CHRISTENSEN
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PERSONLIGT ENGAGEMENT

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VESTEY FOODS DENMARK A/S

Herluf Trolles Gade 4, 2., 1052 København K

Company reg. no. 21 15 10 92

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on 31 May 2024,

Robert Morgan
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of VESTEY FOODS DENMARK A/S for the financial year 1 January - 31 December 2023.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 31 May 2024

Managing Director

Robert Morgan
Director

Board of directors

George Moubray William Vestey Chairman	Brett Sumner	Robert Morgan

The independent practitioner's report

To the Shareholders of VESTEY FOODS DENMARK A/S

Conclusion

We have performed an extended review of the financial statements of VESTEY FOODS DENMARK A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Copenhagen, 31 May 2024

Christensen Kjærulff
Statsautoriseret revisionsaktieselskab
Company reg. no. 15 91 56 41

Vanja Margrethe Lawaetz Schultz
State Authorised Public Accountant
mne34194

Company information

The company	VESTEY FOODS DENMARK A/S Herluf Trolles Gade 4, 2. 1052 København K
	Company reg. no. 21 15 10 92 Established: 1 July 1998 Financial year: 1 January - 31 December
Board of directors	George Moubray William Vestey, Chairman Brett Sumner Robert Morgan
Managing Director	Robert Morgan, Director
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø
Parent company	Vestey Foods International Ltd.

Management´s review

The principal activities of the company

The principal activities of the company comprise trade and transportation of food within the EU, the USA and in third world countries.

Development in activities and financial matters

The gross profit for the year totals DKK 5.395.067 against DKK 2.947.656 last year. Income from ordinary activities after tax totals DKK 1.468.176 against DKK -892.526 last year.

Management considers the net profit for the year satisfactory.

The company has recieved a letter of comfort from the parent company which is effective until the company's annual general meeting in 2025. It is mangement's expectation that the equity can be further restored through positive operating results in 2024.

Events occurring after the end of the financial year

No major events have occured after the end of the financial year that may have a signifcant impact on the finanacial position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**5.395.067**	**2.947.656**
2	Staff costs	-3.600.797	-3.616.354
	Depreciation and impairment of property, land, and equipment	-18.214	-20.234
	Operating profit	**1.776.056**	**-688.932**
	Income from investments in subsidiaries	0	37.832
	Other financial income	27.565	15.133
3	Other financial costs	-535.445	-256.811
	Pre-tax net profit or loss	**1.268.176**	**-892.778**
	Tax on net profit or loss for the year	200.000	252
	Net profit or loss for the year	**1.468.176**	**-892.526**
	Proposed distribution of net profit:		
	Transferred to retained earnings	1.468.176	0
	Allocated from retained earnings	0	-892.526
	Total allocations and transfers	**1.468.176**	**-892.526**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
	Other fixtures, fittings, tools and equipment	33.981	46.204
	Total property, plant, and equipment	33.981	46.204
	Deposits	92.632	86.587
	Total investments	92.632	86.587
	Total non-current assets	**126.613**	**132.791**
	Current assets		
	Trade receivables	4.457	998.267
	Receivables from group enterprises	1.022.949	2.422.984
	Deferred tax assets	200.000	0
	Other receivables	10.587	508.931
	Prepayments and accrued income	57.461	40.073
	Total receivables	1.295.454	3.970.255
	Cash on hand and demand deposits	653.047	1.412.370
	Total current assets	**1.948.501**	**5.382.625**
	Total assets	**2.075.114**	**5.515.416**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	1.000.000	1.000.000
	Retained earnings	-6.406.585	-7.874.761
	Total equity	**-5.406.585**	**-6.874.761**
	Liabilities other than provisions		
	Payables to group enterprises	6.070.443	9.893.589
4	Total long term liabilities other than provisions	6.070.443	9.893.589
	Bank loans	0	2.309
	Trade payables	28.252	2.309.890
	Payables to group enterprises	168.168	0
	Other payables	1.214.836	184.389
	Total short term liabilities other than provisions	1.411.256	2.496.588
	Total liabilities other than provisions	**7.481.699**	**12.390.177**
	Total equity and liabilities	**2.075.114**	**5.515.416**

1 Uncertainties concerning the enterprise's ability to continue as a going concern

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	1.000.000	-6.982.235	-5.982.235
Retained earnings for the year	0	-892.526	-892.526
Equity 1 January 2023	1.000.000	-7.874.761	-6.874.761
Retained earnings for the year	0	1.468.176	1.468.176
	1.000.000	**-6.406.585**	**-5.406.585**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The financial statements for the period from 1 January 2023 to 31 December 2023 show a profit of 1.468.176 DKK, and equity amounts to -5.406.585 DKK at 31 December 2023.

The company has recieved a letter of comfort from the parent company which is effective until the company's annual general meeting in 2025. It is mangement's expectation that the equity can be further restored through positive operating results in 2024.

		2023	2022
2.	**Staff costs**		
	Salaries and wages	3.291.830	3.292.914
	Pension costs	288.517	297.478
	Other costs for social security	8.331	11.556
	Other staff costs	12.119	14.406
		3.600.797	**3.616.354**
	Average number of employees	4	5
3.	**Other financial costs**		
	Financial costs, group enterprises	349.856	172.222
	Other interest expenses	185.589	84.589
		535.445	**256.811**

4. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Payables to group enterprises	6.070.443	0	6.070.443	0
	6.070.443	**0**	**6.070.443**	**0**

Notes

All amounts in DKK.

5. Contingencies

Contingent liabilities

The company has entered into rental obligations amounting to a total of 135 tDKK.

The company has entered into an operating lease agreement with an average annual lease payment of 63 tDKK. The lease agreement has a residual term of 44 months and a total residual lease payment of 231 tDKK.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for VESTEY FOODS DENMARK A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

As administration company, VESTEY FOODS DENMARK A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.