixed asset investments	11,349	10,244	3,586	3,846
Other financial income	720	778	7	0
	45,036	38,601	23,654	17,370
7 Financial expenses				
Capital loss	52,085	37,519	5,794	13,849
Interest on bank and mortgage debt	34,134	29,659	32,074	28,465
Interest to affiliated businesses	-	-	86	239
Other financial expenses	3,219	4,434	403	1,060
	89,438	71,612	38,357	43,613
8 Tax on profit				
Current tax for the year	(63,013)	(62,954)	0	(27,070)
Other taxes	(15,167)	(10,626)	(25,184)	(18,875)
Deferred tax for the year	79,040	(37,991)	64,014	(40,430)
Effect of changed tax rate	0	24,465	0	22,118
Adjustment to previous years	9,041	(6,184)	8,912	301
Adjustment of deferred tax for previous year	(7,279)	0	(7,279)	84
	2,622	(93,290)	40,463	(63,872)
Reconciliation of tax rate:				
Greenland tax rate	27 %	32%	27 %	32%
Other taxes	(26) %	3%	(19) %	6%
Deduction for declared dividend	0 %	(5)%	0 %	(6)%
Effect of changed tax rate	0 %	(6)%	0 %	(7)%
Tax concerning previous year	3 %	1%	0 %	0%
Write-down of tax assets in foreign companies	4 %	2%	1 %	0%
Effect of difference in tax rate between Greenland and foreign enterprises	(13) %	0%	0 %	0%
Tax-free income (net) from affiliated and associated companies, etc.	9 %	(4)%	21 %	(6)%
Tax rate expensed	4 %	23%	30 %	19%

NOTES TO THE FINANCIAL STATEMENTS

9 Intangible assets	Group				
	Group goodwill DKK 1,000	Quotas DKK 1,000	IT and licences DKK 1,000	Development projects DKK 1,000	Other intangible assets DKK 1,000
Cost at January 1 st 2020	162,924	153,509	41,846	11,764	137,241
Value adjustment at year-end rate	(4,834)	0	(2)	0	(9,962)
Transferred from plant under construction	0	0	1,594	0	0
Additions for the year	0	0	4,881	0	0
Disposals for the year	(43,322)	0	(43)	0	0
Cost at December 31st 2020	114,768	153,509	48,276	11,764	127,279
Amortisation and impairment losses at January 1 st 2020	(63,273)	(147,480)	(36,297)	(11,764)	(24,395)
Value adjustment at year-end rate	496	0	1	0	1,958
Amortisation for the year	(10,385)	(3,411)	(4,126)	0	(6,551)
Impairment losses for the year	0	0	0	0	0
Amortisation regarding disposals for the year	43,322	0	0	0	0
Amortisation and impairment losses at December 31st 2020	(29,840)	(150,891)	(40,422)	(11,764)	(28,988)
Carrying amount at December 31st 2020	84,928	2,618	7,854	0	98,291
Carrying amount at December 31 st 2019	99,651	6,030	5,549	0	112,846

Basis for goodwill amortisation periods

Upernavik Seafood A/S

Royal Greenland's investment in Upernavik Seafood A/S is considered to be of strategic importance to the Group's Greenland halibut activities. In view of the Group's expected plans to increase the company's activities and future earnings, the economic lifetime of goodwill was set at 20 years as from the acquisition date in 2014. The company has subsequently merged with the parent company, Royal Greenland A/S.

A&L Seafoods Ltd.

The investment in A&L Seafoods Ltd. strengthens the Group's snow crab activities. In view of the expected future earnings and the long-term potential, the economic lifetime of goodwill is set at 10 years.

NOTES TO THE FINANCIAL STATEMENTS

9 Intangible assets	Parent			
	Goodwill DKK 1,000	Quotas DKK 1,000	IT DKK 1,000	Development projects DKK 1,000
Cost at January 1 st 2020	52,991	118,279	41,111	11,764
Additions for the year	0	0	4,662	0
Transferred from plant under construction	0	0	1,594	0
Reclassification	0	0	0	0
Disposals for the year	0	0	0	0
Cost at December 31st 2020	52,991	118,279	47,367	11,764
Amortisation and impairment losses at January 1 st 2020	(17,252)	(116,890)	(35,612)	(11,764)
Amortisation for the year	(2,525)	(661)	(4,079)	0
Reclassification	0	0	0	0
Amortisation regarding disposals for the year	0	0	0	0
Amortisation and impairment losses at December 31st 2020	(19,777)	(117,551)	(39,691)	(11,764)
Carrying amount at December 31st 2020	33,214	728	7,676	0
Carrying amount at December 31 st 2019	35,739	1,389	5,499	0

10 Property, plant and equipment	Group				
	Buildings DKK 1,000	Plant and machinery DKK 1,000	Vessels DKK 1,000	Other fixtures etc, DKK 1,000	Fixed assets in progress DKK 1,000
Cost at January 1 st 2019	1,066,051	886,230	1,303,467	89,360	315,731
Transferred on purchase of company	0	0	0	0	0
Value adjustment at year-end rate	(9,828)	(18,644)	(1,599)	(1,312)	(448)
Transferred from plant under construction	42,800	(5,156)	311	2,088	(41,636)
Additions for the year	61,787	56,057	140,773	6,096	46,160
Disposals for the year	(1,455)	(52,940)	(93,965)	(8,478)	0
Cost at December 31st 2019	1,159,355	865,547	1,348,987	87,754	319,807
Amortisation and impairment losses at January 1 st 2019	(730,579)	(623,100)	(360,049)	(66,433)	-
Value adjustment at year-end rate	3,385	12,920	918	1,073	-
Amortisation for the year	(37,580)	(59,608)	(36,078)	(9,351)	-
Impairment losses for the year	0	0	0	0	-
Amortisation regarding disposals for the year	787	51,838	33,087	7,993	-
Amortisation and impairment losses at December 31st 2020	(763,987)	(617,950)	(362,122)	(66,718)	-
Carrying amount at December 31st 2020	395,368	247,597	986,865	21,036	319,807
Carrying amount at December 31 st 2019	335,472	263,130	943,418	22,927	315,731

The vessels item includes financially leased vessels at a total value of DKK 649,637k.

NOTES TO THE FINANCIAL STATEMENTS

10 Property, plant and equipment	Parent				
	Buildings DKK 1,000	Plant and machinery DKK 1,000	Vessels DKK 1,000	Other fixtures etc. DKK 1,000	Fixed assets in progress DKK 1,000
Cost at January 1 st 2020	912,200	534,574	977,989	67,331	28,994
Transferred from plant under construction	17,297	(10,298)	(1,585)	2,088	(9,096)
Additions for the year	9,744	11,241	11,923	3,022	48,101
Transferred from Group companies	0	0	0	0	0
Disposals for the year	(443)	(9,270)	(3,780)	(7,472)	0
Cost at December 31st 2020	938,798	526,247	984,547	64,969	67,999
Amortisation and impairment losses at January 1 st 2020	(670,676)	(378,309)	(178,571)	(49,161)	-
Amortisation for the year	(31,507)	(34,992)	(26,047)	(7,594)	-
Impairment losses for the year	0	0	0	0	-
Transferred from Group companies	0	0	0	0	-
Amortisation regarding disposals for the year	89	8,794	2,540	7,076	-
Amortisation and impairment losses at December 31st 2020	(702,094)	(404,507)	(202,078)	(49,679)	-
Carrying amount at December 31st 2020	236,704	121,740	782,469	15,290	67,999
Carrying amount at December 31 st 2019	241,524	156,265	799,418	18,170	28,994

The vessels item includes financially leased vessels at a total value of DKK 649,637k.

11 Investments in Group enterprises and associates

	Group		Parent
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
Cost at January 1 st 2020	33,362	18,249	2,066,299
Additions for the year	29,638	12	46
Disposals for the year	0	0	0
Cost at December 31st 2020	63,000	18,261	2,066,345
Value adjustments at January 1 st 2020	137,470	12,757	(224,183)
Exchange rate adjustments	(3,826)	(2,430)	(48,326)
Share of profit/loss for the year	29,820	26,823	84,305
Dividends	(28,726)	(18,726)	(33,714)
Capital adjustments	0	0	(1,766)
Disposals for the year	0	0	0
Value adjustments December 31st 2020	134,738	18,424	(223,684)
Offset in receivables	177	177	0
Carrying amount at December 31st 2020	197,915	36,862	1,842,661
Carrying amount at December 31 st 2019	171,160	31,334	1,842,116

For the Group, the original difference in value on the acquisition of ownership interests in associated companies amounts to DKK 42,902k. Book value at 31.12.2020 amounts to DKK 31,081k.

For the parent company, the original difference in value on the acquisition of ownership interests in associated companies amounts to DKK 60k. Book value at 31.12.2020 amounts to DKK 0k.

The Group overview on page 89 presents information about affiliated and associated companies.

NOTES TO THE FINANCIAL STATEMENTS

12 Receivables from Group enterprises and associates	Group	Parent	Group enterprises DKK 1,000
	Associates DKK 1,000	Associates DKK 1,000	
Cost at January 1 st 2020	6,048	6,048	43,863
Additions for the year	36,051	0	0
Disposals for the year	(612)	(612)	(5,848)
Cost at December 31st 2020	41,487	5,436	38,015
Carrying amount at December 31st 2020	41,487	5,436	38,015
Carrying amount at December 31 st 2019	6,048	6,048	43,863

13 Other fixed asset investments

	Group	Parent
	DKK 1,000	DKK 1,000
Cost at January 1 st 2020	264,158	86,441
Value adjustments	(8,298)	0
Additions for the year	46,551	15,942
Disposals for the year	(69,925)	(11,571)
Cost at December 31st 2020	232,486	90,812
Provisions for losses at January 1 st 2020	(16,151)	(11,425)
Value adjustments	(147)	0
Change in provisions for the year	(348)	(348)
Provisions for losses at December 31st 2020	(16,646)	(11,773)
Carrying amount at December 31st 2020	215,840	79,039
Carrying amount at December 31 st 2019	248,007	75,016

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000
14 Inventories				
Holdings of raw materials	392,218	473,071	34,197	57,473
Holdings of goods in process	9,462	16,347	2,092	1,080
Holdings of finished products	1,033,765	1,192,687	579,058	599,042
Holdings of other products	136,644	139,684	95,774	94,582
	1,572,089	1,821,789	711,121	752,177
Of which the carrying amount of goods at net realisation value	146,881	122,807	135,219	55,397
15 Other receivables				
Insurance compensation receivable	3,416	1,882	3,416	75
VAT and customs receivable	26,143	37,156	0	0
Other receivables	22,233	15,037	2,761	2,694
	51,792	54,075	6,177	2,769
16 Prepayments, assets				
Prepaid rent and consumption taxes	2,200	2,932	0	0
Prepaid quota	0	17,306	0	0
Other prepayments	4,238	8,169	1,999	2,371
	6,438	28,407	1,999	2,371



NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000
17 Deferred tax				
Deferred tax concerns the following items:				
Intangible assets and property, plant and equipment	106,161	117,817	81,936	94,930
Fixed asset investments	28,139	26,466	0	0
Other accounting items	(23,256)	16,787	16,789	15,357
Deficit carried forward	0	0	(40,081)	0
	111,044	161,070	58,644	110,287
Deferred tax assets concern the following items:				
Deficit carried forward	44,226	21,171	0	0
Other tax assets	44,079	49,514	0	0
	88,305	70,685	0	0
Deferred tax (net):				
Beginning of year	(90,385)	(84,044)	(110,287)	(88,018)
Adjustment to previous years	(7,279)	0	(7,279)	84
Value adjustments	977	(951)	0	0
Addition	0	(3,711)	0	0
Transferred to tax payable	0	15,887	0	0
Change in the income statement during the year	79,040	(37,991)	64,014	(40,432)
Effect of changed tax rate in the income statement	0	24,465	0	22,118
Change in equity during the year	(5,092)	(3,980)	(5,092)	(3,979)
Effect of changed tax rate on equity	0	(60)	0	(60)
End of year	(22,739)	(90,385)	(58,644)	(110,287)
As at December 31 st 2020, the Group had a recognised tax asset totalling DKK 88,305k. The tax asset comprises taxable deficits carried forward of DKK 44,226k and non-utilised taxable deductions in the form of timing differences of DKK 44,079k.				
Based on the budgets up to 2025, the management has assessed that it is probable that there will be future taxable income available, whereby non-utilised taxable deficits and non-utilised taxable deductions can be utilised.				
18 Other provisions				
Other provisions at January 1 st 2020	8,687	7,797	0	0
Value adjustments	(336)	273	0	0
Additions for the year	559	617	177	0
Disposals for the year	0	0	0	0
Other provisions at December 31st 2020	8,910	8,687	177	0
Other provisions concern pensions.				

NOTES TO THE FINANCIAL STATEMENTS

19 Long-term liabilities other than provisions

After 5 years or later the following fall due:

	Group		Parent	
	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000
Credit institutions	1,329,223	1,886,992	1,299,045	1,842,833
	1,329,223	1,886,992	1,299,045	1,842,833

Interest and maturities of non-current liabilities (Group, converted to DKK)	Weighted term (years)	Fixed/ floating	Effective rate of interest		Nominal value DKKm	
			2020	2019	2020	2019
Debt to associated companies	1	Var.	3.97%	3.78%	22	25
Bank loans	10	Var.	1.65%	-	60	-
Private Placements	6	Fast/Var.	1.35%	1.32%	2,279	2-288
					2,361	2,313
Weighted average effective interest rate			1.39%	1.35%		

20 Other debt

	Group		Parent	
	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000	31.12.2020 DKK 1,000	31.12.2019 DKK 1,000
Payable salaries, A-tax, social contributions, etc.	117,799	105,538	75,593	74,977
Holiday pay commitments	47,816	46,996	38,831	38,869
Interest	3,686	4,452	3,283	3,974
VAT and taxes	31,486	46,427	23,405	38,332
Derivative financial instruments	0	408	0	408
Other costs payable	52,787	29,666	17,211	12,889
	253,574	233,487	158,323	169,449

21 Mortgages and contingent liabilities

Mortgages

As security for accounts with credit institutions fixed assets are mortgaged for a book value of	156,079	153,716	0	0
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Contractual obligations

Contracts have been entered into for the delivery of fixed assets for a value of	207,378	248,784	7,000	24,307
There are rental and leasing obligations falling due after the balance sheet date amounting to	83,757	85,273	52,862	54,970
Of which falling due within one year	32,577	31,422	22,681	21,287

Surety and guarantee commitments

Associates	5,000	5,000	0	0
Third party	3,163	4,635	3,163	4,635
Associated companies	-	-	826,060	695,548

Contingent liabilities

The Royal Greenland Group has certain ongoing legal cases, including queries raised by the tax authorities. The management believes that the outcome of these legal cases and queries will not significantly affect the Group's financial position.

NOTES TO THE FINANCIAL STATEMENTS

22 Financial risks

Positions in the key currencies:

	Group			
	Receivables DKK 1,000	Liabilities DKK 1,000	Hedged by forward exchange contracts and options DKK 1,000	Net position DKK 1,000
USD	385,146	(133,822)	(252,195)	(871)
GBP	33,404	(44,258)	(44,484)	(55,338)
SEK	26,892	(50,117)	(13,315)	(36,540)
JPY	153,345	(119,855)	(55,863)	(22,373)
	598,787	(348,052)	(365,857)	(115,122)

The currency hedging performed solely covers commercial positions.

The company has raised fixed-interest-rate loans in USD. All of the loans are converted to loans at fixed or variable interest rates in DKK/EUR by using currency and interest rate swaps. The nominal principal of the contracted swaps is USD 212,500,000.

Interest rate risks

Concerning the Group's financial assets and liabilities, the following contractual reassessment and redemption dates can be stated, according to which date occurs first. The effective interest rates are compiled on the basis of the current level of interest rates at 31.12.2020.

	Group Reassessment/maturity date				Effective rate of interest %
	Within one year DKK 1,000	Within two-five years DKK 1,000	After five years DKK 1,000	Hereof fixed-rate loan DKK 1,000	
Mortgage credit and credit institutions, loans	(75,720)	(956,277)	(1,329,223)	(1,450,793)	0.4 - 7.25

Cash and cash equivalents amount to DKK 170,479k and accrue interest at an effective interest rate in the range of 0.0-2.0%. The debt on overdraft facilities amounts to DKK 260,343k and accrues interest at an effective interest rate in the range of 0.7-1.5%.

23 Fees to auditors appointed by the general meeting

	Group		Parent	
	2020 DKK 1,000	2019 DKK 1,000	2020 DKK 1,000	2019 DKK 1,000
Audit fee	2,584	2,726	1,415	1,410
Other declarations from the auditor	151	226	0	70
Tax advisory services	1,064	750	669	440
Other services	1,123	1,475	881	130
Adjustments concerning previous years	39	(14)	15	(18)
	4,961	5,163	2,980	2,032

24 Related parties

Related parties of the Group are the members of the Supervisory Board and the Executive Board, as well as the owner, the Government of Greenland.

In the current financial year, the Group has not executed any transactions with the Supervisory Board or Executive Board other than management remuneration, as disclosed in Note 4.

All transactions with related parties have occurred on market terms.

NOTES TO THE FINANCIAL STATEMENTS

25 The managerial positions held by members of the Supervisory Board and Executive Board in other Greenlandic and Danish public limited companies

The managerial positions held by members of the Supervisory Board and Executive Board in other commercial undertakings, except for wholly-owned subsidiaries:

Supervisory Board	Company	Managerial position
Niels de Coninck-Smith Chairman	Welltec A/S	Chairman
Jan H. Lynge-Pedersen Deputy Chairman	KNI A/S	Chief Executive Officer
	KNI Ejendomme A/S	Chairman
	Neqi A/S	Chairman
	Akia Sisimiut A/S	Chairman
Pernille Fabricius	Pitsaasut ApS	Chairman
	NNIT A/S	Chief Executive Officer
	MT Højgaard Holding A/S	Member of the Supervisory Board
	MT Højgaard A/S	Member of the Supervisory Board
	Gabriel Holding A/S	Member of the Supervisory Board
	Gabriel A/S	Member of the Supervisory Board
	Gabriel Ejendomme A/S	Member of the Supervisory Board
Gabriel Innovation A/S	Member of the Supervisory Board	
Niels Smedegaard	Scales A/S	Member of the Supervisory Board
	Bikubenfonden	Chairman
	Norwegian Air Shuttle ASA	Chairman
	Abacus Medicine A/S	Chairman
	ISS A/S	Chairman
	Molslinjen A/S	Chairman
	Frederiksbergfonden	Member of the Supervisory Board
	Falck A/S	Member of the Supervisory Board
	DSV Panalpina A/S	Member of the Supervisory Board
	TT Club	Member of the Supervisory Board
UK P&I	Member of the Supervisory Board	
Tina Lynge Schmidt	Nuup Bussii A/S	Chairman
Niels Ole Møller	Inughuit Seafood A/S	Chief Executive Officer
Malik Hegelund Olsen	Air Greenland A/S	Member of the Supervisory Board
	Kofoeds Skole Nuuk	Member of the Supervisory Board

NOTES TO THE FINANCIAL STATEMENTS

Executive Board	Company	Managerial position
Mikael Thinghuus CEO	Catering Danmark ApS Færch & Co. Gastro ApS Ice Trawl Greenland A/S	Chairman Chairman Member of the Supervisory Board
Nils Duus Kinnerup CFO	Intego A/S Proniq Holding A/S	Member of the Supervisory Board Member of the Supervisory Board
Bruno Olesen Group Sales Director	Skare Meat Packers K/S Skare Food A/S Defco A/S af 2019	Chairman Member of the Supervisory Board Member of the Supervisory Board
	Lars Nielsen Group Production Director	Gaia Fish A/S Sisimiut Fish A/S Pelagic Greenland A/S Arctic Fish Greenland A/S Inughuit Seafood A/S Sisimiut Fish A/S Gaia Fish A/S Ice Trawl Greenland A/S Qaleralik A/S Qalut Vónin A/S Independent Fish Harvesters Ltd. Gulf Shrimp Ltd. Quinlan Brothers Maritime Limited Øksfjord Eiendom AS Maniitsoq AS International Seafood S.A. Blue Ocean Seafood Spa.

26 Adjustments relating to net profit for the year

	Group	
	2020 DKK 1,000	2019 DKK 1,000
Depreciation, amortisation and impairment losses	167,090	150,849
Financial items allocated to profit for the year	44,402	33,011
Income taxes expensed	(2,622)	93,290
Provisions, etc.	382	(680)
Grants received	(9,829)	(1,811)
Gains and losses from sale of fixed assets	7,562	(147,385)
Profit from associates	(29,820)	(66,104)
	177,165	61,170
27 Changes in working capital		
Change in receivables	(67,543)	(71,809)
Change in inventory	249,700	(176,690)
Change in trade payables and other payables	(109,402)	128,320
	72,755	(120,179)

28 Cash and cash equivalents, end of year

Cash and cash equivalents amount to 170,343 tDKK.

SUPERVISORY BOARD

CHAIRMAN

 NIELS DE
CONINCK-SMITH

DEPUTY CHAIRMAN

 JAN H. LYNGE-
PEDERSEN

BOARDMEMBER

 PERNILLE
FABRICIUS

BOARDMEMBER

 NIELS
SMEDEGAARD

BOARDMEMBER

 TINA LYNGE
SCHMIDT

BOARDMEMBER

 KRISTINE
WINBERG

BOARDMEMBER

 NIELS OLE
MØLLER *)

BOARDMEMBER

 MALIK HEGELUND
OLSEN *)

BOARDMEMBER

 MIKA
HEILMANN *)

 *) Elected by the
employees

EXECUTIVE BOARD

CEO

 MIKAEL
THINGHUUS

CFO

 NILS DUUS
KINNERUP

**GROUP
PRODUCTION
DIRECTOR**

 LARS
NIELSEN

**GROUP
SALES
DIRECTOR**

BRUNO OLESEN



Corporate Governance

Royal Greenland complies with the guidelines of the Government of Greenland for corporate governance in government-owned companies. These guidelines accord with the OECD recommendations for state-owned companies, and to a large extent also with the recommendations for listed companies.

Royal Greenland is headed by a Supervisory Board and Executive Board. The Supervisory Board has nine members, three of whom are employee representatives elected for a period of four years, while the other six members are elected by the general meeting and stand for election every year. The six board members elected by the general meeting are independent, according to the definition in the recommendation of the "Committee for Good Corporate Governance". There is no age limit for the members of the Supervisory Board.

The Board members encompass a range of experience from the Greenlandic, Danish and international business worlds. The Supervisory Board is headed by the Chairman, Niels de Coninck-Smith. The Chairman is appointed for a period of one year at a time.

The Board has established two committees:

- The Audit Committee
- The Recruitment Committee

The Executive Board consists of four members: CEO Mikael Thinghuus, CFO Nils Duus Kinnerup, Group Production Director Lars Nielsen and Group Sales and Marketing Director Bruno Olesen. For other offices held by the Supervisory Board and the Executive Board, see Note 25.

Remuneration

The remuneration of Board members is subject to the approval of the annual general meeting, and is specified in Note 4. The fee consists entirely of a basic fee, plus, for the Chairman, payment of expenses for secretarial assistance and telephone calls. The remuneration of the Executive Board is negotiated with the Supervisory Board and consists of a fixed basic salary, a performance bonus and other customary non-monetary benefits, such as a company car, etc. The remuneration of the Executive Board is specified in Note 4. There are no unusual severance agreements in the employment contracts of the members of the Executive Board.

Evaluation

An evaluation of the Supervisory Board is undertaken annually. Every second year, this takes place on the basis of an external evaluation process.

Activities

Six meetings of the Supervisory Board were held in 2020. Due to Covid-19, five of the meetings were held as video conferences, while one in-person meeting was held in Nuuk, Greenland. The Audit Committee held four meetings. In addition to the annual report and audit minutes, the committee also considers financial policy, risk and insurance policies, internal audits, financial conditions and audit evaluation.

COMPANY DETAILS & GROUP CHART

COMPANY

Royal Greenland A/S
 Qasapi 4
 P.O. Box 1073
 3900 Nuuk

Telephone: +299 32 44 22
 Telefax: +299 32 33 49
 www.royalgreenland.com

CVR-no. 13645183

FINANCIAL YEAR:

January 1st - December 31st

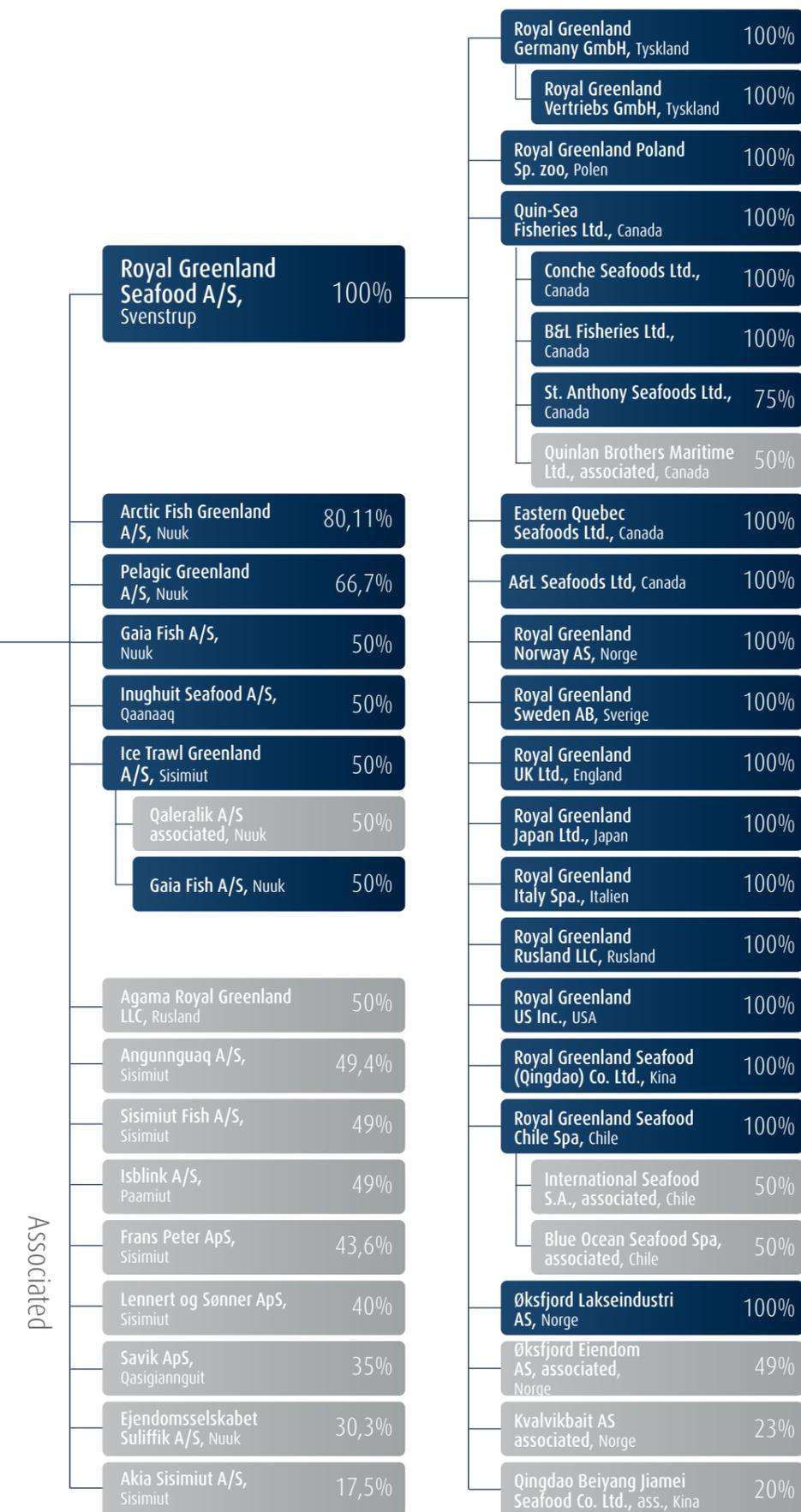
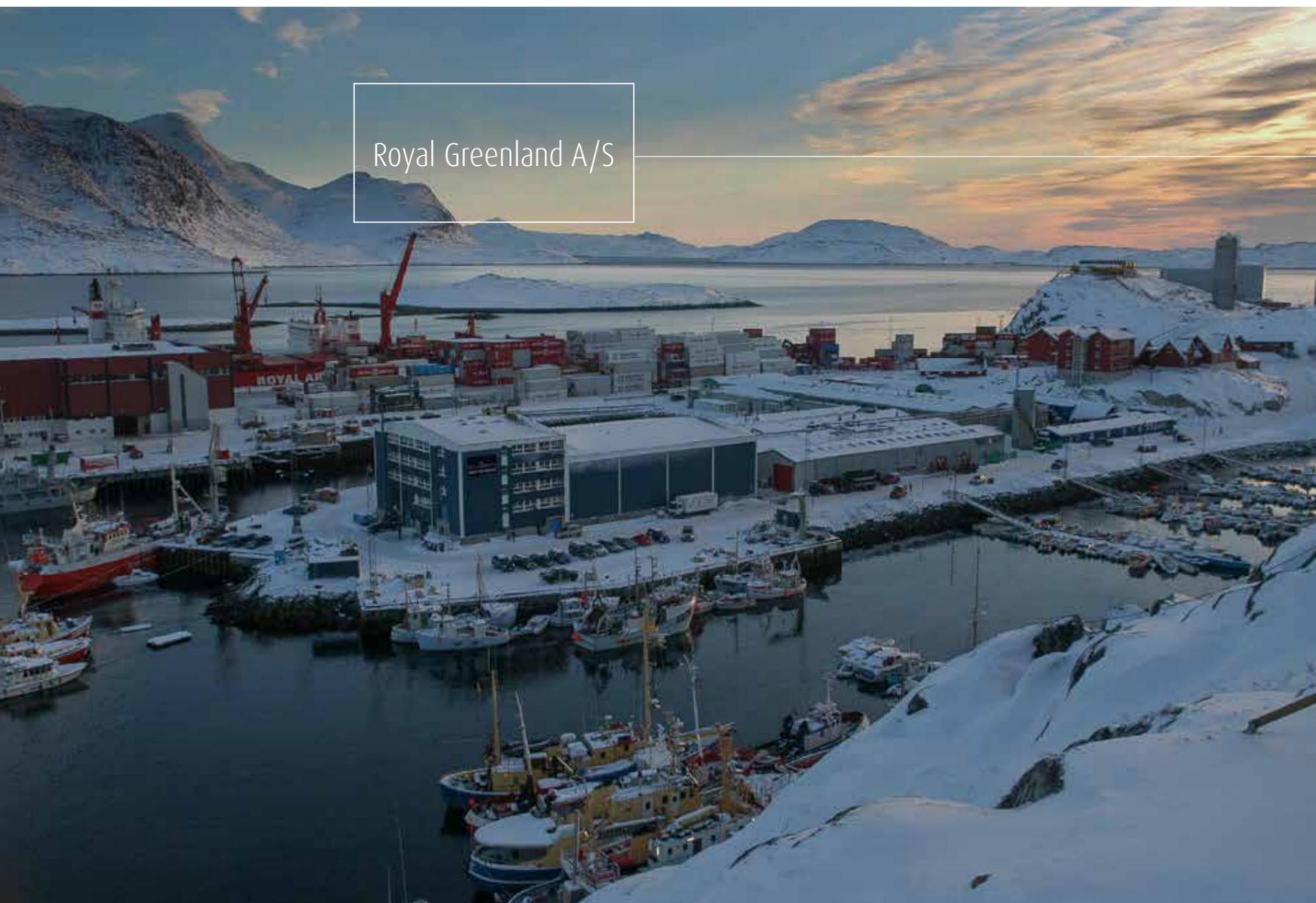
REGISTERED IN:

Kommuneqarfiq Sermersooq

The Government of Greenland owns all shares in the Company

AUDITORS:

EY Grønland
 Godkendt Revisionsanpartsselskab



PRODUCTION UNITS IN GREENLAND

Royal Greenland owns 37 facilities in Greenland, of which four are operated in collaboration with local fishermen and employees. All facilities are in operation.

The facilities' activities range from production and packaging of finished products, to packaging of semi-manufactures for further processing in Asia, Germany or Poland, and e.g. block freezing and salting.

■ Qaanaaq

Plant Manager: John Olsen
Primary species: Greenland halibut
Products: Greenland halibut, j-cut, heads, tails & HOG
Capacity: 3 t/day
Cold store capacity: 230 ton
Employees: 10 in the season

As of 1/10 2014, J/V Inughuit Seafood A/S with 50% RG ownership.



Qaanaaq

Plant Manager: Juliane Danielsen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 10 t/day
Cold store capacity: 800 ton
Employees: 4-10 low/peak seasons



Kullorsuaq

Factory Manager: Pernille F. Karlsen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 3 t/day
Cold store capacity: 130 ton
Employees: 1-7 low/peak seasons



Nuussuaq

Plant Manager: Arnannuaq B. Eskildsen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 12 t/day
Cold store capacity: 600 ton
Employees: 10-15 low/peak seasons



Nutaarmiut

■ Kullorsuaq
 ■ Nuussuaq
 ■ Nutaarmiut
 ■ Aappilattoq
 ■ Innaarsuit
 ■ Tasiusaq
 ■ Upernavik
 ■ Upernavik Kujalleq
 ■ Qaarsut / Uummannaq
 ■ Ukusissat
 ■ Saattut
 ■ Ikerasak

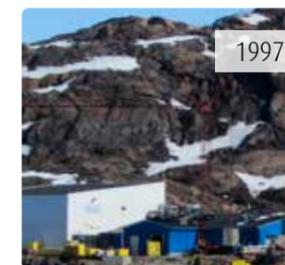
Plant Manager: Justine Petersen
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 15 t/day
Cold store capacity: 450 ton
Employees: 4-10 low/peak seasons

Newly constructed in 2017



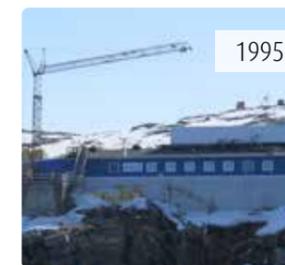
Aappilattoq (North)

Plant Manager: Najannuaq Olsvig
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 20 t/day
Cold store capacity: 600 ton
Employees: 10-20 low/peak seasons



Tasiusaq

Plant Manager: Avigiaq Suersaq
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 15 t/day
Cold store capacity: 550 ton
Employees: 10-20 low/peak seasons



Innaarsuit

Factory Manager: Hans Peter Kristensen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 5 t/day
Cold store capacity: 200 ton
Employees: 4-10 low/peak seasons



Upernavik

Plant Manager: Magnus Grim
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 2 t/day
Cold store capacity: 100 ton
Employees: 1-7 low/peak seasons



Upernavik Kujalleq



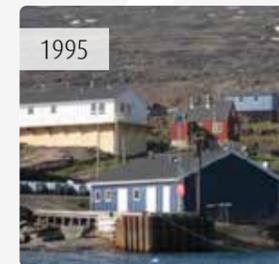
Ukkusissat



Saattut



Ikerasak



Qaarsut



Uummannaq

Plant Manager: Johanne Knudsen Samuelsen
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 4.5 t/day
Cold store capacity: 100 ton
Employees: 1-10 low/peak seasons

New freezing facilities in 2013, new drying house in 2013.

Plant Manager: Marie Knudsen
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 15 t/day
Cold store capacity: 400 ton
Employees: 1-15 low/peak seasons

Current unit was refurbished in 1998, when the large freezing facility was also taken into use. Two new plate freezers in 2018

Plant Manager: Elisabeth Filemonsén
Primary species: Greenland halibut
Products: Whole fish, fillets with skin, heads, tails, j-cut
Capacity: 10 t/day
Cold store capacity: 169 ton
Employees: 2-25 low/peak seasons

The unit has only been refurbished to a small degree since it was established. New freezing facilities were established in 2008.

Plant Manager: Dorthe Kristensen
Primary species: Greenland Halibut
Products: -
Capacity: -
Cold store capacity: -
Employees: 2-4

Factory Manager: Kirsten A. K. Worm
Primary species: Greenland halibut
Products: Whole Greenland halibut, heads, tails, fillets and J-cut
Capacity: 50 t/day
Cold store capacity: 1,600 ton
Employees: 10-50 low/peak seasons

Current location since 1966, but the unit has been expanded several times. In 2017 a large expansion took place.

Plant Manager: Anna Marie Mølgaard
Primary species: Greenland halibut
Products: J-cut, whole fish
Capacity: 20 t/day
Cold store capacity: 100 ton
Employees: 15 low/peak seasons



Qeqertaq

Plant Manager: Mathias Nielsen
Primary species: Greenland halibut, other fish
Products: Whole Greenland halibut frozen in blocks
Capacity: 14 t/day
Cold store capacity: 110 ton
Employees: 2-10 low/peak seasons



Saqqaq

Factory Manager: Mona Lisa Isaksen
Primary species: Snow crab, cod, Greenland halibut, lumpfish roe
Products: Crab sections, fish frozen in blocks, lumpfish roe in barrels
Capacity: 10 ton snow crab, 1 ton fish/day
Cold store capacity: 100 ton
Employees: 3-30 low/peak seasons



Qeqertarsuaq

Factory Manager: Stefán H. Tryggvason (Prawn), Nielsine Hansen (Halibut)
Primary species: Prawns, Greenland halibut
Products: IQF prawns, prawnmeal, Greenland halibut J-cut, heads, tails, whole fish, cod
Capacity: 100 t prawns, 20 t fish/day
Cold store capacity: 1,100 ton
Employees: 100-121 low/peak seasons



Ilulissat

Qeqertaq ■ Saqqaq
 Qeqertarsuaq ■ Ilulissat
 Ikamiut ■ Qasigiannguit
 Kangaatsiaq ■ Akunnaaq
 Ikerasaarsuk ■ Niaqornaarsuk
 Attu ■ Sisimiut
 Sarfannguaq

Factory Manager: Hans Grønvold
Primary species: Greenland halibut, cod, other fish, lumpfish roe
Products: Greenland halibut fillets, frills, heads, IQF fillets, loins, cod fillet/whole
Capacity: 25 ton Greenland halibut/day
Cold store capacity: 1,800 ton
Employees: 130 low/peak seasons



Qasigiannguit

Refurbished as a prawn factory in 1952 and several times later on. Closed in 1997. Recommended operations in 2000 and refurbished in 2011.

Plant Manager: Mijuk Miunge
Primary species: Salted cod, Greenland halibut, Lumpfish roe
Products: Salted cod, dried fish. HOG Greenland halibut, HOG cod
Capacity: 1.5 t/day
Cold store capacity: 20 ton
Employees: 0



Ikamiut

Plant Manager: Peter Nielsen
Primary species: Cod, Greenland halibut
Products: Salted cod, dried fish. HOG Greenland halibut, HOG cod
Capacity: 0 t/day
Cold store capacity: 40 ton
Employees: 0



Akunnaaq

Stand-alone plate freezer for freezing, plus 2 x 20 foot containers (40 tonnes) installed in 2018.

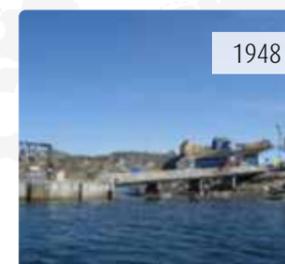
Factory Manager: Jørgen Inusugtoq
Primary species: Cod, Lumpfish roe
Products: Cod frozen in blocks, fillet, lumpfish roe in barrels
Capacity: 15 t/day freezing
Cold store capacity: 100 ton
Employees: 2-25 low/peak seasons



Kangaatsiaq

The unit was renovated/built in 1986 in its current form with production of cod. Today, cod and other fish are frozen and in the season lumpfish roe is processed. Rebuilt for cod fillet production 2015.

Plant Manager: Judith Wille
Primary species: Cod, lumpfish roe
Products: Salted fish, lumpfish roe
Capacity: 5 t/day
Cold store capacity: No cold store
Employees: 4-10 low/peak seasons



Niaqornaarsuk

Refurbished and renovated in 1995. Expanded in 2013.



Ikerasaarsuk

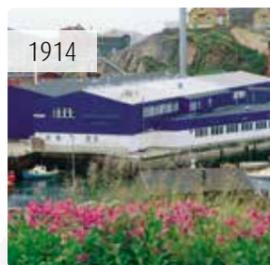
Plant Manager: Klaus Jonathansen
Primary species: Cod, lumpfish roe
Products: Salted fish from cod and ugaq, lumpfish roe
Capacity: 5 t/day
Cold store capacity: No cold store
Employees: 1-10 low/peak seasons

Renovated in 1995.



Attu

Plant Manager: Tikili Ezeikiassen
Primary species: Cod
Products: Salted fish, lumpfish roe, frozen cod and other species
Capacity: 2 t/day
Cold store capacity: 20 ton
Employees: 0



Sisimiut

Factory Manager: Hans Lars Olsen
Primary species: Prawns, cod, snow crab
Products: Cooked & peeled prawns, cod fillets, crab sections, cod
Capacity: 120 ton prawns, 6 ton snow crab/day, 50 ton cod/day
Cold store capacity: 1,600 ton
Employees: 100-150 low/peak seasons

Current unit built in 1969 for production of cod and prawns, renovated in 1992 and 2011 into a modern prawn processing facility.



Sisimiut (Roe)

Factory Manager: Hans Lars Olsen
Primary species: Lumpfish roe
Products: Lumpfish roe in container
Capacity: 4 ton cod/day
Cold store capacity: No cold store
Employees: 8 in roe season

Operational in roe season

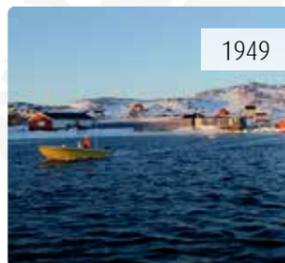


Sarfannguaq

Plant Manager: Paarnannguaq Jonathansen
Primary species: Cod
Products: Salted fish of cod and cod frozen in blocks
Capacity: 15 t/day
Cold store capacity: 60 ton
Employees: 1-13 low/peak seasons

Renovated in 2005.

Plant Manager: Otto Enoksen
Primary species: Cod and lumpfish roe
Products: Salted fish and lumpfish roe
Capacity: 2.5 t/day
Cold store capacity: none
Employees: 1-7 low/peak seasons
 Renovated in 1991/93 and in 1994/95.



Itilleq

Plant Manager: Larsen Sofiaaraq Larsen
Primary species: Cod, wolffish, Greenland halibut, lumpfish roe
Products: Whole fish, Winter-dried cod, dried wolffish, lumpfish roe in barrels
Capacity: 5 t/day
Cold store capacity: 30 ton
Employees: 4-16 low/peak seasons
 Renovated in 1994/95. Expansion of the freezing capacity and cold store.



Kangaamiut

Factory Manager: Susanne Marie Olsen
Primary species: Nutaaq cod, Cod, Greenland halibut, lumpfish roe, dried fish and other fish
Products: Cod fillets, halibut fillets, lumpfish roe, dried fish and freezing
Capacity: 80 ton/day
Cold store capacity: 500 ton
Employees: 25-100 low/peak seasons
 Filleting line and production of dried cod for the home market established.



Maniitsoq

Plant Manager: Tippu-Bolatta Jakobsen
Primary species: Cod, wolffish, lumpfish roe
Products: Whole fish, salted fish, lumpfish roe in barrels
Capacity: 3 ton freezing, 4 ton salting/day
Cold store capacity: 8 ton
Employees: 4-20 low/lumpfish roe season
 Expansion of the cold store and freezing capacity. 8-10 ton freezing, 4 ton salting.



Atammik

Factory Manager: Abia Thorsteinsen
Primary species: Cod, Greenland halibut, redfish, wolffish, lumpfish roe
Products: Lumpfish roe, whole fish IQF, products for the home market
Capacity: 50 t/day
Cold store capacity: 200 ton
Employees: 12-40 low/peak seasons
 Godthåb Fiskeindustri taken over in 1990, prawn production closed in 2002.



NUUK

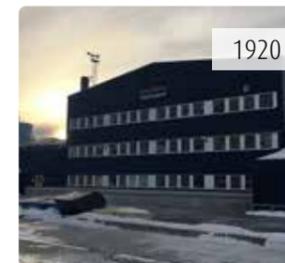


Plant Manager: Konrad Boye
Primary species: Cod, lumpfish roe
Products: Salted fish, cod IQF, cod frozen in blocks, lumpfish roe in barrels
Capacity: 4 ton salted fish, 18 ton fish/day
Cold store capacity: 80 ton
Employees: 6-16 low/peak seasons



Qeqertarsuaat

Factory Manager: Jan Jørgensen
Primary species: Snow crab, greenland halibut, lumpfish roe, cod and other fish
Products: Crab sections, halibut fillets, dried cod, lumpfish roe and freezing
Capacity: Crab sections 10 t/day, fillets 20 t/day
Cold store capacity: 500 ton
Employees: 10-50 low/peak seasons



Paamiut

Refurbished from cod production to smokehouse in 1997. Closed in 2003. Prawn and crab production established in 2004. In 2012, the prawn production was closed in favour of the cod filleting line.



Narsaq

Factory Manager: Niels Sakariassen
Primary species: Lumpfish roe, cod
Products: Lumpfish roe in barrels
Capacity: Freezing of 20 t/day
Cold store capacity: 600 ton
Employees: 1-10 low/peak seasons
 Renovated in 1995.



Aappilattoq (south)

Plant Manager: Nikolaj Benjaminsen
Primary species: Greenland halibut, cod
Products: Freezing
Capacity: 4 t/day
Cold store capacity: 70 ton
Employees: 3

First sales of raw materials initiated in 2014 after refurbishment and modernisation of cooling plant.



PRODUCTION UNITS IN CANADA

Royal Greenland now operates 9 factories in Canada. In Newfoundland, there are seven production units where local fishermen land their catches. The primary species originating from Newfoundland are snow crab, prawn, whelk, lobster, herring, cod, Greenland halibut and capelin.

In the town Matane in the Quebec province Eastern Quebec Seafoods Ltd. lands and processes prawns and crab, primarily from the local fishing areas. In Louisbourg, Nova Scotia, A&L Seafoods operates a crabfactory.

Factory Manager: Chris Butler
Primary species: Ground fish, Pelagics
Products: Split/salt fish, Block frozen capelin/herring/mackerel
Capacity: 38 t/day
Cold store capacity: 1000 ton
Employees: 30 low/peak seasons



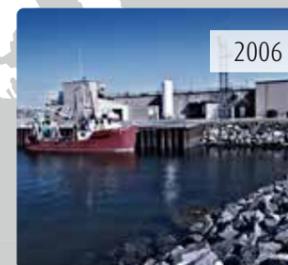
Cupids



Cape Broyle

Factory Manager: Doug Young
Primary species: Snow crab, Pelagics, Scallops, Sea cucumber, Cod
Products: Crab sections/cooked/RAW snow crab, Block frozen capelin/herring/mackerel, Butterfly cut/gutted sea cucumber, J-Cut/H&G/HOG Greenland halibut
Capacity: 110 t/day
Cold store capacity: 75 ton
Employees: 135 low/peak seasons

Factory Manager: Stephane Garon
Primary species: Prawns, Snow crab
Products: Cooked and peeled prawns, Crab sections
Capacity: 45 t/day
Employees: 120 low/peak seasons



Matane



Louisbourg

Factory Manager: Joe Anthony
Primary species: Snow crab
Products: Crab sections
Employees: 90

Factory Manager: Guido Koenigs
Primary species: Prawns, Snow crab, Whelk, Scallop, Cod
Products: Cooked & Peeled, IQF, Crab sections/Cooked snow crab, In shell/cooked whelk, Scallops
Capacity: 195 t/day
Cold store capacity: 300 ton
Employees: 400 low/peak seasons



Old Perlican



Conche Seafood

Factory Manager: Stedman Letto
Primary species: Snow crab, whelk, Pelagics, Lobster
Products: Crab sections/Cooked snow crab, In shell/cooked whelk, Block frozen capelin/herring/mackerel, J-Cut/H&G/HOG Greenland halibut, Lobster fresh/frozen
Capacity: 145 t/day
Cold store capacity: 50 ton
Employees: 70 low/peak seasons

Factory Manager: Phonse White
Primary species: Capelin, heering, mackerel, lobster, ground fish
Products: Block frozen capelin/herring/mackerel, fresh/frozen lobster
Capacity: 24 t/day
Cold store capacity: 80 ton
Employees: 50-100 low/peak seasons



Southern Harbour



St. Anthony

Factory Manager: Interim Stedman Letto
Primary species: Prawn, Snow crab
Products: Cooked & peeled prawns, Crab sections
Capacity: 30 t/day
Employees: 120 low/peak seasons

Cold storage Manager: Chris Butler
Cold store capacity: 1000 ton
Employees: 4



New Harbour

Live Lobster Holding Manager: Chris Fong



PRODUCTION UNITS IN EUROPE

Royal Greenland runs five factories at three locations in Cuxhaven. They produce lumpfish roe in jars, the zip-lock/chain-pack range and fresh fish, as well as prawns in brine, and packed frozen prawns. The factories are subject to shared management and administration.



■ Cuxhaven

THE ROYAL GREENLAND FLEET - IN SHORE

The coastal fleet comprises 2 vessels for catching prawns, cod and crab. Catches are landed at landing points along the west coast of Greenland.



Lomur

Master: Jakup Eli Bech
Mikael Brandt
Length/width: 43.2 x 9.6 m
Production capacity: 60 ton/day
Catch capacity: 6,000 ton/yearly
Hold capacity: 130 ton
Crew: 11 men
Trawler type: Coastal prawn trawler
Ownership: RG 75%



Sermilik

Master: Nuka Levisen
Niels Jørgen Møller
Length/width: 26 x 8 m
Production capacity: 20 ton/day
Catch capacity: 2,500 ton/yearly
Hold capacity: 45 ton
Crew: 6-9 men
Trawler type: Coastal prawn trawler, iced prawns, cod, sea cucumber
Ownership: RG 100%

THE ROYAL GREENLAND FLEET - OFFSHORE

Royal Greenland's offshore fleet consists of three ocean-going prawn trawlers, two ocean-going production trawlers for Greenland halibut, cod etc., one line vessel for Greenland halibut, cod etc. and two trawlers for pelagic fishing.

Master: Ivan Olsen

Pauli Olsen

Length/width: 82,65 x 17 m

Production capacity: 30-50 ton/day

Catch capacity: 7-8.000 ton/yearly

Hold capacity: 7-900 ton

Crew: 42 men

Trawler type: Ocean-going fish trawler

Ownership: RG 100%

Sisimiut

2019



"Sisimiut" is designed specifically for fishing in the sometimes harsh and icy waters of the North Atlantic, and is packed with modern equipment. One of the main focus points in the design process has been to utilize marine resources 100%. For the same reason, a fishmeal /oil factory has been installed in order to process all cuts and by-catches to commercially viable products.

Master: Jogvan Trondarson

Tordar Dimon

Length/width: 83 x 18 m

Production capacity: 110 ton/day

Catch capacity: 7-10.000 ton/yearly

Hold capacity: 6-800 ton

Crew: 30 men

Trawler type: Ocean-going prawn-/ fish trawler

Ownership: RG 100%

Avataq

2019



"Avataq" is Greenland's largest fishing vessel. The vessel can fish with three trawls and as something new the ship can switch between prawn and Greenland halibut fishing giving great flexibility in fishing. This means that the factory on board has two lines where one can sort, boil and freeze prawns, while the other is a line for Greenland halibut.

Master: Linjohn Christiansen/

Torbjørn Joensen

Length/width: 75.8 x 14.5 m

Production capacity: 110 ton/day

Catch capacity: 7-10,000 ton/yearly

Hold capacity: 450-750 ton

Crew: 22-26 men

Trawler type: Ocean-going prawn trawler

Ownership: RG 100%

2001



Akamalik

2001



Nataarnaq

Master: Martin Jacobsen/Davur Mohr

Length/width: 67.5 x 14.5 m

Production capacity: 110 ton/day

Catch capacity: 7-10,000 ton/yearly

Hold capacity: 600 ton

Crew: 22-24 men

Trawler type: Ocean-going prawn trawler

Ownership: RG 50%

2002



Tuugaalik

Master: Regin Henriksen

Pauli Justinussen

Length/width: 66.4 x 14.6 m

Production capacity: 80 ton/day

Catch capacity: 6 -7.000 ton/yearly

Hold capacity: 800 ton

Crew: 25 men

Trawler type: Ocean-going Greenland halibut-/mackerel trawler

Ownership: RG 25%

2001



Masilik

Master: Hans Petur Samuelsen

Gunnar Olsen

Length/width: 52 x 12 m

Production capacity: 20 ton/day

Catch capacity: 3-5,000 ton/yearly

Hold capacity: 350 tons

Crew: 18 men

Trawler type: Line boat

Ownership: RG 100%

2003



Tasiilaq

Master: Jonfridur Poulsen

Length/width: 84 x 14,6 m

Production capacity: 200 ton/day

Catch capacity: 20-25.000 ton/yearly

Hold capacity: 1400 tons

Crew: 25 men

Trawler type: pelagic trawls and purse seines

Ownership: RG 66%

Bought in 2020

1988



Tuneq

Master: Kári Petersen

Length/width: 70 x 12,5 m

Production capacity: 60 ton/day

Catch capacity: 10-15.000 ton/yearly

Hold capacity: 500 tons

Crew: 10-12 men

Trawler type: Pelagic trawl

Ownership: RG 66%

Royal Greenland A/S

2020

