

Westfleisch Scandinavia ApS

**Gammel Kongevej 1, 2
København V**

CVR no. 40 36 04 25

**Annual report for 2020
(2nd Financial year)**

Adopted at the annual general
meeting on 1 March 2021

Michael Schulze Kalthoff
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Westfleisch Scandinavia ApS for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 1 March 2021

Executive board

Michael Schulze Kalthoff
director

Henrik Buchhave
CEO

Auditor's report on compilation of the financial statements

To the shareholder of Westfleisch Scandinavia ApS

We have compiled the financial statements of Westfleisch Scandinavia ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We must disclose that we do not comply with the independence requirements that apply to statements with certainty.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 1 March 2021

Rödl & Partner Danmark

Godkendt Revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
statsautoriseret revisor
MNE no. mne32734

Company details

The company

Westfleisch Scandinavia ApS
Gammel Kongevej 1, 2
København V

CVR no.: 40 36 04 25

Reporting period: 1 January - 31 December 2020

Incorporated: 11. March 2019

Domicile: Copenhagen

Executive board

Michael Schulze Kalthoff, director
Henrik Buchhave, CEO

Auditors

Rödl & Partner Danmark
Godkendt Revisionsaktieselskab
Store Kongensgade 40H, 2.
1264 København K

Management's review

Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 156,348, and the balance sheet at 31 December 2020 shows negative equity of DKK 453,332.

The parent company has issued a letter of support and a resignation statements to ensure going concern for the company until the company is self-supporting.

As a consequence of the realised loss last year, the company has lost more than half of its share capital. Management expects that the share capital will be reestablished through own operation.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Westfleisch Scandinavia ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less other external expenses.

Revenue

Income from provision is recognised in the profit and loss statement in accordance with the contract and if the income can be measured reliably and it is probable that future economic benefits will flow to the company.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Revenue		1,996,512	764,404
Expenses for raw materials and consumables		-25,896	0
Other external costs		-427,357	-371,751
Gross profit		1,543,259	392,653
Staff costs	1	-1,369,871	-1,037,681
Profit/loss before net financials		173,388	-645,028
Financial income		2,130	0
Financial costs	2	-19,170	-14,652
Profit/loss before tax		156,348	-659,680
Tax on profit/loss for the year		0	0
Profit/loss for the year		156,348	-659,680
Retained earnings		156,348	-659,680
		156,348	-659,680

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Receivables from affiliated companies		730,099	167,568
Other receivables		27,068	35,535
Prepayments		<u>20,833</u>	<u>43,364</u>
Receivables		<u>778,000</u>	<u>246,467</u>
Cash at bank and in hand		<u>170,891</u>	<u>293,533</u>
Total current assets		<u>948,891</u>	<u>540,000</u>
Total assets		<u><u>948,891</u></u>	<u><u>540,000</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Equity and liabilities			
Share capital		50,000	50,000
Retained earnings		-503,332	-659,680
Equity	3	-453,332	-609,680
Other credit institutions		17,018	5,285
Trade payables		51,916	57,209
Payables to subsidiaries		914,580	926,139
Other payables		418,709	161,047
Total current liabilities		1,402,223	1,149,680
Total liabilities		1,402,223	1,149,680
Total equity and liabilities		948,891	540,000
Uncertainty about the continued operation (going concern)	4		
Rent and lease liabilities	5		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	50,000	-659,680	-609,680
Net profit/loss for the year	0	156,348	156,348
Equity at 31 December 2020	<u>50,000</u>	<u>-503,332</u>	<u>-453,332</u>

Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	1,234,656	947,355
Pensions	123,712	87,583
Other social security costs	9,670	2,743
Other staff costs	<u>1,833</u>	<u>0</u>
	<u>1,369,871</u>	<u>1,037,681</u>
Average number of employees	<u>1</u>	<u>1</u>
2 Financial costs		
Interest paid to subsidiaries	0	11,559
Other financial costs	19,763	1,861
Exchange loss	134	1,232
Percentage surcharge, corporation tax	<u>-727</u>	<u>0</u>
	<u>19,170</u>	<u>14,652</u>

3 Equity

There have been no changes in the share capital during the last 5 years.

4 Uncertainty about the continued operation (going concern)

The parent company has issued a letter of support and a resignation statements to ensure going concern for the company until the company is self-supporting.

As a consequence of the realised loss, the company has lost more than half of its share capital. Management expects that the share capital will be reestablished through own operation.

Notes

	<u>2020</u> DKK	<u>2019</u> DKK
5 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	83,112	124,422
Between 1 and 5 years	<u>34,630</u>	<u>117,742</u>
	<u>117,742</u>	<u>242,164</u>