Grant Thornton

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Hallumgade Pig Production ApS

Kvongvej 511, Kvong, 6800 Varde

Company reg. no. 38 45 47 65

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 15 May 2024.

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Martin Kuper
Chairman of the meeting

Contents

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 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Hallumgade Pig Production ApS 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.

Varde, 15 May 2024

Managing Director

Simon Grønlund Høj

Board of directors

Martin Kuper Chairman	Per Højgaard Andersen	Knud Hallas Beer

Independent auditor's report

To the Shareholders of Hallumgade Pig Production ApS

Opinion

We have audited the financial statements of Hallumgade Pig Production ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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.

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

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

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

Independent auditor's report

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

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

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

Copenhagen, 15 May 2024

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

Brian Rasmussen
State Authorised Public Accountant
mne30153

Company information

The company	Hallumgade Pig Production ApS Kvongvej 511 Kvong 6800 Varde
	Company reg. no. 38 45 47 65 Financial year: 1 January - 31 December
Board of directors	Martin Kuper, Chairman Per Højgaard Andersen Knud Hallas Beer
Managing Director	Simon Grønlund Høj
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Hallumgade Invest ApS

Management´s review

Description of key activities of the company

The company's main activity is sale of pgilets to the Danish market as well as to export.

Development in activities and financial matters

The gross profit for the year totals DKK 34.789.432 against DKK 11.685.891 last year. Income or loss from ordinary activities after tax totals DKK 15.151.594 against DKK 1.548.475 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for Hallumgade Pig Production ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B 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.

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.

Accounting policies

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.

The enterprise will be applying IAS 11 and 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 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 tangible assets, respectively.

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.

Accounting policies

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

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.

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.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

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

	Useful life
Buildings	20 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.

Accounting policies

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.

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 market value as stated by Research Center for Agriculture Ø90. 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.

Other inventories are measured at cost on basis of measured average prices. In case 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.

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.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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.

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

Equity
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.

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 Pig Production 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.

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

Accounting policies

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.

Note		2023	2022
	Gross profit	**34.789.432**	**11.685.891**
1	Staff costs	-6.718.135	-5.741.696
	Depreciation and impairment of property, land, and equipment	-1.419.798	-1.546.967
	Operating profit	**26.651.499**	**4.397.228**
	Other financial income	218.224	0
2	Other financial expenses	-7.447.148	-2.412.092
	Pre-tax net profit or loss	**19.422.575**	**1.985.136**
3	Tax on net profit or loss for the year	-4.270.981	-436.661
	Net profit or loss for the year	**15.151.594**	**1.548.475**
	Proposed distribution of net profit:		
	Dividend for the financial year	5.000.000	150.000
	Transferred to retained earnings	10.151.594	1.398.475
	Total allocations and transfers	**15.151.594**	**1.548.475**

Balance sheet at 31 December

All amounts in DKK.

Note	**Assets**	2023	2022
	Non-current assets		
4	Land and buildings	11.528.524	11.208.771
5	Other fixtures, fittings, tools and equipment	8.150.829	7.330.603
	Total property, plant, and equipment	19.679.353	18.539.374
	Total non-current assets	**19.679.353**	**18.539.374**
	Current assets		
	Raw materials and consumables	2.445.670	1.759.178
	Work in progress	9.570.000	8.685.800
	Manufactured goods and goods for resale	6.644.675	6.513.835
	Total inventories	18.660.345	16.958.813
	Trade receivables	87.492	1.230.298
	Receivables from group enterprises	114.156	0
	Other receivables	1.011.763	666.111
	Total receivables	1.213.411	1.896.409
	Cash and cash equivalents	16.878.187	3.611.310
	Total current assets	**36.751.943**	**22.466.532**
	Total assets	**56.431.296**	**41.005.906**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
6	Contributed capital	100.000	100.000
	Retained earnings	18.888.502	8.736.908
	Proposed dividend for the financial year	5.000.000	150.000
	Total equity	**23.988.502**	**8.986.908**
	Provisions		
	Provisions for deferred tax	792.714	1.039.741
	Total provisions	**792.714**	**1.039.741**
	Liabilities other than provisions		
7	Deposits	11.000	11.000
8	Payables to group enterprises	15.085.470	17.206.717
	Total long term liabilities other than provisions	15.096.470	17.217.717
	Current portion of long term liabilities	935.000	8.535.000
	Trade payables	3.459.500	1.920.104
	Payables to group enterprises	7.180.581	2.474.261
	Income tax payable to subsidiaries	4.518.008	0
	Other payables	460.521	832.175
	Total short term liabilities other than provisions	16.553.610	13.761.540
	Total liabilities other than provisions	**31.650.080**	**30.979.257**
	Total equity and liabilities	**56.431.296**	**41.005.906**

9 Disclosures on fair value

10 Contingencies

11 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2023	100.000	8.736.908	0	8.836.908
Profit or loss for the year brought forward	0	10.151.594	5.000.000	15.151.594
	100.000	**18.888.502**	**5.000.000**	**23.988.502**

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	6.147.317	5.169.825
	Pension costs	436.534	429.624
	Other costs for social security	134.284	142.247
		6.718.135	**5.741.696**
	Average number of employees	13	15
2.	**Other financial expenses**		
	Financial costs, group enterprises	784.018	1.295.935
	Other financial costs	6.663.130	1.116.157
		7.447.148	**2.412.092**
3.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	4.518.008	0
	Adjustment for the year of deferred tax	-247.027	436.661
		4.270.981	**436.661**
4.	**Land and buildings**		
	Cost 1 January 2023	13.659.581	13.659.581
	Additions during the year	1.028.050	0
	Cost 31 December 2023	**14.687.631**	**13.659.581**
	Depreciation and write-down 1 January 2023	-2.450.810	-1.756.614
	Depreciation for the year	-708.297	-694.196
	Depreciation and write-down 31 December 2023	**-3.159.107**	**-2.450.810**
	Carrying amount, 31 December 2023	**11.528.524**	**11.208.771**

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
5.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	11.501.743	11.531.743
	Additions during the year	1.546.726	40.000
	Disposals during the year	-30.000	-70.000
	Cost 31 December 2023	**13.018.469**	**11.501.743**
	Amortisation and write-down 1 January 2023	-4.171.140	-3.333.369
	Depreciation for the year	-719.000	-865.771
	Reversal of depreciation, amortisation and writedown, assets disposed of	22.500	28.000
	Amortisation and write-down 31 December 2023	**-4.867.640**	**-4.171.140**
	Carrying amount, 31 December 2023	**8.150.829**	**7.330.603**

6. Contributed capital

The share capital of the Company is DKK 100,000 divided into nom. DKK 10,000 A-shares of DKK 100 each or any multiples thereof and nom. DKK 90,000 B-shares of DKK 100 each or any multiples therof.

		31/12 2023	31/12 2022
7.	**Deposits**		
	Total deposits	11.000	11.000
	Share of amount due within 1 year	0	0
	Total deposits	**11.000**	**11.000**
	Share of liabilities due after 5 years	0	0
8.	**Payables to group enterprises**		
	Total payables to group enterprises	16.020.470	25.741.717
	Share of amount due within 1 year	-935.000	-8.535.000
		15.085.470	**17.206.717**
	Share of liabilities due after 5 years	10.410.470	11.482.974

Notes

All amounts in DKK.

9. Disclosures on fair value

	Biological assets / life stock
Fair value at 31 December 2023	16.214.675
Unrealised change in fair value of the year recognised in the statement of financial activity	966.540

10. Contingencies

Contingent liabilities

Lease liabilities

The company has signed a lease agreement for rantal of their buildings with parent Hallumgade Invest ApS. The lease agreement can be terminated by the company at the earliest with effect per 31st of December 2038. The annual average rental obligation is tDKK 2.773.

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.

11. 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 subsidary, is Wernsing Food Family Group GmbH & Co. KG, Germany. The consolidated annual accounts can be obtained on www.bundesanzeiger.de.