

LUNDSØE KØL & FRYS A/S

Jellingvej 5
DK-9230 Svenstrup J

CVR no. 26 27 77 44

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

4 July 2024

Claus Erdmann
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for LUNDSØE KØL & FRYS A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Svenstrup, 4 July 2024
Executive Board:

Carsten Wolf
CEO

Board of Directors:

Harld Johan Peters
Chairman

Annegien Maria Kooij

Vishal Kapoor



Independent auditor's report

To the shareholder of LUNDSØE KØL & FRYS A/S

Opinion

We have audited the financial statements of LUNDSØE KØL & FRYS A/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 Opinion

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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aalborg, 4 July 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised Public Accountant
mne32737

Simon Falker Underlien Jensen
State Authorised Public Accountant
mne50560

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Management's review

Company details

LUNDSØE KØL & FRYS A/S
Jellingvej 5
DK-9230 Svenstrup

Telephone: 96 86 85 20
CVR no.: 26 27 77 44
Established: 17 October 2001
Registered office: Aalborg
Financial year: 1 January - 31 December

Board of Directors

Harld Johan Peters, Chairman
Annegien Maria Kooij
Vishal Kapoor

Executive Board

Carsten Wolf, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

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Management's review

Operating review

Principal activities

The Company's activities are to provide deep freeze and cold storage facilities. Furthermore, the Company is taking care of the logistics related to storage rent in terms of packing, sorting, detail packing and, to a minor extent, transportation and forwarding of goods.

Development in activities and financial position

The Company's income statement for 2023 shows a loss of DKK 9,735 thousand as against a loss of DKK 4,178 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 60,825 thousand as against DKK 70,560 thousand at 31 December 2022.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

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Income statement

DKK'000	Note	2023	2022
Gross profit		19,841	18,419
Staff costs	2	-16,524	-17,791
Depreciation of property, plant and equipment		-11,801	-4,137
Loss before financial income and expenses		-8,484	-3,509
Other financial income		981	0
Other financial expenses	3	-5,073	-1,848
Loss before tax		-12,576	-5,357
Tax on loss for the year		2,841	1,179
Loss for the year		<u>-9,735</u>	<u>-4,178</u>
Proposed distribution of loss			
Retained earnings		<u>-9,735</u>	<u>-4,178</u>

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Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets			
	4		
Acquired intangible assets		127	328
Property, plant and equipment			
	5		
Land and buildings		148,549	47,595
Plant and machinery		37,500	19,292
Fixtures, fittings, tools and equipment		1,031	1,750
Leasehold improvements		279	206
Property, plant and equipment in progress		994	123,155
		188,353	191,998
Total fixed assets		188,480	192,326
Current assets			
Inventories			
Finished goods and goods for resale		50	295
Receivables			
Trade receivables		4,426	9,353
Receivables from group entities		1,208	3,419
Corporation tax		0	8,117
Other receivables		894	1,818
Prepayments		749	847
		7,277	23,554
Cash at bank and in hand		286	87
Total current assets		7,613	23,936
TOTAL ASSETS		196,093	216,262

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		658	658
Retained earnings		60,167	69,902
Total equity		<u>60,825</u>	<u>70,560</u>
Provisions			
Provisions for deferred tax		354	1,805
Total provisions		<u>354</u>	<u>1,805</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations	6	389	1,249
Other payables, including taxes payable		19	19
		<u>408</u>	<u>1,268</u>
Current liabilities other than provisions			
Trade payables		1,679	19,130
Payables to group entities		128,401	115,046
Lease obligations	6	559	511
Other payables, including taxes payable	6	3,867	7,942
		<u>134,506</u>	<u>142,629</u>
Total liabilities other than provisions		<u>134,914</u>	<u>143,897</u>
TOTAL EQUITY AND LIABILITIES		<u>196,093</u>	<u>216,262</u>

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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	658	69,902	70,560
Transferred over the distribution of loss	0	-9,735	-9,735
Equity at 31 December 2023	658	60,167	60,825

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1 Accounting policies

The annual report of LUNDSØE KØL & FRYS A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue. Revenue from the sale of services is recognised as the services are provided and revenue from rent is recognised on straight-line basis in the income statement.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation form the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in

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1 Accounting policies

equity.

Balance sheet

Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised over the contract period.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	40 years
Plant and machinery	3-33 years
Fixtures, fittings, tools and equipment	3-10 years
Leasehold improvements	5-15 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

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1 Accounting policies

All other leases are accounted for as operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net

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1 Accounting policies

realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

2 Staff costs

DKK'000	2023	2022
Wages and salaries	14,735	16,189
Pensions	1,789	1,602
	<u>16,524</u>	<u>17,791</u>
Average number of full-time employees	<u>33</u>	<u>28</u>

3 Other financial expenses

DKK'000	2023	2022
Interest paid to group entities	4,943	1,725
Other interest expenses	65	89
Exchange losses	65	34
	<u>5,073</u>	<u>1,848</u>

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4 Intangible assets

DKK'000	Acquired intangible assets
Cost at 1 January 2023	340
Additions	104
Disposals	-236
Cost at 31 December 2023	208
Amortisation and impairment losses at 1 January 2023	-12
Amortisation	-69
Amortisation and impairment losses at 31 December 2023	-81
Carrying amount at 31 December 2023	127

5 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 January 2023	53,995	33,816	4,418	2,058	123,155	217,442
Additions	95,834	34,150	634	140	0	130,758
Transferred	11,408	-11,408	0	0	0	0
Disposals	0	-1,710	-1,104	-242	-122,161	-125,217
Cost at 31 December 2023	161,237	54,848	3,948	1,956	994	222,983
Depreciation and impairment at 1 January 2023	-6,400	-14,524	-2,668	-1,851	0	-25,443
Depreciation for the year	-4,339	-6,425	-899	-68	0	-11,731
Reversed depreciation and impairment losses on assets sold	0	1,652	650	242	0	2,544
Transfers for the year	-1,949	1,949	0	0	0	0
Depreciation and impairment at 31 December 2023	-12,688	-17,348	-2,917	-1,677	0	-34,630
Carrying amount at 31 December 2023	148,549	37,500	1,031	279	994	188,353
Assets held under finance leases	0	1,127	524	0	0	1,651

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6 Non-current liabilities other than provisions

DKK'000	31/12 2023	31/12 2022
Lease obligations:		
0-1 year	559	511
1-5 year	389	1,249
	<u>948</u>	<u>1,760</u>
Other payables, including taxes payable:		
0-1 year	3,867	7,942
1-5 year	19	19
	<u>3,886</u>	<u>7,961</u>
Total financial debts	<u><u>4,834</u></u>	<u><u>9,721</u></u>

The financial debts are recognized in the balance sheet as follows:

Long-term debt	408	1,268
Short-term debt	4,426	8,453
	<u>4,834</u>	<u>9,721</u>

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the other Danish companies in the Group and has joint several unlimited liability for income taxes and any obligations to withhold tax at a source on interest, royalties and dividends for the jointly taxed companies.

Operating lease obligations

The Company has entered into lease agreements for properties and land with a remaining liability of DKK 7,511 thousand. The agreements are vested with standard market terms.

Upon the expiry of the lease agreement of land, the Company has, under certain conditions, an obligation to hand over the leased item in the same condition as when entering into the lease agreement, which is not recognised in the financial statements.

Furthermore the Company has entered into operating leases. Remaining operating lease obligations represents DKK 768 thousand.

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8 Related parties

LUNDSØE KØL & FRYS A/S' related parties comprise the following:

Control

Lineage Danish Bidco II ApS, c/o Lundsøe Køl & Frys A/S Jellingvej 5, 9230 Svenstrup J.

Lineage Danish Bidco II ApS holds the majority of the contributed capital in the Company.

Lundsøe Køl & Frys A/S is part of the consolidated financial statements of Lineage Danish Bidco 5, c/o Lundsøe Køl & Frys A/S Jellingvej 5, 9230 Svenstrup J, and the consolidated financial statements of Lineage Logistics Holdings, LLC, Michigan, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.