WIM Food A/S

Vandmanden 22, 9200 Aalborg SV

Company reg. no. 41 45 69 73

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 6 May 2024.

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Jonas Winter Mikkelsen
Chairman of the meeting

Notes:

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

Contents

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of WIM Food A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Aalborg SV, 6 May 2024

Managing Director

Jonas Winter Mikkelsen

Board of directors

Joakim Suni Durhuus	Jonas Winter Mikkelsen	Anne-Sophie Winter Mikkelsen

Independent auditor's report on extended review

To the Shareholders of WIM Food A/S

Conclusion

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

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

Basis for conclusion

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

Management’s Responsibilities for the Financial Statements

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

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

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

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

Independent auditor's report on extended review

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

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

Statement on the Management's Review
Management is responsible for the Management's Review.

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

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

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

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

Aalborg, 6 May 2024

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Søren Korgaard-Mollerup
State Authorised Public Accountant
mne31477

Company information

The company	WIM Food A/S Vandmanden 22 9200 Aalborg SV	
	Phone	53378893
	Company reg. no.	41 45 69 73
	Financial year:	1 January - 31 December
Board of directors	Joakim Suni Durhuus Jonas Winter Mikkelsen Anne-Sophie Winter Mikkelsen	
Managing Director	Jonas Winter Mikkelsen	
Auditors	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Bankers	Spar Nord Bank A/S	
Parent company	Durhuus Invest ApS	

Management´s review

Description of key activities of the company

Like previous years, the principal activities are comprise of selling and trading food products with the mainly acitivities in Europe and Asia.

Development in activities and financial matters

The company is a growing company and has throughout the year expanded its acitivities and hired further employees which has lead to increased net revenue.

Income statement 1 January - 31 December

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

Note		2023	2022
	Gross profit	**13.617.486**	**11.685**
1	Staff costs	-8.475.156	-5.461
	Depreciation and impairment of non-current assets	-123.753	-48
	Other operating expenses	0	-9
	Operating profit	**5.018.577**	**6.167**
	Other financial income from group enterprises	4.173	0
	Other financial income	86.624	249
2	Other financial expenses	-3.542.090	-609
	Pre-tax net profit or loss	**1.567.284**	**5.807**
	Tax on net profit or loss for the year	-385.019	-1.368
	Net profit or loss for the year	**1.182.265**	**4.439**
	Proposed distribution of net profit:		
	Dividend for the financial year	0	1.100
	Transferred to retained earnings	1.182.265	3.339
	Total allocations and transfers	**1.182.265**	**4.439**

Balance sheet at 31 December

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

Note	Assets	2023	2022
	Non-current assets		
	Acquired concessions, patents, licenses, trademarks, and similar rights	130.200	139
	Total intangible assets	130.200	139
	Other fixtures, fittings, tools and equipment	793.293	205
	Total property, plant, and equipment	793.293	205
	Investments in group enterprises	69.659	0
	Deposits	189.475	35
	Total investments	259.134	35
	Total non-current assets	**1.182.627**	**379**
	Current assets		
	Raw materials and consumables	0	511
	Prepayments for goods	5.459.605	1.443
	Total inventories	5.459.605	1.954
	Trade receivables	43.089.736	29.280
	Receivables from group enterprises	369.493	0
3	Other receivables	862.961	4.617
	Prepayments	39.216	4
	Total receivables	44.361.406	33.901
	Cash and cash equivalents	17.224	5.962
	Total current assets	**49.838.235**	**41.817**
	Total assets	**51.020.862**	**42.196**

Balance sheet at 31 December

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

Equity and liabilities

Note		2023	2022
	Equity		
	Contributed capital	1.000.000	1.000
	Retained earnings	5.891.325	4.709
	Proposed dividend for the financial year	0	1.100
	Total equity	**6.891.325**	**6.809**
	Provisions		
	Provisions for deferred tax	85.185	76
	Total provisions	**85.185**	**76**
	Liabilities other than provisions		
4	Subordinate loan capital	2.400.000	2.400
	Total long term liabilities other than provisions	2.400.000	2.400
	Bank loans	25.812.043	24.674
	Prepayments received from customers	525.178	872
	Trade payables	11.519.579	4.625
	Payables to group enterprises	1.291.955	476
	Income tax payable	220.310	1.268
	Other payables	2.275.287	996
	Total short term liabilities other than provisions	41.644.352	32.911
	Total liabilities other than provisions	**44.044.352**	**35.311**
	Total equity and liabilities	**51.020.862**	**42.196**

5 Charges and security

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	1.000.000	4.709.060	1.100.000	6.809.060
Distributed dividend	0	0	-1.100.000	-1.100.000
Retained earnings for the year	0	1.182.265	0	1.182.265
	1.000.000	**5.891.325**	**0**	**6.891.325**

Notes

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	7.759.382	5.058
	Pension costs	610.050	326
	Other costs for social security	47.335	38
	Other staff costs	58.389	39
		8.475.156	**5.461**
	Average number of employees	14	11
2.	**Other financial expenses**		
	Financial costs, group enterprises	156.235	56
	Other financial costs	3.385.855	553
		3.542.090	**609**

3. Other receivables

Derivative financial instruments are used to hedge future sales and receivables from sales in foreign currencies, including EUR, USD and GBP. All future sales are hedged in USD. On 31 December 2023 the market value of derivative financial instruments carrying amount of DKK 626 t.kr. and the contracts have a remaining term of 0-7 months.

- receivables DKK 658 t.kr.
- debt DKK 32 t.kr.

The derivative financial instrument is contracted with Spar Nord Bank A/S.

		2023	2022
4.	**Subordinate loan capital**		
	Total subordinate loan capital	2.400.000	2.400
	Share of amount due within 1 year	0	0
	Total subordinate loan capital	**2.400.000**	**2.400**
	Share of liabilities due after 5 years	2.400.000	2.400

Notes

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

5. Charges and security

Spar Nord Bank A/S has been provided floating charge which amout to 29 mio. DKK. The following assets have been provided as security:

	DKK in thousands
Other fixtures, fittings, tools and equipment	793
Inventories	5.590
Trade receivables	43.390

6. Contingencies

Contingent liabilities

Rent and lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK t.kr. 56. The leases have 7 months to maturity and total outstanding lease payments total DKK t.kr. 33.

The company has entered into a lease with an average annual cost of DKK t.kr. 381. The rental agreement is irrevocable until 1. August 2027, corresponding to a remaining rental payment of DKK t.kr. 1.365.

Joint taxation

With Duurhus Invest ApS, company reg. no 46611037 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Derivatives
At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

Accounting policies

Income statement

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

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

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

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

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

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

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

Depreciation, amortisation, and write-down for impairment
Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses
Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

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

Accounting policies

Results from investments in group enterprises

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

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

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Intangible assets

Acquired concessions, patents, licenses, trademarks, and similar rights

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over the expected useful life which is estimated to 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

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

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

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

Accounting policies

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

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

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

Leases

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

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

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

Impairment loss relating to non-current assets

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

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

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

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Accounting policies

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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

Accounting policies

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

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

According to the rules of joint taxation, WIM Food A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

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

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

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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