



Annual report 2022

Veris Investments B.V.

mazars

Mazars N.V.
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Financial statements

Balance sheet as at 31 December 2022

(after appropriation of result)	31 December 2022		31 December 2021	
		EUR		EUR
Assets				
Fixed assets				
Financial fixed assets	(1)	<u>40,835,574</u>	<u>41,488,171</u>	41,488,171
		40,835,574		
Current assets				
Receivables, prepayments and accrued income	(2)	195,852	433,518	
Cash		<u>2,584,521</u>	<u>1,519,779</u>	
		<u>2,780,373</u>		<u>1,953,297</u>
		<u>43,615,947</u>		<u>43,441,468</u>
Equity and liabilities				
Shareholders' equity				
Issued share capital		1	1	
Share premium	(3)	<u>42,715,722</u>	<u>42,921,255</u>	42,921,256
		42,715,723		
Current liabilities				
Current liabilities, accruals and deferred income	(4)	<u>900,224</u>	<u>520,212</u>	
		<u>900,224</u>		<u>520,212</u>
		<u>43,615,947</u>		<u>43,441,468</u>

Profit and loss account 2022

	<u>2022</u>	<u>2021</u>
	EUR	EUR
Result from participations	3,602,670	-
Subsidy income	-	366,931
Management fee	106,620	95,486
Interest income	939,998	860,523
FX result	207,398	306,769
Total income	<u>4,856,686</u>	<u>1,629,709</u>
Impairment cost	4,428,036	160,930
General and administrative expenses (7)	2,183,929	1,915,884
Total expenses	<u>6,611,965</u>	<u>2,076,814</u>
Result before interest expense and taxation	<u>-1,755,279</u>	<u>-447,105</u>
Financial income and expense	-6,143	-21,290
Corporate income tax	<u>-33,000</u>	<u>-</u>
Net result	<u><u>-1,794,422</u></u>	<u><u>-468,395</u></u>

Cash flow statement 2022

(according to the indirect method)	2022	2021
	EUR	EUR
Payments to suppliers and for services	-1,891,885	-1,448,014
Grants received	300,000	66,931
Management fees received	101,020	36,000
Cash flow from operating activities	-1,490,865	-1,345,083
Equity divestments	6,012,241	-
Equity contributions and capitalized costs	-3,466,020	-6,428,545
Debt investments	-1,571,595	-
Dividends received	-	-
Interest received	-	-
Cash flow from investment activities	974,626	-6,428,545
Issuance of share capital and share premium	1,588,889	2,000,000
Interest paid	-7,908	-25,315
Cash flow from financing activities	1,580,981	1,974,685
Net cash flow	1,064,742	-5,798,943
Cash as at 1 January	1,519,779	7,318,722
Cash as at 31 December	2,584,521	1,519,779

Notes

General

Activities

Veris Investments B.V. (the Company) is a private company with limited liability, incorporated under the laws of the Netherlands on 31 January 2013, having its office address at Polonceaukade 5, Amsterdam, the Netherlands. The legal seat of the company is in Amsterdam, the Netherlands.

The objects of the Company are to invest its capital, with or without profit motive, and to use its capital in such a manner as the Company deems fit, and in connection therewith:

- a. to provide financial support to, to realize, develop or initiate projects that may lead to the facilitation of impact investments;
- b. to provide financial support to, to realize, develop or initiate projects that are related to impact investments;
- c. to incorporate, to participate in any way whatsoever in, to manage, to supervise, to operate and to promote enterprises, businesses and companies as a holding company;
- d. to finance businesses and companies;
- e. to provide advice and to render services to enterprises and companies and to third parties;
- f. to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned;
- g. to render guarantees, to bind the Company and to pledge its assets for obligations of the companies and enterprises and on behalf of third parties;
- h. to pursue sales, public offerings or other exits from investments;
- i. to perform any and all activity of industrial, financial or commercial nature,

as well as everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

Group structure

The Company forms part of a group, headed by Veris Holding B.V. in Amsterdam.

Going concern

The financial statements have been prepared on a going concern basis. At the moment, management sees no business continuity risks for the Company, given its strong financial position supported by an adequate liquidity position and the outstanding shareholder commitments.

General accounting principles for the preparation of the financial statements

The financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code.

Consolidated financial statements have not been prepared, as is permitted by Article 407:1c, Book 2 of the Dutch Civil Code. For this reason the Company values its investments in associated companies at cost (and if applicable less impairments in value) as permitted by Article 389:9, Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial instruments. The Company does not use derivatives.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date are recorded in the profit and loss account.

Principles of valuation of assets and liabilities

Financial fixed assets

Participations are valued at historical cost (including costs directly related to the investments) or lower fair value. An impairment will occur when there is an indication that the fair value is below cost price.

The receivables from and loans to associated companies and other receivables are valued at face value and, if applicable, including accrued interest and after deduction of any potential provisions.

Receivables, prepayments and accrued income

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Current liabilities, accruals and deferred income

Upon initial recognition the current liabilities are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value.

Principles for the determination of the result

General

Revenues and expenses are recognized in the period to which they relate. Revenues are recognized if the amount of revenues can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Company.

Grants

Grants are recognized in the profit and loss account in the year in which the subsidized costs were incurred and if it is probable that they will be received and realized.

Financial income and expenses

Interest income and expenses are time apportioned, taking into account the effective interest rate for the relating assets and liabilities.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are solely valued insofar as their realization is likely.

Notes to the specific items of the balance sheet

1 Financial fixed assets

	31 Dec 2022	31 Dec 2021
	EUR	EUR
Investments in associated companies (i)	33,105,947	36,477,535
Loans provided to associated companies (ii)	7,729,627	5,010,636
Total financial fixed assets	40,835,574	41,488,171

(i) Investments in associated companies

	Registered office	Share in issued share capital
		%
Senselet Holding B.V. ('Senselet')	Amsterdam	-
Ethiopian Dairy Investment B.V. ('Holland Dairy')	Amsterdam	67.0
<i>Holland Dairy Holding B.V.*</i>		100.0
<i>Ethiopian Dairy Development B.V.*</i>		100.0
<i>Holland Dairy PLC*</i>		100.0
Veris Aquaculture B.V. ('FirstWave')	Amsterdam	100.0
<i>FirstWave Group B.V.*</i>		54.3
7HILLS Holding B.V. ('7HILLS') **	Amsterdam	100.0
<i>7HILLS Premium Foods Limited*</i>		100.0

* Investments held indirectly. The presented shareholding % concerns the shareholding held by the Company's subsidiary.

** The investment in 7HILLS has been fully impaired in 2021.

	Senselet	Holland Dairy	FirstWave	Mapinga	Total
	EUR	EUR	EUR	EUR	EUR
<u>Movement schedule 2022</u>					
Balance as at 1 Jan 2022	2,229,147	8,863,049	25,385,339	-	36,477,535
Capital contributions	180,424	-	2,977,369	-	3,157,793
Capitalized costs	-	-	299,728	8,498	308,226
Impairment	-	-	-4,428,036	-	-4,428,036
Transfer of shares	-2,409,571	-	-	-	-2,409,571
Balance as at 31 Dec 2022	-	8,863,049	24,234,400	8,498	33,105,947

Note: The capitalized costs Mapinga are directly related to the (indirect) investment in Mapinga Premium Foods Limited, which company has been incorporated in Tanzania in 2023.

	Senselet	Holland Dairy	FirstWave	Mapinga	Total
	EUR	EUR	EUR	EUR	EUR
<i>Cumulative statement</i>					
Capital contributions	-	8,863,049	28,237,462	-	37,100,511
Capitalized costs	-	-	424,974	8,498	433,472
Impairment	-	-	-4,428,036	-	-4,428,036
Balance as at 31 Dec 2022	-	8,863,049	24,234,400	8,498	33,105,947

(ii) Loans provided to associated companies

	2022	2021
	EUR	EUR
<i>Loan provided to Yalelo Limited</i>		
Balance as at 1 January	5,010,636	3,843,344
Draw downs	1,571,595	-
Accrued interest	939,998	860,523
FX result	207,398	306,769
Balance as at 31 December	7,729,627	5,010,636

This concerns a USD 3.0 million loan that was provided to Yalelo Limited in 2018, and increased by USD 1.6 million in 2022, which company is part of the FirstWave group. This loan accrues interest until 30 September 2022 as was agreed upon in the Share Subscription Agreement concerning FirstWave Group B.V. that was signed on 19 December 2022.

2 Receivables, prepayments and accrued income

	31 Dec 2022	31 Dec 2021
	EUR	EUR
Receivables from associated companies	124,224	121,412
VAT receivables	71,408	12,106
Subsidy income	-	300,000
Other receivables and prepaid expenses	220	-
Total receivables, prepayments and accrued income	195,852	433,518

No receivables have a remaining term over 1 year.

3 Shareholders' equity

	Issued share capital	Share premium	Total
	EUR	EUR	EUR
Balance as at 1 Jan 2022	1	42,921,255	42,921,256
Capital contributions	-	1,588,889	1,588,889
Net result current year	-	-1,794,422	-1,794,422
Balance as at 31 Dec 2022	1	42,715,722	42,715,723

The issued share capital of the Company amounts to EUR 1.20 and comprises 110 ordinary shares A with a nominal value of EUR 0.01 each and 10 ordinary shares B with a nominal value of EUR 0.01 each.

4 Current liabilities, accruals and deferred income

	31 Dec 2022	31 Dec 2021
	EUR	EUR
Payables to associated companies	486,316	475,258
Trade creditors	367,728	22,673
Corporate income tax	33,000	-
Other liabilities	13,180	22,281
Total current liabilities, accruals and deferred income	900,224	520,212

5 Contingent rights and liabilities

The Company is part of the fiscal unity Veris Holding B.V. and Veris Investments B.V. for VAT purposes and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

The Company is part of the fiscal unity Veris Investments B.V., Veris Aquaculture B.V. and 7HILLS Holding B.V. for corporate income tax purposes and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

The remaining funding commitment of the shareholders of the Company as at 31 December 2022 amounts to EUR 44.3 million.

On 19 December 2022, the Company's subsidiary Veris Aquaculture B.V. signed a Share Purchase Agreement regarding the buy-out of the minority shareholders and a Share Subscription Agreement concerning FirstWave Group B.V. in which the outstanding debt provided by the Company and Veris Aquaculture B.V. will be converted into equity. As part of this transaction, Veris Aquaculture B.V. committed to contribute USD 25.3 million (less any interim contributions) to buy-out the minority shareholders and to provide new equity to FirstWave Group B.V.

6 Subsequent events

The transaction as described above was closed after balance sheet on 7 March 2023, and the Company made informal capital contributions of EUR 19.7 million to Veris Aquaculture B.V. in 2023. The remaining subscription price is reserved on the USD bank account of the Company.

Further, the Company provided a short-term loan of EUR 1.2 million to Ethiopian Dairy Investment B.V. and made informal capital contributions of EUR 0.1m to Mapinga Premium Foods B.V.

The shareholders of the Company contributed EUR 24.6 million share premium to the Company in 2023. Ongoing investments, and the related obligations, will continue in 2023.

Notes to the specific items of the profit and loss account

7 General and administrative expenses

	<u>2022</u>	<u>2021</u>
	EUR	EUR
Service fee *	1,793,670	1,637,394
Remunerations SB / IC	105,000	100,000
Advisory costs	103,947	151,872
Audit fees	24,376	22,950
Project costs	151,000	-
Bank costs	996	714
Other costs	<u>4,940</u>	<u>2,954</u>
Total general and administrative expenses	<u>2,183,929</u>	<u>1,915,884</u>

* Relates to a service fee charged by Veris Holding B.V. to the Company based on a services agreement between the parties dated 12 December 2013.

8 Staff number and employment costs

The Company has no employees and hence incurred no wages, salaries and related social security charges during the year under review.

9 Loans (as well as advances and guarantees) to directors

There are no loans (nor advances or guarantees) to directors (and former directors) as at 31 December 2022.

10 Proposed appropriation of result for the financial year 2022

The management board proposes, with the approval of the supervisory board, that the result for the financial year 2022 amounting to EUR 1,794,422 negative should be allocated to the share premium reserve. The financial statements reflect this proposal.

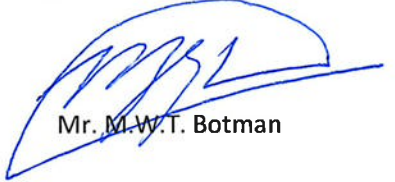
Signing of the financial statements

Amsterdam, 24 May 2023

Management board:

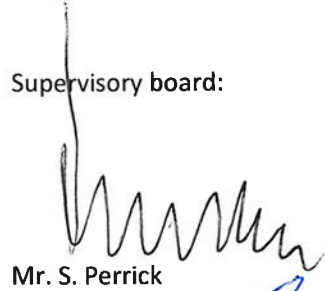


Mrs. J.M. de Wijkerslooth



Mr. M.W.T. Botman

Supervisory board:



Mr. S. Perrick



Mr. J.I.H.M. Galavazi



Mr. S. Schat

Other information

Appropriation of result according to articles of association

In Article 26.2 of the Company's articles of association the following has been presented concerning the appropriation of result: The general meeting is authorized to allocate the profits as determined by the adoption of the annual accounts and to establish (interim) distributions.