



warfair ApS

Annual Report 2022

1. January 2022 - 31. December 2022

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Approval

The annual report has been presented and approved at the company's ordinary General Assembly on the 19 April 2022.

Årsrapporten er fremlagt og godkendt på selskabets ordinære generalforsamling den 19. april 2022.

19. April 2022

DocuSigned by:

Peder Holk Nielsen

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Peder Holk Nielsen
Dirigent og formand for bestyrelsen



Company information

warfair ApS

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CVR/EORI/VAT: DK40934731

Financial year: 01/01/2022 – 31/12/2022



Management statement

The Executive Board has today considered and approved the Annual Report for the financial year 1 January 2022 - December 31, 2022 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 2022 and of the result of the company's activities for the financial year 1. January 2022 - December 31, 2022.

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

The Executive Board considers the conditions for omitting an audit to be met.

The annual report is submitted to the General Assembly for approval.

Ledelsespåtegning

Direktionen har dags dato behandlet og godkendt den interne regnskabsbalance for regnskabsåret 1. januar 2022 - 31. december 2022 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 2022 samt af resultatet af selskabets aktiviteter for regnskabsåret 1. januar 2022 - 31. december 2022.

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

Ledelsen anser betingelserne for at udelade revision for opfyldt.

Årsrapporten indstilles til generalforsamlingens godkendelse.

Veksø Sjælland, 19. April, 2023

Karin Friis Bach
Director

Christian Friis Bach
CEO

Note:

Mikrovirksomheden anvender undtagelsen om at give oplysning om anvendt regnskabspraksis
Mikrovirksomheden anvender undtagelsen om at give oplysning om det gennemsnitlige antal
heltidsbeskæftigede i regnskabsåret



Management report

The company's purpose is to trade with quality products from countries affected by conflict to contribute to income, jobs and peace and thus have a significant positive impact on society and on sustainable development. We find unique products in countries that are severely affected by conflict and fragility¹. We ensure high product quality, including the necessary certificates, approvals, and laboratory tests. We check the companies and prepare Due-Diligence reports on ethical and environmental issues related to the production. 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.

By the end of 2022 warfair had launched a total of 29 products which is up from 21 products in 2021. We have added Myanmar and Niger so now we work with 11 companies in 7 conflict-affected countries.

Product	Trading partner(s)	Country/import value
Baby Pistachios		
Almonds (Shakurbai, Gurbandi and Satarbai)		
White Mulberries		
Kishmish raisins	Ziba Foods	
Parwan walnuts		Afghanistan
Sweet apricot kernels		DKK 733,984
Sundried Figs		EURO 98,700
Tree dried Apricots		
Jalgoza Pinenuts	Setara	
Licorice sticks	Shadian	
Licorice Powder		
Saffron	Afghanistan Saffron Company	
Waistcoats	SARRA Design	
		Burkina Faso
Cashew nuts	Gebana/Pakka	DKK 166,115 EURO 22,338
Chocolate		
Coffee		
Chia		DR Congo
Cocoa nibs	Virunga Origins	DKK 129,375 EURO 17,397
Cocoa infusion		
Plush animals		
		Myanmar
Ginger	Myanmar Institute for Integrated Development	DKK 6,761 EURO 775
		Niger
Chufa		DKK 65,845
Niébé beans	Agence Niger 360°/Yahaya groupe	EURO 8,854
		Somalia
Sesame	Som Seed Agri Ltd./Diaspolis	DKK 0 / EURO 0
Coffee		
Lanterns, large with solar		Yemen
Lanterns, small	The Yemen Journey	DKK 1,016,907
Beach baskets		EURO 136,745
Cascara/Qishr		

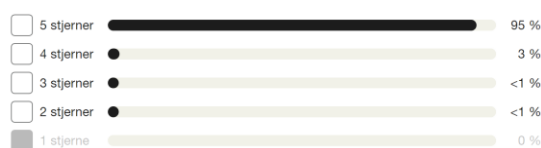
¹ Countries are selected based on the [World Bank list of fragile and conflicted affected situations](#).



warfair reached a total procurement of products in conflict-affected countries of EURO 284,810 (DKK 2.17 mio.) which was a 5% increase from 2021. As seen in the table above the majority was in Yemen and Afghanistan. Due to a severe drought in Somalia it was not possible to procure sesame in 2022.

Customer type	Turnover		Costs		Share of total
	DKK	EURO	DKK	EURO	
Danmark private	592,841	79,720	293,291	39,439	21.5%
Denmark Corporate	1,670,973	224,699	1,319,730	177,467	60.5%
Rest of EU Privat	10,783	1,450	5,438	731	0.4%
Rest of EU Corporate	134,809	18,128	139,478	18,756	4.9%
Rest of world Private	5,496	739	2,330	313	0.2%
Rest of world Corporate	335,530	45,119	308,336	41,462	12.1%
Total	2,763,216	371,575	2,086,140	280,527	100.0%

In Denmark total sales increased to EURO 371,575 (DKK 2,763,216 up from 2,006,822 in 2021). Considering the inflation and fear of an economic crisis the result was satisfactory. The sales to private customers via the webshop reached almost the same amount as in 2021. The share of returning customers was 40% on average and warfair has reached an overall score on [Trustpilot](#) of 4.9 ("Excellent") based on 181 reviews.



Sales to corporate customers increased in 2022 with the main partners being Coffee Collective, Coffee Libre (South Korea) and the delivery of Christmas gifts to Maersk and Egedal Municipality. The gross margin declined from 28% to 21% which reflects the higher sales to corporate customers where discounts are given.

Salaries increased as one almost full-time (32 hours/week) staff was hired and additional packing assistance was required for Christmas gifts with 3 part-time staff including two Ukrainian refugees. Moreover, we have had one more part-time salesperson and a SoMe assistant also part-time. warfair still benefitted from a substantial voluntary contribution. Administrative and especially IT costs also went up.

The final result before taxes was a deficit of EURO 22,159 (DKK 164,784). Total equity ended at EURO 35,548 (DKK 264,353) by 31/12 2022 (see annex).

No events of significant importance have occurred after the end of the financial year for the company's financial position.

The 2022 financial accounts were prepared professionally by Kolding Regnskabsservice (Kolding Accounting Services), who also helped to establish efficient financial procedures.



Our exposure through the media, social media and the webpage decreased to a total of 33.364 sessions in 2022, down from 43.091 web sessions in 2021, where the takeover of Taleban in Afghanistan generated a substantial peak. The conversion rate was 3.7% - a slight decline from 2021.

Apart from the direct trade, warfair also assisted partner companies in other ways. Several products, e.g. new products from Afghanistan, Myanmar and Niger entered the EU market for the first time with the help of warfair. The warfair due-diligence reports and dialogue, 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 SHADIAN in Afghanistan obtained the first ever organic certificate for their natural licorice and facilitated a contact with a Danish licorice company to establish an extraction plant for licorice. warfair also helped to facilitate contact between Ziba Foods in Afghanistan and the Danish Investment Fund for Developing Countries (IFU).

The [Advisory Board](#) met five times in 2022 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 loan facility which has helped to overcome the liquidity constraints from large prepaid orders. Moreover, the Advisory Board took the first steps towards becoming shareholders and transforming the Advisory Board to a regular board.

The [Ethics Committee](#) met three times in 2022 and assisted on developing the due-diligence platform and approved the warfair Environmental Policy and the warfair Staff Handbook. The Ethics Committee gave substantial input to and approved the due-diligence reports on waistcoats from Afghanistan, ginger from Myanmar, chufa and Niébé beans from Niger. No complaints were received through the warfair complaints mechanism in 2021.

We would like to thank both the Advisory Board and the Ethics Committee for their valuable contributions to warfair.

warfair participated in several events including the annual Food Market (Madens Folkemøde) and the Danish Peoples Meeting (Folkemødet).

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. One test showed levels of cyanide in apricot kernels from Afghanistan that were slightly above the threshold leading to one shipment having to be withdrawn from the market and destroyed. In the last approval by the Danish Food Safety Authorities in 2022 there were no remarks.

A project together with the Danish company Impact CSR and financed by the facility SMV:Grøn led to the establishment of a database, [warfair.world](#), with information on all products and partners. This was, time-wise, a substantial investment but has established a very efficient platform for anything from product and company descriptions, due-diligence and food safety. Together with a new environmental policy, a draft climate policy, a staff handbook and workplace assessment this has increased the Environment, Social, Governance (ESG) standards significantly for warfair in 2022. It has also paved the way for B-corp certification, expected in 2023.

warfair received a grant from Jørgen Harboe equal to DKK 50.000 in 2022 for which we are grateful.

We would like to thank all partners and customers for their contributions to warfair and for good cooperation in 2022.



Annual Accounts

	Danish Crone (DKK)			Euro (€)		
	2022	2021	2020	2022	2021	2020
INCOME STATEMENT/RESULTATOPGØRELSE						
Total turnover/Omsætning i alt	2,763,216	2,006,822	418,350	371,575	269,861	56,256
Direct costs in total/Direkte omkostninger i alt	-2,190,497	-1,450,704	-287,488	-294,560	-195,079	-38,659
Gross margin/Dækningsbidrag	572,719	556,118	130,861	77,015	74,782	17,597
Gross margin i %/Dækningsbidrag in %	21	28	31	21	28	31
Wages in total/Lønninger i alt	-472,484	-61,543	-21,317	-63,536	-8,276	-2,867
Total sales and travel expenses/Salgs- og rejseomkostninger i alt	-39,751	-41,703	-47,292	-5,345	-5,608	-6,359
Total rent/Lokaleomkostninger i alt	-123,324	-82,921	-14,000	-16,584	-11,150	-1,883
Total administration costs/Administrationsomkostninger i alt	-213,492	-155,078	-67,814	-28,709	-20,854	-9,119
Profit before depreciation and interest/Resultat før afskrivninger og renter	-276,332	214,873	-19,561	-37,159	28,894	-2,630
Total depreciations/Afskrivninger	-6,114	0	0	-822	0	0
Profit before interest/Resultat før renter	-282,446	214,873	-19,561	-37,981	28,894	-2,630
Total interest expenses/Renteudgifter i alt	22,893	-10,235	-200	3,078	-1,376	-27
Profit before extraordinary items/Resultat før ekstraordinære poster	-259,554	204,638	-19,762	-34,903	27,518	-2,657
Extraordinary items/Ekstraordinære poster	50,000	0	0	6,724	0	0
Result before taxes/Resultat før skat	-209,554	214,638	80,238	-28,179	28,863	10,790
Total corporation tax/Selskabsskat i alt	44,770	-47,633	-18,106	6,020	-6,405	-2,435
PROFIT AFTER TAX/RESULTAT EFTER SKAT	-164,784	167,005	62,132	-22,159	22,457	8,355



	Danish Crone (DKK)			Euro (€)		
	2022	2021	2020	2022	2021	2020
ASSETS/AKTIVER						
PROPERTY, PLANT AND EQUIPMENT						
Other fixtures, tools and equipment/Andre anlæg, driftsmateriel og inventar	48,908	0	0	6,577	0	0
Current assets/Omsætningsaktiver						
Stock/Varelager	933,333	783,547	33,161	125,507	105,365	4,459
Debtors/Debitorer	54,239	179,024	10,582	7,294	24,074	1,423
Other receivables/Andre tilgodehavender	78,770	0	60,920	10,592	0	8,192
Prepaid items/Forudbetalte poster	89,098	103,356	0	11,981	13,898	0
Bank account/Bankkonto	535,546	77,828	64,780	72,016	10,466	8,711
Total current assets/Omsætningsaktiver i alt	1,690,986	1,143,755	169,442	227,390	153,803	22,785
TOTAL ASSETS/AKTIVER I ALT	1,739,894	1,143,755	169,442	233,967	153,803	22,785
LIABILITIES/PASSIVER						
Share capital/Anpartskapital	-50,000	50,000	-150,000	-6,724	6,724	-20,171
Share premium/Overkursfond	-150,000	150,000	150,000	-20,171	20,171	20,171
Transferred result previous years/Overført resultat tidligere år	-229,137	62,132	0	-30,812	8,355	0
Profit for the period after tax/Periodens resultat efter skat	164,784	167,005	62,132	22,159	22,457	8,355
TOTAL EQUITY AND RESERVES/EGENKAPITAL I ALT	-264,353	429,137	62,132	-35,548	57,707	8,355
DEBT/GÆLD						
Corporate tax due/Skyldig selskabsskat	0	47,633	18,106	0	6,405	2,435
Creditors/Kreditorer	-286,755	364,535	0	-38,560	49,020	0
Guilty expenses/Skyldige omkostninger	0	6,500	6,500	0	874	874
Pre-invoiced (crowdfunding)/Forudfaktureret (crowdfunding)	0	0	23,680	0		
Interim account shareholder/Mellemregning anpartshaver	-249,965	150,525	0	-33,613	20,241	0
Total VAT and taxes/Moms og afgifter i alt	-197,558	138,557	59,024	-26,566	18,632	7,937
Other debts/Anden gæld						
Other debt in total/Anden gæld i alt	-741,263	6,867	0	-99,679	923	0
TOTAL DEBTS/GÆLD I ALT	-1,475,541	714,617	107,310	-198,419	96,096	14,430
TOTAL LIABILITIES/PASSIVER I ALT	-1,739,894	1,143,755	169,442	-233,967	153,803	22,785

Exchange rate ultimo 2022 DKK/EURO

743.65