



Minutes from warfair Board Meeting

Minutes from the meeting in the warfair Board, August 11th, 2023, from 14:00-16:00.

Venue:

warfair, Svinemosevej 7, 3660 Veksø Sj.

Participants:

Peder Holk Nielsen (PHN): Member of the Board

Judith Kyst (JK): Member of the Board

Lisbeth Stausholm Zacho (LSZ): Member of the Board

Jacob Bøtter (JB): Member of the Board

Christian Friis Bach (CFB): Member of the Board, acting as Secretary to the Board

Karin Friis Bach (KFB): Member of the Board

Unable to attend:

Tahmina Salik (TS): Member of the Board

1. News and follow-up from last meeting.

- The registration of the Annual Report and the elected Board has been done at www.cvr.dk
- The work on B-corp certification has been concluded and we are now in the evaluation phase.
- We have changed to a new financial stock management system and as the new system had a number of errors this took substantial time and effort, but will ease the workload in the long run.
- The half-year accounts are almost finalised.
- We have made an agreement with the marketing company SkruOp.dk. They help for free, for the time being, with SoMe marketing etc. and have already improved our email welcome flow etc.
- We have entered into a new freight agreement with DSV which will ease our daily freight time load, save us money, and pave the way for geographic expansion to private customers.

Discussion: The progress was noted by the board. The SoMe marketing efforts should be followed closely to ensure a good cost-benefit ratio.

2. warfair strategy

Following the first Strategy meeting a draft warfair Strategy 2025 has been developed. The draft was discussed for revision and further development.

Discussion:

It was recognised as very encouraging that everybody agreed that warfair should grow and become a larger company. The entire strategy should be focused on this goal.

Developing one warfair brand was seen as a decisive step. We should have a strong Corporate Visual Identity (CVI) and should start with the products with the largest volume. Perhaps we can learn from Coffee Collective and Fangst. Ideally, we should have a common identity but base it on standard packaging materials that could be sourced world-wide. We need professional



assistance and an investment to get there. And if we are also expanding to more countries, we need to be able to differentiate.

A challenge will be to get our partners to do the packaging to ensure maximum job creation in countries affected by conflict.

We should focus more on the people, workers, farmers, women who benefit than on the companies we trade with.

Conclusion 1: We will move towards one warfair brand for all products.

There was support for working towards becoming a network company although the label was not the right one. But we should use SoMe contacts, influencers and ambassadors who can promote our products. We should especially look for ambassadors amongst the creative food environment (Food Space).

The idea could be to have 3-7 of these ambassadors on commission-agreements where they have a discount code and receive more than 10% and for more than a year. We should not, however, have agents on fixed contracts, as termination of employment sometimes may become problematic. They should be met with concrete expectations and recruited in the food space environment.

We cannot call it a network-company as this would imply a broader and more fragmented outreach, but we should use sales agents and ambassadors.

When we expand to other geographic locations, we can consider using distributors, but this might increase the costs and weaken the brand.

Conclusion 2: We will use sales agents/ambassadors to strengthen our sales efforts.

Regarding the international strategy we agreed to start, as in Austria, by trying to get a foothold in selected markets perhaps by selling through selected bakeries or cafes. From there we can consider distributors. We should slowly build our packaging/labelling, distribution channels, home page, SoMe presence and freight solutions to facilitate geographic expansion.

Conclusion 3: A slow and phased-in strategy for further geographic expansion will be developed with focus on a few selected channels.

The term activist communication was discussed. There was agreement that we should focus on the human stories but also include information on more general issues regarding war and conflict and the impact on the population. There were some discussions on how “political” we should be – some believed we should be more daring, others that we should focus on people and not on politics. There was consensus that we should have stronger campaigns and that we – at some point – should hire professional assistance. As a first step **Judith and Jakob** promised to make a presentation at the next meeting.

Conclusion 4: Our communication strategy should have people at its core (rather than products or politics) and build stronger campaigns.

3. Sales

New products:

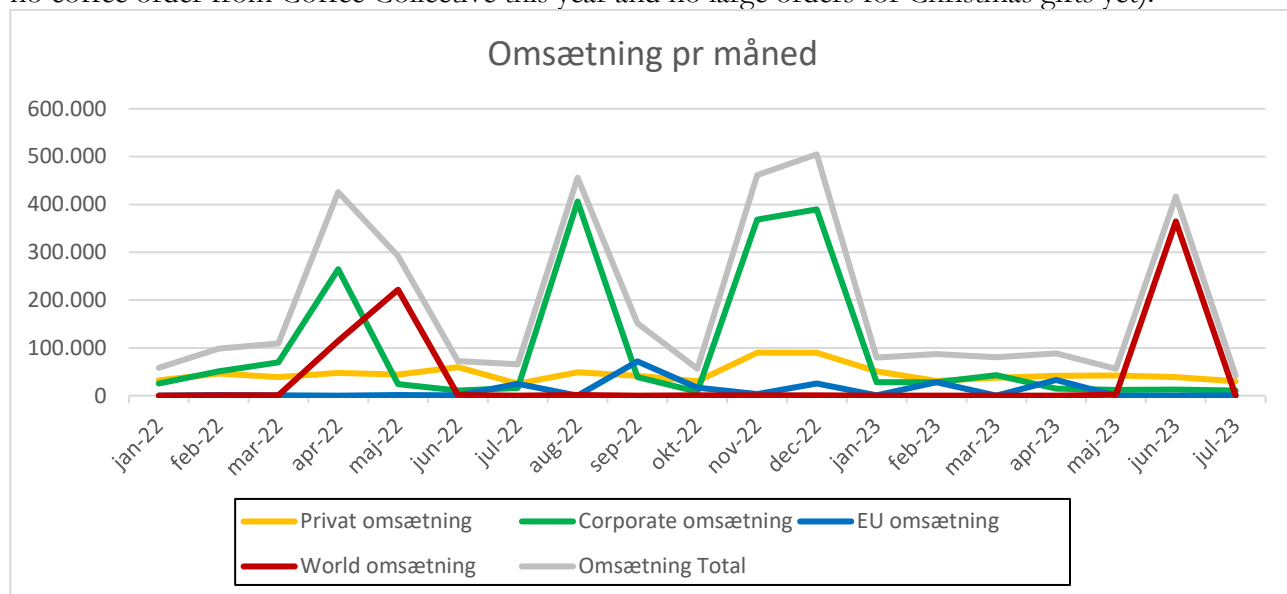
No new products. We are exploring two products from Palestine: Olive oil and Freekeh.

Sales:

Sales to private customers (up by 3%) and world corporate (primarily coffee to South Korea) is almost equal to last year. Sales to EU corporate (primarily Joseph Brot in Austria) has increased



but sales to corporate customers in Denmark has decreased significantly (primarily because of no coffee order from Coffee Collective this year and no large orders for Christmas gifts yet).



B-2-B partners:

We have been approved by Dagrofa Foodservices and work to list our first products through their portal. We have taken a number of initiatives towards new B-2-B partners.

We did unfortunately not get an order related to Christmas gifts for Maersk or Novo Nordisk but are actively seeking other partners for Christmas gifts.

Discussion: Concern was raised regarding the stock requirements and liquidity if Dagrofa Foodservices also require a larger stock, and a joint solution could perhaps be found with especially Ziba Foods. It was proposed to also contact INCO, Hørkram and the Sinatur Hotels. snack bags in local bakeries, like it has been the case with Joseph Brot, could also be an option. As for new products it was emphasized that there have been several problematic issues regarding olive oil and that it was important to consider quality and durability carefully.

4. Staff and staff related matters.

- As our permanent staff has ended her contract, we have more limited capacity for the rest of 2023. Karin has scaled up and taken over the tasks. We still have a Ukrainian refugee for packaging and a part-time SoMe manager. We are working to establish our first warfair Ambassadors to be remunerated based on their sales.

Discussion: It was recognised that it was important to scale-down permanent staff for the rest of the year to consolidate.

5. Budget

Due to the difficult market for high-value specialised food it is unlikely that we will reach the same B-2-B sales in 2023 as last year. Despite cutting costs significantly we may face a small deficit in 2023.

Discussion: It was recommended to look at other options to attract finance including crowdfunding and fundraising. A warfair investment fund can also be considered at a later stage.



6. Annual workflow for the Board

January:

- Plan for product development and new products
- Pricing strategy
- Packaging

April:

- General Assembly and Board meeting.
- Approval of Annual Account and Ethics report.
- Election of board.
- New investors and fundraising.

June (including dinner and meeting with Ethics Committee):

- Organisational development and staff development.
- Complaints mechanism
- Ethical Committee and policy.

August:

- Strategy update and development

November:

- Sales, customers, retention.
- Approval of budget for next year.

Discussion: The annual workflow was approved.

7. Any other issues

a. Next Meetings.

A proposal will be submitted with the minutes.

Other issues

Board members can obtain a 25% discount when buying as they play an important role as ambassadors for warfair.