

Latam Foods Holding ApS

c/o ERRIA A/S
Torvet 21, 1. sal.
4600 Køge

CVR no. 35 63 50 33

Annual report 2021

The annual report was presented and approved at the Company's annual general meeting on 14 July 2022

Frederik Guldager Madsen

Chairman of the annual general meeting

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Latam Foods Holding ApS
Annual report 2021
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Latam Foods Holding ApS for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 14 July 2022
Executive Board:

Frederik Guldager Madsen



Independent auditor's report

To the shareholders of Latam Foods Holding ApS

Opinion

We have audited the financial statements of Latam Foods Holding ApS for the financial year 1 January – 31 December 2021. The financial statements comprise income statement and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

Material uncertainties regarding going concern

We draw attention to note 2 to the financial statements, which states that the Company's current liabilities exceeded total current assets by USD 75 thousand at 31 December 2021.

This condition, along with the fact that the Company does not have any sources of income, indicates that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion 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 audit 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 audit, or otherwise appears to be materially misstated.



Independent auditor's report

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 Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act and for such internal control that 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these 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 financial statements and, 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



Independent auditor's report

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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.

Copenhagen, 14 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Latam Foods Holding ApS
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Management's review

Company details

Latam Foods Holding ApS
c/o ERRIA A/S
Torvet 21, 1. sal.
4600 Køge

CVR no.	35 63 50 33
Established:	10 January 2014
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

Frederik Guldager Madsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen
Denmark
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities of the Company

The activity of the Company is to hold investments in other companies. The Company is 100% owned by the FHI Food Holdings International Fund.

The activities of the Company have been to produce and sell food products through the Plumrose Company in Venezuela. The current situation of the Company is dormant and without activity.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of USD 56 thousand, compared to a profit of USD 570 thousand in 2020. The Company's current liabilities exceed total current assets by USD 75 thousand.

This condition, along with the fact that the Company does not have any sources of income or assets that can be sold, indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Management expects that it will be possible to obtain Group internal or external financing to pay the current liabilities as they fall due during 2022, and the financial statements are therefore prepared assuming going concern.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Financial statements 1 January – 31 December

Income statement and other comprehensive income

USD'000	Note	2021	2020
Revenue		0	0
Other expenses		-59	-98
Depreciation amortisation and impairment losses		0	707
Operating profit/loss		-59	609
Financial expenses		-1	-45
Foreign exchange gains		4	6
Profit/loss before tax		-56	570
Tax on profit/loss for the year	4	0	0
Profit/loss for the period		-56	570
Other comprehensive income, net of tax			
Total comprehensive income		-56	570
Total comprehensive income attributable to Owners of the Company		-56	570
		-56	570

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	2021	2020
ASSETS			
Current assets			
Trade and other receivables	4	20	128
Cash and cash equivalents		0	1
Total current assets		20	129
TOTAL ASSETS		20	129
EQUITY AND LIABILITIES			
Equity			
Share capital	5	9	9
Retained earnings		-84	-28
Total equity		-75	-19
Liabilities			
Current liabilities			
Other payables	6	95	148
Current liabilities		95	148
Total liabilities		95	148
TOTAL EQUITY AND LIABILITIES		20	129
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Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	9	-28	-19
Comprehensive loss for 2021			
Loss for the period	0	-56	-56
Total comprehensive loss for the period	0	-56	-56
Transactions with equity owners	0	0	0
Total transactions with equity owners	0		0
Equity at 31 December 2021	9	-84	-75
Equity at 1 January 2020	9	-12,240	-12,231
Comprehensive profit for 2020			
Profit for the period	0	570	570
Other comprehensive income	0	0	0
Total comprehensive profit for the period	0	570	570
Transactions with equity owners	0	0	0
Conversion of debt	0	11,642	11,642
Total transactions with equity owners	0	11,642	11,642
Equity at 31 December 2020	9	-28	-19

Financial statements 1 January – 31 December

Cash flow statement

USD'000	Note	2021	2020
Net profit/loss for the year		-56	570
Adjustment for:			
Amortisation and impairment losses		0	-713
Financial income		-4	0
Financial expenses		1	45
		<u>-59</u>	<u>-98</u>
Increase in trade and other receivables		108	77
Decrease/increase in other payables		-53	47
		<u>55</u>	<u>26</u>
Interest paid		3	-39
Cash flows from operating activities		<u>-1</u>	<u>-13</u>
Total cash flows		-1	-13
Cash and cash equivalents at 1 January		1	14
Cash and cash equivalents at 31 December		<u>0</u>	<u>1</u>

Financial statements 1 January – 31 December

Outline of notes to the financial statements

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Financial statements 1 January – 31 December

Notes

1 Significant accounting policies

Latam Foods Holding ApS is a private limited company domiciled in Denmark.

The financial statements are presented in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act for annual reports of reporting class B entities.

The implementation of new or amended standards and interpretations, which are mandatory for financial reporting for 2021, has not resulted in changes in recognition and measurement.

Basis of preparation

The financial statements are presented in USD.

The accounting policies as set out below have been consistently applied during the financial period and to comparative figures.

Foreign currency translation and hyperinflation

Items included in the financial statements of each of the entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). Transactions in currencies other than the functional currency are considered transactions in foreign currencies.

The Parent Company's functional currency is USD

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Company's presentational currency USD at foreign exchange rates ruling at the balance sheet date. The revenue and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the foreign currency translation reserve, net of amounts previously attributed to non-controlling interests, is reclassified to the income statement as part of the gain or loss on disposal.

Financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Income statement

Other expenses

Other expenses comprise lawyer fees, as well as audit and advisory expenses.

Financial income and expense

Financial items comprise interest expenses, as well as exchange gains and losses on debt and transactions in foreign currencies.

Corporation tax and deferred tax

Tax for the period consists of current tax and movements in deferred tax for the period. Tax relating to the loss for the period is recognised in the income statement, other comprehensive income or equity.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences that are not deductible for tax purposes and on other items where temporary differences do not affect either loss for the period or taxable income.

Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Changes in deferred tax due to changed tax rates are recognised in the income statement.

Financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Balance sheet

Impairment of non-current assets

Assets with indefinite useful lives are subject to annual impairment tests. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Trade and other receivables

Receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less write-down for bad debts. Write-down for bad debts is effected when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Write-down of receivables is stated as the difference between the carrying amount and the net present value of projected cash flows. The effective rate of interest used for the initial recognition of the individual receivable or portfolio of receivables is used as discount rate.

Other payables

Other financial liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Cash flow statement

The cash flow statement presents cash flows broken down to operating activities, changes for the period in cash and cash equivalents and cash and cash equivalents at the beginning and end of the period.

Cash flows from operating activities are presented using the indirect method and stated as loss adjusted for non-cash operating items, including amortisation and write-downs, interest received and paid, and corporation taxes paid.

Cash and cash equivalents comprise cash as well as short-term securities with a term to maturity of less than three months, which are easily realisable and only subject to an immaterial risk of changes in value.

Financial statements 1 January – 31 December

Notes

2 Material uncertainties regarding going concern

According to the regulations governing the preparation of financial statements, Management is required to determine whether the financial statements can be presented on a "going concern" basis.

The Company incurred a loss of USD 56 thousand during the year ended 31 December 2021 and, as of that date, the Company's current liabilities exceeded total current assets by USD 75 thousand.

This condition, along with the fact that the Company does not have any sources of income, indicates that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern.

Management expects that it will be possible to obtain Group internal or external financing to pay the current liabilities as they fall due during 2022. It has been possible until the end of June 2022 and in former years. The owner is under liquidation and will liquidate Latam Foods Holding ApS when the tax case is closed. As it is most unlikely that the Company will be able to obtain an external loan, it depends on Group support that is not guaranteed. The financial statements are therefore prepared assuming going concern, but with significant uncertainty.

3 Use of judgements and estimates

In connection with the preparation of the financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgments based on a number of other factors in the given circumstances.

The following accounting estimates are considered significant to the financial reporting. Due to the economic circumstances and systems in Venezuela, it is unlikely that the Company will receive payment for the old royalty receivables.

Further, the Intercompany receivable from Barsub is associated with some uncertainty due to the Group financial situation. However, as more than 50% of the receivables have been paid off in 2022, it is not a significant risk.

4 Trade and other receivables

USD'000	2021	2020
Amount owed by Group entities	20	128
Trade and other receivables at 31 December	20	128

Financial statements 1 January – 31 December

Notes

5 Equity

Capital management

The capital structure of the Company consists of net liabilities and owners' equity. The Company manages its capital to safeguard its ability to operate as a going concern and to optimise returns to the shareholders.

The Company manages its capital structure and makes adjustments to it in light of changes to economic conditions and its strategic objectives.

Share capital

	Shares issued	
	Number	Normal value
Cost at 31 December	501	9

The share capital is divided into 501 shares of nominal DKK 100 each and all fully paid. All shares rank equally. There are no limitations in negotiability or voting rights.

Management expects to re-establish equity by debt conversion or, if possible, cash contribution.

6 Other payables

USD'000	2021	2020
Payables to related parties	26	42
Other payables	72	106
	98	148

Financial statements and 1 January – 31 December

Notes

7 Financial instruments

The Company has exposure to credit, liquidity and market risks from its use of financial instruments.

Due to the Company expecting to start liquidation within a year and considering the limited number of creditors, all administrative, there are no major policies, and the risk is also limited.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from related parties and cash held at financial institutions.

Exposure to credit risk

USD'000	2021	2020
Receivables from related parties	20	128
Cash and cash equivalents	0	1
	<u>20</u>	<u>129</u>

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The liquidity risk is managed, for both the Company and the Parent Company, by maintaining sufficient cash balances and credit facilities to meet working capital requirements.

Contractual maturities of non-derivative financial liabilities

USD'000	2021	2020
Current liabilities		
Other payables	98	148

Trade and other payables shown as current liabilities are expected to mature within six months of the balance sheet date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. Exposure to interest and currency risks arises in the normal course of the Company's business.

Financial statements 1 January – 31 December

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7 Financial instruments (continued)

Interest rate risk

USD'000	2021	2020
Cash and cash equivalents	0	1
	0	1

Foreign currency risk

The Company's exposure to foreign currency risk is as follows:

2021

USD'000	USD	EUR	DKK	Total
Other receivables	20	0	0	20
Other payables	-95	0	0	-95
	-75	0	0	-75

2020

USD'000	USD	EUR	DKK	Total
Cash and cash equivalents	0	0	1	1
Other receivables	128	0	0	128
Other payables	-148	0	0	-148
	-20	0	1	-19

Sensitivity to foreign exchange rates

If USD had been 10% stronger/weaker at 31 December 2021, the Company's equity would have increased/decreased by USD 1 thousand (2020: USD 2 thousand). This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

Financial statements 1 January – 31 December

Notes

8 Related party disclosures

The Company's related parties include its fellow companies, its direct Parent and ultimate owner, FHI Food Holdings International Fund, which is the sole owner of the share capital of the Company, and FHI Food Holdings International Funds other investments.

In the year, the related party transactions relate to the intercompany balances at year-end.

9 Disclosure of events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial statements.

10 New standards and interpretations not yet adopted

The IASB has issued new accounting standards (IFRS and IAS) and interpretations (IFRICs) which are not mandatory for Latam Foods Holding ApS in the preparation of the financial statements for 2021.

The Company expects to adopt the new accounting standards and interpretations when they become mandatory according to the effective dates adopted by the EU.

None of the new standards or interpretations are expected to have any effect on the financial reporting of Latam Foods Holding ApS.

11 Contingencies

The Danish Tax Agency has made a tax claim against the Company regarding dividend payments from Plumrose Latinoamericana C.A. to the Company, as the Agency is of the view that the royalty qualifies as a taxable royalty payment. The claim has been ongoing for several years. Management believe the claim will be closed in favour of the company in 2022, As the claim has been ongoing for many years and not closed in 2021 management has presented the claim as a contingent liability until it has been official closed by the Tax Agency.

12 Staff costs

There were no employees in 2020 and 2021.