



warfair Annual Report 2021





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warfair Årsrapport 2021¹

MANAGEMENT STATEMENT

The Executive Board has today considered and approved the internal financial balance sheet for the financial year 1 January 2020 - December 31, 2021 for warfair ApS.

It is our opinion that the internal financial balance sheet gives a true and fair view of the company's assets, liabilities and financial position per. 31 December 2021 and of the result of the company's activities for the financial year 1. January 2021 - December 31, 2021.

In our opinion, the report contains a true and fair view of the activities the report deals with.

LEDELSESPÅTEGNING

Direktionen har dags dato behandlet og godkendt den interne regnskabsbalance for regnskabsåret 1. januar 2020 - 31. december 2021 for warfair ApS.

Det er vores opfattelse, at den interne regnskabsbalance giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31. december 2021 samt af resultatet af selskabets aktiviteter for regnskabsåret 1. januar 2021 - 31. december 2021.

Ledelsesberetningen indeholder efter vores opfattelse en retvisende redegørelse for de forhold, beretningen omhandler.

Veksø Sjælland, May 6st, 2022

Karin Friis Bach
Director

Christian Friis Bach
CEO

Note: The Management Statement has been endorsed by the [warfair Advisory Board](#) at their meeting on May 11th 2022.

¹ Frontpage: Anna Birinka, Virunga, DR Congo; Hosna, Ziba Foods, Afghanistan; Nekbakht, Shadian, Afghanistan; Rahma, Som Seed Agri, Somalia; Rahima, Afghanistan Saffron Company; Traore, Gebana, Burkina Faso.



ANNUAL REPORT 2021

warfair trades with quality products from conflict-affected countries as a dignified way to create income, jobs and peace. We find unique products in countries that are severely affected by conflict and fragility². We ensure high product quality, including the necessary certificates, approvals and laboratory tests. We check the companies and prepare Due-Diligence reports on ethics and environment. We help with transport and financing, ensuring that the payment is made as directly as possible. And finally, we import and sell the products in Denmark and the EU to private customers and private retailers.

2021 was the first year where warfair went into full operation. By the end of 2021 warfair had launched a total of 21 products (with 75 variants) from 9 companies in 5 conflict-affected countries: Afghanistan, Burkina Faso, DR Congo, Somalia and Yemen.

Product	Trading partner(s)	Country
Baby Pistachios		
Almonds		
White Mulberries		
Jalgoza Pinenuts	Ziba Foods	
Kishmish raisins		Afghanistan
Parwan walnuts		
Sweet apricot kernels		
Licorice	Shadian	
Saffron	Afghanistan Saffron Company	
Waistcoats	SARRA Design	
Cashew nuts	Gebana/Pakka	Burkina Faso
Chocolate		
Cocoa nibs	Virunga Origins	DR Congo
Cocoa infusion		
Plush animals		
Sesame	Som Seed Agri Ltd./Diaspolis	Somalia
Coffee		
Lanterns, large with solar		
Lanterns, small	The Yemen Journey	Yemen
Baskets		
Cascara/Qishr		

Despite substantial challenges with COVID-19, the Taleban turnover in Afghanistan and the global shipping crisis we reached our goal of a total procurement of products in conflict-affected countries of US\$ 270,000 (DKK 2 mio.). Approximately US\$ 125,000 (app. DKK 900,000) was in Afghanistan, US\$ 110.000 (app. DKK 800,000) in Yemen, US\$ 20.000 (app. DKK 150,000) in DR Congo and the rest in Somalia and Burkina Faso. For most countries this led to a substantial increase in total Danish imports.

We thank all our customers who helped make this happen!

² Countries are selected based on the [World Bank list of fragile and conflicted affected situations](#).

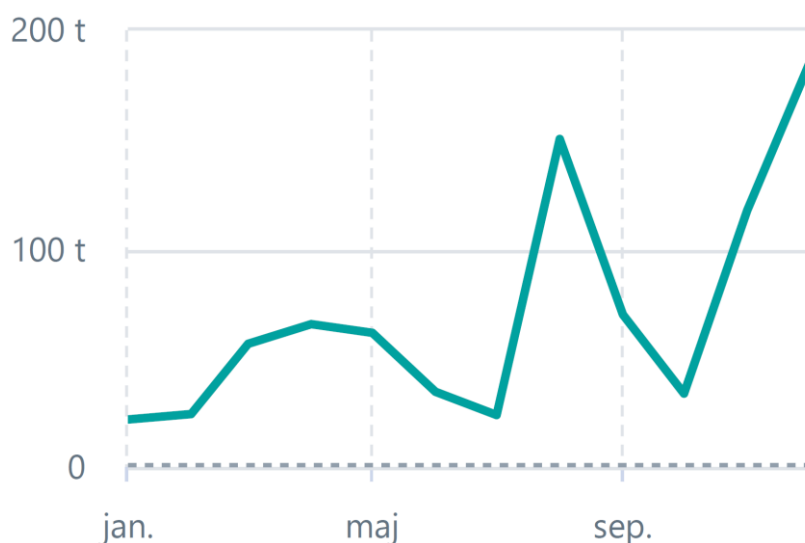


Figure 1. Sales during the year, 2021

The turnover in Denmark reached US\$ 269,861 (DKK 2,006,822) with a gross margin of 28%. Approximately half of the turnover was from the webshop and the rest from mostly corporate customers with Coffee Collective, Coffee Libre (South Korea), Karlsens Krydderier and Social Foodies as the main partners.

Salaries were kept at a minimum with a substantial voluntary contribution. The result before taxes was US\$ 28863 (DKK 214,638). Stocks were built to US\$ 105.365 (DKK 783,547) to ensure a more robust operation. Total equity ended at US\$ 57,707 (DKK 429,137) by 31/12 2021.

Our exposure through the media, social media and the webpage increased with a total of 43.091 web sessions in 2021. A peak in attention was reached when Taleban took over in Afghanistan as warfair was one of the major private companies engaged in Afghanistan.

Apart from the direct trade warfair has also assisted partner companies in other ways. Several products, eg. a number of the products from Ziba Foods, Virunga Origins, SARRA Design and Yemen Journey entered the EU market for the first time with the help of warfair. The warfair due-diligence reports and process, the laboratory analysis of products and the increased visibility have helped several partner companies in obtaining further market access and new customers. warfair has helped to facilitate that Som Seed Agri obtained their food safety certificate (FSSC) and that SHADIAN obtained the first ever organic certificate for their natural licorice. The solar driven lanterns from Yemen were designed based on an idea from warfair.

The [Advisory Board](#) met four times in 2021 and helped shape the strategic direction of warfair including advice on issues as marketing strategy, messaging, advertisements, price structure, transport, geographic expansion, fundraising and staffing. The Advisory Board designed the warfair trade & investment facility to be launched in 2022.

The [Ethics Committee](#) met five times in 2021 and assisted on due-diligence, payments, and developed and approved the warfair Sanctions Policy and the warfair Donation Policy. The Ethics Committee gave substantial input to and approved the due-diligence reports on Chocolate from DR Congo, Cashews from



Burkina Faso, Sesame from Somalia, Baskets from Yemen and a revised report on Coffee from Yemen. No complaints were received through the warfair complaints mechanism in 2021.

Both the Advisory Board and the Ethics Committee gave advise in connection with the takeover of Taleban in Afghanistan. We would like to warmly thank both the Advisory Board and the Ethics Committee for their valuable contributions to warfair.

warfair participated in a number of industry related events including assisting in the development on a new guide for human rights due-diligence in the food sector (<https://www.de6skridt.dk/>), arranged a debate and an exhibition at the Danish Food Summit and arranged the first Afghanistan trade and investment seminar together with the Confederation of Danish Industries.

The 2021 financial accounts were prepared professionally by Kolding Regnskabservice (Kolding Accounting Services), who also helped to establish efficient financial procedures.

During the year warfair received several visits by the Danish Food Safety Authorities who gave good advice and approved the facilities and food safety procedures without remarks including an approval to trade with organically certified products.

warfair was in 2021 also fair trade audited and approved by the Danish Fair Trade Mark and FLOCERT and can now trade with fair trade certified products.

warfair had three paid staff from September 2021 - all were parttime. Around 10 volunteers contributed to various tasks during the year and for this we are very grateful.



Figure 2. Staff at one of our main partners: Ziba Foods, Kabul, Afghanistan.



ANNUAL ACCOUNTS 2021

	US dollar (USD)		Danish Crone (DKK)	
	2021	2020	2021	2020
INCOME STATEMENT/RESULTATOPGØRELSE				
Total turnover/Omsætning i alt	269,861	56,256	2,006,822	418,350
Direct costs in total/Direkte omkostninger i alt	-195,079	-38,659	1,450,704	287,488
Gross margin/Dækningsbidrag	74,782	17,597	556,118	130,861
Gross margin i %/Dækningsbidrag in %	28	31	28	31
Wages in total/Lønninger i alt	-8,276	-2,867	-61,543	-21,317
Total sales and travel expenses/Salgs- og rejseomkostninger i alt	-5,608	-6,359	-41,703	-47,292
Total rent/Lokaleomkostninger i alt	-11,150	-1,883	-82,921	-14,000
Total administration costs/Administrationsomkostninger i alt	-20,854	-9,119	-155,078	-67,814
Profit before interest/Resultat før renter	28,894	-2,630	214,873	-19,561
Total interest expenses/Renteudgifter i alt	-1,376	-27	-10,235	-200
Profit before extraordinary items/Resultat før ekstraordinære poster	27,518	-2,657	204,638	-19,762
Result before taxes/Resultat før skat	28,863	10,790	214,638	80,238
Total corporation tax/Selskabsskat i alt	-6,405	-2,435	-47,633	-18,106
PROFIT AFTER TAX/RESULTAT EFTER SKAT	22,457	8,355	167,005	62,132



	US dollar (USD)		Danish Crone (DKK)	
	2021	2020	2021	2020
ASSETS/AKTIVER				
Current assets/Omsætningsaktiver				
Stock/Varelager	105,365	4,459	783,547	33,161
Debtors/Debitorer	24,074	1,423	179,024	10,582
Other receivables/Andre tilgodehavender	0	8,192	0	60,920
Prepaid items/Forudbetalte poster	13,898	0	103,356	0
Bank account/Bankkonto	10,466	8,711	77,828	64,780
Total current assets/Omsætningsaktiver i alt	153,803	22,785	1,143,755	169,442
TOTAL ASSETS/AKTIVER I ALT	153,803	22,785	1,143,755	169,442
LIABILITIES/PASSIVER				
Share capital/Anpartskapital	6,724	-20,171	50,000	150,000
Share premium/Overkursfond	20,171	20,171	150,000	150,000
Transferred result previous years/Overført resultat tidligere år	8,355	0	62,132	0
Profit for the period after tax/Periodens resultat efter skat	22,457	8,355	167,005	62,132
TOTAL EQUITY AND RESERVES/EGENKAPITAL I ALT	57,707	8,355	429,137	62,132
DEBT/GÆLD				
Corporate tax due/Skyldig selskabsskat	6,405	2,435	47,633	18,106
Creditors/Kreditorer	49,020	0	364,535	0
Guilty expenses/Skyldige omkostninger	874	874	6,500	6,500
Pre-invoiced (crowdfunding)/Forudfaktureret (crowdfunding)			0	23,680
Interim account shareholder/Mellemregning anpartshaver	20,241	0	150,525	0
Total VAT and taxes/Moms og afgifter i alt	18,632	7,937	138,557	59,024
Other debts/Anden gæld				
Other debt in total/Anden gæld i alt	923	0	6,867	0
TOTAL DEBTS/GÆLD I ALT	96,096	14,430	714,617	107,310
TOTAL LIABILITIES/PASSIVER I ALT	153,803	22,785	1,143,755	169,442