



ANNUAL REPORT

ROYAL GREENLAND A/S

JANUARY 1ST 2017 - DECEMBER 31ST 2017



ANNUAL REPORT
Royal Greenland A/S



2017
January 1st - December 31st

CVR-No. 13645183

The annual report has been prepared and
approved by the ordinary
Annual General Meeting on May 16th 2018

Rebekka Bisgaard
Chairman



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



1,963
fishermen have landed their catches in Greenland to Royal Greenland

753
employees in Greenland have upgraded their qualifications

179
by attending qualifying course days

The Group's many sales units have issued

82,234
invoices to

1,533
customers

The salt content of prawns in brine has been reduced by

9%
for the benefit of public health

THE GROUP'S VALUE CHAIN

- THE YEAR IN FIGURES

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, Newfoundland, Quebec, 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.

In Newfoundland

12,500,000
kg of fish and shellfish were landed by local fishermen

Total revenue for Royal Greenland amounted to

5,613
DKK million, of which

99.4%
is exported

Polystyrene trays for prawns in brine have been replaced with carton trays, equivalent to

5 lorries, instead of **30**

Profit for the year before tax

253
in DKK million

51
skilled trainees and apprentices are taking their training at Royal Greenland's factories and offices around the world

6,209,813
Greenland halibut heads have ended up in tasty Asian soups and dishes

111,448
tonnes of finished products were sold to customers in

48
countries across the world

Statement by the Management on the Annual Report

The Supervisory and Executive Boards have today considered and adopted the Annual Report of Royal Greenland A/S for the financial year from January 1st 2017 to December 31st 2017.

The Annual Report has been presented in accordance with the Danish Financial Statements Act. We consider the accounting policies applied to be appropriate, so that the Annual Report provides a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position and financial performance, and the consolidated cash flow.

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

Nuuk, March 27th 2018

Executive board

Mikael Thinghuus
Nils Duus Kinnerup
Bruno Olesen
Lars Nielsen

Supervisory Board

Niels Harald de Coninck-Smith
Jan H. Lynge-Pedersen
Pernille Fabricius
Sara Heilmann
Tim Ørting Jørgensen
Åse Aulie Michelet
Peter Korsbæk
Niels Ole Møller
Lars Berthelsen

INDEPENDENT AUDITORS' REPORT

To the shareholder of Royal Greenland A/S

We have audited the Annual Report of Royal Greenland A/S for the financial year January 1st 2017 – December 31st 2017, comprising the Management's Review, accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company, and the consolidated cash flow statement. The annual report is prepared in accordance with the Danish Financial Statements Act.

Management's responsibility

Management is responsible for the preparation of an Annual Report that gives a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for the internal control which the management considers necessary in order to prepare an Annual Report that is free from material misstatement, whether due to fraud or error.

On preparing the Annual Report, the management is responsible for assessing the Group and the company as a going concern; disclosing information concerning continued operations, where relevant; and preparing the Annual Report on the basis of the accounting policy concerning continued operations, unless the management either intends to liquidate the Group or companies, discontinue operations, or has no other realistic alternative to this.

The auditor's responsibility for the audit of the annual report

We conducted our audit in accordance with international auditing standards and the additional requirements applying in Greenland. We are independent of the Group and the company, in accordance with the international ethical rules for auditors (IESBA's Ethical Rules) and the additional requirements applying in Greenland, just as we have fulfilled our other ethical obligations in relation to these rules and requirements.

Our aim is to achieve a high degree of certainty that the overall Annual Report is free from material misstatement, whether due to fraud or error, and to present an auditor's endorsement with an opinion. A high degree of certainty is a high level of certainty, but does not guarantee that an audit performed in accordance with international auditing standards and the additional requirements applying in Greenland will always reveal any material misstatement. Incorrect information may arise as a consequence of fraud or error and may be considered to be material if it can reasonably be expected that it may individually or overall influence the financial decisions taken by users of the accounts on the basis of the Annual Report.

As an element of the audit, which is performed in accordance with international auditing standards and the additional requirements applying in Greenland, we perform expert assessments and maintain professional scepticism during the audit. In addition:

- We identify and assess the risk of material misstatement in the Annual Report, whether due to fraud or error, design and perform audit procedures in reaction to these risks, and obtain audit evidence that is sufficient and appropriate to form a basis for our opinion. The risk of failing to discover material misstatement due to fraud is higher than for material misstatement due to errors, since fraud may include conspiracy, forgery of documents, deliberate omissions, misrepresentation or internal control failure.
- We obtain an understanding of the internal control with relevance for the audit, in order to perform audit procedures that are appropriate in the circumstances, but not to express an opinion concerning the effectiveness of the company's internal control.

- We consider whether the accounting policies applied by the management are appropriate, and whether the accounting estimates and related information prepared by the management are reasonable.
- We conclude whether the management's presentation of the Annual Report according to the accounting policy of continued operation is reasonable, and whether on the basis of the audit evidence obtained there is significant uncertainty concerning events or circumstances that may lead to significant doubt concerning the ability of the Group or company to continue operations. If we conclude that a significant uncertainty exists in our audit endorsement, we must draw attention to information about this in the Annual Report or, if such information is not sufficient, modify our opinion. Our opinion is based on the audit evidence achieved up to the date of our audit endorsement. Future events or circumstances may entail, however, that the company cannot continue operations.
- We consider the overall presentation, structure and content of the Annual Report, including the notes, and whether the Annual Report reflects the underlying transactions and events in such a way as to present a true and fair view thereof.
- We obtain sufficient and adequate audit evidence for the financial information for the companies or business activities in the Group, in order to express an opinion concerning the consolidated accounts. We are responsible for the management, supervision and performance of the consolidated audit. We hold sole responsibility for our audit opinion.
- We assess whether the information in the Management's Review is relevant and reliable, and whether the Management's Review provides the information necessary to give a true and fair account of the development in the financial activities and circumstances of the Group and the company.

We communicate with executive management concerning the planned scope and timing of the audit, as well as significant audit observations, including any material deficiencies in the internal control that we identify during the audit.

It is our opinion that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at December 31st 2017 and of the results of the Group's and the Parent Company's activities and consolidated cash flows for the financial year from January 1st 2017 to December 31st 2017, in accordance with the Danish Financial Statements Act.

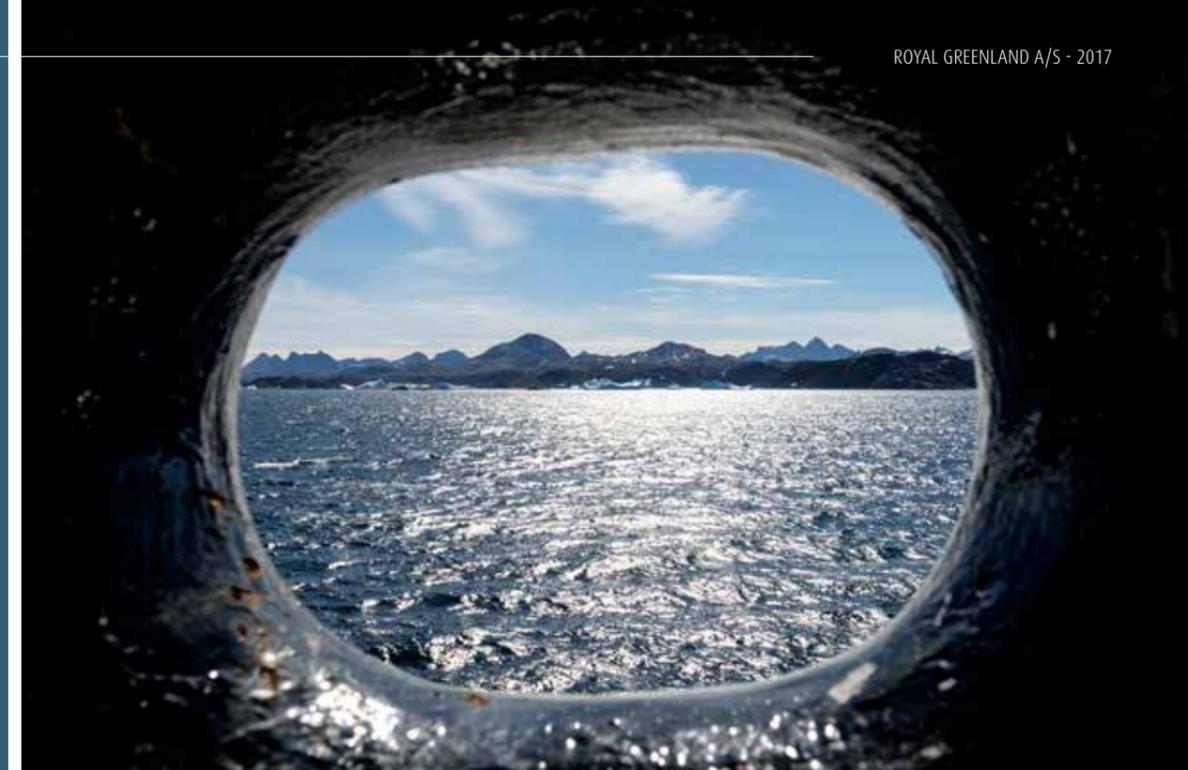
NUUK, March 27th 2018

EY Grønland

Godkendt Revisionsanpartsselskab
CVR-nr: 33 94 61 71

Claus Hammer-Pedersen -
State Authorised Public Accountant

Jens Weiersøe Jakobsen -
State Authorised Public Accountant



FINANCIAL HIGHLIGHTS AND KEY RATIOS

PROFIT/LOSS

KEY FIGURES - DKK mill.	2017	2016	2014/15	2013/14	2012/13
Net revenue	5,613	5,589	4,721	4,913	5,312
Profit from primary operations, including associated companies	288	251	243	242	184
Net financials	(35)	(16)	(39)	(43)	(16)
Net profit before tax	253	234	204	199	168
Net profit for the year	129	109	113	136	100

BALANCE SHEET

KEY FIGURES - DKK mill.	31.12.17	31.12.16	30.09.15	30.09.14	30.09.13
Fixed assets	1,623	1,587	1,207	1,068	1,191
Net working capital	1,444	1,549	1,440	1,124	1,391
Equity	1,416	1,414	1,264	1,166	1,066
Net interest-bearing debt	1,328	1,347	1,123	897	1,407
Balance sheet total	4,358	4,552	4,012	3,575	3,787
Investments in property, plant and equipment	314	355	180	163	138

RATIOS IN %

%	31.12.17	31.12.16	30.09.15	30.09.14	30.09.13
EBIT-margin	5.1	4.5	5.2	4.9	3.7
EBT-margin	4.5	4.2	4.3	4.1	3.2
ROIC including goodwill	9.1	8.2	11.2	8.1	7.6
Return on equity (ROE)	11.2	9.9	10.7	13.3	10.9
Equity ratio	32.7	32.1	32.9	33.2	28.4
Net interest-bearing debt / EBITDA	3.2	3.2	2.8	2.8	4.2

NUMBER OF EMPLOYEES

	31.12.17	31.12.16	30.09.15	30.09.14	30.09.13
Greenland	1,363	1,401	1,202	979	910
Denmark	198	197	195	200	227
Other countries	972	1,171	759	727	920
Total	2,533	2,769	2,156	1,906	2,057

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.



A STRATEGY THAT WORKS: CONTINUED GROWTH AT ROYAL GREENLAND

Through its "North Atlantic Champion" strategy, Royal Greenland has the ambition to be the world's leading supplier of seafood wild-caught in the North Atlantic, primarily cold-water prawns, Greenland halibut and snow crab.

There was strong development for shell-on prawns, Greenland halibut and snow crab, while the first nine months of the year were challenging for cooked & peeled prawns, due to low sales prices.

Royal Greenland achieved a solid profit before tax of DKK 253 million in 2017. This is an increase in both revenue and profit, despite considerable foreign exchange challenges in the second half of 2017. The US dollar and pound sterling were particularly volatile, and all other things being equal, the foreign exchange development had a negative effect of DKK 80 million on the result.

The operating profit documents the strength and breadth of Royal Greenland's product and market portfolio, and the Company's unique position in the value chain, with a high degree of vertical integration, whereby Royal Greenland constantly strives to be closest to the resources, closest to the customer, and closest to the consumer.

There was strong development for shell-on prawns, Greenland halibut and snow crab, while the first nine months of the year were challenging for cooked & peeled prawns, due to low sales prices.

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."

On the basis of our Greenlandic origin and our strong anchoring in Greenland's high-quality products, Royal Greenland is committed to developing and refining our core activities for the benefit of Greenland's society and our owner, the Government of Greenland, but also with due respect for the many local communities of which we are part, throughout the world.

In its second year, the investment in Quin-Sea Fisheries in Newfoundland again yielded a good return,

strengthening the strategic platform. The joint venture with the Icelandic company, Isfelag, to develop pelagic fishing off East Greenland, did not contribute positively to the profit for the year, but has a more long-term perspective.

The company's historically large investment in replacing two trawlers, Sisimiut and Qaqqatsiaq, with two newbuildings, to be delivered in 2019, is running according to plan, and will strengthen Royal Greenland's primary fisheries activities.

As a consequence of the company's focus on the North Atlantic species, the factory in Koszalin, Poland, was sold as of 1 September 2017. This activity focuses on flatfish, breaded products and natural products that are not among Royal Greenland's core activities. As part of the transaction, a five-year cooperation agreement has been established with the buyer, A. Espersen A/S, whereby Royal Greenland continues to market, sell and distribute finished products from the factory.

The year was, regrettably, also affected by a serious event on 17 June, when a tsunami hit the northern settlements of Nuugaatsiaq and Illorsuit, with four facilities. Royal Greenland had a factory in Nuugaatsiaq. The entire settlement, and thus also our factory, were destroyed by the tsunami. The settlement will not be re-established, and currently a capacity expansion of other nearby facilities is being considered. In the short term, there will be sufficient capacity at the converted factory in Uummanaq to compensate for the capacity lost in Nuugaatsiaq.

Our financial performance and our equity of DKK 1.4 billion, equivalent to an equity ratio of 33%, document that Royal Greenland is a financially strong Group, with a robust strategic focus.

Sound profit before tax

253
DKK million

FINANCIAL STATEMENTS

There is continued growth in the core activities, as the basis for Royal Greenland's increasing revenue. The profit before tax of DKK 253 million is satisfactory, especially in view of the development in the GBP and USD exchange rates in the second half of 2017.

Since the 2015/16 financial year was a 15-month period, below 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.

Result - Comparable period		
(DKK Mill.)	2017	2016
Net revenue	5,613	5,589
Profit from primary operations, including associated companies	288 (5.1%)	251 (4.5%)
Net profit before tax	253 (4.5%)	234 (4.2%)
Net profit	129 (2.3%)	109 (1.9%)

The table presents the profit from primary operations, including the results of associated companies, since they are an integral element of primary operations.

Primary operations thus improved by DKK 37 million, and the EBIT margin increased from 4.5% to 5.1%.

Shell-on prawns, Greenland halibut and snow crab continue to show positive development.

With effective fisheries and in a strong market, shell-on prawns exceeded last year's record-high result, based on favourable development in Asia, Scandinavia and Russia.

As the largest global operator within Greenland halibut, it is very satisfactory that sales increased by 5%, with significantly better earnings in Japan. Earnings in the other Asian markets were affected by the falling USD exchange rate. Major expansion of the factory in Uummannaq took place in 2017. Capacity in Aappilattoq was also increased. The combined investment in the two facilities totals DKK 70 million. In production terms, Royal Greenland is thus more strongly equipped for an increased degree of processing in Greenland.

Based on Quin-Sea Fisheries, snow crab continued the positive development from 2016 characterised by high demand at attractive prices in the key markets of Japan and the USA. In accordance with the strategy, snow crab has developed into the third-best earning category in the Group.

After several problematic years, lumpfish roe developed soundly, in line with the improved market balance between supply and demand.

On the other hand, cooked & peeled prawns achieved significantly lower earnings, despite 24% higher volume. This trend was due to low sales prices in the first nine months of the year, when sales of small prawns in particular were challenged. The category was also affected by the falling GBP exchange rate as a consequence of the repercussions of the Brexit referendum, since the UK is the world's largest market for cooked & peeled prawns.

North Atlantic cod has continued to entail losses for Royal Greenland. Slightly decreasing inshore cod volumes in Greenland did not improve the situation, while the investment in the Nutaq project in Maniitsoq was maintained in order to increase the ratio of high-quality products and thereby improve the financial basis. The project is affected by a lack of stable manpower, which makes it difficult to achieve the required product mix, so that in 2017 foreign manpower was hired for the principal filleting factories in Greenland. In addition, the entire process under the Nutaq project has been further optimised, to make it possible to produce larger volumes, which is a key precondition for a financial improvement.

Despite higher volumes, pelagic fishing did not develop favourably, due to technical problems during the brief season and pressure in the market for pelagic products.

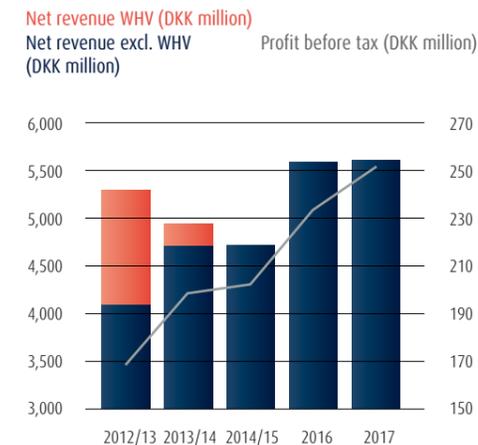
Among the non-North Atlantic product groups, salmon developed positively in terms of smoked products, as well as resale of salmon portions to the European retail market. Both areas depend on the price for raw salmon, which is subject to considerable volatility.

On the other hand, the zip-lock convenience range from the factory in Cuxhaven failed to achieve satisfactory earnings, as a consequence of tough competition in the European retail market.

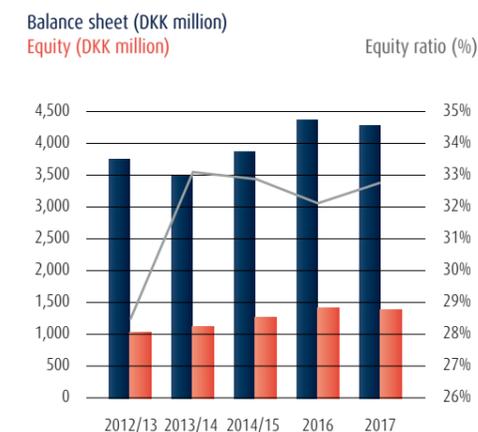
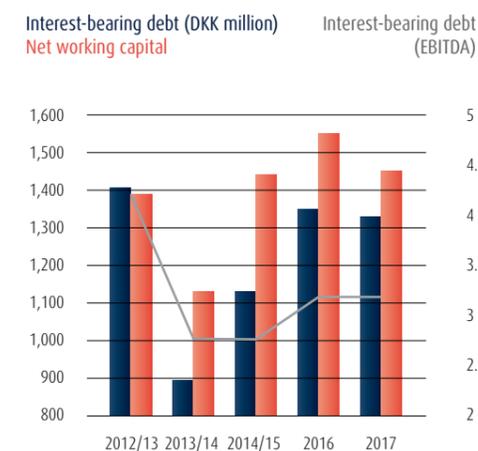
The profit after tax amounts to DKK 129 million. The minority interests in the Ice Trawl Greenland and Pelagic Greenland trawler companies amount to DKK 29 million. The positive development for the North Atlantic species, and thereby for the Greenlandic product areas, entails a high tax rate.

Tax recognised in Greenland amounts to DKK 42 million.

With effective fisheries and in a strong market, shell-on prawns exceeded last year's record-high result, based on favourable development in Asia, Scandinavia and Russia.



Note: WHV is the fish finger activity in Wilhelmshaven, which was sold in 2013.



At the end of 2017, Royal Greenland's interest-bearing debt was unchanged at DKK 1.3 billion, despite a high investment level in 2017.

The working capital was reduced by DKK 105 million as a consequence of lower stocks. This development reflects high sales activity, as well as a number of initiatives to reduce tied-up capital.

Debt as a ratio of EBITDA is unchanged at 3.2%, and is thus still under full control. It will increase during the next few years, due to a high investment level, especially the acquisition of the two new trawlers. This is in line with the North Atlantic Champion strategy, and will strengthen the Group's future earnings.

Cash flow after investment activities amounts to DKK 180 million. The total cash flow amounts to DKK (277) million. This is after deduction of the dividend payment of DKK 114 million and debt repayments of DKK 344 million.

Equity capital amounts to DKK 1,416 million, while the equity ratio is 33%.

Pursuant to the company's dividend policy, DKK 64 million has been allocated as dividend, corresponding to 50% of the net profit after tax for the year.

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

Outlook

The fundamental expectations for 2018 are a continuation of the positive trend which the company has experienced during the past six years.

However, the development in 2018 will be affected negatively by higher fisheries taxes and lower exchange rate levels for USD, JPY and GBP in particular, which overall entails an income reduction of around DKK 100 million.

Together with the known quotas for prawn and halibut in Greenland, and expectations of lower volumes of raw fish in Newfoundland, higher fisheries taxes and the expected development in exchange rates will entail a lower profit before tax in 2018 than in 2017.

The principal risk factors are the development in sales prices, including the development in exchange rates, the development in quotas for prawn and snow crab in Newfoundland, and the terms of competition for Greenland halibut in Greenland, which in the latter case concerns both raw fish prices and volumes.

The development in the global economy and its impact on demand continues to be a significant source of uncertainty.

Interest-bearing debt is expected to be at the same level as in 2017.

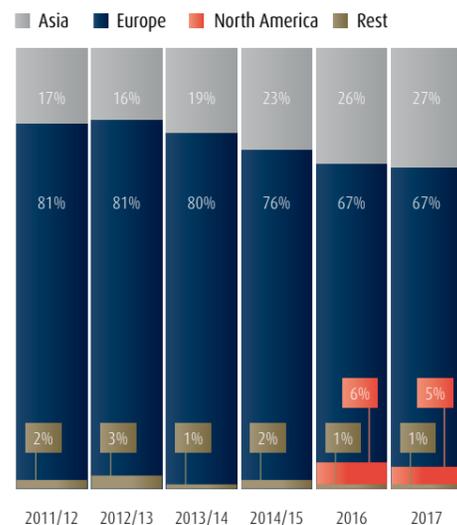
GOOD SALES DESPITE TURBULENT CURRENCY MARKETS

Royal Greenland faced a challenging year in sales terms, but nonetheless delivered larger volumes and increased its earnings.

Volumes sold increased by 4%, while revenue measured in DKK rose only marginally. The latter is due to the negative development in exchange rates for most of the company's key sales currencies (USD, GBP, JPY, NOK and SEK). In a number of areas, we succeeded in achieving higher sales prices measured in local currency, but it was not possible to compensate fully for the large drops in the different currencies.

On the market side, there was a good increase in volume terms in the key markets of Scandinavia, Europe and Asia, while North America experienced a small setback.

Revenue in % by regions



The strategic development towards more balanced geographical diversification in key markets is continuing. Asia's share of revenue has thus increased by 11% points in recent years, but is, however, currently affected by a weaker USD and JPY. The development towards higher sales in Asia and North America is expected to continue, while Europe will slow down, in line with the strong focus on the North Atlantic species.

Asia

The Asian market is still growing, and sales to China are increasing in particular. Royal Greenland's revenue in Asia now totals DKK 1.5 billion. The region achieved 5% higher volume during the financial year, which did not result in equivalent revenue growth, however, as a consequence of the development in USD and JPY. Asia accounts for 27% of the Group's revenue.

In China and Taiwan, Greenland halibut and shell-on prawn are the leading products. The demand for both species has been good. Sales of shell-on prawns for the Chinese New Year celebrations were particularly positive.

The Greenland halibut market was highly volatile. Sales prices for heads and tails declined significantly, while prices for the other Greenland halibut products were more stable. It was possible to expand the distribution network in China, with a good expansion of the customer portfolio for all products.

Sales of retail products are still at a low, but increasing, level. There is focus on both traditional retail sales and e-commerce. One of the major challenges with regard to this range is the long logistical lead times from Greenland and Europe, combined with a dynamic market, in which a short reaction time is necessary.

Revenue in Japan was stable. The Japanese organisation's determined efforts successfully re-established earnings in the market. It has been a challenge to bring customers to accept the necessary price increases, based on the lower JPY exchange rate. Yet the market changed during the year and since the summer, the business has developed favourably, so that the company achieved satisfactory earnings for the full year. The Japanese market is now once again one of the best-earning markets for Royal Greenland, and our processing strategy for this market has again proved its strength.

The Japanese sushi chains, which are an important element of Royal Greenland's revenue, continued their international expansion, and Royal Greenland Japan supports and is part of this development. This has made the sales office in Japan more international, with revenue in many Asian countries, and in the USA.

Europe

Royal Greenland's key European market comprises Germany, France, the UK, Italy, Spain, Portugal and Russia, and together they still constitute the most significant market area, with a revenue share of 46% and overall sales of DKK 2.6 billion. The markets in Europe saw moderate growth.

There was focus on a number of strategic initiatives, including increased sales to food service in Europe, among other things through the development of a unique web platform, with product specifications and access to Royal Greenland's extensive image archives.



Sales of Greenlandic cod have become an interesting business area in the UK. Relatively good prices have been achieved, and the Nutaaq quality is in demand from the food service segment.

On the market side, there was a good increase in volume terms in the key markets of Scandinavia, Europe and Asia, while North America experienced a small setback.

In Germany, the retail sector was even more focused on price as the key purchasing parameter, which meant that Royal Greenland chose not to renew a number of contracts.

This development emphasises the importance of the strategic focus on sales of the North Atlantic range in Germany. This has required changes in how the German company is organised. One of the successes is an agreement with a leading retail customer for the delivery of a Greenlandic MSC Greenland halibut product. This is the first contract based on MSC Greenland halibut processed in Greenland.

In France, there was positive development during the year, when we won a number of contracts for delivery of Greenland halibut. The French market is important, since it is the largest market for processed Greenland halibut. The market is the foundation for achieving the required processing strategy based on the major factory investments in Greenland.

During the last part of the year, we saw positive development in the UK. Sales of cooked & peeled prawns are increasing, and it was also possible to achieve significant sales of land-based Greenlandic cod. Since 2016, the sales price for cooked & peeled prawns has been under pressure from market conditions and the negative course of the GBP exchange rate, but as from the summer of 2017, the price measured in local currency has been rising again.

Sales of Greenlandic cod have become an interesting business area in the UK. Relatively good prices have been achieved, and the Nutaaq quality is in demand from the food service segment.

Sales in Italy mainly concern prawns in brine, cooked & peeled prawns, shell-on prawns and Greenland halibut. The continued weak Italian economy makes this a difficult market. Business activity is at the level of the preceding year.

Greenlandic cod is the main product in the Spanish and Portuguese markets. A good deal of shell-on prawns are also sold in Spain. The markets show moderate growth, and it can be noted that the economy is picking up again.

The Russian market was positive in 2017. Sales of shell-on prawns increased, and pelagic fishing increased sales in Russia. There is no doubt the Russian economy is recovering, after a number of difficult years. This is e.g. apparent from how the demand for shell-on prawns is changing in favour of larger sizes and thereby higher sales prices. The sustained cooperation with our Russian joint venture partner has proved its strength over the years.

Scandinavia

Scandinavia is an important market for cold-water prawns – both cooked & peeled prawns and shell-on prawns. With sales of DKK 2.1 billion, Scandinavia accounts for 21% of the Group's revenue.

The Scandinavian sales organisation is continuing to win market shares in all markets. In Norway in particular, there has been positive development, based on shell-on prawns.

Royal Greenland is the market leader in Scandinavia for cold-water prawns, as well as breaded fish and Greenland halibut.

The development in the food service segment is satisfactory. With a brand share of 80%, Royal Greenland is leveraging its strong brand in the Scandinavian market.

The industrial segment was re-established during the year, creating greater balance between the various sales channels.

We are constantly endeavouring to further professionalise our approach to customers. In an independent survey, our sales force for food service in Sweden was named as the best in the market.

North America

The sales platform to the North American market, created on the acquisition of Quin-Sea Fisheries, is a strong asset for Royal Greenland. Sales prices for snow crab are particularly interesting, although a combination of lower quotas and higher sales of snow crab to the Japanese market reduced revenue in the market compared to 2016. Sales of Greenlandic cod are increasingly favourably, on the other hand. Royal Greenland's total revenue in North America totals almost DKK 300 million.

In overall terms, customers in the USA and Canada show a lot of interest in Royal Greenland's range, and the strategic decision to gear up in these markets has proved its value. A sales organisation will be built up in North America, from a base in the Boston area. The sales organisation's focus will be on processed products from Royal Greenland's North Atlantic range.

SALES ACTIVITIES AROUND THE WORLD

In 2017, the sales organisations across continents undertook a number of exciting business-promoting sales and marketing activities.

Germany

In its efforts to increase understanding of professional kitchens' product preferences and work processes, the German sales company established cooperation with "Seafish Koch Studio" in Bremerhaven. Here, during the course of the year, professional chefs among other things tested Greenland halibut and cod, and contributed valuable knowledge to the development of Royal Greenland's range.



USA

There is now such great interest in Royal Greenland's products in the American market that we have our own stand at the annual fair in Boston. Products from Greenland and Canada, as well as Japanese specialities developed from Greenlandic and Canadian raw material resources, are all in high demand.



China

In November, Royal Greenland took part in a sales promotion campaign in collaboration with the retail chain Sungiven Food in Xiamen in southern China. A number of the chain's key customers took part, to hear about Royal Greenland's history and taste Greenland halibut, snow crab and prawn.



Italy

In the Italian market, the sales organisation is strongly focused on endusers of our products. Through cooperation with the Italian 'Federazione Italiana Cuochi' (federation of Italian chefs) Royal Greenland gains access to an exciting network of chefs and catering managers. Royal Greenland has also moved closer to wholesalers, with training of the wholesalers' sales force, to make them more familiar with Royal Greenland's products, thereby supporting their sales work.



UK

The British market had a successful year for sales of Nutaaq cod, especially to fish & chips chains. The high quality of Nutaaq cod enables the chains to service their customers all year round with this popular fish of stable, high quality, fried in tempura batter and accompanied by tasty chips.



Sweden

During the year, the Swedish sales organisation worked hard to increase sales of prawns in loose weight. Combined with the launch of sea-packed high-quality prawns under the 'Disko Bay' and 'Davis Strait' names, we have created value in the prawn category.



Japan

For many years, the sales company in Japan has been a trusted supplier of highly-specialised sushi items to the "running sushi" restaurant chains. Sales include crab meat, raw prawns (fantails) and halibut fins. During the year, Royal Greenland Japan was active with a number of new initiatives and suggested recipes, creating favourable development.



AND THE WINNER IS...

Royal Greenland took the prize for the best stand at a major Danish food service fair in November.

Around 150 exhibitors in total attended Hørkram's annual food service fair, and Royal Greenland's Danish team were in place with a fine new stand, which focused on proximity to fisheries and the raw material with an authentic blue cutter ship, which served as a counter for the stand. The prize was a large trophy and, naturally, the honour of winning! Royal Greenland was picked for a stand that was original, creative and different in its design - which was much appreciated by visitors.



ONLINE SALES IN CHINA

Royal Greenland has chosen to develop a quality range that is based on raw materials caught and packaged outside China, with the packaging carrying Chinese text.

Royal Greenland's online presence has been strengthened on the JD platform, where consumers can purchase our range and read about Royal Greenland's fantastic history and the striking natural environment from which our products originate.

The Chinese retail market for fish and shellfish is dominated by local producers that have developed their own brands, which are sold in physical stores and also online. A large proportion of these local producers base their production on raw fish purchases from the North Atlantic, Canada and the Arctic.

Royal Greenland thus sells raw materials to a number of close partners and is also in the process of positioning our own brand towards consumers.

By cooperating with local producers on sales of raw materials for their own brands and distribution of Royal Greenland's brand, we are contributing to a dynamic and deeper perspective for this category.



OFFICIAL CAMPAIGNS WITH THE KINGDOM OF DENMARK

The increasing significance of trade and cooperation with the Asian countries is not unique to Royal Greenland. During the year, both the Government of Greenland and the Danish Royal Family were part of the official campaigns in Japan and China.



In October, Royal Greenland was part of the trade promotion campaign in Japan, with the Danish Crown Prince and Princess heading a large official trade delegation. Especially our Japanese customers were delighted that the Japanese Crown Prince and Princess were also present at this event. A number of visits to Japanese companies and official events gave Royal Greenland the opportunity for networking with local partners and customers.

China Fisheries & Seafood Expo took place in Qingdao in November. A large Greenlandic delegation, headed by Greenland's Prime Minister, Kim Kielsen, visited this fair and hosted a reception for Greenlandic companies' Chinese business partners.



NEW PRODUCTS AND INNOVATION

An increase in value for every kilo of raw material is key to Royal Greenland's product development and innovation in every stage of the value chain.

The aim of Royal Greenland's involvement in external research collaboration, and of our internal development projects, is to increase the value of the individual species and product areas. This is achieved by optimising the handling of raw material and the production methods in the first link of the value chain, by matching quality and market in the customer link, and by developing consumer-focused solutions that put our new developments right at the forefront.

Innovation Fund Denmark is supporting a business research project

Nutaaq cod from Royal Greenland is already a well-established brand in high demand in the quality-focused market. To further strengthen the product's position and to document its unique quality, in 2017, Royal Greenland started up a three-year business research project: "New concept for production of cod in Greenland - Best Practice with focus on quality and sustainability" together with DTU Food - the National Food Institute in Lyngby (Denmark), and with the support of Innovation Fund Denmark.

Under the business research project, the production of Nutaaq cod at Royal Greenland in Maniitsoq is optimised, with focus on:

- 1) The seasonal and biological differences in the raw fish.
- 2) Establishing the most appropriate process settings for the live storage and stress of the cod prior to harvesting.
- 3) Durability testing of the storage of fresh and frozen Nutaaq cod.

In practice, product testing takes place at Royal Greenland in Maniitsoq, followed by quality testing in the laboratory at DTU Food - the National Food Institute. The plan is for the project's results to establish a "best practice" for the production chain. At the same time, quality documentation is built up, so that Nutaaq cod will continue to achieve prices in the top price segment.

Food safety is high on the agenda

Together with our collaboration partner, Dan Salmon in Hirtshals, Royal Greenland took part in a four-year EU project concerning food safety in conjunction with contaminating substances in fish and shellfish as a consequence of environmental impacts. This project was concluded at the start of 2017 and has given Royal Greenland valuable access to central European databases for:

- 1) More effective risk analyses of fish and shellfish.
- 2) More precise risk assessments and rapid screening methods for shellfish-contaminating substances.
- 3) The ECsafeSEAFood database for chemical substances is a unique database that gathers data on contaminating substances in fish and shellfish.
- 4) FishChoice is an online tool which enables consumers to assess health benefits and risks from consumption of fish and shellfish.

The ECsafeSEAFood project involved 18 partners from ten countries and yielded valuable knowledge to further strengthen the already high level of food safety in Royal Greenland's production.

More taste - less salt

Royal Greenland has achieved unique knowledge and experience from participation in the four-year development project: "Development of seafood products with improved health value, edible quality and food safety (LOW SALT)", in collaboration with DTU Food - the National Food Institute and with the support of the Green Development and Demonstration Programme (GUDP) in Denmark. The project was concluded at the end of 2017 with significant commercial results:

- Development of four new pasteurised lumpfish roe products with reduced salt content (below 3.0%) compared to the normal salt content of around 4.5%. In terms of taste and healthiness, the new products, which can now also carry the Scandinavian keyhole label, are a considerable improvement on the previous products.
- Eight new keyhole-labelled products with cold-water prawns in brine have been launched. The salt content is below 1.5%, compared to the normal 2-3% salt content. The fresh and natural prawn taste is apparent in the new products, which have a more unique and authentic prawn taste than the normal cold-water prawns in brine.

The successful launch of these high-quality products, with outstanding taste and food safety, can be attributed to the development of two predictive models to describe the growth of the spoilage bacterium *Pseudomonas* and the pathogenic bacterium *Clostridium botulinum*. The models were developed in collaboration with DTU Food - the National Food Institute and, in practice, mean that Royal Greenland has become far more innovative and effective in developing recipes

As a supplier to catering kitchens and canteens in the global food service segment, it is vital to be able to supply practical solutions that can be served quickly, without comprising food safety.

for lightly preserved fish products with a low salt content, while also maintaining the high food safety standard.

Convenience and Clean Label

As a supplier to catering kitchens and canteens in the global food service segment, it is vital to be able to supply practical solutions that can be served quickly, without comprising food safety. In 2017, Royal Greenland launched a wide range of fully-fried breaded fish, which is suitable for catering kitchens in public institutions, hotels and conference centres.

The fully-fried fish, which includes varieties with Greenlandic cod, plaice, flounder fillets and herring fillets, and fish nuggets of Alaskan pollack, is fried to a core temperature of 72°C. The fish can then be used directly from frozen, with no further preparation (Ready-To-Eat). In most cases, the fish will be heated before use, but since it has already been fried, there is no risk when using the product straight from the packet, and it is also suitable for streetfood or in other situations where it needs to be served quickly.

Several varieties also carry the Clean Label, which means that they are prepared solely from natural ingredients, without artificial additives.

GastroFit

The GastroFit concept is based on the principle that it must be easy and quick to serve a tasty meal to many people without compromising on quality and taste. Royal Greenland has developed a series of flavour varieties of 12 uniform pieces of fish in different sauces. The product is removed from the packaging while still frozen, placed in a gastrotray and heated up in the oven. GastroFit is particularly aimed at catering kitchens in Germany and France, which are the primary markets.

Disko Bay and Davis Strait prawns

Greenlandic prawns are among the most popular products in Royal Greenland's range. In 2017, the Scandinavian markets launched cartons containing 1 kg of sea-cooked prawns, which are packed on board Royal Greenland's trawlers. This rapid processing and freezing directly in the carton onboard the trawler results in a high-quality product that is distinguished by its special red colour, taste and consistency. Packaged, sea-cooked prawns are otherwise only available in the market as prawns packed in foil at land facilities, so that Royal Greenland is offering a quite unique product to the market.

The production development costs defrayed are recognised in the profit and loss account.

Nutaaq cod from Royal Greenland is already a well-established brand in high demand in the quality-focused market.

8 TONNES LESS SALT ON THE PRAWN DISH...

By significantly reducing the salt content in brine for prawns, Royal Greenland's prawns in brine are in line with the new dietary recommendations to eat more seafood and less salt.

Salt has a preserving effect and prolongs a product's shelf life. To reduce a product's salt content, it is important to stay focused on food safety, to eliminate increased bacteria growth.

Based on research cooperation with DTU Food - the National Food Institute, in recent years we have been able to develop a strong model that can very precisely predict bacteria growth.

This has made it possible to reduce the salt content without compromising the food safety of our products.

In consumption terms, this means that in 2017 the same volume of prawns in brine from Royal Greenland contained 8 tonnes - or 9% - less salt than just a few years ago. This is equivalent to the weight of five adult narwhales!



ROYAL GREENLAND COOPERATING WITH THE UNIVERSITY IN NEWFOUNDLAND

The Marine Institute at the Memorial University of Newfoundland has special focus on building bridges between the academic world and the surrounding fisheries sector.

With the acquisition of Quin-Sea Fisheries, Royal Greenland has gained access to an array of skilled and knowledgeable researchers, who are helping to utilise this knowledge and forge links between the university and industry.

One example of the collaboration with the university in 2017 was a project to optimise the value chain and the distribution of fresh cod to the American market. In recent years, cod from Newfoundland has not been appreciated in the American market, but comprehensive education and information dissemination across the entire value chain, from catch to production, storage and distribution, has made it possible to create a fine flow of fresh, high-quality cod from our factory in Conche to the American market.

The Marine Institute also performed quality assessments of shellfish, which has led to the implementation of a number of standardised quality assessment methods.



CONCLUSION OF THE 'MARINE LIPIDS' GUDP NETWORK PROJECT

In 2017, together with a number of network partners, Royal Greenland contributed to completing the 'Marine Lipids' GUDP network project. The Danish Technological Institute was the project manager.

In general terms, today the fisheries industry only uses around 50% of actual catches of edible fish for the human food chain. The 'Marine Lipids' network project has developed a large number of new project ideas for using fish trimmings for fish oil and other products. A couple of exciting examples are pilot production of high-quality fish oil for human consumption, and new, ecofriendly use of fish skin. For Royal Greenland, the long-term objective is to make commercial use of the results of project ideas of this type.

Besides Royal Greenland, the project involved a number of Danish companies and research institutions,

including: Sæby Fiskeindustri, FF Skagen, DTU Food - the National Food Institute, Bioceval Denmark and Proby Ingredients.



VALUE OPTIMISATION IN FISHERIES AND PRODUCTION

Constant optimisation of the raw material's value is necessary in order to reduce Royal Greenland's vulnerability to changes in fishing quotas, but requires increased investment in trawlers and factories, in order to increase processing levels.

In 2019, an ocean-going prawn trawler and an ocean-going production trawler will be replaced by two newbuildings, in order to streamline and increase the offshore fisheries capacity.

Raw material: Fishing and purchase

Access to quotas in Greenland is vital for Royal Greenland, both in our own fisheries and as a supply of raw materials from external shipping companies and fishermen to the Group's factories along the west coast of Greenland.

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., two smaller inshore prawn trawlers, and seven Greenland halibut vessels, which supply the factories in the Disko Bay and Uummannaq. Additional to these is an investment in a number of large skiffs for fishing in Northern Greenland, to increase the volumes of Greenland halibut supplied to the factories.

In 2019, an ocean-going prawn trawler and an ocean-going production trawler will be replaced by two newbuildings, in order to streamline and increase the offshore fisheries capacity.

Under the Pelagic Greenland joint venture with the Icelandic company Isfelag two pelagic trawlers are operated for fishing off East Greenland.

In 2017, the Group fished approximately 60,000 tonnes in total, with an increase by 30% as a consequence of significantly higher pelagic fishing for capelin and blue whiting in particular, which are at the low end in value terms, however.

In 2017, we also fished prawn off Svalbard, with a satisfactory result. Prawn fishing off East Greenland was also very satisfactory, after a break of several years.

In 2017, the prawn quota for West Greenland was increased to 90,000 tonnes and was raised further to 101,250 tonnes in 2018, in accordance with biologists' recommendations and the MSC management plan. The prawn stock is developing positively and the quota is also expected to increase in 2019. The previous trial quota in the NW area of West Greenland has now been incorporated as part of the official quota.

Royal Greenland's factories in Greenland received 66,000 tonnes of fish and shellfish during the financial year, which represents a decrease by 4% after several years of growth.

Catches landed to Royal Greenland in Greenland

	2012/13	2013/14	2014/15	2015/16	2017
Prawns	24,569	23,925	20,135	25,003	26,935
Greenland halibut	10,465	13,404	17,504	20,697	17,591
Crab	1,615	1,765	1,063	1,055	1,330
Roe	1,636	951	755	460	718
Cod	7,512	10,756	15,042	21,432	19,199
Other	908	943	604	557	521
Total	46,705	51,744	55,103	69,204	66,294



The decline is due to a decrease in the Greenland halibut and cod received. Inshore fishing of Greenland halibut has generally decreased considerably, especially in the Disko Bay.

Even though the overall volumes of cod landed have declined, the volume of live cod for the Nutaaq project in Maniitsoq has increased significantly. The volume landed was 5,000 tonnes in 2017, or almost 30% of the total volume of cod received. In 2018, live cod intake volumes are expected to be close to 10,000 tonnes, as the concept is deployed along a larger section of the coast and production capacity in Maniitsoq is expanded.

It is positive that prawn, crab and roe intake volumes have increased significantly in 2017.

The average landing price increased by 2% in 2017, driven by prawn, crab, lumpfish roe and cod, while Greenland halibut was at the same level as in 2016. Over a six-year period, the average landing price increased by 59%. The increase is related primarily to prawn and Greenland halibut.

In 2017, payment to inshore fishermen in Greenland totalled DKK 752 million, which was at the same level as in 2016. Over a six-year period, the total payment increased by DKK 423 million, or by more than 100%. The increased payment is related to larger volumes, changes in the species distribution, and increasing landing prices.

In 2017, permits were also granted for the deployment of landing vessels in the Uummannaq and Upernavik areas, even though there is sufficient capacity at the land-based factories. This led to periods of low activity and low employment, and at times also to strong pressure on landing prices, in order to ensure supplies of raw material for production.

In Newfoundland the principal species are snow crab and prawn. The prawn quota has been reduced in all fishing areas, and in one area by right up to 60%. The quota is expected to be reduced further in 2018. Royal Greenland's deliberate diversification of activities on several geographical quota areas reduces vulnerability

to quota fluctuations. In view of the increasing prawn quota in Greenland, Royal Greenland's global volume is thus unchanged.

The crab quota in Newfoundland was reduced by 22% in 2017. As a consequence, Quin-Sea Fisheries saw a decline in landed catches of crab. In overall terms, however, the company has increased the market share of landed volumes of snow crab and prawn. There was also a significant increase in activity for other species such as Greenland halibut, whelks and sea cucumber.

In Quebec/Gulf of St. Lawrence the prawn quota was reduced by 11%.

In accordance with the strategy's ambition to increase supplies of raw fish within the core species, in 2017 more than 3,000 tonnes of Greenland halibut were purchased in Norway and Canada, for processing in Poland and China.

Resources such as salmon, warm water shrimp, flat fish and MSC cod are purchased in the world market.

With purchases of DKK 700 million, salmon constitutes the largest single item in the overall external purchasing portfolio of DKK 2.5 billion. Salmon is used for portions, smoked products, in seasoned sides of salmon, and in the zip-lock range.

10.000 tonnes of flounder and plaice were purchased for the factory in Koszalin. Flounder is used mainly for breaded fillets of fish for the Scandinavian market, while plaice is mostly sold as natural fillets and stuffed products. Royal Greenland still undertakes purchasing of raw fish under the cooperation agreement with A. Espersen in Koszalin.

Plaice is purchased at auction in Denmark, while flounder comes from the Baltic Sea, including as direct purchases from Danish trawlers.

Cod originates mainly from Greenland, and besides this, 3,500 tonnes of MSC-certified cod was purchased. Together with some of the Greenlandic cod, this is further processed in China, before final processing and sale in Europe.

The average landing price increased by 2% in 2017, driven by prawn, crab, lumpfish roe and cod, while Greenland halibut was at the same level as in 2016.

DRIED COD AVAILABLE ALL YEAR ROUND

Royal Greenland has invested in a drying machine for production of dried cod, in order to meet the high demand in the domestic market.



Today, dried cod can still be seen hung to dry in the wind outside many houses in Greenland. Dried cod is a delicacy in Greenland and has been produced in private homes for many years. Dried cod is mostly used as a snack or small meal, and is valued for its flavour and high protein content. Historically, cod has been dried because salting and drying is an excellent preservation method. The cod is dried outdoors, and especially winter-dried cod is a great delicacy. Today, many households no longer dry their own cod, but demand is still high.

Royal Greenland has invested in a drying cabin for production in Paamiut, where the fish will dry for three to four days, before being packed and sent out to such stores as Brugseni and Pisiffik along the coast, which already stock numerous different Royal Greenland products.

TRAWLER FISHERIES THROUGHOUT THE YEAR

Royal Greenland's fleet of ocean-going trawlers comprises eight vessels, of which three prawn trawlers and two fish trawlers covered large distances in 2017, fishing at sites as remote from each other as Baffin Bay to the west, and Svalbard in the northeast.

Royal Greenland's constant focus on increasing access to quotas and attractive fishing grounds has resulted in further streamlining of fisheries during the year. To make the most of these opportunities, it is important to avoid too many waiting days and costly yard visits, and to optimise the crews' access to and from the trawlers on changeover days.

Effective and profitable fisheries therefore require careful planning and experience.

Despite good planning and effective management, the new fisheries patterns are setting high requirements of the vessels' capacity, which is one reason for Royal Greenland's current extensive newbuilding programme.

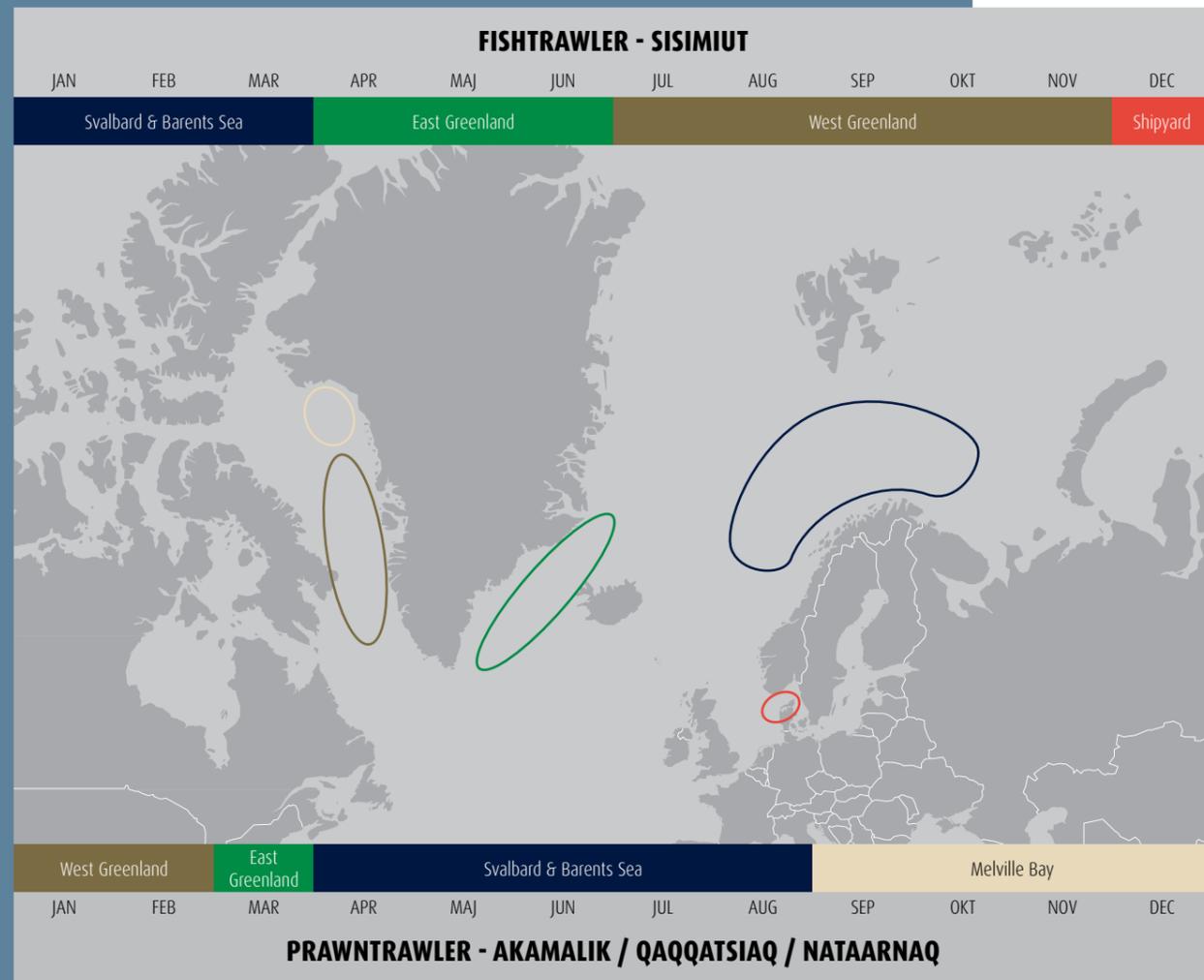


Trawlers of the future are taking shape

In 2015, the Board of Directors of Royal Greenland decided to build two new ocean-going trawlers to fish the icy waters of the North Atlantic and Arctic.

After a long analysis phase, it was decided to place the order with Astilleros de Murueta in Bilbao, Spain. The first steel was cut and the keel laid in July 2017. At the close of the year, the work was proceeding according to plan, and the trawlers were taking shape.

The new vessels will be able to cover considerably longer distances for the same volume of fuel as today, and they will have higher loading capacity, just as service checks will only be required every five years, compared to today's every three years. The two vessels will be able to fill pallets on board, giving shorter unloading times. The onboard factories will have the very latest equipment and a high degree of automation will ensure products of a uniform high quality.



Attractive workplace

There is also focus on the accommodation and welfare provision for crews. An interior architect with shipbuilding experience is assisting in providing the two vessels with good materials and a high comfort level, so that the vessels have pleasant crew accommodation facilities. There is also focus on giving the vessels' interiors and exteriors an attractive appearance, so that both vessels are a pleasant place to work for the crews.



Production

Greenland

Royal Greenland owns 39 facilities in Greenland. All except two are in operation. All facilities are operated without service contracts from the Government of Greenland.

In contrast to before, the level of activity has been declining, as a consequence of the decrease in volumes of Greenland halibut and cod. On the other hand, the strategic focus on processing in Greenland has increased the number of employees at factories which fillet Greenland halibut and cod.

The processing strategy has led to significant investments in the factories in Greenland. In 2017, the factory in Uummanaq was subject to significant upgrading and capacity expansion. Warehouse capacity was also increased, so that no limits to landed catch volumes will apply going forward.

At the end of 2017, a newly constructed factory in Aappilattoq, in the Upernavik area, was opened. This factory has replaced the previous factory, with significantly expanded capacity in terms of both production and warehousing.

Besides the capacity increases, a number of Greenland halibut factories have been realigned in order to

support the need for further processing. In the future, more facilities will produce both J-cuts and fillets, and not just whole fish as before. This reorganisation will continue in 2018, especially in the Upernavik area.

The cod filleting capacity is also being expanded continuously. There are now cod filleting factories in Qasigiannuit, Kangaatsiaq, Sisimiut, Maniitsoq and Paamiut, and especially in Kangaatsiaq, Qasigiannuit and Maniitsoq filleting is at a significantly higher level than before.

As in previous years, it has been very challenging to obtain sufficient manpower, especially in high season. Royal Greenland has hired manpower from abroad and brought in personnel from areas of Greenland with high unemployment rates, to work in the processing factories in Maniitsoq, Uummanaq and Ilulissat. This will also be relevant in 2018, when the factories in the Upernavik area will also have a need for additional manpower.

Canada

With the factories in Newfoundland and Quebec, Royal Greenland has significant inshore fishing activities in Canada.

The main activity in Newfoundland is snow crab and prawn. There is also production of sea cucumber, whelks, cod, halibut, lobster and pelagic species.

At the end of 2017, a newly constructed factory in Aappilattoq, in the Upernavik area, was opened.

With the lumpfish roe factory in Cuxhaven, Royal Greenland is involved in the entire value chain out to customers, and is the world's largest producer of lumpfish roe in glass jars.

Via Quin-Sea Fisheries, Royal Greenland owns six factories in Newfoundland. The most recent investment is in a new factory in Southern Harbor for the production of pelagic species and lobster.

The integration of the factories progressed well. A number of optimisation measures were taken, and these have increased the factories' competitiveness.

Despite falling quotas for snow crab and prawn, Quin-Sea Fisheries strengthened its position within inshore fisheries.

In Quebec, a factory for cooked & peeled prawns is operated, but with lower activity, due to the lower prawn quota. There is intense competition for the raw fish, as a consequence of excess factory capacity.

Denmark

The factory in Aalborg is the only remaining production unit in Denmark. Activities include production of prawns in brine, and the packing of cooked & peeled prawns and shell-on prawns. Both activities were at a low level in 2017, but production has been continuously optimised.

MAP production in Glyngøre was discontinued during the year.

Royal Greenland's range of smoked products is produced by a subsupplier in Denmark. As a consequence

of falling salmon prices, both activity and earnings have been on the increase. Royal Greenland's ability to produce listeria-free, safe products also boosted sales.

Cuxhaven, Germany

Royal Greenland operates two factories in Cuxhaven, which produce lumpfish roe in glass jars, and the zip-lock/chain-pack range, respectively. The factories are subject to shared management and administration.

With the lumpfish roe factory in Cuxhaven, Royal Greenland is involved in the entire value chain out to customers, and is the world's largest producer of lumpfish roe in glass jars.

In 2017, MSC-certification of lumpfish roe from Greenland was achieved, and together with the new range of products with a low salt content, this has boosted sales.

In 2017, the zip-lock/chain-pack activity faced challenges and new initiatives have been launched to restore activities to the previous level.

China

For many years, Royal Greenland has collaborated with Chinese subsuppliers which process raw materials from Greenland into high-quality sushi products for the Japanese market. Cod and salmon are also processed for sale and further processing in Europe.

CO-OWNERSHIP TO INCREASE LANDINGS

In cooperation with local fishermen and other stakeholders in the northernmost settlements in Greenland, in recent years Royal Greenland has created two companies under shared ownership. Catch volumes are increasing significantly.

In Qaanaaq, which is the northernmost settlement where Royal Greenland has activities, Inughuit Seafood was established at the end of 2014. The ownership structure is that local fishermen own 50% of the company, while Royal Greenland owns the rest. During the three-year period in which the new ownership structure has applied, the catches landed by the company have doubled.

The settlement facilities in Nuussuaq and Kullorsuaq near Upernavik have been converted to the company Arctic Fish Greenland A/S. Here, so far 92 fishermen have purchased shares, and overall account for 30% of the company's ownership, while Royal Greenland accounts for the remaining 70%. Under the new ownership structure, there has been a significant



increase in activity in the two settlements. In order to meet the increased catch landing in Kullorsuaq, Royal Greenland has already expanded the frozen storage capacity by 160 tonnes, so that the total frozen storage capacity is now 660 tonnes. During 2018 the frozen storage capacity in Nuussuaq will also be expanded.



MASSIVE INVESTMENT IN ONSHORE FACILITIES

2017 was the year in which Royal Greenland, for the first time in many years, built an entire new factory in Greenland, and modernised and considerably expanded the capacity of several other facilities.

Aappilattoq

In the small settlement of Aappilattoq, near Upernavik, in Northern Greenland, 2017 saw the construction of a complete new factory, for the benefit of local fishermen, who could previously only land around 3-4 tonnes of halibut per day. The old factory was demolished in the summer of 2017, and replaced with an entirely new factory, with the capacity to receive up to 15 tonnes of fish per 24-hour day. The new factory has a much larger frozen-storage warehouse, which can store up to 450 tonnes, compared to the old facility's 130 tonnes. This expanded capacity will allow the local fishermen to land their catches all year round, whereas previously they had to sail to other settlements in the Upernavik area when the warehouse was full.

The new facility in Aappilattoq will also produce halibut fillets, besides whole halibut, de-tailed and de-headed halibut, as before.

The construction work took place during the autumn, with a good spirit of cooperation between craftsmen and local employees. During the construction period in the autumn, the local fishermen could land their catches to a chartered catch-landing vessel.



Uummannaq

One of the cornerstones of Royal Greenland's halibut landing and production in Greenland is the factory in Uummannaq. Close to one hundred fishermen land their catches in Uummannaq. The daily freezing capacity of 40 tonnes has been a bottleneck for quite some time, just as the total freezing capacity of 1,100 tonnes is not sufficient during the winter period.

The original factory was built in 1966 and expanded in several instances, and in 2017 the largest modernisation and expansion to date took place. The original buildings have undergone a much-needed renovation, with new floors, walls and equipment, and the daily new freezing capacity is now up to 50 tonnes, with total freezing capacity at 1,600 tonnes.

Southern Harbor in Newfoundland

At the beginning of the year, Quin-Sea Fisheries had just taken over a production facility in Southern Harbor that was not in operation. During the spring of 2017, it was upgraded to full operation and a whole new organisation, comprising factory management, as well as a production and quality organisation, was hired and immediately commenced investments and a comprehensive renovation of the facility.

Electrical installations, freezers and water installations were modernised to match full production capacity and the new organisation implemented fixed production routines well before the start of the season, which commenced with herring as early as March. In the course of the season, the newly-commissioned facility also produced raw lobster, capelin, halibut and a large volume of salt cod.

During the season, Southern Harbor was one of the busiest locations in Quin-Sea Fisheries' portfolio in Newfoundland. For the benefit of the local community, it was possible to open a small groceries store in the town, which has almost 400 permanent residents.



Besides the major investments at the aforementioned locations, the prawn factories in Sisimiut and Ilulissat also undertook operational investments just as a number of factories have been optimised for increased processing of cod and Greenland halibut.

QUALITY MANAGEMENT THROUGHOUT THE VALUE CHAIN

Food safety, traceability and high quality are firmly anchored and integrated in all processes. Food safety and traceability are governed by legislation, international food product standards, and standards for sustainability, while quality is subject to internal requirements and specifications, as well as customer requirements.

Customer requirements are becoming more and more stringent, due to the wish for increased food safety. Royal Greenland fully meets these requirements.

The wish to create added value in the overall value chain, as well as consumers' increasing focus on

sustainability, are clearly reflected in the increase in the number of MSC-certified factories, trawlers and fish stocks.

Royal Greenland's quality and traceability certifications are illustrated in the chart on the opposite page.

THE EU ECsafeSEAFOOD PROJECT

In 2017, in cooperation with DTU Food - the National Food Institute in Lyngby (Denmark), Royal Greenland undertook a major study to measure the content of contaminants in our Greenlandic prawns.

The aim was to analyse whether there is any seasonal variation in the content and contaminants, and whether the content varies in the raw prawn, after cooking and after peeling. The content of contaminants was also measured for both Greenland halibut and salmon all the way through the production chain, for both the raw fillets and after smoking. The measured contaminant values are all significantly below the permitted maximum levels for fish and shellfish within the EU.

The study was part of a major research project, the EU ECsafeSEAFOOD project, which is a scientific research collaboration with focus on chemical food product safety within fish and shellfish. The project is for a term of four years. The project is financed by the EU and besides Royal Greenland and a number of research institutions, has also involved a number of other companies.

Contaminants are polluting substances that are known to accumulate in the food chain. The best known contaminant in fish and shellfish is mercury. Besides mercury, the study also analysed the content of: cadmium, chromium, iron, selenium, zinc, copper, and inorganic and organic arsenic.



Product	Production	Certifications
 Snow crab	Quin-Sea, Old Perlican	MSC CoC, BRC grade A
 Prawn flour	Ilulissat	BRC grade A
 Greenland Halibut	Qasigiannuit Manitsoq Trawler Tuugaalik Trawler Sisimiut	MSC CoC, IFS Higher level MSC CoC MSC, West Greenland offshore halibut MSC, West Greenland offshore halibut
 Cooked & Peeled Prawns	Sisimiut Ilulissat Matane Quin-Sea, Old Perlican Gulf Shrimp, Newfoundland Aalborg, Langerak	MSC CoC, BRC Grade A MSC CoC, BRC Grade B MSC CoC, BRC Grade AA MSC CoC, BRC Grade AA MSC CoC, BRC Grade AA MSC CoC, BRC Grade AA, IFS Higher level
 Shell On Prawns	Trawler Akamalik Trawler Qaqqatsiaq Trawler Nataarnaq (Ice Trawl Greenland A/S) Aalborg, Langerak	MSC, West Greenland & Faroe Islands, North-East Arctic cold-water prawns MSC, West Greenland & Faroe Islands, North-East Arctic cold-water prawns MSC, West Greenland & Faroe Islands, North-East Arctic cold-water prawns MSC CoC, BRC Grade AA, IFS Higher level
 Greenland Cod	Trawler Sisimiut	MSC, Greenland Cod, Haddock and Saithe from the Barents Sea and the North-East Atlantic
 Lumpfish roe	Akunnaaq Atammik Attu Ikamiut Ikerasaarsuk Qeqertarsuatsiaat Qeqertarsuaq Kangaamiut Kangaatsiaq Manitsoq Narsaq Paamiut Nuuk Itilleq Sisimiut Cuxhaven, rogn	MSC CoC MSC CoC, BRC Grade AA, IFS Higher level
 Supporting	Cuxhaven, Zip-lock Dan Salmon, Smoked products Trading	MSC CoC, ASC, IFS Higher level MSC CoC, ASC, Global Gab, IFS Higher level MSC CoC, ASC, Global Gab

RISKS

To reduce its vulnerability to fluctuating quotas and catches, Royal Greenland seeks to diversify the intake of raw fish 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.

Raw materials

The access to raw materials and the development in raw material prices are a significant operating risk for Royal Greenland. This risk is predominantly related to the living resources around Greenland and eastern Canada. These constitute 80% of Royal Greenland's total raw material resources. The prawn quota in Greenland is increasing and is also expected to increase in 2019. On the other hand, both the prawn and the crab quota in Newfoundland were reduced in 2017 and are expected to be reduced further in 2018. A significant element of the North Atlantic Champion strategy is to diversify activity across several geographical resource areas, so as to also diversify the risk and reduce the volatility of the company's earnings. Royal Greenland's global access to prawn resources was thus unchanged in 2017 and 2018.

For inshore Greenland halibut, the quota in the three management areas in Greenland is unchanged, although the biologists recommend a lower quota, which is also supported by the lower fishing level.

Concerning the development in the quotas, experience shows that lower quotas often give higher sales prices, and thereby maintain the value of the activities.

The uncertainty concerning the raw material resource base requires a sharper focus on value optimisation of the raw material and an increased processing level, in order to maintain earnings from these resources.

Royal Greenland's purchase of raw materials totals approximately DKK 2.5 billion. We seek continuously to maintain the relative earnings level, irrespective of the development in raw material prices. It is sought to hedge this risk by adjusting sales prices, 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 financial derivatives is governed by a specified policy adopted by the Board of Directors, 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.

The Group will thus be exposed via net positions in a number of currencies. Other countries than Greenland and Denmark account for 87% of the Group's revenue, with an emphasis on the euro-area member states, Japan, China, the UK, Sweden and the USA. Revenue in EUR and DKK accounts for 50% of Royal Greenland's total revenue, and is not assessed to present any real currency risk. The primary currency exposure concerns pounds sterling, US dollars, Japanese yen, Canadian dollars and Swedish kronor. 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 using forward contracts. The Group's currency policy is to hedge 75% of the expected exchange rate risks within six months, and 50% of the currency risks during a 6-12 month period. Large contracts are hedged individually. The exchange rate risk in relation to EUR is not hedged.

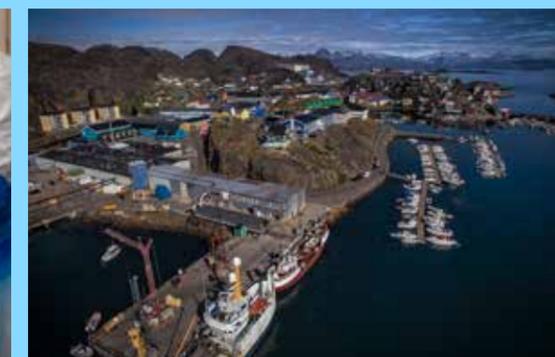
Interest rate risks

The interest-bearing debt is primarily denominated in DKK and EUR. The proportion of the debt at variable interest rates was 54% 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 approximately DKK 7.2 million.

The uncertainty concerning the raw fish resources requires a sharper focus on value optimisation of the raw fish and an increased processing level, in order to maintain earnings from the resources.

ROYAL GREENLAND'S NUTAAQ ACTIVITIES GENERATE MORE LIFE IN MANIITSOQ

Average personal income has increased by 22% since Royal Greenland began handling catches of live cod for the factory in Maniitsoq in 2014.



"There is no doubt that Royal Greenland's development of both fishing and production of Nutaaq cod is making a strong contribution to the positive economic development in Maniitsoq," says Karl Lyberth, member of the municipal council of Qeqqata Municipality.

"The increased economic prosperity has not just been to the benefit of individual fishermen or factory workers, but to a great extent has also benefited the town's business community and Qeqqata Municipality.

As a citizen and local politician I am very grateful for this," says Karl Lyberth, before continuing:

"Royal Greenland is, quite simply, the heart of the town. The fact that they are now producing Greenland halibut after the close of the cod season is also very important, since this gives the factory workers employment all year round, while the fishermen can still continue to land cod. This is a positive motivation for the population."

SUPPLIER AUDIT OF ETHICAL AND SOCIAL CONDITIONS

Royal Greenland is continuously audited for its compliance with ethical international standards. We use the same type of evaluation and auditing of our suppliers' ethical and social performance, called ethical supplier management

Suppliers from e.g. Europe, North America or Canada are from "low-risk countries", and in this case the approval solely requires the supplier to sign Royal Greenland's Supplier Code of Conduct.

If a supplier is from a "high-risk country, such as Thailand, China or Ecuador, we gather various different details of their ethical and social capability, based on a detailed self-evaluation.

On assessment of the self-evaluation, weight is given to such issues as child labour, forced labour, fire safety, accident registration and preventive training, as well

as any remarks from the public authorities in the environmental area.

In some cases, it is necessary to inspect the factory in person, in which case Royal Greenland performs an on-site audit. Today, many of our suppliers are audited according to an ethical standard.

In recent years we have built up a solid system and today, ethical supplier management is a fixed element of Royal Greenland's due diligence compliance – i.e. compliance with our ethical supplier requirements.

CORPORATE SOCIAL RESPONSIBILITY/SUSTAINABILITY

Royal Greenland has a strong wish to contribute positively to the society of which it is part. In Greenland, the company's significant presence, size and activities give opportunities to make a noteworthy difference, every single day.

Royal Greenland's sustainability initiatives and CSR profile are therefore naturally concentrated around Greenland, but cover all of the Group's locations and subsidiaries.

The following pages give an account of Royal Greenland's corporate social responsibility activities, including its CSR organisation, priorities, anchoring and policies. These activities are described in the *2015-18 Sustainability Strategy - For the benefit of Greenland and Royal Greenland*, which defines sustainability in relation to the *People-Planet-Profit* principle.

Besides Royal Greenland A/S, the report also covers the Danish subsidiary, Royal Greenland Seafood A/S, which is subject to the Danish CSR reporting regulations, cf. Section 99a of the Danish Financial Statements Act. The report thus addresses all of the statutory requirements to which the Danish subsidiary is subject, as well as the sustainability activities of all wholly-owned companies.

CSR steering group

The company's executive management, who are part of the CSR steering group, are responsible for Royal Greenland's CSR and sustainability activities.

The steering group takes the final decisions concerning objectives and strategy, and evaluates results.

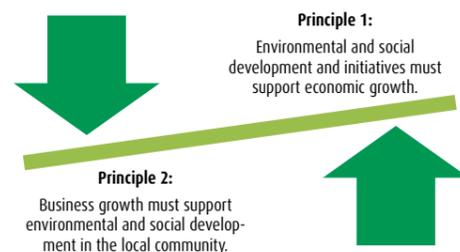
The CSR steering group comprises:

- Chief Executive Officer
- Group Production Director
- Group Sales Director
- Corporate Relations & HR Director
- Group HR Manager
- Group Market Development & Marketing Director
- Corporate Communications Manager
- Corporate Sustainability Manager

Royal Greenland's sustainability department has three employees, who ensure Group-level implementation, follow-up and reporting. The steering group held two meetings in 2017.

Priorities and anchoring

In accordance with the People-Planet-Profit principle, two principles are applied:



Social and environmental social responsibility is reflected in the prioritised themes of *Sustainable fisheries* and *Employee development*. Both areas are central for Greenland as a society and for Royal Greenland as a company.

Sustainable fisheries is Royal Greenland's life blood. This is the company's primary activity and the fishermen's livelihood, which must continue for many generations into the future. This makes it vital that the resources fished are and remain sustainable, and that as many as possible of the species purchased are sustainable. Furthermore, the ambition is to achieve the highest possible degree of use and processing of the raw materials.

In view of Royal Greenland's presence in Greenland, *employee development* is an area in which the company can make an extraordinarily large contribution to society's positive development. The Group also employs many skilled people in its production facilities in Canada, Denmark and Germany, which also offer continuous development opportunities.

Since a company like Royal Greenland must also take responsibility for any negative impacts from its activities, there is focus on working conditions, human rights, environmental effects and anti-corruption, just as ethical requirements are made of suppliers.

Sustainable fisheries is Royal Greenland's life blood. This is the company's primary activity and the fishermen's livelihood, which must continue for many generations into the future.

Policies

Royal Greenland's CSR policy states the company's approach to social responsibility in the following areas: :

People:
Employee development
Working conditions and human rights

Planet:
Sustainable fisheries and utilisation of resources
Environment

Profit:
Business ethics

Royal Greenland also has the following policies concerning corporate social responsibility:

- Gender equality policy (2014)
- Anti-corruption policy (2014)
- Anti-bullying and harassment policy (2016)
- 'Anti-slavery statement' (2017)

Royal Greenland does not have a specified climate policy, but considers global warming indirectly via the environmental policy. Royal Greenland's CSR policies and Sustainability Strategy for 2015-18 are published in full on our website: www.royalgreenland.com

<https://www.royalgreenland.com/royal-greenland/sustainability/related-documents/>

The UN's 17 Global Sustainable Development Goals

In 2015, the UN adopted 17 Global Sustainable Development Goals to lead the world's sustainable development. Royal Greenland recognises and supports the 17 Global Sustainable Development Goals by actively including them in the company's CSR work.

Royal Greenland is particularly interested and involved in five of the global goals:

- No. 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- No. 4: Ensure inclusive and quality education for all and promote lifelong learning.
- No. 8: Promote inclusive and sustainable economic growth, employment, and decent work for all.
- No. 12: Ensure sustainable consumption and production patterns.
- No. 14: Conserve and sustainably use the oceans, seas and marine resources.



SKILLED EMPLOYEES STRENGTHENING THE COMPANY

Across the organisation, there is constant focus on upgrading qualifications and competence development, so that the knowledge and insights achieved can contribute to the company's growth and progress.

In 2017, 753 employees took courses arranged by Royal Greenland Academy and external course providers in Greenland. Education and training took place at several levels, with particular focus on upgrading professional qualifications, with consequential positive effects on team spirit.

Professional training of factory personnel

A large group of production employees took a four-day course. This course was arranged in collaboration with Inuili - Food College Greenland in Narsaq, while the courses took place locally, close to employees' workplaces.

The aim of the course was for participants to learn about the importance of production and personal hygiene, and to increase their knowledge of the products they work with on a day-to-day basis. There was also emphasis on optimising their own work and the importance of being open towards colleagues and contributing to fruitful cooperation.

"The aim of the course was naturally to enhance employees' qualifications. The course took place as a combination of theory and practice. For example, the morning could be devoted to production hygiene, and the afternoon to group work on bacteria in fish and shellfish," says HR manager in Greenland, Christian Laursen.



Factory manager training

At manager level, special training is in focus. All factory managers at Royal Greenland's factories throughout Greenland are taking the five-module factory manager programme. At year-end, the first two modules had been completed, and the third module took place in January 2018.

"The purpose of the factory manager programme is to ensure an understanding of the relationship between the physical and administrative processes, so that we have the right figures by which to manage the factories. The aim is also to gain input for production optimisation and to strengthen the factory managers' competences within production process management," says Group Production Excellence Manager at Royal Greenland, Carsten Hjortshøj.

Each module of the factory management programme has its own heading. Under the first module, the course heading was "Gain an overview, understanding and foundation AS-IS", and module two's heading was "Increased capacity utilisation and better performance, and HR elements". Module three's heading is "Systematic problem solving". The topics for modules four and five have not yet been determined, but the overall themes are in place.

In time, the aim is for production managers and plant managers at Royal Greenland to take a similar course programme.



Operations manager training

Prior to the factory manager programme, operations managers were trained. The five operations managers' function is to each lead a group of factory managers and thereby be decision-makers for the overall operations within a geographical area of factories. The operations managers' training has the same content as the factory managers' programme, but is based on the operations managers' perspective.

"This was a really good process, in which we learned to assess things on the basis of facts achieved from correct measurements, instead of 'we think we know'. The cases we worked with were highly relevant, and we could use the results directly in our work. I was particularly pleased with module 1, which gave us analysis and measurement tools," says Sten Sørensen, operations manager for cod and crab.

"I benefited a lot from the operations manager course, and I put this knowledge to use on a daily basis. Not by setting things up exactly as we learned on the course, but by keeping it in mind and using the terms we learned. Now that the factory managers are also taking the programme, and are beginning to use the same terms, such as swimlane, systematic problem solving, etc., we can communicate more easily and quickly and agree on how our tasks should be viewed, presented, performed and followed up," says Vivi Labansen, operations manager for prawns.

Besides the direct learning, this training has also supported very good cooperation between the operations managers, and since both the factory and operations managers have taken more or less the same training, there is a good understanding between the managers.

229 factory managers at Royal Greenland's factories took a production course in 2017. Royal Greenland Academy held production courses in collaboration with INUILI - Food College Greenland.



PEOPLE - TOGETHER TO ACHIEVE OUR GOALS

With our head office and 39 factories in Greenland, Royal Greenland has a great influence on Greenland's society and the day-to-day lives of many Greenlanders. We are highly aware of this responsibility. In a broader perspective, we believe that Royal Greenland must promote fisheries, production and the marine industry in Greenland, to create good recruitment and educational opportunities, but also benefit society in general.

As a company owned by the Government of Greenland, Royal Greenland has a particular social responsibility. We must operate profitable and respected international activities, while also creating as many good and viable workplaces in Greenland as possible. This means that we have an extended social responsibility, compared to many other companies. Royal Greenland continuously balances its activities between developing its global business and enhancing the development of local society. These two objectives are not necessarily contradictory, but in many respects go hand in hand.

A talented and diverse workforce

In 2017, Royal Greenland had 2,533 full-time employees, of whom 1,363 in Greenland. This is a decrease by 200 positions at Group level, and 40 fewer positions in Greenland. The decrease in employment at Group level must be viewed in the light of the sale of the factory in Poland as of 1 September 2017, which is therefore only weighted at 2/3 in the number of employees in 2017. The marginal decline in employment in Greenland reflects the decrease in landed catches of cod, and especially Greenland halibut.

Royal Greenland's gender quality policy supports the equal representation of both genders in the Board of Directors and executive management group, and acknowledges the need for diversity and a high level of professional expertise in the Group.

The aim is that, as far as possible, the elected members of the Board of Directors comprise both

genders on an equal basis, and that the top management level reflects the gender distribution in the fisheries industry. In 2014, this was set at 26% over a five-year period. It is sought to achieve this target by ensuring equal terms for both genders on recruiting for management positions, with due consideration of expertise, experience and personal integrity.

There is an equal gender distribution among the members of the Board of Directors elected by the annual general meeting. Including representatives elected by the employees, the ratio is 66% men.

The upward trend for the ratio of women in the executive management team has been replaced by a decline, and the ratio of women is now at the 2012 level, with 13% women. It must be stated that the aim of 26% women in 2019 is very ambitious.

There is considerable national diversity at Royal Greenland. In the Group's executive management team alone, 13 different nationalities are represented. The considerable diversity among employees is a strong asset for a global company like Royal Greenland.

History shows, however, that stable factory management in Greenland is best achieved with managers recruited locally or regionally. In 2017, 94% of factory managers were from Greenland.

Code of Conduct - creating a sense of community across the Atlantic

The aim of the company's Code of Conduct is to create a shared culture and a framework for good conduct among colleagues. It also informs employees of their fundamental rights.

In 2017, the Code of Conduct was presented to colleagues in Newfoundland, so that it has now been introduced to all employees of the Group.

A procedure has also been introduced to tackle any serious breaches of Royal Greenland's internal Code of Conduct and the external supplier Code of Conduct.

There is considerable national diversity at Royal Greenland. In the Group's executive management team alone, 13 different nationalities are represented.

MOTHERS PAVING THE WAY FOR EDUCATION

In 2017, a total of 27 young people benefited from Royal Greenland's sponsorships. Most applications for sponsorships are submitted by the young people's mothers, who are keen for their children to do well in life.



Else Thorsen from Paamiut, single mother of a boarding school pupil, explains her reason: "As a disability pension recipient, it was a challenge for me to financially support my son at boarding school, since he needed a laptop computer and the sportswear required by the school. We also had to meet the transport costs to and from his host family. We had actually agreed that he would have to come home if our application for a sponsorship from Royal Greenland was refused. Fortunately, we were granted sponsorship, and now my son can continue his schooling."

"Education is so important. So many youngsters are dropping out of school today, and this really needs to be changed. I took an education because my own mother wanted and required me to do this. At that time, there was rigid discipline, which did not hurt us, but actually helped us to complete our studies."

Royal Greenland primarily supports applicants wishing to study such subjects as Danish, English, Mathematics and Natural Sciences, since these are the subjects which many school pupils in Greenland find most challenging in elementary school.

Proud support for Olympic athletes

Royal Greenland also sponsors sports activities. Besides fixed annual sponsorship agreements with the Sports Confederation of Greenland and Arctic Circle Race, one sponsorship pool is for elite sportsmen and women.

One of them is Martin Møller, who in February 2018 went to South Korea to take part in the Winter Olympics. In 2014, he took part in the Winter Olympics in Russia. This was also sponsored by Royal Greenland.

The sponsorship policy also allows for support of national fundraising campaigns, while a fixed annual donation is made to the Ivalo & Minik Foundation to support young Greenlanders wishing to take higher education programmes in other countries besides Greenland and Denmark.



Employee distribution in 2017

■ Greenland ■ Other countries



No. of employees

■ Greenland ■ Other countries



Royal Greenland Academy – learning for life

In Greenland, Royal Greenland has continued its long-standing work under the Royal Greenland Academy. Professional courses are offered at four levels: operations manager, factory manager, middle manager and production employee.

In 2017, all factory managers continued the management programme commenced in 2016, and 19 selected production employees took part in a talent development programme to prepare them for middle management positions.

426 production employees attended various Royal Greenland Academy courses. Closing courses, production courses, cleaning courses and instruction courses were held. Furthermore, external courses were held under which 177 Greenlandic employees attended management development courses, management programmes, Excel courses, electrical truck courses, proficiency courses or vocational proficiency programmes. 51 crew members took courses in safety at sea, health and safety, smoke diving and treatment of illness, as well as maritime management courses.

A total of 753 Greenlandic employees took qualifying courses.

Besides the centrally managed course activities, development appraisal interviews are held with salaried employees throughout the Group, at which individual development programmes are agreed with individual employees.

Trainees, apprentices and students are the future of our society

Royal Greenland supports traineeships and apprenticeships which improve vocational training programmes

by contributing practical knowledge and development. In Greenland, achieving educational qualifications is not a matter of course. Royal Greenland therefore has a special responsibility for upgrading young people's qualifications.

The objective is to have at least 25 trainees/apprentices in Greenland at any time. This objective was fulfilled in 2017, when we had 36 trainees/apprentices in Greenland on average.

In 2016, Royal Greenland commenced a special programme to support Greenlandic students taking higher vocational education programmes. A total of 20 Greenlandic students were supported in 2017. These programmes are process technician, fisheries technologist, chief engineer and first officer candidate, since these qualifications will be required in the industry, going forward.

Of the 56 Greenlandic trainees, apprentices and students, nine achieved permanent employment and seven completed their programme, but no less than 25 dropped out of the programme. Since this ratio is too high, we would like to support the young people even more during their education, to reduce the drop-out rate.

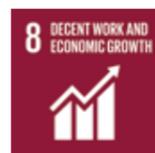
At Group level, there were 51 trainees/apprentices, of whom the last 15 have been employed in Denmark, Poland and Germany.

A good and safe workplace

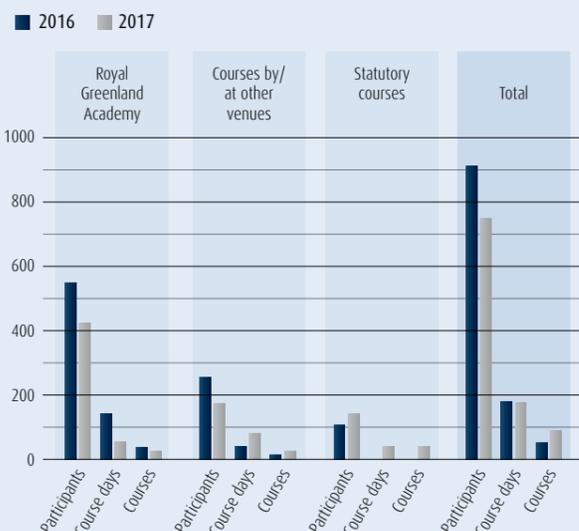
Activities to safeguard a good working environment are organised on a decentralised basis, with local health and safety committees in the factory and office units. In Greenland, there is also a main safety committee, which sets the overall framework. The committees comprise both employee and employer representatives.



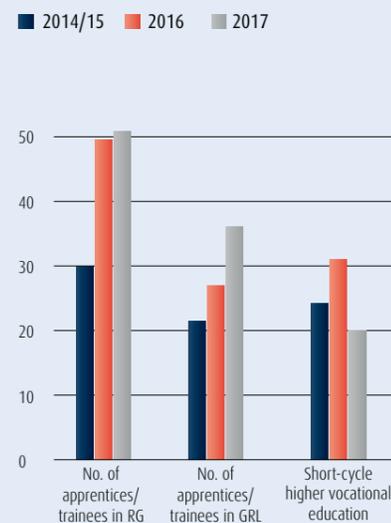
Royal Greenland supports traineeships and apprenticeships which improve vocational training programmes by contributing practical knowledge and development.



Courses for production employees in Greenland



Apprentices/trainees and students



THREE SKILLED EMPLOYEES WHO CAN SEE A FUTURE FOR THEMSELVES AT ROYAL GREENLAND

In order to strengthen the company, and raise the bar for the organisation, Royal Greenland has constant focus on internal training and external recruitment of the best candidates.



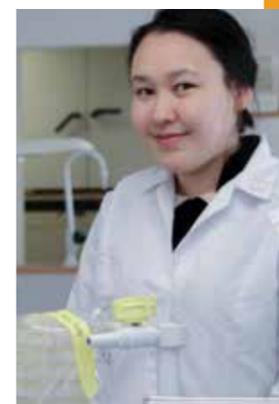
Hans Karl Berthelsen

National player on the team

After a year working in the warehouse at Royal Greenland, the now 24-year-old Hans Karl Berthelsen chose to follow the advice given by one of his superiors. The advice was: get an education! On 1 August 2017, Hans Karl started on the TNI Administration programme in Nuuk with the aim of taking the office clerk programme.

"I'm really happy that someone saw my potential. After elementary school, I attended a sports boarding school and then I attended GUX, which I left in my second year. I didn't really know what I wanted to do, so I ended up with another stay at a sports boarding school" says the sporty trainee, who has played on the Greenlandic national futsal (indoor football) team since 2016.

Hans Karl gained a traineeship in Royal Greenland's home market department in Nuuk, and says: "I'm doing really well here. I have some great colleagues with whom I get on really well, and I'm also very happy with my invoicing and logistics tasks. I'm learning a lot and can see plenty of opportunities to move on to other exciting departments."



Linda Marie Hansen Jensen

The prawn laboratory was a great inspiration

23-year-old Linda Marie Hansen Jensen grew up in Narsaq, where a large prawn factory was located in the 1990s. As a child, she often visited the factory, where her friend's mother worked as a laboratory technician. These visits later influenced 23-year-old Linda Marie's choice of education.

"After completing upper secondary education, I didn't know what I wanted to do, so I took a sabbatical year. During that year, I remembered my visits to the laboratory and how fascinating I found it. I started on the laboratory technician programme at Midtvest Business Academy in Holstebro, Denmark, and I expect to complete this programme in January 2019."

In order to make contact with students, representatives of Royal Greenland's HR department visited the business academy in 2016.

"This led me to apply for a traineeship with the company. I was lucky enough to get a traineeship at the main laboratory in Nuuk, and I'm really happy to be here. I'm learning a lot and would recommend other students to also consider Royal Greenland," says Linda Marie.

From political science to fisheries

Mikkel Krogh Søndergaard from Nuuk always knew that he would come back to Greenland after completing his studies, and preferably work for a large company. During his studies, he liked the look of Royal Greenland and immediately accepted the chance of a summer job at the company during his master's programme in International Studies at Aarhus University. He worked as an HR and CSR consultant and comments: "I experienced a really dynamic workplace, and saw the great range of opportunities at Royal Greenland. There's a lot of work behind a packaged fish product in a supermarket and I found it fascinating that fish caught in Upernavik can end up on a plate in Japan," says Mikkel.

His master's thesis was also about fish: Greenland's fisheries reform, from which he learned a lot about the great importance of the fishing industry for Greenland's economy. "When I was younger, all I knew about working with fish was limited to working in a factory or fishing on a trawler - the fishing industry wasn't very 'sexy'," Mikkel smiles. "But this attitude changed during my studies, so I was happy to get a job in the company's trawler department at the head office in Nuuk a month after I graduated in August 2016."

Today, Mikkel works as an operations supporter. "Today, my job is a good mix of practical and more strategic tasks, which is a good fit for me and my focus. Royal Greenland is an international company, and a good place to build a career," Mikkel concludes.



Mikkel Krogh Søndergaard

In recent years there has been sharper focus on the working environment, within such areas as workplace assessments, occupational injuries and employees' general psychosocial welfare.

Workplace assessments – an important snapshot view of the working environment

Workplace assessments (WAs) are a well-functioning tool, with focus on both the physical and psychosocial working environment, in preventive working environment activities. In Greenland, workplace assessments took place at 11 factories and offices in 2017. Based on these assessments, action plans are drawn up for consideration and evaluation in the local safety groups.

The conclusion from the assessments in 2017 is that the principal physical challenges are draughts and temperature problems, adverse effects of moving heavy objects, and noise effects. The main psychosocial challenges concern such issues as mutual respect, conflict resolution and consideration of individual employees on a day-to-day basis.

Royal Greenland's policy concerning bullying and harassment denounces all forms of bullying and harassment.

Training in communication and handling of situations has taken place for several management levels. In addition, the "Sulisa – let us work" project in Sisimiut has also considered this topic by strengthening introduction, instruction and communication at the factory.

Employee well-being is measured by responses to the workplace evaluations and satisfaction surveys.

In 2017, a new system, APVip, was tested in Sisimiut and Kangaatsiaq. APVip measures employees' welfare on a day-to-day basis and is a good tool for dialogue between employee and manager. Three months' tests showed that there is a clear and rapid response from employees if they encounter adverse challenges in their day-to-day work. The tests also showed that it can be a challenge to introduce new procedures at a time when the employee turnover rate is high.

Employee safety

The safety of employees is very important and the calculation basis includes the number of reported injuries per 100 employees. Processing of claims in the public assessment system can be a very protracted process. Efforts are continuing to develop the best registration scheme, so as to gain more knowledge of occupational-injury related absence.

We define an occupational injury in the same way as the Danish Working Environment Authority: "An occupational injury is a sudden, unexpected and adverse event which occurs in connection with the work, and which causes personal injury."

At Royal Greenland, the rule is that any injury must be reported, irrespective of its extent, since unforeseen issues that may be related to the injury can subsequently arise. There is increased focus on injuries and prevention, and the concept of "near misses" has been presented to employees.

The definition of a near-miss is "an event or condition that could have resulted in an occupational injury, but which was fortunately prevented". The number of registered cases is still low and the registration rate must be increased, in order to serve as an active management tool.

In 2017, the number of reported injuries fell in Greenland and Denmark, but remained by and large constant in the rest of the Group. In Greenland, the decrease was by more than 40%.

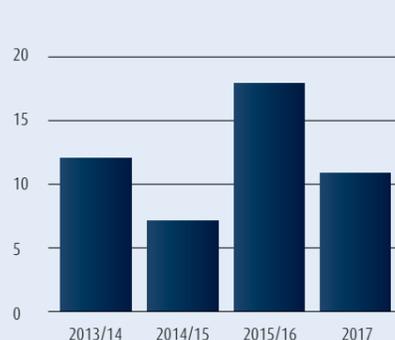
Typical injuries are knife-cutting injuries on fingers, falling on floors or injury due to heavy lifting.



In Old Perlican, visitors to the production facilities wear high-viz jackets

In 2017, the number of reported injuries fell in Greenland and Denmark, but remained by and large constant in the rest of the Group. In Greenland, the decrease was by more than 40%.

No. of APV measures



Reported* occupational injuries per 100 employees



*registered occupational injuries with and without absence

Our employees are thriving

In September 2015, Royal Greenland undertook an employee welfare survey (MTU) in the Greenlandic part of its activities. For all parameters, the results exceeded the average for large Greenlandic companies.

This survey was repeated in 2017, and once again, the results were satisfactory. 738 people responded to the survey, equivalent to a response ratio of 73%. The overall score for satisfaction with the workplace was 79 out of 100 possible, which is marginally better than the result in 2015.

In this survey, employees assess such parameters as the company's reputation, cooperation and job content. For all of these parameters, Royal Greenland scores high, and above the average for other large Greenlandic companies.

Each manager is now responsible for drawing up an action plan for his or her own department, based on the report's results.

NEW COLLEAGUES IN GREENLAND

During 2017, Royal Greenland's workforce in Greenland was increased with 39 new colleagues from China. Maniitsoq, Qasigiannuit and Uummannaq have gained new residents, who work side by side with the experienced local teams at the factories.

Like their colleagues, the Chinese personnel work under Greenlandic collective agreements.

The high season progressed satisfactorily, with a good production level, and the three settlements received the new colleagues positively. Communal meals, soccer matches, excursions and language lessons were all arranged.

adding: "I know that my Chinese colleagues also work well, but there can be only one employee of the month, so really I just represent my Chinese colleagues."

The other employees nominated as employee of the month at Royal Greenland's factory, just before Christmas, are Jens Karl Kleist, best employee for October, Aaneeraq H. Josefsen for November and Mikael Lyberth for December.

These employees each received the honour, a diploma and a monetary gift.

Chinese employee of the month

Just before Christmas, four skilled employees at Royal Greenland's factory in Maniitsoq were nominated as employees of the month by their colleagues. One of them was Gu Jianbin from China, who was chosen as employee of the month for September 2017.

"I am grateful to my colleague for their recognition of my work. Thank you for honouring me in this way," said 29-year-old Gu Jianbin.

Gu Jianbin's colleagues named him as employee of the month for September.

"Gu Jianbin was picked by his colleagues because he is fast and skilled at his work of cutting the heads off fish. He is so quick that he can keep six people busy. He is the fastest at his work in the factory," says factory manager Susanne Marie Knudsen.

Gu Jianbin says: "I really enjoy my work at the factory and my life in Maniitsoq. The people are friendly and the setting is very beautiful, with the mountains and the sea close by. If the circumstances allow, I would like to stay in Greenland and continue my work at the factory in Maniitsoq," says Gu Jianbin, before modestly



OUR PLANET – OUR FUTURE

Since 2012, the ratio of MSC-certified raw material has increased significantly. Almost half of the resources that we fish and purchase are MSC- or ASC-certified.

We are becoming more sustainable

As a seafood producer, we fish, process and sell renewable resources from nature. Renewable means that if nature's order is maintained and fishing takes place according to the growth of the biomass, there will be enough fish and shellfish for the coming generations. This is sustainable fisheries, to which Royal Greenland gives very strong support.

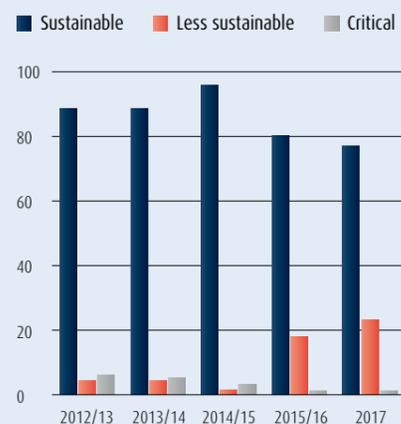
Royal Greenland's customers increasingly require sustainable fisheries. They view MSC certification as a guarantee of this.

The MSC standard assesses three key areas:

- Sustainable fishing of the main species.
- Environmental impacts on other species and the impact of the fishing gear used on the seabed.
- Overall management structure.

Certification of fisheries goes beyond sustainable fisheries. It is just as important to be able to document the environmental impacts of fisheries on the surrounding environment. A lot of knowledge has been gained in this field during the last six years, since Sustainable Fisheries Greenland, including Royal Greenland, has initiated valuable knowledge gathering, among other things in collaboration with researchers from the Zoological Society of London and the Greenland Institute of Natural Resources. This has helped to ensure the continued MSC certification of prawn fishing off West Greenland.

Percentage distribution of purchased and fished raw materials in accordance with sustainability 2017



Management plans are the best fisheries management tool. In Greenland, the management plans for prawn, lumpfish and, most recently in 2017, ocean-going Greenland halibut fishing, are MSC-certified.

Sustainable Fisheries Greenland

Since 2012, Sustainable Fisheries Greenland has been an active association in Greenland with fishing companies and fishermen as members. Within five years, the ambition is to create management plans and achieve MSC certification of coastal Greenland halibut fishing, and for both ocean-going and coastal cod fishing. It is very important to the world market that fisheries are documented to be sustainable. There is increasing demand in Asia, and at the Olympic Games in Japan in 2020, only MSC-certified fish species will be served. Royal Greenland has a strong position in the Asian markets, with prawn, Greenland halibut and snow crab, but the requirements are generally being tightened, and there is market demand for the other Greenland species to also be certified.

Partner in Global Seafood Sustainability Initiative

In 2017, Royal Greenland became a partner in the Global Sustainable Seafood Initiative (GSSI). GSSI is a global platform and partnership comprising seafood companies, NGOs, experts, authorities and other organisations working for more sustainable seafood products for everyone. GSSI's mission is to ensure credibility in the sale and marketing of certified products, and to ensure improvements in certification standards.

In 2015, GSSI launched a global benchmarking tool, which is supported by FAO's Code of Conduct for Responsible Fisheries and other FAO guidelines. Four different standards have successfully completed the benchmark analysis. Two of these are the Marine Stewardship Council (MSC) and the Iceland Responsible Fishery Management Program. Several new schemes are being analysed, and will entail that GSSI has recognised certification schemes that deliver over 95% of the certified fish and shellfish in the market today.

Sustainability of fish species

Every year, all species and fisheries are reviewed in order to assess their sustainability status. In recent years, the focus has been on eliminating critical species, and the ratio is now less than 1% of the total range of the fisheries resources.

Inshore cod fishing

Inshore cod fishing in Greenland still has a significantly higher quota than the biological advice would indicate. This is the reason that the category of "less sustainable" species accounts for around 20% of the Group's purchased and fished resources.

A management plan that takes account of the biomass' dynamic is a precondition for more sustainable future fisheries.



It is important to learn more about the cod stock, so that advice and management better reflect the cod's life cycle. In 2017, Royal Greenland contributed new knowledge by taking part in a project undertaken by the Greenland Institute of Natural Resources. In Sisimiut and Nuuk, 2,000 samples have been gathered and these samples will be DNA-tested in 2018 in order to learn more about whether the cod is a local inshore strain, or comes from East Greenland, for example. Researchers hope to gain more knowledge about the composition of the stock, whether the otolith can be used as an indicator of the origin of the stock, about changes in the cod's food and, finally, the fishermen's experience of changes in fisheries.

Inshore Greenland halibut fishing

Royal Greenland is concerned about the decline in inshore fishing of Greenland halibut in the Disko Bay. The average weight in the Disko Bay is now down to around 1.3 kg. This means that there is an increasing number of small fish, and below the minimum dimension of 42 cm.

Royal Greenland has been drawing attention to this development since 2012. This year, the decline was obviously apparent. A recovery plan for Greenland halibut in the Disko Bay should be developed, to increase the fish size, and to maximise the fishing's value. If fishing is to be renewable, the average weight should be increased considerably, and preferably exceed 2 kg on average.

Two new Royal Greenland fisheries certified in 2017
Out of Royal Greenland's raw material resources, both purchased and fished, the ratio of MSC and ASC fish and shellfish is 48%. This ratio has increased steadily since 2012, when it accounted for one third of the

volume. On MSC certification of cod and inshore Greenland halibut, the ratio will increase to 65%.

Today, we buy or fish from around 25 MSC and ASC fisheries, of which a small proportion is farmed.

The raw material intake to Quin-sea Fisheries is now included in Royal Greenland's overall raw material resources and primarily comprises MSC-certified snow crab and prawn.

Ocean-going Greenland halibut fishing in Greenland was MSC-certified in 2017. Certification took place with few conditions, including investigation of the impact of fishing on the seabed. This takes place under a BEST project (Voluntary Scheme for Biodiversity and Ecosystem Services in Territories of European Overseas), undertaken by researchers from the Zoological Society of London. Greenland halibut from West Greenland is the first halibut fishing in the world to be MSC-certified.

Royal Greenland's prawn fishing in Svalbard was also certified in 2017. Virtually all cold-water prawns in Royal Greenland are thus MSC-certified, since now only prawns from East Greenland have yet to achieve this certification.

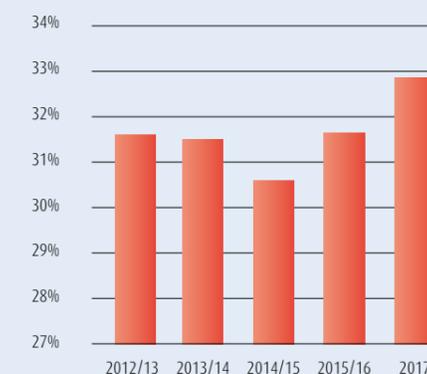
ASC is the equivalent to MSC for farmed species and has been developed on the basis of the MSC standard. The number of principles is expanded from three to seven and they include stringent environmental requirements concerning sea farming and fish farming, as well as working environment requirements. The standard thus focuses on farming conditions, which can play a vital role for the sustainability of fish farming.



MSC and ASC % share of fishery and purchase



Non-utilised share of the raw materials in Greenland



Change sidestreams (previously called byproducts) to the blue bioeconomy

Royal Greenland's mission is to maximise the value of the sea's resources on a sustainable basis. The raw materials must be utilised on an optimum basis according to a sound economic, societal and environmental assessment.

The greater the degree of processing, the greater the need to utilise the derived sidestreams. The value of the raw materials can thus be maximised by processing and by producing byproducts.

There is greatest potential for sidestreams in the factories in Maniitsoq, Sisimiut, Ilulissat, Qasigiannuit and Paamiut, where the degree of processing is high.

In Maniitsoq, there is particular potential within fresh raw fish from the Nutaq production. Carcasses, entrails, heads and skin have a much-coveted freshness, since only two hours pass from the live catch until the fish is packed and frozen. In 2017, various solutions were considered, including silage, fish meal and oil, as well as processing of delicate cut-offs, such as tongues and liver.

At the prawn factory in Ilulissat, the prawn shells are used. Here, prawn meal is produced, which is sold as a flavour enhancer. In Ilulissat, the process water's content of protein, oil and astaxanthin is recovered, to be used for high-value products. This is part of a development project under the Danish Environmental Protection Agency.

The project shows that most protein, oil and colourants can be extracted from relatively small amounts of process water, but also that the red colouring of the process wastewater is minimised.

In 2018, the project will continue, in order to further develop the technology, develop project proposals and investigate sales opportunities.



Pressed protein and oil from process water

Further opportunities can also be seen elsewhere in the Group. These include evaporation of the cooking water from boiling crabs for soup extract, prawn shells for composting, and tongue trimming.

In cooperation with the Danish Technological Institute and other stakeholders, Royal Greenland is also involved in a project to make use of fish skin.

Environment

Greenland's water and energy consumption increased in 2017 to a level between the levels in 2015 and 2016. This increase is due to a changed product mix, which includes more cooked & peeled prawns, of which the production is more energy- and water-consumption intensive.

In 2017, the prawn factory in Ilulissat commissioned an electrical boiler, so that oil consumption will be reduced going forward. The prawn factory in Sisimiut's production of prawn is more energy- and water-intensive than cod production.

The same applies in Maniitsoq, where fillets of Nutaq cod mean fewer tonnes of finished products than for production of whole fish, but with the same energy and water production.

Trawlers have consumed 2% more fuel per tonne of fish or prawns caught. This is because the sailing pattern for trawlers during the year has changed, with longer sailing times to fishing areas. Both the Barents Sea and Northwestern Greenland (NW) are thus included in the fisheries area.

The fuel type for all of Royal Greenland's vessels is Marine Gas Oil (MGO). The environmental benefits from using MGO, especially in Arctic waters, are reduced emissions of polluting gases, and a reduced impact on the marine environment from any potential oil emissions. An important incentive to use MGO is improved supply reliability in Greenland and lower overall operating costs.

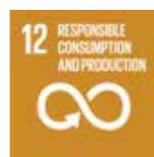
At Group level, there has also been a small increase in energy and water consumption in the factories in Germany and Canada. However, the actual increase in water and energy consumption originates from the factories in Greenland.

There is ongoing focus on energy- and water-saving projects. In Sisimiut, adjusted control of the refrigeration plant has reduced energy consumption, and the installation of LED lighting at several factories has also continued. In Uummannaq, a new refrigeration plant has been installed in conjunction with the factory's upgrading, based on recycling of the surplus heat. In addition, the Group's first two CO₂ refrigeration-freezing plants were installed. Their energy saving is around 20% compared to normal NH₃.

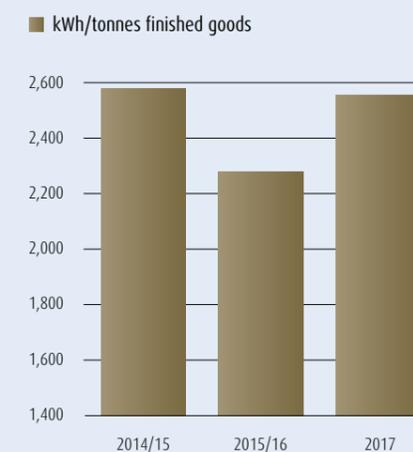
In 2017, the Nordic Council of Ministers published the catalogue *25 Nordic bioeconomy cases for sustainable change*.

The 25 examples were distributed on four categories: *replace, upgrade, circulate og collaborate*.

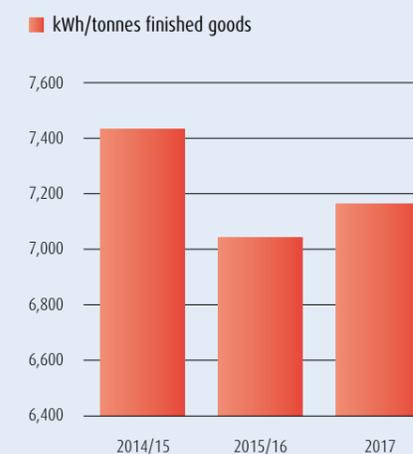
Royal Greenland's production of prawn flour in Ilulissat was presented as an example in the *upgrade* category.



Total energy consumption in the Group



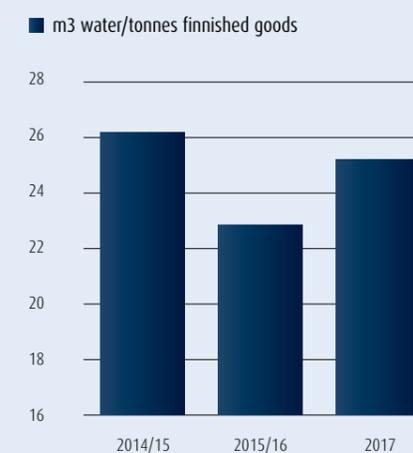
Energy consumption RG GRL offshore vessels



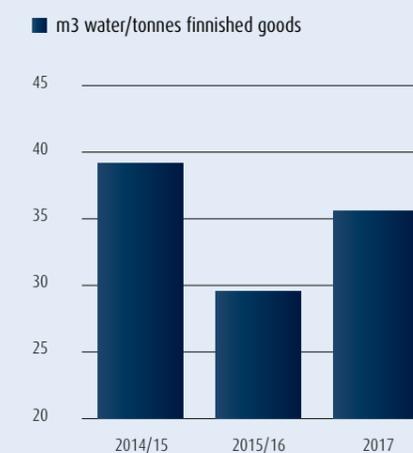
Energy consumption RG GRL factories



Water consumption RG Group



Water consumption RG GRL factories



PROFIT – THE COMPANY'S COMMERCIAL BASIS

Business ethics and integrity

Sustainable profit for the benefit of Greenland, the many local communities of which we are part in global terms, and Royal Greenland, are only possible if the company operates on a legitimate basis in every way. Royal Greenland must comply with national and international standards.

At Royal Greenland we focus on the principles in the Code of Conduct, on the ethical, social and environmental follow-up of suppliers and subsuppliers, and on training risk-exposed employees to discover and not to become involved in corruption or nepotism.

Training in dilemmas

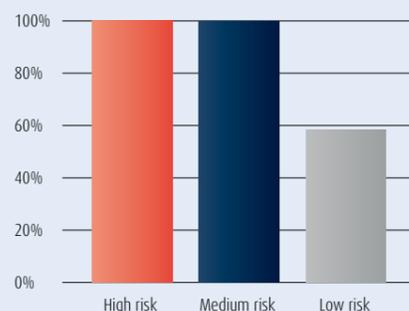
Anti-corruption training takes place every second year. The risk-exposed employees are found in the areas of purchasing, sales, logistics, production management and executive management. The group comprises 140 people.

The training is web-based and sets up a number of situations and dilemmas to which employees may be exposed in the course of their work. The employee gets an immediate response as to whether the action taken is in accordance with Royal Greenland's ethical principles. The basis for training is the sector and organisational level, and will bring employees to reflect on their own actions in situations where doubts can arise as to whether corruption or nepotism are involved.

Good relations creating good business

Royal Greenland not only produces from its own catches of raw materials, but also trades with suppliers and subsuppliers all over the world. These are cooperation partners with whom sound and professional relations are the basis for good business. Yet this also requires that suppliers comply with the ethical principles described in Royal Greenland's Supplier Code of Conduct.

Ethical supply chain management
% response by category



Suppliers and subsuppliers may be located in countries with inadequate legislation, or in countries where there are shortcomings in how legislation is observed. Ethical supplier management is therefore undertaken on the basis of a risk assessment with focus on production country, industry and scope. In the risk assessment, suppliers are divided into the low, medium or high risk group.

If a suppliers are in the medium- or high-risk group, besides signing Royal Greenland's Supplier Code of Conduct, they will be requested to complete a self-evaluation. This provides knowledge of the suppliers' actions to observe human rights, the health and safety of employees, environmental protection, and handling of corruption and bribery.

The self-evaluation gives the business partner an impression of what compliance entails and enables Royal Greenland to engage in constructive dialogue on concrete actions. Suppliers in the high-risk group can also be subject to ethical audits by Bureau Veritas and S.A. Partners LLP.

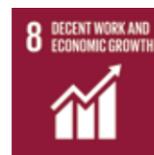
In 2017, all suppliers and subsuppliers in the medium- and high-risk group signed Royal Greenland's Supplier Code of Conduct. 58% of all low-risk suppliers also signed it. The low percentage of low-risk suppliers is due to the fact that the declarations previously signed are being renewed.

Marks & Spencer Silver Accreditation

Royal Greenland itself is also assessed for its ethical, social and environmental capability. Six factories were subject to third-party SMETA audits in 2016, and in 2017, the factory in Aalborg achieved SILVER accreditation by Marks & Spencer.

Marks & Spencer makes particularly high requirements of a factory's day-to-day activities in terms of ethical, social and environmental parameters.

Royal Greenland generally supports ethical trading initiatives such as SMETA, and is pleased to allow its own factories to be audited, should a customer so request. Suppliers and subsuppliers are also encouraged to submit to ethical third-party audits.



Plan A 2025 FOOD NEWSLETTER

NEW Silver Sites

Since our Spring newsletter, 19 sites have been validated to Silver on the Scorecard, bringing our total number of Validated sites up to 121. Congratulations to all the sites below on their Silver validation:

1. Royal Greenland Aalborg
2. Cranswick Yorkshire Baker
3. R&R Leeming Bar
4. J.O. Sims
5. J&K Confectionery Witors
6. Addo Foods Group Palethorpes
7. Premier Foods Worksop
8. Karro Cookstown
9. Muller Milk Chadwell
10. Vandershoot Moolenaar BV
11. Castel Freres Beziers
12. Arla Llandyrnog Creamery
13. It's All Good Ltd All Good
14. Fletchers Bakeries
15. Princes Wisbech
16. Cranswick Gourmet Bacon
17. Pladis Manchester
18. Flamingo Fresh Produce
19. Chocolat Frey AG



ROYAL GREENLAND READY WITH MSC-CERTIFIED GREENLAND HALIBUT

In the spring of 2017, ocean-going Greenland halibut fishing in West Greenland achieved MSC certification. Royal Greenland can thus offer MSC-certified Greenland halibut to the many customers, especially retail customers in Europe, that require certified species.

The certification is the result of a joint effort by a number of Greenlandic stakeholders, including fishermen, the fishing industry and the Greenlandic authorities, which have combined forces in the 'Sustainable Fisheries Greenland' organisation. The certification covers four trawlers fishing in the Baffin Bay and the Davis Strait. Royal Greenland's two trawlers, Sisimiut and Tuugaalik, are certified.

25% of the offshore quota is landed for local processing in Greenland, where Royal Greenland's factories along the west coast fillet the fish for customers in Europe and Asia. In the sales organisation, there is great optimism about the opportunities to offer processed, certified halibut directly from Greenland and out to the customers.

CHRISTMAS DECORATIONS AND FAMILY FUN IN PAAMIUT

On Sunday, 17 December, employees and their families at Royal Greenland's factory in Paamiut were invited to a Christmas get together.

"This was a popular and very enjoyable event, especially for the children. Besides making Christmas decorations, all employees received a Christmas parcel," says Jan Jørgensen, factory manager of Royal Greenland's factory in Paamiut.

This popular event was attended by around 100 people, who enjoyed hot chocolate, Christmas cookies, soft drinks and sweets.

The Christmas parcels for employees contained Christmas fare for the family, sweets for the children, and samples of the factory's new dried cod product.

"This is definitely not the last time we combine the Christmas workshop with distribution of Christmas parcels. There were lots of grateful smiles for the Christmas parcels," says Jan Jørgensen.



A concentrated four year old Priya Efraimsen working on her christmas decoration

PEOPLE

Working conditions and human rights

	2012/13	2013/14	2014/15	2015/16	2017
No. of employees					
Total	2,057	1,906	2,156	2,769	2,533
Greenland	910	979	1,202	1,401	1,363
Other countries	1,147	927	954	1,368	1,170
Greenland %	44%	51%	56%	51%	54%
Other countries %	56%	49%	44%	49%	46%

Training and education - Greenland

Course participants in RG Academy	-	-	-	549	426
No. of course days in RG Academy	-	-	-	146	54
No. of courses in RG Academy	-	-	-	45	23
Course participants at other venues	-	-	-	252	177
No. of course days at other venues	-	-	-	40	82
No. of courses at other venues	-	-	-	10	23
Statutory courses, participants	-	-	-	107	150
No. of course days, statutory courses	-	-	-	-	44
No. of courses, statutory courses	-	-	-	-	41
No. of course participants, total	-	-	-	908	753

Apprentices, trainees and students

Group (apprentices/trainees)	20	24	30	49	51
Greenland	16	17	22	27	36
Students in higher education	-	-	25	31	20

Diversity

Board (w/m)	50/50	60/40	50/50	50/50	50/50
Executive management ¹	15%	17%	16%	14%	13%
Factory managers ²	-	93%	93%	100%	94%
Trawler officers ²	85%	82%	84%	86%	85%

Employee safety

Work Place Assessments (WA) Greenland	-	11	8	18	11
Injury frequency ³ Group	-	-	8	11	8
- Greenland	-	-	7	9	8
- Denmark	-	-	11	7	6
- Other countries	-	-	14	12	8

¹ Percentage of women in management

² With a special connection to Greenland

³ Definition: A sudden, unexpected and harmful event that results in notification of a personal injury, calculated per 100 FTEs.

PLANET

Sustainability

	2012/13	2013/14	2014/15	2015/16	2017
Sustainable fisheries and utilisation of resources					
Sustainable species	88%	88%	96%	80%	76%
Less sustainable species	5%	5%	1%	18%	24%
Critical species	7%	6%	4%	1%	< 1%
MSC certification of raw materials	30%	41%	40%	45%	46%
ASC certification of raw materials	-	-	-	-	2%
Share of potential new resource in Greenland	32%	31%	31%	32%	33%

Environment

	2012/13	2013/14	2014/15	2015/16	2017
Energy consumption					
Group (KWh/tonnes finished goods)	2.820	2.687	2.588	2.288	2.567
Greenland (KWh/tonnes finished goods)	1.622	1.392	1.458	1.180	1.413
Ocean-going vessels (KWh/tonnes finished goods)	8.161	7.551	7.432	7.040	7.157

Water consumption

Group (m3/tonnes finished goods)	27	24	26	23	25
Greenland (m3/tonnes finished goods)	49	43	39	30	36

PROFIT

Good business ethics

	2012/13	2013/14	2014/15	2015/16	2017
Anti-corruption					
Anti-corruption training	-	-	9%	91%	-
Ethical supply chain management					
Total responses	-	40%	70%	58%	61%
High risk	-	64%	88%	91%	100%
Medium risk	-	51%	55%	61%	100%
Low risk	-	39%	69%	55%	59%

FINANCIAL STATEMENTS

Accounting Policies

General

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

The company and group financial year has in 2015/16 been converted into calendar financial statements. Comparable figures for 2015/16 include 15 months from October 1st 2015 to December 31st 2016.

The accounting policies are unchanged from the previous year.

Consolidation

The consolidated financial statements include Royal Greenland A/S (Parent Company) and the Group enterprises (subsidiaries) in which the Parent Company directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling interest. Enterprises in which the Group has significant, but not controlling, influence, are regarded as associates. The Group structure is presented in the Management's Review.

The consolidated financial statements are prepared as a consolidation of the audited financial statements of the Parent Company and of the individual subsidiaries, which have all been prepared by applying the Group's accounting policies. Intra-group receivables and payables, income and expenses, dividends, unrealised internal profits and losses are eliminated, and intra-Group shareholdings are set off

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied to the acquisition of new enterprises where the Parent Company obtains a controlling interest. Under this method, identifiable assets and liabilities of these newly-acquired enterprises are measured at fair value at the acquisition date.

On acquisition of enterprises, provisions are made for costs relating to adopted and published restructuring of the acquired enterprise. Allowance is made for the tax effect of the restatements and provisions made.

Positive differences in amount (goodwill) between the cost of the acquired interest and the fair value of the assets and liabilities taken over are recognised under intangible assets, and are amortised systematically over the income statement based on an individual assessment of their useful lives, but no more than 20 years. Negative differences in amount (negative goodwill), corresponding to expected adverse development in the relevant enterprises, are recognised in the balance sheet as deferred income, and are recognised in the income statement as such adverse development is realised.

The consolidation method is applied to intra-Group restructuring.

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill, previous price adjustments and estimated divestment or winding-up expenses. Profits and losses are recognised in the income statement.

Minority interests

Group profit/loss and Group equity include a separate item which specifies the proportional share of the subsidiaries' profit/loss and equity attributable to minority interests

Foreign currency translation

On initial recognition, foreign currency transactions are translated by applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated using the exchange rate on the balance sheet date.

Exchange rate differences that arise between the rate on the transaction date and the rate in effect on the payment date, or the rate on the balance sheet date, are recognised in the income statement as financial income or financial expenses.

The income statements of foreign subsidiaries and associates are translated into Danish kroner using the annual average exchange rate, and the balance sheets are translated using the exchange rate on the balance sheet date.

Exchange rate differences arising on translation of the foreign subsidiaries' equity at the beginning of the year at the exchange rate on the balance sheet date are recognised directly to equity. This also applies to exchange rate differences arising on the translation of the income statement from the annual average exchange rate to the exchange rate on the balance sheet date.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost, and subsequently at fair value. Derivative financial instruments are recognised under financial fixed assets and long-term liabilities, respectively.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly to equity. When the hedged transactions are realised, the accumulated changes are recognised in the relevant items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Net revenue

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

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature to the Group's primary activities.

Research and development costs

Research and development costs comprise costs, including salaries and depreciation, attributable to the research and development activities carried out by the Group.

Research costs are recognised in the income statement in the year in which they are paid.

Development costs paid in relation to maintenance and optimisation of existing products or production processes are expensed.

Costs related to the development of new products are recognised in the income statement unless the criteria for recognition in the balance sheet have been met for the individual development project.

Financial income and expenses

These items comprise interest income and expenses, the interest element of financial leasing payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premiums/discounts relating to mortgage debt, cash discounts, etc., as well as tax surcharges and repayments under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement for the portion attributable to the profit/loss for the year, and recognised directly to equity for the portion attributable to entries directly to equity. The portion of the tax taken to the income statement which relates to extraordinary profit/loss for the year is allocated to this entry, whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on the year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities, where the tax-based value of the assets is calculated on the basis of the planned use of each asset. No deferred tax is allocated concerning shares in subsidiaries. Deferred tax is measured on the basis of the tax regulations and tax rates of the relevant countries that will be in effect, according to the legislation in force as of the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the taxable value of the tax loss carryforward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Intangible assets

Goodwill and goodwill on consolidation

Goodwill is amortised on a straight-line basis over its estimated useful life, which is determined on the basis of the experience gained by Management for each business area. The amortisation period is usually 5 years, but it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile, if the longer amortisation period is considered to better reflect the Group's benefit from the relevant resources.

The carrying amount of goodwill is assessed currently and written down to the lower recoverable amount if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill is related.

Quotas, IT and licences

Acquired intangible rights in the form of quotas, IT and licences are measured at cost less accumulated amortisation. Amortisation is carried out on a straight-line basis over a period of 3-10 years. Intangible rights acquired are written down to the lower of recoverable amount and carrying amount.

Development projects

Development projects comprise costs, wages and depreciation directly and indirectly attributable to the company's development activities and which comply with the criteria for recognition in the balance sheet.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development projects are amortised on a straight-line basis according to the completion ratio of the development project over the estimated economic life of the project. The period of amortisation is usually 3-10 years.

Other intangible assets

Other intangible assets comprise commercial trading agreements and are measured at cost less accumulated depreciation and impairment losses. Amortisation is carried out on a straight-line basis over a period of 20 years. Intangible rights acquired are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, vessels, plant and machinery, as well as other fixtures and fittings, tools and equipment, are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs for the asset until the time when it is ready to be put into operation. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, suppliers and labour costs.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10 - 50 years
Vessels	7 - 16 years
Plant included in the item "vessels"	5 - 10 years
Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	3 - 5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and the carrying amount at the time of sale. Profit is recognised in the income statement as other operating income, and loss as other operating costs.

Fixed asset investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured according to the equity method. This means that in the balance sheet investments are measured at the pro rata share of the enterprises' equity, cf. the description above under consolidated annual report, plus or less unamortised goodwill or negative goodwill on consolidation and plus or minus unrealised intra-group profits and losses.

The Parent Company's share of the enterprises' profits or losses after elimination of unrealised intra-Group profits and losses, minus or plus amortisation of positive, or negative, goodwill on consolidation, is recognised in the income statement.

Subsidiaries and associates with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent Company's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in subsidiaries and associates is taken to the reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Other fixed asset investments

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

Investments and receivables not held to maturity are measured at cost on acquisition and subsequently at fair value. If the fair value cannot be fixed reliably, the measurement is made at cost.

Receivables held to maturity are measured at cost on acquisition and are subsequently measured at amortised cost.

In the event that fixed asset investments are written down to a lower value, such write-down takes into account the risk of loss associated with each individual asset.

Inventories

Stocks of raw materials are measured at cost using weighted average prices or any lower net realisable value.

The stock of consumables comprises for instance packaging, operating goods and fish boxes.

The stock of fish boxes is measured at a fixed amount. Supplementary acquisition of gear is expensed on a current basis.

All other stocks of consumables are measured at the lower of cost using the FIFO method or any lower net realisable value.

Goods in progress and finished goods, including finished goods produced on board own trawlers, are measured at the lower of cost using weighted average prices or any lower net realisable value. Cost of manufactured goods consist of costs of raw materials, consumables and direct labour costs, as well as indirect production overheads. Indirect production overheads are allocated on the basis of the normal capacity of the individual production entities. Indirect production overheads comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on trawlers, factory buildings, machinery and equipment used in the manufacturing process, as well as costs of factory administration and management.

Receivables

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

Prepayments

Prepayments under assets comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Equity

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Provisions

Provisions are recognised when the Group has a legal and constructive obligation as a result of an event prior to or as of the balance sheet date, and it is pro-

bable that future economic benefits will flow out of the company in order to meet the obligation.

Provisions that are estimated to mature more than one year after the balance sheet date are discounted at a market-based interest rate.

Liabilities other than provisions

Financial liabilities

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

If a financial liability has been sufficiently hedged by a derivative financial instrument, the financial liability is measured at fair value and any changes in the fair value are recognised in the income statement under other financial items along with changes in the fair value of the derivative financial instrument.

Other financial liabilities

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

Prepayments

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at amortised cost, which usually corresponds to the nominal value.

Cash flow statement

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities, as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent Company because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of new enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

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

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs, as well as the raising of loans, instalments on interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk, less short-term bank debt.

Segment information

The primary segment of the Group is the business segment. The geographical markets comprise the secondary segment.

Management assesses that the Group solely operates with one individual business segment, so that the business segment information required in respect of net revenue, profit/loss before financial items, value of fixed assets and value of liabilities appears from the consolidated income statement and balance sheet.

The geographical markets are split into European countries and other markets.

Financial Highlights and Key Ratios

"Net interest-bearing debt" is calculated after set-off of derivative financial instruments with a positive value. In the calculation of equity ratio and net interest-bearing debt/EBITDA, derivative financial instruments with a positive value are set off to both total assets and net interest-bearing debt.

As the 2015/16 financial year comprises 15 months, the figures from the income statement for the financial year are converted pro rata to 12 months, to the extent that they are included in the calculation of key figures.

Financial highlights and key ratios are calculated as follows.

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	=	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$

INCOME STATEMENT

	Note	Group		Parent	
		2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
Revenue	1	5,612,847	7,104,965	2,764,978	3,287,550
Change in inventories of finished goods		(67,132)	241,156	(31,485)	162,501
Other operating income	2	34,779	48,847	38,750	27,226
		5,580,494	7,394,968	2,772,243	3,477,277
Costs of raw materials and consumables		(3,358,458)	(4,626,090)	(1,457,303)	(1,752,659)
Other external expenses		(822,053)	(1,028,047)	(456,635)	(589,027)
Staff costs	3	(979,033)	(1,164,121)	(617,903)	(740,585)
Depreciation, amortisation and impairment losses	4	(168,636)	(239,584)	(100,709)	(146,996)
Other operating costs		(1,224)	(391)	(440)	(160)
Operating profit		251,090	336,735	139,253	247,850
Profit/loss from investments in group enterprises after tax	5	0	0	38,418	27,057
Profit/loss from investments in associates after tax	6	36,747	28,524	12,318	(403)
Financial income	7	39,069	59,893	27,224	21,230
Financial expenses	8	(73,937)	(89,940)	(46,177)	(52,423)
Profit before tax		252,969	335,212	171,036	243,311
Tax on profit	9	(94,977)	(132,492)	(42,360)	(69,864)
Profit after tax		157,992	202,720	128,676	173,447
Minority interests' share of profit/loss after tax of group enterprises		(29,316)	(29,273)	-	-
PROFIT FOR THE YEAR		128,676	173,447	128,676	173,447
Proposed distribution of profit					
Reserve for net revaluation according to the equity method				0	0
Proposed dividend				64,338	100,000
Retained earnings				64,338	73,447
				128,676	173,447

ASSETS

	Note	Group		Parent	
		31.12.17 DKK 1,000	31.12.16 DKK 1,000	31.12.17 DKK 1,000	31.12.16 DKK 1,000
Intangible assets	10	188,675	190,945	50,879	53,879
Buildings		279,779	301,309	207,793	175,195
Plant and machinery		213,256	232,586	116,435	111,360
Vessels		395,619	423,631	165,788	181,924
Other fixtures and fittings, tools and equipment		26,619	25,698	20,746	19,290
Fixed assets in progress		201,286	88,106	193,444	74,368
Property, plant and equipment	11	1,116,559	1,071,330	704,206	562,137
Investments in group enterprises	12	0	0	1,814,363	1,827,250
Receivables from Group enterprises	13	0	0	55,560	59,975
Investments in associates	12	113,935	87,320	18,454	14,908
Receivables from associates	13	18,788	21,104	9,787	2,104
Derivative financial instruments		25,101	150,535	25,101	150,535
Other fixed asset investments	14	159,723	66,171	58,373	42,086
Fixed asset investments		317,547	325,130	1,981,638	2,096,858
FIXED ASSETS		1,622,781	1,587,405	2,736,723	2,712,874
Inventories	15	1,561,826	1,743,617	732,092	746,144
Trade receivables		793,527	739,713	8,375	8,481
Receivables from Group enterprises		0	0	111,561	179,097
Other receivables	16	58,676	45,224	17,227	9,866
Deferred tax assets	19	67,562	103,050	0	0
Income tax receivable		435	5,693	0	0
Prepayments	17	10,617	16,378	1,632	4,170
Receivables		930,817	910,058	138,795	201,614
Cash		242,421	311,221	133,285	108,493
CURRENT ASSETS		2,735,064	2,964,896	1,004,172	1,056,251
ASSETS		4,357,845	4,552,301	3,740,895	3,769,125

EQUITY AND LIABILITIES

	Note	Group		Parent	
		31.12.17 DKK 1,000	31.12.16 DKK 1,000	31.12.17 DKK 1,000	31.12.16 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		502,142	464,351	502,142	464,351
Proposed dividend		64,338	100,000	64,338	100,000
EQUITY		1,416,480	1,414,351	1,416,480	1,414,351
Minority interests	18	119,189	103,513	-	-
Deferred tax	19	153,419	126,763	72,501	55,656
Other provisions	20	7,581	7,829	0	366
PROVISIONS		161,000	134,592	72,501	56,022
Mortgage debt		0	97	0	0
Other credit institutions		894,384	1,152,215	894,384	1,146,862
Other long-term debt		117,730	119,522	0	0
Derivative financial instruments		48,199	430	48,199	430
Long-term liabilities other than provisions	21	1,060,313	1,272,264	942,583	1,147,292
Short-term portion of long-term liabilities other than provisions		139,727	405,857	135,491	398,477
Credit institutions		480,057	220,518	140,050	70,783
Trade payables		597,669	605,838	178,137	139,262
Payables to Group enterprises		0	0	588,845	295,860
Payables to associates		53,067	44,095	53,067	44,095
Income taxes	9	50,852	58,554	28,558	38,745
Other payables	22	271,094	262,027	185,183	164,238
Deferred income		8,397	30,692	0	0
Short-term liabilities other than provisions		1,600,863	1,627,581	1,309,331	1,151,460
LIABILITIES OTHER THAN PROVISIONS		2,661,176	2,899,845	2,251,914	2,298,752
EQUITY AND LIABILITIES		4,357,845	4,552,301	3,740,895	3,769,125
Assets charged and contingent liabilities	23				
Other notes	24-28				

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
Equity at October 1 st 2015	850,000	357,286	56,500	1,263,786
Exchange rate adjustment	0	6,885	0	6,885
Fair value adjustments recognised in equity	0	(7,188)	0	(7,188)
Tax, fair value adjustments	0	2,390	0	2,390
Dissolved value adjustment for sold company	0	(269)	0	(269)
Paid dividend	0	0	(56,500)	(56,500)
Tax, proposed dividend	0	31,800	0	31,800
Net profit for the year	0	73,447	100,000	173,447
Equity at December 31st 2016	850,000	464,351	100,000	1,414,351
Exchange rate adjustment	0	(26,096)	0	(26,096)
Fair value adjustments recognised in equity	0	(3,220)	0	(3,220)
Tax, fair value adjustments	0	1,024	0	1,024
Dissolved value adjustment for sold company	0	(18,714)	0	(18,714)
Paid dividend	0	0	(100,000)	(100,000)
Tax, proposed dividend	0	20,459	0	20,459
Net profit for the year	0	64,338	64,338	128,676
Equity at December 31st 2017	850,000	502,142	64,338	1,416,480

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 October 1 st 2015	850,000	0	357,286	56,500	1,263,786
Exchange rate adjustment	0	0	6,885	0	6,885
Fair value adjustments recognised in equity	0	0	(7,188)	0	(7,188)
Tax, fair value adjustments	0	0	2,390	0	2,390
Dissolved value adjustment for sold company	0	0	(269)	0	(269)
Paid dividend	0	0	0	(56,500)	(56,500)
Tax, proposed dividend	0	0	31,800	0	31,800
Net profit for the year	0	0	73,447	100,000	173,447
Equity at December 31st 2016	850,000	0	464,351	100,000	1,414,351
Exchange rate adjustment	0	0	(26,096)	0	(26,096)
Fair value adjustments recognised in equity	0	0	(3,220)	0	(3,220)
Tax, fair value adjustments	0	0	1,024	0	1,024
Dissolved value adjustment for sold company	0	0	(18,714)	0	(18,714)
Paid dividend	0	0	0	(100,000)	(100,000)
Tax, proposed dividend	0	0	20,459	0	20,459
Net profit for the year	0	0	64,338	64,338	128,676
Equity at December 31st 2017	850,000	0	502,142	64,338	1,416,480

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	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
Net profit for the year		128,676	173,447
Adjustments relating to net profit for the year	29	273,961	370,893
Working capital changes	30	137,416	(131,580)
Cash flows from operating activities before net financials		540,053	412,760
Ingoing payments relating to financial items		12,395	46,034
Outgoing payments relating to financial items		(58,253)	(58,959)
Cash flows from ordinary activities		494,195	399,835
Paid taxes		(55,595)	(86,681)
Cash flows from operating activities		438,600	313,154
Purchase of net assets connected to business transfer		0	(120,625)
Purchase of intangible and tangible fixed assets		(337,852)	(401,125)
Purchase of shares in associates		(2,917)	(42)
Purchase of other financial fixed assets		(64,140)	(29,346)
Sale of net assets by transfer of company ownership		105,211	0
Sale of intangible and tangible fixed assets		23,634	30,117
Sale of shares in associates		507	0
Sale of other financial fixed assets		5,621	33,616
Dividends received from associates		11,422	3,228
Cash flows from investing activities		(258,514)	(484,177)
Proceeds from obtaining/(instalments on) long-term liabilities		(343,609)	330,472
Paid dividend		(100,000)	(56,500)
Supply of capital from minority interests		0	7,414
Dividends paid during the year to minority interests		(13,640)	(10,912)
Cash flows from financing activities		(457,249)	270,474
Increase/decrease in cash and cash equivalents		(277,163)	99,451
Cash and cash equivalents, beginning of year		90,703	(28,775)
(Reduction)/addition connected to business transfer		(51,176)	20,027
Cash and cash equivalents, end of year	31	(237,636)	90,703

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
1 Net revenue - Geographical markets				
Europe	3,782,093	4,666,591	2,582,854	3,048,657
Other markets	1,830,754	2,438,374	182,124	238,893
	5,612,847	7,104,965	2,764,978	3,287,550
2 Other operating income				
Management fees	2,784	2,642	8,977	7,023
Rental income	4,291	5,446	3,319	3,431
Sale of quotas	4,628	8,928	6,128	13,148
Profit on sale of fixed assets	15,408	21,804	18,189	995
Received grants	3,023	4,482	0	0
Other operating income	4,645	5,545	2,137	2,629
	34,779	48,847	38,750	27,226
3 Staff costs				
The total amount of wages and salaries etc. is specified as follows:				
Wages and salaries	876,940	1,051,560	553,256	669,450
Pension contributions and other social costs	49,162	50,577	33,312	38,299
Other personnel costs	52,931	61,984	31,335	32,836
	979,033	1,164,121	617,903	740,585
Average number of employees	2,533	2,769	1,388	1,415
Remuneration for the Supervisory Board and Executive Board				
Remuneration for the Parent Company's Supervisory Board	2,200	2,750		
Executive Board	Fixed salary	Bonus		
Mikael Thinghuus	4,323			
Nils Duus Kinnerup	2,760			
Bruno Olesen	2,606			
Lars Nielsen	2,606			
Total Executive Board	12,295	2,774	15,069	17,859

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
4 Depreciation, amortisation and impairment losses				
Buildings	27,311	47,969	22,049	30,662
Plant and machinery	49,477	62,693	29,012	33,268
Vessels	63,257	87,524	35,889	55,204
Other fixtures and fittings, tools and equipment	8,772	8,760	6,890	6,948
Goodwill	6,076	7,534	2,998	3,780
Quotas	4,426	5,373	1,312	1,640
Software and licences	2,815	3,849	2,559	3,730
Development costs	0	11,764	0	11,764
Other intangible assets	6,502	4,118	0	0
	168,636	239,584	100,709	146,996
5 Profit/loss from investments in Group enterprises				
Profit	0	0	62,159	42,123
Loss	0	0	(35,535)	(12,454)
Change in intra-group profits	0	0	11,794	(2,612)
	0	0	38,418	27,057
6 Profit/loss from investments in associates				
Profit	37,676	36,680	13,247	7,753
Loss	(929)	(8,156)	(929)	(8,156)
	36,747	28,524	12,318	(403)

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
7 Financial income				
Capital gains	31,379	46,951	20,190	11,227
Interest from Group enterprises	-	-	4,087	4,010
Interest on bank deposit	222	1,224	0	315
Income from fixed asset investments	3,667	4,400	2,062	2,088
Other financial income	3,801	7,318	885	3,590
	39,069	59,893	27,224	21,230
8 Financial expenses				
Capital loss	41,037	35,858	20,960	10,971
Interest on bank and mortgage debt	30,799	43,284	25,208	37,396
Other financial expenses	2,101	10,798	9	4,056
	73,937	89,940	46,177	52,423
9 Tax on profit				
Current tax for the year	(84,744)	(106,150)	(51,091)	(72,867)
Other taxes	(4,951)	(3,804)	(4,287)	(2,880)
Adjustment to previous years	(433)	0	(433)	0
Deferred tax for the year	(4,849)	(22,538)	13,451	5,883
	(94,977)	(132,492)	(42,360)	(69,864)
Reconciliation of tax rate:				
Greenland tax rate	32%	32%	32%	32%
Other taxes	2%	1%	2%	1%
Capitalisation of tax asset in foreign enterprises	3%	5%	0%	0%
Effect of difference in tax rate between Greenland and foreign enterprises	2%	2%	0%	0%
Tax free income (net) from affiliated and associated companies etc.	(1)%	0%	(9)%	(4)%
Tax rate expensed	38%	40%	25%	29%

NOTES TO THE FINANCIAL STATEMENTS

10 Intangible assets	Group				
	Group goodwill DKK 1,000	Quotas DKK 1,000	IT and licenses DKK 1,000	Develop- ment project DKK 1,000	Other intangible assets DKK 1,000
Cost at January 1 st 2017	100,248	153,946	36,428	11,764	113,119
Disposals on sale of companies	0	0	(445)	0	0
Value adjustment at closing price	(217)	0	13	0	(6,250)
Additions for the year	0	0	3,880	0	23,614
Disposals for the year	0	0	(85)	0	(3,837)
Cost at December 31st 2017	100,031	153,946	39,791	11,764	126,646
Amortisation and impairment losses at January 1 st 2017	(42,326)	(135,302)	(30,926)	(11,764)	(4,242)
Disposals on sale of companies	0	0	388	0	0
Value adjustment at closing price	12	0	(12)	0	404
Amortisation for the year	(6,076)	(4,426)	(2,815)	0	(6,502)
Impairment for the year	0	0	0	0	0
Amortisation regarding disposals for the year	0	0	84	0	0
Amortisation and impairment losses at December 31st 2017	(48,390)	(139,728)	(33,281)	(11,764)	(10,340)
Carrying amount at December 31st 2017	51,641	14,218	6,510	0	116,306
Carrying amount at December 31 st 2016	57,922	18,644	5,502	0	108,877

NOTES TO THE FINANCIAL STATEMENTS

10 Intangible assets	Parent			
	Goodwill DKK 1,000	Quotas DKK 1,000	IT DKK 1,000	Develop- ment projects DKK 1,000
Cost at January 1 st 2017	52,991	118,716	34,926	11,764
Additions for the year	0	0	3,869	0
Disposals for the year	0	0	0	0
Cost at December 31st 2017	52,991	118,716	38,795	11,764
Amortisation and impairment losses at January 1 st 2017	(9,205)	(113,386)	(30,163)	(11,764)
Amortisation for the year	(2,998)	(1,312)	(2,559)	0
Impairment for the year	0	0	0	0
Amortisation regarding disposals for the year	0	0	0	0
Amortisation and impairment losses at December 31st 2017	(12,203)	(114,698)	(32,722)	(11,764)
Carrying amount at December 31st 2017	40,788	4,018	6,073	0
Carrying amount at December 31 st 2016	43,786	5,330	4,763	0



NOTES TO THE FINANCIAL STATEMENTS

11 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 2017	1,072,838	889,944	971,809	84,005	88,106
Disposals on sale of companies	(104,324)	(162,083)	0	(1,201)	(3,962)
Value adjustment at closing price	1,071	(2,722)	(3,564)	(972)	(166)
Transferred from assets in progress	35,155	27,968	7,852	1,927	(72,902)
Additions for the year	45,753	35,339	29,448	9,776	194,093
Disposals for the year	(2,809)	(15,122)	(1,519)	(5,689)	(3,883)
Cost at December 31st 2017	1,047,684	773,324	1,004,026	87,846	201,286
Amortisation and impairment losses at January 1 st 2017	(771,529)	(657,358)	(548,178)	(58,307)	-
Disposals on sale of companies	28,217	134,380	0	515	-
Value adjustment at closing price	548	470	2,142	783	-
Amortisation for the year	(27,311)	(49,477)	(63,257)	(8,772)	-
Amortisation regarding disposals for the year	2,170	11,917	886	4,554	-
Amortisation and impairment losses at December 31st 2017	(767,905)	(560,068)	(608,407)	(61,227)	-
Carrying amount at December 31st 2017	279,779	213,256	395,619	26,619	201,286
Carrying amount at December 31 st 2016	301,309	232,586	423,631	25,698	88,106

Value according to public land assessment

The public land assessment relating to property in Denmark amounts to DKK 45,000k. The buildings in Denmark have a carrying amount of DKK 7,627k.

No public land assessment is made in Greenland. The carrying amount of properties in Greenland amounts to DKK 210,061k.

NOTES TO THE FINANCIAL STATEMENTS

11 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 2017	793,986	432,692	559,716	60,823	74,368
Transferred from assets in progress	34,236	21,989	5,459	1,928	(63,612)
Additions for the year	23,489	14,565	14,418	7,458	185,456
Disposals for the year	(19,528)	(10,102)	(279)	(4,956)	(2,768)
Cost at December 31st 2017	832,183	459,144	579,314	65,253	193,444
Amortisation and impairment losses at January 1 st 2017	(618,791)	(321,332)	(377,792)	(41,533)	-
Amortisation for the year	(22,049)	(29,012)	(35,889)	(6,890)	-
Amortisation regarding disposals for the year	16,450	7,635	155	3,916	-
Amortisation and impairment losses at December 31st 2017	(624,390)	(342,709)	(413,526)	(44,507)	-
Carrying amount at December 31st 2017	207,793	116,435	165,788	20,746	193,444
Carrying amount at December 31 st 2016	175,195	111,360	181,924	19,290	74,368

No public land assessment is made in Greenland. The carrying amount of properties in Greenland amounts to DKK 207,793k.

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
12 Investments in group enterprises and associates			
Cost at January 1 st 2017	24,340	15,129	2,031,337
Additions for the year	2,917	2,917	11,000
Disposals for the year	(42)	(42)	0
Cost at December 31st 2017	27,215	18,004	2,042,337
Value adjustments at January 1 st 2017	62,614	(587)	(204,087)
Exchange rate adjustments	(754)	(237)	(25,859)
Share of profit/loss for the year	36,747	12,318	38,418
Dividends	(16,355)	(15,513)	(17,732)
Capital adjustments for the year	4,933	4,933	(18,714)
Disposals for the year	(465)	(464)	0
Value adjustments at December 31st 2017	86,720	450	(227,974)
Carrying amount at December 31st 2017	113,935	18,454	1,814,363
Carrying amount at December 31 st 2016	87,320	14,908	1,827,250

In the Group, the differential value on acquisition of investments in associates amounts to DKK 7,311k.
The carrying amount at 31.12.2017 amounts to DKK 0k.

In the parent, the original differential value on acquisition of investments in associates amounts to DKK 60k.
The carrying amount at 31.12.2017 amounts to DKK 0k.

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
13 Receivables from subsidiaries and associates			
Cost at January 1 st 2017	21,104	2,104	59,975
Value adjustment	0	0	0
Additions for the year	7,969	7,968	3,119
Disposals for the year	(10,285)	(285)	(7,534)
Cost at December 31st 2017	18,788	9,787	55,560
Carrying amount at December 31st 2017	18,788	9,787	55,560
Carrying amount at December 31 st 2016	21,104	2,104	59,975
14 Other fixed asset investments		Group DKK 1,000	Parent DKK 1,000
Cost at January 1 st 2017		80,816	53,905
Value adjustment		(1,846)	0
Additions for the year		99,753	21,024
Disposals for the year		(5,621)	(5,621)
Cost at December 31st 2017		173,102	69,308
Provisions for bad debts at January 1 st 2017		(14,645)	(11,819)
Value adjustment		382	0
Change in provisions for the year		884	884
Provisions for bad debts at December 31st 2017		(13,379)	(10,935)
Carrying amount at December 31st 2017		159,723	58,373
Carrying amount at December 31 st 2016		66,171	42,086

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000
15 Inventories				
Raw materials	401,036	443,187	45,044	38,253
Goods in progress	13,037	72,673	3,502	4,757
Finished goods	1,045,590	1,122,763	606,829	638,314
Other goods	102,163	104,994	76,717	64,820
	1,561,826	1,743,617	732,092	746,144
Goods at net realisable value included in booked value of inventories	54,842	218,618	41,689	109,041
16 Other receivables				
Insurance compensation receivable	15,565	0	15,467	0
VAT and duty receivable	13,002	8,333	0	0
Other receivables	30,109	36,891	1,760	9,866
	58,676	45,224	17,227	9,866
17 Prepayments				
Prepaid rent and consumption taxes	3,266	3,752	0	0
Other prepayments	7,351	12,626	1,632	4,170
	10,617	16,378	1,632	4,170
18 Minority interests				
Minority interests at January 1 st 2017	103,513	77,738		
Addition	0	7,414		
Disposal	0	0		
Share of profit/loss for the year	29,316	29,273		
Dividend and capital adjustments	(13,640)	(10,912)		
Minority interests at December 31st 2017	119,189	103,513		

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000
19 Deferred tax				
Deferred tax incumbent on the following items:				
Property, plant and equipment	103,275	102,074	59,567	66,223
Fixed asset investments	37,911	35,074	0	0
Other items	12,233	(10,385)	12,934	(10,567)
	153,419	126,763	72,501	55,656
Deferred tax assets incumbent on the following items:				
Loss carried forward	30,977	14,806	0	0
Other tax assets	36,585	88,244	0	0
	67,562	103,050	0	0
20 Other provisions				
Other provisions at January 1 st 2017	7,829	7,442	0	0
Value adjustments	(632)	0	0	0
Additions for the year	750	387	0	366
Disposals for the year	(366)	0	0	0
Other provisions at December 31st 2017	7,581	7,829	0	366

Other provisions concern pensions.



NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent			
	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000		
21 Long-term liabilities other than provisions						
The following amounts fall due for payment after five years or more:						
Other credit institutions	307,845	834,184	291,762	834,086		
Derivative financial instruments	23,582	0	23,582	0		
	331,427	834,184	315,344	834,086		
Interest and terms to maturity of long-term liabilities (Group, translated into DKK)	Weighted term (years)	Fixed/floating	Effective rate of interest 2017	2015/16	Nominal value DKKm 2017	2015/16
Mortgage debt	-	-	-	3.29%	-	6
Debt to associated companies	4	Floating	3.89%	4.0%	31	31
Private Placements	5	Fixed/floating	1.99%	1.80%	1,053	1,390
					1,084	1,427
Weighted average effective rate of interest			2.05%	1.86%		

	Group		Parent	
	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000
22 Other payables				
Wages and salaries, personal income taxes, social security costs, etc payable	98,973	93,534	69,856	64,162
Holiday pay obligation	43,545	45,151	35,210	35,787
Interest	4,772	4,808	4,262	4,611
VAT and duties	71,439	62,471	63,691	44,945
Derivative financial instruments	4,668	0	642	0
Other costs payable	47,697	56,063	11,522	14,733
	271,094	262,027	185,183	164,238

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent	
	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000	31.12.2017 DKK 1,000	31.12.2016 DKK 1,000
23 Assets charged and contingent liabilities				
Assets charged				
Mortgage debt has been secured on property, plant and equipment at a carrying amount of	185,016	189,483	0	0
Contractual obligations				
Contracts have been made relating to delivery of fixed assets at a carrying amount of	496,961	38,189	496,961	36,060
Lease commitments falling due after the balance sheet date amount to	56,627	50,869	32,986	43,407
Hereof due within one year	30,630	28,541	22,756	24,927
Recourse and non-recourse guarantee commitments				
Associates	10,000	0	0	0
Third party	6,118	14,794	6,118	9,217
Group enterprises	-	-	546,382	465,953

Contingent liabilities

The Royal Greenland Group has some pending lawsuits, including inquiries from the tax authorities. Management believes that the outcome of these lawsuits and inquiries will not have a material impact on the Group's financial position.



NOTES TO THE FINANCIAL STATEMENTS

24 Financial risks

Positions in the most important currencies:

	Group			Net position DKK 1,000
	Receivables DKK 1,000	Liabilities DKK 1,000	Hedged by forward exchange contracts and options DKK 1,000	
USD	192,650	(155,588)	(49,372)	(12,310)
GBP	40,055	(25,877)	(52,162)	(37,984)
SEK	14,477	(21,291)	(14,823)	(21,637)
JPY	60,762	(23,071)	(60,292)	(22,601)
	307,944	(225,827)	(176,649)	(94,532)

Foreign exchange contracts solely cover commercial positions.

Interest-rate exposure

The agreed reassessment and repayment dates of the Group's financial assets and liabilities are specified below according to maturity date. The effective interest rates have been determined on the basis of the current interest rate level at 31.12.2017.

	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 and credit institutions, loans	(133,661)	(606,479)	(312,417)	(619,629)	0 - 7.25

Cash and cash equivalents amount to DKK 242,421k and have a bearing effective rate of interest from 0.0 to 2.0%.
Short-term credits amount to DKK 480,057k. Short-term credits have a bearing effective rate of interest from 0.5 - 1.5%.

NOTES TO THE FINANCIAL STATEMENTS

25 Fees to auditors appointed by the general meeting

	Group		Parent	
	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
Audit fee	2,762	2,736	1,330	1,330
Other declarations from auditor	17	136	9	9
Tax advisory services	875	1,272	680	1,002
Other services	552	931	411	580
Adjustments concerning previous years	114	28	90	39
	4,320	5,103	2,520	2,960

26 Related parties

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

In the current financial year, the Group has not executed any transactions with the Supervisory and Executive Boards other than management remuneration, as disclosed in Note 3.

27 Divested activities

The divested activities are included in the net revenue for 2017 at DKK 25 million (2015/16 DKK 54 million).

At the end of 2016, the fixed assets in the divested activities amounted to DKK 122 million, while the current assets in the divested activities amounted to DKK 295 million.



NOTES TO THE FINANCIAL STATEMENTS

28 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 Greenlandic and Danish public limited companies except for managerial positions in wholly owned subsidiaries.

Supervisory Board	Company	Managerial position
Niels de Coninck-Smith Chairman	Orifarm Group A/S Welltec A/S	Chairman Chairman
Jan Harald Lynge-Pedersen Deputy Chairman	KNI Ejendomme A/S Neqi A/S Akia Sisimiut A/S	Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board
Pernille Fabricius	Atak A/S MT Højgaard A/S Højgaard Holding A/S Gabriel Holding A/S Gabriel A/S Gabriel Ejendomme A/S Gabriel Innovation A/S Zenxit A/S NC TopCo A/S	Chairman Member of the Supervisory Board Member of the Supervisory Board
Tim Ørting Jørgensen	System Frugt Holding A/S System Frugt A/S	Chairman Chairman
Niels Ole Møller	Inughuit Seafood A/S	Chief Executive Officer
Executive Board	Company	Managerial position
Mikael Thinghuus CEO	Ice Trawl Greenland A/S Toms Gruppen A/S	Member of the Supervisory Board 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	Chairman Member of the Supervisory Board
Lars Nielsen Group Production Director	Gaia Fish A/S Pelagic Greenland A/S Inughuit Seafood A/S Gaia Fish A/S Ice Trawl Greenland A/S	Chief Executive Officer Chairman Deputy Chairman Member of the Supervisory Board Member of the Supervisory Board

NOTES TO THE FINANCIAL STATEMENTS

29 Adjustments relating to net profit for the year

	Group	
	2017 12 mo. DKK 1,000	2015/16 15 mo. DKK 1,000
Depreciation, amortisation and impairment losses	168,636	239,584
Minority interests	29,316	29,273
Financial items allocated to profit for the year	34,868	30,047
Income taxes expensed	94,977	132,492
Provisions, etc,	118	(6,084)
Received grants	(3,023)	(4,482)
Gains and losses from sale of fixed assets	(14,184)	(21,413)
Profit from associates	(36,747)	(28,524)
	273,961	370,893
30 Working capital changes		
Change in receivables	(83,488)	(134,112)
Change in inventory	161,169	38,606
Change in trade payables and other payables	59,735	(36,074)
	137,416	(131,580)
31 Cash and cash equivalents, end of year		
Cash and cash equivalents, end of year	242,421	311,221
Credit institutions, end of year	(480,057)	(220,518)
	(237,636)	90,703

Of the liquid assets of TDKK 242,421, the amount of TDKK 58,180 is provided as security for financial contracts.

SUPERVISORY BOARD

CHAIRMAN

 NIELS HARALD DE
CONINCK-SMITH

DEPUTY CHAIRMAN

 JAN H. LYNGE
PEDERSEN

BOARDMEMBER

 PERNILLE
FABRICIUS

BOARDMEMBER

 SARA
HEILMANN

BOARDMEMBER

 TIM ØRTING
JØRGENSEN

BOARDMEMBER

 ÅSE AULIE
MICHELET

BOARDMEMBER

 NIELS OLE
MØLLER *)

BOARDMEMBER

 PETER
KORSBÆK *)

BOARDMEMBER

 LARS
BERTHELSEN *)

 *) Employee
representatives

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 Board of Directors and Executive Management Board. The Board of Directors 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 contained in the recommendation of the "Committee for Good Corporate Governance". There is no age limit for the members of the Board of Directors.

The board members encompass a spectrum of experience from the Greenlandic, Danish and international business worlds. The Board of Directors is led by the Chairman, Niels Harald de Coninck-Smith. The chairman is appointed for a period of one year at a time.

The Supervisory Board has established two committees:

- The Audit Committee
- The Recruitment Committee

The Executive Management 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 Board of Directors and the Executive Management Board, see Note 28.

Remuneration

The remuneration of members of the Board of Directors is subject to the approval of the annual general meeting, and is specified in Note 3. 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 Management Board is negotiated with the Board of Directors 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 Management Board is specified in Note 3. There are no unusual severance agreements in the employment contracts of the members of the Executive Management Board.

Evaluation

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

Activities

Five meetings of the Board of Directors were held in 2017. Two of these meetings were held according to plan as conference calls, while the other meetings were held in Reykjavik and Copenhagen. The Audit Committee held three meetings. In addition to the annual accounts 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

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 3900 Nuuk

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 www.royalgreenland.com

CVR-no. 13645183

FINANCIAL YEAR:

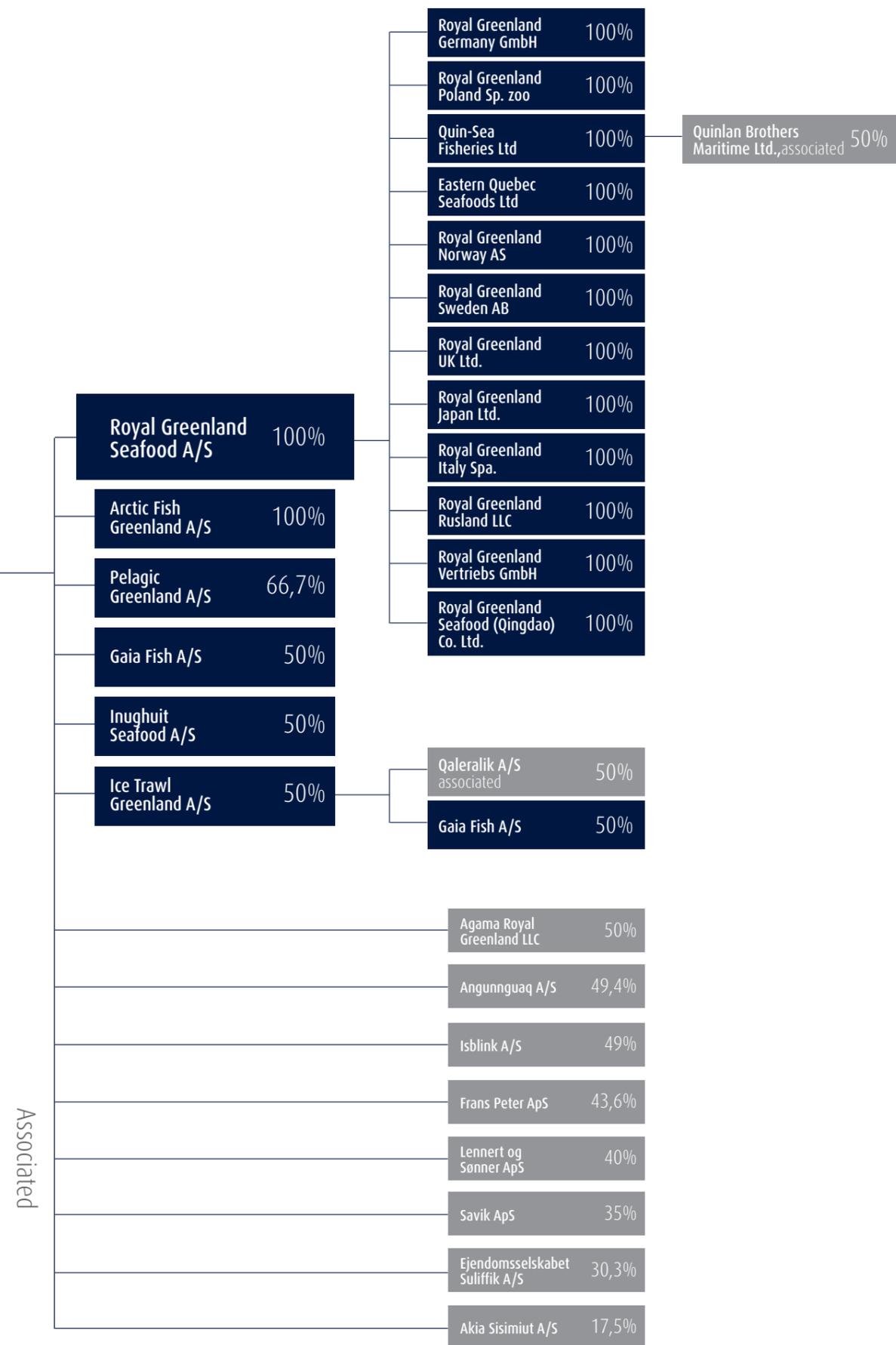
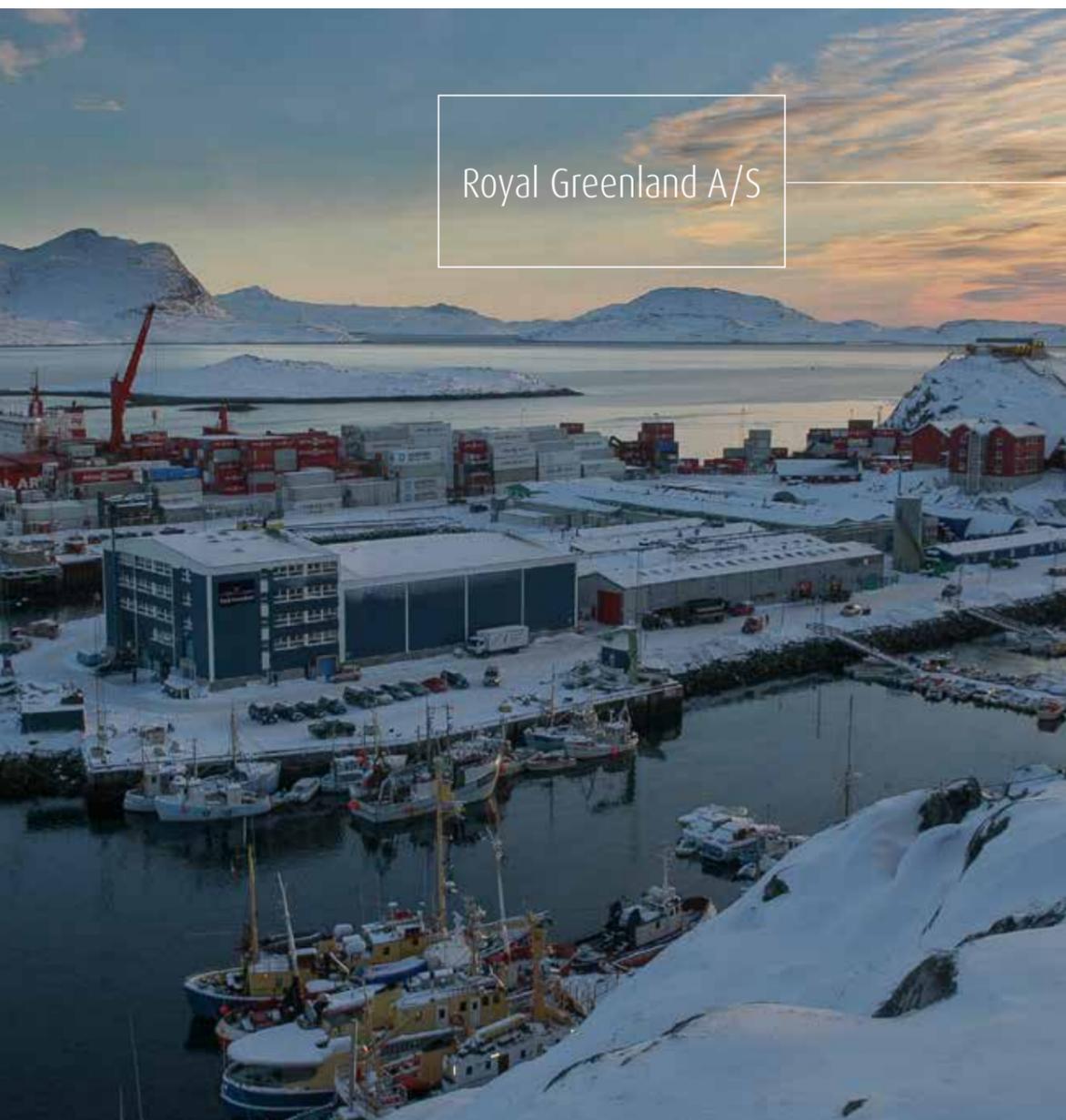
January 1st - December 31st

REGISTERED IN: Kommuneqarfik Sermersooq

The Government of Greenland owns all shares in the Company

AUDITORS: EY Grønland

Godkendt Revisionsanpartsselskab



PRODUCTION UNITS IN GREENLAND

Royal Greenland owns 39 facilities in Greenland. All but three of these facilities are in operation. The factories in Greenland primarily land prawns, Greenland halibut, cod, crab and lumpfish roe.

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

Factory Manager: Avatannuaq Iimiina
Primary species: Greenland halibut
Products: Freezing and drying of Greenland halibut
Capacity: 2 t/day
Cold store capacity: 200 ton
Employees: 5 in the season

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



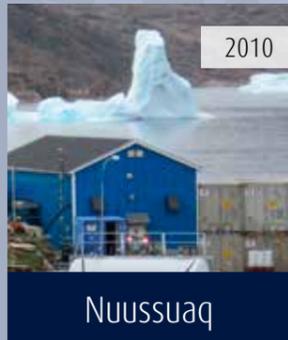
Qaanaaq

Factory Manager: Louise Larsen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 4 t/day
Cold store capacity: 500 ton
Employees: 4-10 low/peak seasons



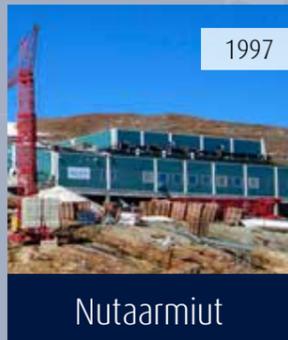
Kullorsuaq

Factory Manager: Frederik Olsen
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

Factory Manager: Arnannuaq 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



Appilattoq (North)

Newly constructed in 2017

Factory Manager: Justine Petersen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 15 t/day
Cold store capacity: 450 ton
Employees: 4-10 low/peak seasons

Qaanaaq

Kullorsuaq
 Nuussuaq
 Nutaarmiut
 Aappilattoq
 Innaarsuit
 Tasiusaq
 Upernavik
 Upernavik Kujalleq
 Nuugaatsiaq
 Ukкусissat
 Saattut
 Qaarsut / Uummannaq
 Ikerasak

Factory Manager: Søren Kielmann
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 20 t/day
Cold store capacity: 600 ton
Employees: 10-20 low/peak seasons



Tasiusaq

Factory Manager: Hans Peter Kristensen
Primary species: Greenland halibut
Products: Freezing of Greenland halibut
Capacity: 10 t/day
Cold store capacity: 550 ton
Employees: 10-20 low/peak seasons



Innaarsuit

Factory Manager: Harald Kleeman
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

Factory 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

Destroyed by tsunami in 2017

Factory Manager: -
Primary species: -
Products: -
Capacity: -
Cold store capacity: -
Employees: -

Not in operation



Nuugaatsiaq



Ukкусissat



Saattut



Ikerasak



Qaarsut



Uummannaq

Factory 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.

Factory Manager: Marie Knudsen
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 7 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.

Factory Manager: Elisabeth Filemosen
Primary species: Greenland halibut
Products: Whole fish, fillets with and without skin
Capacity: 20 t/day
Cold store capacity: 80 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.

Factory Manager: -
Primary species: -
Products: -
Capacity: -
Cold store capacity: -
Employees: -

Not in operation

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.

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



Qeqertaq

1992

Factory Manager: Mathias Nielsen
Primary species: Greenland halibut, other fish
Products: Whole Greenland halibut frozen in blocks
Capacity: 8 t/day
Cold store capacity: 80 ton
Employees: 2-10 low/peak seasons



Saqqaa

1983

The unit burned down in 2003. The current facility opened in 2005.

Factory Manager: Mona 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

1934

Factory Manager: Anders Andersen
Primary species: Prawns, Greenland halibut
Products: IQF prawns, prawnmeal, whole Greenland halibut, cod
Capacity: 120 t prawns, 20 t fish/day
Cold store capacity: 1,600 ton
Employees: 100 low/peak seasons



Ilulissat

1920s

The current unit was established in 1961 and has been refurbished several times. New Greenland halibut factory in 1998, closed in 2009. Prawn factory renovated in 2010.

Factory Manager: -
Primary species: -
Products: -
Capacity: -
Cold store capacity: -
Employees: -



Kitsissuarsuit

1990s

Not in operation

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



Qasigiannuit

1940s

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

Factory Manager: Thara Jeremiassen
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 20 ton
Employees: 0



Ikamiut

1932

Factory Manager: Peter Nielsen
Primary species: None
Products: Dried fish, lumpfish roe from spring 2014
Capacity: 0 t/day
Cold store capacity: No cold store
Employees: 0



Akunnaaq

1948

Factory Manager: Abia Thorsteinsen
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

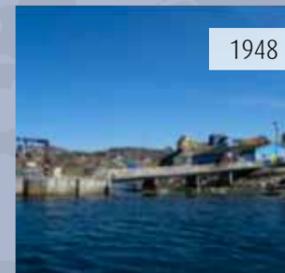


Kangaatsiaq

1950s

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.

Factory Manager: Judithe 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

1948

Refurbished and renovated in 1995. Expanded in 2013.



Ikerasaarsuk

1950

Factory 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.

Factory 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



Attu

1959

Factory Manager: Hans Lars Olsen
Primary species: Prawns, cod, snow crab
Products: Cooked and peeled prawns, cod fillets, crab sections, cod
Capacity: 120 ton prawns, 15 ton snow crab/day, 50 ton cod/day
Cold store capacity: 1,600 ton
Employees: 100 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

1914

Factory Manager: -
Primary species: -
Products: -
Capacity: -
Cold store capacity: -
Employees: -

Operational in roe season



Sisimiut (Roe)

1996-97

Factory Manager: Lars Peter Berthelsen
Primary species: Cod
Products: Salted fish of cod and cod frozen in blocks
Capacity: 15 t/day
Cold store capacity: 80 ton
Employees: 1-13 low/peak seasons

Renovated in 2005.



Sarfannguaq

1990

Qeqertaq ■ ■ Saqqaa
 Qeqertarsuaq ■ ■ Ilulissat
 Kitsissuarsuit ■ ■ Qasigiannuit
 Ikamiut ■ ■ Akunnaaq
 Kangaatsiaq ■ ■ Niaqornaarsuk
 Ikerasaarsuk ■ ■
 Attu ■ ■
 Sisimiut ■ ■ Sarfannguaq

Factory Manager: Otto Enoksen
Primary species: Cod and lumpfish roe
Products: Salted fish and lumpfish roe
Capacity: 1.5 t/day
Cold store capacity: 10 ton
Employees: 1-7 low/peak seasons

Renovated in 1991/93 and in 1994/95.



Itilleq

1949

Factory Manager: Kristian 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

1944

Factory Manager: Susanne Marie Knudsen
Primary species: Nutaaq cod, snow crab, cod
Products: Crab sections and fillets of fish
Capacity: 5 ton snow crab-, 50 ton fish/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

1949-50

Factory 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

1992

Factory Manager: Ilannguaq Abrahamsen
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

1959

Factory Manager: Ingvar Motzfeldt
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

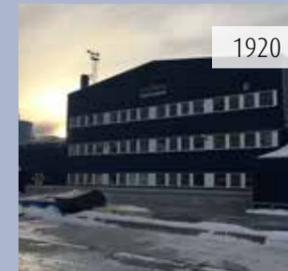


Qeqertarsuaasiaat

1983

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

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.

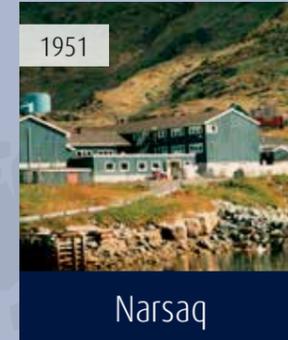


Paamiut

1920

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.



Narsaq

1951

Factory Manager: Nicolai Benjaminsen
Primary species: 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.



Aappilattoq (south)

1981

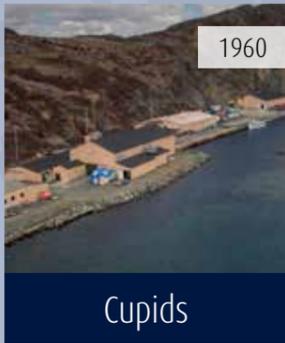


PRODUCTION UNITS IN CANADA

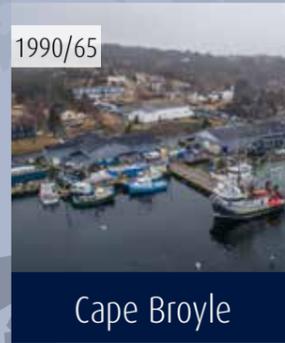
After the investment in Quin-Sea Fisheries, Royal Greenland now operates six factories in Canada. In Newfoundland, there are five production units where local fishermen land their catches. The primary species originating from Newfoundland are snow crab, prawn, whelk, lobster, herring, cod, Greenland halibut and capelin.

In Matane, on the northern coast of New Brunswick, Eastern Quebec Seafoods Ltd. lands and processes prawns, primarily from the local fishing areas.

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: Surendra Botlagunta
Primary species: Snow crab, Pelagics, Sea cucumber, Ground fish
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: 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

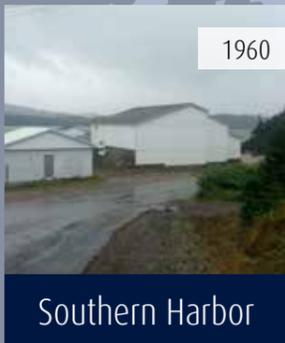


Old Perlican



Conche Seafood

Factory Manager: Charles Daley
Primary species: Pelagics, 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 Harbor



Matane

Factory Manager: Gudmundur Hognason
Primary species: Prawns
Products: Cooked and peeled prawns
Capacity: 30 t/day
Employees: 120 low/peak seasons

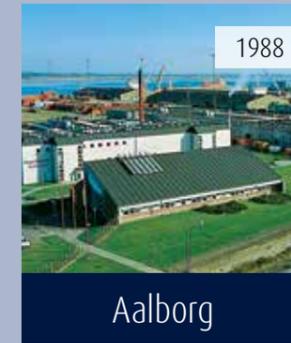
- Matane
- Conche Seafood
- Old Perlican
- Cupids
- Cape Broyle
- Southern Harbor

PRODUCTION UNITS IN EUROPE

In Denmark, the factory in Aalborg primarily operates in two areas: packaging prawns for European retail and foodservice customers, and production of prawns in brine. The two German

factories in Cuxhaven are subject to joint administration and focus on packaging of zip-lock and chain-pack ranges, respectively, as well as retail packaging of lumpfish roe.

Factory Manager: Peter Korsbæk
Primary species: Prawns
Products: Packaging of shellfish for retail and foodservice
Capacity: 15-18,000 t/year
Employees: 50-70 low/peak seasons



Aalborg



Cuxhaven (Roe)

Factory Manager: Helgi Helgason
Primary species: Lumpfish roe
Products: Lumpfish roe in glass jars
Capacity: 125,000 jars/day
Employees: 19-60 low/peak seasons



Cuxhaven (Ziplock)

Factory Manager: Helgi Helgason
Primary species: Salmon, plaice, cod
Products: Fish portions/fillets/tails in ZipLock bags
Capacity: 40 t/day
Employees: 18-25 low/peak seasons

- Aalborg
- Cuxhaven

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: Linjohn Christiansen/
Jogvan Trondarson
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

Master: Torbjørn Joensen
Tordar Dimon
Length/width: 70 x 14.6 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%



2002

Qaqqatsiaq

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%



2001

Nataarnaq

Master: Ivan Olsen/Pauli Olsen
Length/width: 66 x 14 m
Production capacity: 25-30 ton/day
Catch capacity: 5-6,000 ton/yearly
Hold Capacity: 750 ton
Crew: 24-34 men
Trawler type: Ocean-going fish trawler
Ownership: RG 100%



1992

Sisimiut



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 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%



1987

Tasiilaq

Master: Jónfríður Poulsen
Birgir Petersen
Length/width: 77,6 x 12,6 m
Production capacity: 120 ton/day
Catch capacity: 20-25,000 ton/yearly
Hold capacity: 700 tons
Crew: 22 men
Trawler type: pelagic trawls and purse seines
Ownership: RG 66%



1988

Tuneq

Master: Páll Johan Poulsen
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%

THE ROYAL GREENLAND FLEET - COASTAL

The coastal fleet comprises eight vessels for catching prawns, Greenland halibut, cod and crab. Catches are landed at landing points along the west coast of Greenland.

Master: Jakup Bech, Karl Egede Petersen
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%



Lomur

Master: Hans Henrik
Length/width: 14.3 x 4.52 m
Production capacity: 3 ton/day
Catch capacity: 150-300 ton/yearly
Hold capacity: 14 ton
Crew: 3-5 men
Trawler type: Coastal Greenland halibut vessel
Ownership: RG 100%



Niels

Master: Jakob Lukassen
Length/width: 19.4 x 5.2 m
Production capacity: 3 ton/day
Catch capacity: 150-300 ton/yearly
Hold capacity: 30 ton
Crew: 3-5 men
Trawler type: Coastal Greenland halibut vessel
Ownership: RG 100%



Laila S

Master: Nuka Levisen
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
Ownership: RG 100%



Sermilik



Aluk

Master: Peter Jacobsen
Length/width: 19.4 x 5.2 m
Production capacity: 3 ton/day
Catch capacity: 150-300 ton/yearly
Hold capacity: 30 ton
Crew: 3-5 men
Trawler type: Coastal Greenland halibut vessel
Ownership: RG 100%



Jens Henrik

Master: Piitannuaq Møller
Length/width: 13.80 x 4.60
Production capacity: 3 ton/day
Catch capacity: 100-200 ton/yearly
Hold capacity: 12 ton
Crew: 3-5 men
Trawler type: Coastal line/net vessel
Ownership: RG 100%



Lea

Master: Frederik Mathiassen
Length/width: 14.85 x 5.16
Production capacity: None
Catch capacity: 150 ton/yearly
Hold capacity: 10 ton
Crew: 4 men
Trawler type: Coastal line/net vessel, crab vessel
Ownership: RG 100%



Kamma

Master: Erik Nielsen
Length/width: 14.99 x 5.21 m
Production capacity: None
Catch capacity: 150 ton/yearly
Hold capacity: 14 ton
Crew: 3 men
Trawler type: Coastal line/net vessel
Ownership: RG 100%

Royal Greenland A/S

2017

