



Orana A/S

Rynkebyvej 243
5350 Rynkeby
CVR No. 21624306

Annual report 01.10.2022 - 30.09.2023

The Annual General Meeting adopted the annual
report on 27.03.2024

Sia Oskarson
Chairwoman of the General Meeting

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Entity details

Entity

Orana A/S

Rynkebyvej 243

5350 Rynkeby

Business Registration No.: 21624306

Registered office: Kerterminde

Financial year: 01.10.2022 - 30.09.2023

Board of Directors

Helle Ringer Gudmand

Lisbeth Juhl Christensen

Cathrine Marie Westergaard Østerberg

Per Toft Valstorp

Jørgen Groth Dirksen

Frederik Westergaard Østerberg

Niels Olaf Østerberg

Executive Board

Niels Olaf Østerberg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Orana A/S for the financial year 01.10.2022 - 30.09.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2022 - 30.09.2023.

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

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

Rynkeby, 27.03.2024

Executive Board

Niels Olaf Østerberg

Board of Directors

Helle Ringer Gudmand

Lisbeth Juhl Christensen

Cathrine Marie Westergaard Østerberg

Per Toft Valstorp

Jørgen Groth Dirksen

Frederik Westergaard Østerberg

Niels Olaf Østerberg

Independent auditor's report

To the shareholders of Orana A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Orana A/S for the financial year 01.10.2022 - 30.09.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2022 - 30.09.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 27.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bo Damgaard Hansen

State Authorised Public Accountant
Identification No (MNE) mne34543

Abdul Wahab Ashraf

State Authorised Public Accountant
Identification No (MNE) mne46664

Management commentary

Financial highlights

| | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|--|---------|---------|---------|---------|---------|
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| Key figures | | | | | |
| Revenue | 57,525 | 65,602 | 55,173 | 55,542 | 50,586 |
| Gross profit/loss | 12,017 | 12,592 | 11,485 | 12,286 | 12,479 |
| Operating profit/loss | 2,585 | 2,294 | 1,782 | 2,779 | 2,947 |
| Net financials | (2,407) | (681) | (934) | (1,157) | (773) |
| Profit/loss for the year | 74 | 1,422 | 766 | 1,149 | 1,325 |
| Profit for the year excl. minority interests | 11 | 1,344 | 711 | 1,133 | 1,208 |
| Balance sheet total | 40,004 | 41,319 | 39,329 | 33,362 | 32,704 |
| Investments in property, plant and equipment | 2,593 | 1,852 | 1,249 | 911 | 2,223 |
| Equity | 9,017 | 9,614 | 8,804 | 8,150 | 7,808 |
| Equity excl. minority interests | 8,619 | 9,244 | 8,558 | 7,972 | 7,500 |
| Cash flows from operating activities | 926 | 1,894 | (1,237) | (1,634) | 1,652 |
| Cash flows from investing activities | (1,925) | (1,854) | (1,187) | (1,467) | (891) |
| Cash flows from financing activities | 1,188 | 191 | 2,714 | 2,846 | (488) |
| Average number of employees | 474 | 459 | 417 | 392 | 404 |
| Ratios | | | | | |
| Gross Margin (%) | 20.9 | 19.2 | 20.8 | 23.1 | 24.7 |
| Net Margin (%) | 0.1 | 2.2 | 1.4 | 2.1 | 2.6 |
| Return on equity (%) | 0.1 | 15.1 | 8.6 | 14.7 | 17.3 |
| Equity ratio (%) | 21.5 | 22.4 | 21.8 | 23.9 | 22.9 |

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

Gross Margin (%):

Gross profit/loss * 100

Revenue

Net Margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year excl. minority interests * 100

Average equity excl. minority interests

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

The Group's main activity is innovation, sales and production of fruit based semi-manufactures and Food Service products. The processing is done at the group companies and as co-packing at producers located close to the main markets. Sales are mainly at the markets in the Middle East, Asia, Africa and Europe.

The Group's strategy is to grow organically, and through various alliances to exploit local market knowledge and thereby increase the Group's overall growth.

The Group's business concept is to develop, produce and sell tailor made fruit based semi-manufactures and Food Service products to the global market. The company is also involved in processing of fresh fruit.

The Group aims to be among the most innovative and proactive providers of fruit based semi-manufactures and fruit based food service products by developing and produce high quality products in line with demand in individual markets.

Development in activities and finances

The income statement of the Group for 2022/23 shows a profit of T.USD 74 and at 30 September 2023 the balance sheet of the Group shows equity of T.USD 9,267

Profit/loss for the year in relation to expected developments

The profit before tax for the year 2022/23 is significantly lower than last year.

Consolidated revenue reduced by 12.3% whereas gross profit was realised was only 4.6% lower than last year and the result is not satisfactory. In spite of these reductions, operating profit actually increased by 12.7%. This is due to the consisted efforts of the company to reduce its costs on distribution and fixed costs.

The reason why there was a significant reduction in profit before tax is the devaluation of the Egyptian Pound and substantial increases in financial costs

Outlook

The Group wants to remain among the leaders in its field. The Group expects that the activities within fruit based raw materials will be further enhanced and strengthened in the coming years. In addition, the Group expects growth in co-packing as well as in Food Service activities. However, it is still difficult to predict sales in the future due to the current unrest in the world.

There is an expectation for the financial year 2023/24 that net profit will be in line with what was achieved in 2021/22.

Knowledge resources

Derived from the Group's business concept it is essential that the company's employees maintain and develop their knowledge resources. This is both in regards to sales, development and production. It is therefore important for the company to attract and retain the most qualified employees.

Environmental performance

Through continuous optimization of processes and the fact that the production is decentralised moving it closer to market and raw materials, the carbon footprint impact is minimised. The Group ensures the least possible strain on the environment, including work on lowering energy consumption per unit produced and to reduce waste. The Group companies comply with group policies and local statutory and regulatory requirements in regards to both external environment and work environment.

Reference is further made to the Group's Annual Sustainability Report.

<https://orana.dk/wp-content/uploads/2024/02/Annual-Sustainability-Report-2022-23.pdf>

Statutory report on corporate social responsibility

The statutory statement is available on the company's website, cf.

<https://orana.dk/wp-content/uploads/2024/02/Annual-Sustainability-Report-2022-23.pdf>

Statutory report on the underrepresented gender

The statutory statement is available on the company's website, cf.

<https://orana.dk/wp-content/uploads/2024/02/Annual-Sustainability-Report-2022-23.pdf>

Statutory report on data ethics policy

It is the Group's ethics policy that employee, customer and supplier data is collected, stored and used responsibly in all respects. The Group's Ethics and GDPR policies, have been communicated throughout the organization. It is the experience that a good knowledge of the company's Ethics and GDPR policies among the company's employees helps to support an ethically sound use of data. The group operates primarily in the B2B market, and the data that is handled as a result is primarily linked to data included in contracts with customers and business partners. In this connection, only necessary data is collected for use in the specific transaction.

Finally, the group handles data about the employees, to the extent that it is relevant for their employment in the Group. The Group continuously strives to only obtain and use data that is necessary in the specific situation. In addition, emphasis is placed on data being stored only to the extent that it is necessary or required by law.

It is aimed that data is only available to employees who need access to it as far as possible in order to ensure that as few people as possible have access to the individual data. It is estimated that this has helped to ensure that data is not used inappropriately or unintentionally.

Consolidated income statement for 2022/23

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|---------------------------------|-------|--------------------|--------------------|
| Revenue | 2 | 57,525 | 65,602 |
| Production costs | | (45,508) | (53,010) |
| Gross profit/loss | | 12,017 | 12,592 |
| Research and development costs | | (716) | (775) |
| Distribution costs | | (3,933) | (4,294) |
| Administrative expenses | | (4,743) | (5,150) |
| Other operating income | | 1,416 | 400 |
| Other operating expenses | | (1,456) | (479) |
| Operating profit/loss | | 2,585 | 2,294 |
| Other financial income | 4 | 854 | 940 |
| Other financial expenses | 5 | (3,261) | (1,621) |
| Profit/loss before tax | | 178 | 1,613 |
| Tax on profit/loss for the year | 6 | (104) | (191) |
| Profit/loss for the year | 7 | 74 | 1,422 |

Consolidated balance sheet at 30.09.2023

Assets

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|--|-------|--------------------|--------------------|
| Land and buildings | | 2,938 | 2,814 |
| Plant and machinery | | 7,095 | 5,930 |
| Other fixtures and fittings, tools and equipment | | 488 | 573 |
| Leasehold improvements | | 12 | 15 |
| Property, plant and equipment in progress | | 538 | 584 |
| Property, plant and equipment | 8 | 11,071 | 9,916 |
| Fixed assets | | 11,071 | 9,916 |
| Raw materials and consumables | | 7,064 | 8,897 |
| Work in progress | | 563 | 610 |
| Manufactured goods and goods for resale | | 2,627 | 2,783 |
| Inventories | | 10,254 | 12,290 |
| Trade receivables | | 11,168 | 13,183 |
| Receivables from group enterprises | | 653 | 124 |
| Deferred tax | 9 | 2,007 | 1,547 |
| Other receivables | | 1,977 | 2,201 |
| Tax receivable | | 191 | 193 |
| Prepayments | 10 | 1,567 | 933 |
| Receivables | | 17,563 | 18,181 |
| Other investments | | 0 | 5 |
| Investments | | 0 | 5 |
| Cash | | 1,116 | 927 |
| Current assets | | 28,933 | 31,403 |
| Assets | | 40,004 | 41,319 |

Equity and liabilities

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|--|--------------|----------------------------|----------------------------|
| Contributed capital | | 524 | 524 |
| Translation reserve | | (599) | (513) |
| Retained earnings | | 8,419 | 8,933 |
| Proposed dividend for the financial year | | 275 | 300 |
| Equity belonging to Parent's shareholders | | 8,619 | 9,244 |
| Equity belonging to minority interests | | 398 | 370 |
| Equity | | 9,017 | 9,614 |
| Deferred tax | 9 | 203 | 188 |
| Provisions | | 203 | 188 |
| Mortgage debt | | 0 | 110 |
| Bank loans | | 530 | 781 |
| Lease liabilities | | 972 | 583 |
| Other payables | | 85 | 206 |
| Non-current liabilities other than provisions | 11 | 1,587 | 1,680 |
| Bank loans | | 6,652 | 5,902 |
| Payables to other credit institutions | | 15,506 | 14,796 |
| Trade payables | | 4,508 | 7,223 |
| Payables to group enterprises | | 379 | 0 |
| Payables to owners and management | | 42 | 51 |
| Tax payable | | 621 | 219 |
| Other payables | | 1,308 | 964 |
| Deferred income | 12 | 181 | 682 |
| Current liabilities other than provisions | | 29,197 | 29,837 |
| Liabilities other than provisions | | 30,784 | 31,517 |
| Equity and liabilities | | 40,004 | 41,319 |
| Events after the balance sheet date | 1 | | |
| Staff costs | 3 | | |
| Unrecognised rental and lease commitments | 14 | | |
| Assets charged and collateral | 15 | | |
| Non-arm's length related party transactions | 16 | | |

| | |
|-----------------|----|
| Group relations | 17 |
| Subsidiaries | 18 |

Consolidated statement of changes in equity for 2022/23

| | Contributed capital USD'000 | Translation reserve USD'000 | Retained earnings USD'000 | Proposed dividend for the financial year USD'000 | Equity belonging to Parent's shareholders USD'000 | Equity belonging to minority interests USD'000 | Total USD'000 |
|-----------------------------|-----------------------------------|-----------------------------------|---------------------------------|--|---|--|------------------|
| Equity beginning of year | 524 | (513) | 8,933 | 300 | 9,244 | 370 | 9,614 |
| Ordinary dividend paid | 0 | 0 | 0 | (300) | (300) | 0 | (300) |
| Extraordinary dividend paid | 0 | 0 | (250) | 0 | (250) | 0 | (250) |
| Exchange rate adjustments | 0 | (86) | 0 | 0 | (86) | (35) | (121) |
| Profit/loss for the year | 0 | 0 | (264) | 275 | 11 | 63 | 74 |
| Equity end of year | 524 | (599) | 8,419 | 275 | 8,619 | 398 | 9,017 |

Consolidated cash flow statement for 2022/23

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|---|-------|--------------------|--------------------|
| Operating profit/loss | | 2,585 | 2,294 |
| Amortisation, depreciation and impairment losses | | 1,030 | 1,217 |
| Working capital changes | 13 | 420 | 346 |
| Cash flow from ordinary operating activities | | 4,035 | 3,857 |
| Financial income received | | 855 | 941 |
| Financial expenses paid | | (3,261) | (1,721) |
| Taxes refunded/(paid) | | (462) | (300) |
| Other cash flows from operating activities | | (241) | (883) |
| Cash flows from operating activities | | 926 | 1,894 |
| Acquisition of property, plant and equipment | | (1,925) | (1,854) |
| Cash flows from investing activities | | (1,925) | (1,854) |
| Free cash flows generated from operations and investments before financing | | (999) | 40 |
| Dividend paid | | (300) | (150) |
| Increase /repayment of loans | | 710 | (95) |
| Repayment of lease obligations | | 389 | (511) |
| Increase /repayment of loans ect. | | 389 | 947 |
| Cash flows from financing activities | | 1,188 | 191 |
| Increase/decrease in cash and cash equivalents | | 189 | 231 |
| Cash and cash equivalents beginning of year | | 927 | 696 |
| Cash and cash equivalents end of year | | 1,116 | 927 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 1,116 | 927 |
| Cash and cash equivalents end of year | | 1,116 | 927 |

Notes to consolidated financial statements

1 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

2 Revenue

| | 2022/23 | 2021/22 |
|----------------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Food Service (FS) | 10,804 | 10,001 |
| Fruit based Raw Material (FBR) | 40,087 | 47,111 |
| Co Packing (COP) | 6,634 | 8,490 |
| Total revenue by activity | 57,525 | 65,602 |

3 Staff costs

| | 2022/23 | 2021/22 |
|-----------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Wages and salaries | 8,648 | 9,599 |
| Pension costs | 880 | 950 |
| Other social security costs | 331 | 283 |
| Other staff costs | 289 | 290 |
| | 10,148 | 11,122 |

| | | |
|---------------------------------------|------------|------------|
| Average number of full-time employees | 474 | 459 |
|---------------------------------------|------------|------------|

| | Remuneration of Manage- ment 2022/23 USD'000 | Remuneration of Manage- ment 2021/22 USD'000 |
|-----------------|---|---|
| Executive Board | 247 | 296 |
| | 247 | 296 |

4 Other financial income

| | 2022/23 | 2021/22 |
|---------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Other interest income | 583 | 32 |
| Exchange rate adjustments | 271 | 908 |
| | 854 | 940 |

5 Other financial expenses

| | 2022/23 | 2021/22 |
|---------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Other interest expenses | 1,773 | 858 |
| Exchange rate adjustments | 1,488 | 763 |
| | 3,261 | 1,621 |

6 Tax on profit/loss for the year

| | 2022/23 | 2021/22 |
|------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Current tax | 582 | 411 |
| Change in deferred tax | (478) | (220) |
| | 104 | 191 |

7 Proposed distribution of profit/loss

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | USD'000 | USD'000 |
| Retained earnings | 11 | 1,344 |
| Minority interests' share of profit/loss | 63 | 78 |
| | 74 | 1,422 |

8 Property, plant and equipment

| | Land and buildings USD'000 | Plant and machinery USD'000 | Other fixtures and fittings, tools and equipment USD'000 | Leasehold improvements USD'000 | Property, plant and equipment in progress USD'000 |
|---|----------------------------------|-----------------------------------|--|--------------------------------------|---|
| Cost beginning of year | 4,856 | 12,349 | 2,618 | 100 | 584 |
| Exchange rate adjustments | 103 | 468 | (54) | (4) | (10) |
| Additions | 290 | 1,644 | 121 | 0 | 538 |
| Disposals | 0 | (77) | (17) | 0 | (574) |
| Cost end of year | 5,249 | 14,384 | 2,668 | 96 | 538 |
| Depreciation and impairment losses beginning of year | (2,042) | (6,421) | (2,046) | (84) | 0 |
| Exchange rate adjustments | (75) | (182) | 31 | 1 | 0 |
| Depreciation for the year | (194) | (763) | (181) | (1) | 0 |
| Reversal regarding disposals | 0 | 77 | 16 | 0 | 0 |
| Depreciation and impairment losses end of year | (2,311) | (7,289) | (2,180) | (84) | 0 |
| Carrying amount end of year | 2,938 | 7,095 | 488 | 12 | 538 |
| Recognised assets not owned by Entity | | 960 | | | |

9 Deferred tax

| | 2022/23 USD'000 | 2021/22 USD'000 |
|---|----------------------------|----------------------------|
| Changes during the year | | |
| Beginning of year | 1,358 | 1,138 |
| Recognised in the income statement | 478 | 262 |
| Adjustment of tax concerning pervious years | (32) | (42) |
| End of year | 1,804 | 1,358 |
| Deferred tax has been recognised in the balance sheet as follows | 2022/23 USD'000 | 2021/22 USD'000 |
| Deferred tax assets | 2,007 | 1,546 |
| Deferred tax liabilities | (203) | (188) |
| | 1,804 | 1,358 |

Deferred tax relates to intangible assets, property, plant and equipment, inventories, other provisions and loss carry-forwards.

Deferred tax assets

The recognised tax asset comprises difference between accounting and tax values and tax loss carry-forwards

expected to be utilised within the next three to four years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Company having implemented efficiency measures which are expected to increase the Company's gross margin ratio.

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

11 Non-current liabilities other than provisions

| | Due after more than 12 months 2022/23 USD'000 | Outstanding after 5 years 2022/23 USD'000 |
|-------------------|--|--|
| Bank loans | 530 | 10 |
| Lease liabilities | 972 | |
| Other payables | 85 | |
| | 1,587 | 10 |

12 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

13 Changes in working capital

| | 2022/23 USD'000 | 2021/22 USD'000 |
|--|----------------------------|----------------------------|
| Increase/decrease in inventories | 2,036 | (1,342) |
| Increase/decrease in receivables | 750 | 179 |
| Increase/decrease in trade payables etc. | (2,366) | 1,509 |
| | 420 | 346 |

14 Unrecognised rental and lease commitments

| | 2022/23 USD'000 | 2021/22 USD'000 |
|---|----------------------------|----------------------------|
| Total liabilities under rental or lease agreements until maturity | 453 | 1,072 |

15 Assets charged and collateral

Collateral has been pledged to the company's banking partners, providing collateral in Properties, intangible- and tangible fixed assets, inventory, and simple receivables with a total accounting value of USD 21,500

As security for any outstanding balance that Osterberg Ice Cream A/S, Osterberg Service & Trading A/S, Østerberg Holding ApS and Orana Denmark A/S may have with Jyske Bank and Sydbank, the parent company has given suretyship.

As security for Orana Vietnam Ltd.'s balance with Vietinbank, the parent company has given suretyship for a facility of VND 45,000 million.

16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

| Name | Place of registered office |
|-----------------------|----------------------------|
| ØSTERBERG HOLDING ApS | Kerteminde, Denmark |

18 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|--|---------------------------|----------------------|-------------|
| Orana Canada Inc. | Edmonton, Canada | Inc. | 100.00 |
| Orana Denmark A/S | Rynkeby, Denmark | A/S | 100.00 |
| Orana India Ltd. | Dehli, India | Ltd. | 90.00 |
| Orana DMCC | Dubai, UAE | DMCC | 100.00 |
| Orana Kenya Ltd. | Nairobi, Kenya | Ltd. | 100.00 |
| International Fruit Production Joint-Stock Company | Cairo, Egypt | Joint -Stock Company | 100.00 |
| Orana Egypt, Joint-Stock Company | Caury, Egypt | Joint-Stock Company | 100.00 |
| Orana Vietnam LTd. | Ho Chi Minh City, Vietnam | Ltd. | 95.00 |
| Moonberg Oranic Farms Ltd. | Nairobi, Kenya | Ltd. | 66.67 |
| Orana Fresh Fruit Processing Company Ltd. | Nairobi, Kenya | Ltd. | 90.00 |

Parent income statement for 2022/23

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|--|-------|--------------------|--------------------|
| Revenue | | 25,330 | 32,574 |
| Production costs | | (20,691) | (27,877) |
| Gross profit/loss | | 4,639 | 4,697 |
| Research and development costs | | (484) | (510) |
| Distribution costs | | (2,035) | (1,813) |
| Administrative expenses | | (2,430) | (2,599) |
| Other operating income | | 421 | 511 |
| Other operating expenses | | (465) | (303) |
| Operating profit/loss | | (354) | (17) |
| Income from investments in group enterprises | | 841 | 1,424 |
| Other financial income | 2 | 685 | 735 |
| Other financial expenses | 3 | (1,366) | (823) |
| Profit/loss before tax | | (194) | 1,319 |
| Tax on profit/loss for the year | 4 | 205 | 24 |
| Profit/loss for the year | 5 | 11 | 1,343 |

Parent balance sheet at 30.09.2023

Assets

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|--|-------|--------------------|--------------------|
| Other fixtures and fittings, tools and equipment | | 40 | 68 |
| Leasehold improvements | | 0 | 0 |
| Property, plant and equipment | 6 | 40 | 68 |
| Investments in group enterprises | | 9,331 | 6,551 |
| Financial assets | 7 | 9,331 | 6,551 |
| Fixed assets | | 9,371 | 6,619 |
| Manufactured goods and goods for resale | | 332 | 166 |
| Inventories | | 332 | 166 |
| Trade receivables | | 5,017 | 6,500 |
| Receivables from group enterprises | | 12,601 | 10,612 |
| Deferred tax | 8 | 647 | 442 |
| Other receivables | | 925 | 1,279 |
| Tax receivable | | 30 | 30 |
| Prepayments | 9 | 374 | 249 |
| Receivables | | 19,594 | 19,112 |
| Cash | | 98 | 147 |
| Current assets | | 20,024 | 19,425 |
| Assets | | 29,395 | 26,044 |

Equity and liabilities

| | Notes | 2022/23 USD'000 | 2021/22 USD'000 |
|--|--------------|----------------------------|----------------------------|
| Contributed capital | | 524 | 524 |
| Translation reserve | | (600) | (514) |
| Retained earnings | | 8,420 | 8,934 |
| Proposed dividend for the financial year | | 275 | 300 |
| Equity | | 8,619 | 9,244 |
| Provisions for investments in group enterprises | 10 | 873 | 640 |
| Provisions | | 873 | 640 |
| Bank loans | | 297 | 494 |
| Non-current liabilities other than provisions | 11 | 297 | 494 |
| Bank loans | | 6,614 | 5,605 |
| Payables to other credit institutions | | 5,036 | 4,684 |
| Trade payables | | 1,650 | 2,257 |
| Payables to group enterprises | | 6,082 | 2,863 |
| Other payables | | 224 | 257 |
| Current liabilities other than provisions | | 19,606 | 15,666 |
| Liabilities other than provisions | | 19,903 | 16,160 |
| Equity and liabilities | | 29,395 | 26,044 |
| Staff costs | 1 | | |
| Contingent liabilities | 12 | | |
| Assets charged and collateral | 13 | | |
| Related parties with controlling interest | 14 | | |
| Non-arm's length related party transactions | 15 | | |

Parent statement of changes in equity for 2022/23

| | Contributed capital USD'000 | Translation reserve USD'000 | Retained earnings USD'000 | Proposed dividend for the year USD'000 | Total USD'000 |
|-----------------------------|-----------------------------------|-----------------------------------|---------------------------------|---|------------------|
| Equity beginning of year | 524 | (514) | 8,934 | 300 | 9,244 |
| Ordinary dividend paid | 0 | 0 | 0 | (300) | (300) |
| Extraordinary dividend paid | 0 | 0 | (250) | 0 | (250) |
| Exchange rate adjustments | 0 | (86) | 0 | 0 | (86) |
| Profit/loss for the year | 0 | 0 | (264) | 275 | 11 |
| Equity end of year | 524 | (600) | 8,420 | 275 | 8,619 |

Notes to parent financial statements

1 Staff costs

| | 2022/23 | 2021/22 |
|---------------------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Wages and salaries | 2,264 | 2,202 |
| Pension costs | 167 | 158 |
| Other social security costs | 44 | 33 |
| Other staff costs | 140 | 141 |
| | 2,615 | 2,534 |
| Average number of full-time employees | 61 | 55 |

| | Remuneration of Manage- ment 2022/23 USD'000 | Remuneration of Manage- ment 2021/22 USD'000 |
|--|---|---|
| Total amount for management categories | 247 | 296 |
| | 247 | 296 |

2 Other financial income

| | 2022/23 | 2021/22 |
|---|----------------|----------------|
| | USD'000 | USD'000 |
| Financial income from group enterprises | 125 | 80 |
| Exchange rate adjustments | 553 | 647 |
| Other financial income | 7 | 8 |
| | 685 | 735 |

3 Other financial expenses

| | 2022/23 | 2021/22 |
|---------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Exchange rate adjustments | 539 | 445 |
| Other financial expenses | 827 | 378 |
| | 1,366 | 823 |

4 Tax on profit/loss for the year

| | 2022/23 | 2021/22 |
|------------------------|----------------|----------------|
| | USD'000 | USD'000 |
| Change in deferred tax | (205) | (24) |
| | (205) | (24) |

5 Proposed distribution of profit and loss

| | 2022/23 | 2021/22 |
|--|-----------|--------------|
| | USD'000 | USD'000 |
| Ordinary dividend for the financial year | 275 | 300 |
| Retained earnings | (264) | 1,043 |
| | 11 | 1,343 |

6 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment USD'000 | Leasehold improvements USD'000 |
|---|--|--------------------------------------|
| Cost beginning of year | 728 | 84 |
| Cost end of year | 728 | 84 |
| Depreciation and impairment losses beginning of year | (660) | (84) |
| Depreciation for the year | (28) | 0 |
| Depreciation and impairment losses end of year | (688) | (84) |
| Carrying amount end of year | 40 | 0 |

7 Financial assets

| | Investments in group enterprises USD'000 |
|--|---|
| Cost beginning of year | 9,292 |
| Additions | 1,621 |
| Cost end of year | 10,913 |
| Revaluations beginning of year | (3,381) |
| Exchange rate adjustments | (47) |
| Share of profit/loss for the year | 842 |
| Investments with negative equity value transferred to provisions | 873 |
| Other adjustments | 131 |
| Revaluations end of year | (1,582) |
| Carrying amount end of year | 9,331 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8 Deferred tax

| Changes during the year | 2022/23 USD'000 | 2021/22 USD'000 |
|------------------------------------|----------------------------|----------------------------|
| Beginning of year | 443 | 419 |
| Recognised in the income statement | 204 | 24 |
| End of year | 647 | 443 |

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

Deferred tax assets

The recognised tax asset comprises difference between accounting. The differences are expected to be utilised within the next three to four years.

9 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

10 Provisions for investments in group enterprises

Group enterprises with negative equity where the company has legal or constructive obligation to cover the liabilities of the relevant enterprise, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

11 Non-current liabilities other than provisions

| | Due after more than 12 months 2022/23 USD'000 |
|------------|--|
| Bank loans | 297 |
| | 297 |

12 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

13 Assets charged and collateral

Assets charged and collateral - Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

Collateral has been pledged to the company's banking partners, providing collateral in tangible fixed assets, inventory, and simple receivables with a total accounting value of USD 6,314

Collateral has been pledged to the company's banking partner in subsidiaries with a net assets of USD 896k.

As security for any outstanding balance that Osterberg Ice Cream A/S, Osterberg Service & Trading A/S, Østerberg Holding ApS and Orana Denmark A/S may have with Jyske Bank and Sydbank, the parent company has given suretyship.

As security for Orana Vietnam Ltd.'s balance with Vietinbank, the parent company has given suretyship for a facility of VND 45,000 million.

The Parent company has given a letter of support to Orana India Pvt. Ltd. wherein it is stated that Orana A/S will support Orana India Pvt. Ltd. with the amount of funds which may be necessary in order for Orana India Pvt. Ltd. to continue its operations.

14 Related parties with controlling interest

OSTERBERG SERVICE & TRADING A/S, Rynkebyvej
243, 5350 Rynkeby, Denmark

15 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

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

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

Recognition and measurement

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

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

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition

date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement

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

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year.

Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Research and development costs

Research and development costs comprise research costs, costs of development projects not qualifying for recognition in the balance sheet, and amortisation and impairment losses relating to development projects.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including

interest income on receivables from group enterprises, net capital or exchange gains on securities, payables

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and 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 of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

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

| | Useful life |
|--|--------------------|
| Buildings | 10 to 30 years |
| Plant and machinery | 5 to 20 years |
| Other fixtures and fittings, tools and equipment | 3 to 5 years |
| Leasehold improvements | 5 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

Tax payable or receivable

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities

other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

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

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

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

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

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