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Hallumgade Farming ApS

Kvongvej 511, Kvong, 6800 Varde

Company reg. no. 38 45 46 84

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 3 April 2025.

Martin Kuper
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
The independent practitioner's report	2
Management's review	
Company information	4
Management's review	5
Financial statements 1 January - 31 December 2024	
Accounting policies	6
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Notes	15

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Hallumgade Farming ApS for the financial year 1 January - 31 December 2024.

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 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

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.

Varde, 3 April 2025

Managing Director

Simon Grønlund Høj

Board of directors

Stefan Wernsing
Chairman

Martin Kuper

Lukas Wernsing

Per Højgaard Andersen

The independent practitioner's report

To the Shareholders of Hallumgade Farming ApS

Conclusion

We have performed an extended review of the financial statements of Hallumgade Farming ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

Management's Responsibilities for the Financial Statements

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

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

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

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

The independent practitioner's report

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

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

Statement on the Management's Review

Management is responsible for the Management's Review.

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

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

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

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

Copenhagen, 3 April 2025

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen

State Authorised Public Accountant
mne30153

Company information

The company	Hallumgade Farming ApS Kvongvej 511 Kvong 6800 Varde Company reg. no. 38 45 46 84 Financial year: 1 January - 31 December
Board of directors	Stefan Wernsing, Chairman Martin Kuper Lukas Wernsing Per Højgaard Andersen
Managing Director	Simon Grønlund Høj
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Lautrupsgade 11 2100 København Ø
Parent company	Hallumgade Invest ApS

Management's review

Description of key activities of the company

Like previous years, the activities are plant production on leased land.

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

The gross profit for the year totals DKK 3.559.359 against DKK 399.577 last year. Income or loss from ordinary activities after tax totals DKK -1.937.910 against DKK -875.625 last year. Management considers the net profit or loss for the year less satisfactory.

Accounting policies

The annual report for Hallumgade Farming ApS 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.

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.

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

Income statement

Gross profit

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

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.

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

Accounting policies

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs 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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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 rights

Acquired rights are measured at cost with deduction of accrued amortisation. Acquired rights are amortised on a straight-line basis over 10 years.

Property, plant, and equipment

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

Accounting policies

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.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	20-30 years
Other fixtures and fittings, tools and equipment	3-5 years

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

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

Leases

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets 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.

Accounting policies

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

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

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Accounting policies

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.

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, Hallumgade Farming ApS 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.

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

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

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Gross profit	3.559.359	399.577
1 Staff costs	-160.594	0
Depreciation, amortisation, and impairment	-1.075.057	-1.161.912
Other operating costs	-4.556.445	0
Operating profit	-2.232.737	-762.335
Other financial income	27.252	34.218
2 Other financial expenses	-278.163	-394.478
Pre-tax net profit or loss	-2.483.648	-1.122.595
3 Tax on net profit or loss for the year	545.738	246.970
Net profit or loss for the year	-1.937.910	-875.625
Proposed distribution of net profit:		
Allocated from retained earnings	-1.937.910	-875.625
Total allocations and transfers	-1.937.910	-875.625

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets		
4 Acquired concessions, patents, licenses, trademarks, and similar rights	451.059	645.659
Total intangible assets	451.059	645.659
5 Land and buildings	6.549.046	7.190.071
6 Other fixtures, fittings, tools and equipment	1.802.980	1.360.411
Total property, plant, and equipment	8.352.026	8.550.482
Total non-current assets	8.803.085	9.196.141
Current assets		
Raw materials and consumables	6.118.134	10.855.500
Total inventories	6.118.134	10.855.500
Trade receivables	1.974.986	271.309
Receivables from group enterprises	652.815	403.550
Deferred tax assets	101.930	380.490
Tax receivables from subsidiaries	564.718	0
Other receivables	10.000	2.073.508
Prepayments and accrued income	0	126.753
Total receivables	3.304.449	3.255.610
Cash on hand and demand deposits	4.212.687	738.808
Total current assets	13.635.270	14.849.918
Total assets	22.438.355	24.046.059

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
	Equity		
7	Contributed capital	100.000	100.000
	Retained earnings	7.902.524	9.840.434
	Total equity	8.002.524	9.940.434
	Liabilities other than provisions		
8	Payables to group enterprises	12.231.215	12.803.293
	Total long term liabilities other than provisions	12.231.215	12.803.293
	Current portion of long term payables	1.138.800	1.120.800
	Trade payables	236.045	181.532
	Other payables	829.771	0
	Total short term liabilities other than provisions	2.204.616	1.302.332
	Total liabilities other than provisions	14.435.831	14.105.625
	Total equity and liabilities	22.438.355	24.046.059
	9 Contingencies		
	10 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	100.000	716.059	816.059
Profit or loss for the year brought forward	0	-875.625	-875.625
Debt conversion	0	10.000.000	10.000.000
Equity 1 January 2024	100.000	9.840.434	9.940.434
Profit or loss for the year brought forward	0	-1.937.910	-1.937.910
	100.000	7.902.524	8.002.524

Notes

All amounts in DKK.

	<u>2024</u>	<u>2023</u>
1. Staff costs		
Salaries and wages	159.703	0
Other costs for social security	891	0
	<u>160.594</u>	<u>0</u>
Average number of employees	<u>1</u>	<u>0</u>
2. Other financial expenses		
Financial costs, group enterprises	274.902	392.830
Other financial costs	3.261	1.648
	<u>278.163</u>	<u>394.478</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	-564.718	0
Adjustment for the year of deferred tax	18.980	-246.970
	<u>-545.738</u>	<u>-246.970</u>
4. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2024	<u>1.945.774</u>	<u>1.945.774</u>
Cost 31 December 2024	<u>1.945.774</u>	<u>1.945.774</u>
Amortisation and write-down 1 January 2024	-1.300.115	-1.105.515
Amortisation for the year	-194.600	-194.600
Amortisation and write-down 31 December 2024	<u>-1.494.715</u>	<u>-1.300.115</u>
Carrying amount, 31 December 2024	<u>451.059</u>	<u>645.659</u>

Notes

All amounts in DKK.

	<u>31/12 2024</u>	<u>31/12 2023</u>
5. Land and buildings		
Cost 1 January 2024	10.783.912	10.604.837
Additions during the year	<u>0</u>	<u>179.075</u>
Cost 31 December 2024	<u>10.783.912</u>	<u>10.783.912</u>
Depreciation and write-down 1 January 2024	-3.593.841	-2.809.073
Depreciation for the year	<u>-641.025</u>	<u>-784.768</u>
Depreciation and write-down 31 December 2024	<u>-4.234.866</u>	<u>-3.593.841</u>
Carrying amount, 31 December 2024	<u>6.549.046</u>	<u>7.190.071</u>
6. Other fixtures, fittings, tools and equipment		
Cost 1 January 2024	2.167.537	1.297.537
Additions during the year	<u>682.000</u>	<u>870.000</u>
Cost 31 December 2024	<u>2.849.537</u>	<u>2.167.537</u>
Amortisation and write-down 1 January 2024	-807.125	-624.582
Depreciation for the year	<u>-239.432</u>	<u>-182.544</u>
Amortisation and write-down 31 December 2024	<u>-1.046.557</u>	<u>-807.126</u>
Carrying amount, 31 December 2024	<u>1.802.980</u>	<u>1.360.411</u>
7. Contributed capital		
The share capital of the company is nom. DKK 100,000 divided into nom. DKK 51,000 A-shares of DKK 100 each or any multiples thereof and nom. DKK 49,000 B-shares of DKK 100 each or any multiples thereof.		
8. Payables to group enterprises		
Total payables to group enterprises	13.370.015	13.924.093
Share of amount due within 1 year	<u>-1.138.800</u>	<u>-1.120.800</u>
	<u>12.231.215</u>	<u>12.803.293</u>
Share of liabilities due after 5 years	<u>8.561.874</u>	<u>8.320.093</u>

Notes

All amounts in DKK.

31/12 2024 31/12 2023

9. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into a lease agreement for agricultural land with the parent company Hallumgade Invest ApS. The rental agreement can be terminated with one year's notice. The total liability amounts to between tDKK. 1,944 to 2,684.

Operational leasing

The company has leasing commitments amounting to tDKK 359 as of December 31, 2024.

Joint taxation

With Wernsing Scandinavia ApS, company reg. no 30507029 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.

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

10. Related parties

Consolidated financial statements

The consolidated annual accounts for Wernsing Scandinavia ApS can be obtained on <https://datacvr.virk.dk/data/>. The ultimate parent company, in which the company is included as a subsidiary, is Wernsing Food Family Group GmbH & Co. KG, Germany. The consolidated annual accounts can be obtained on www.bundesanzeiger.de.