



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 950 173 378
Organisasjonsform: Aksjeselskap
Foretaksnavn: FOOD FOLK NORGE AS
Forretningsadresse: Pløens gate 2
0181 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: inger-hilde hjelme
Dato for fastsettelse av årsregnskapet: 03.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 15.05.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	633 055 000	584 404 000
Annen driftsinntekt	4	6 976 000	14 227 000
Sum inntekter		640 031 000	598 631 000
Kostnader			
Lønnskostnad	3	56 162 000	51 161 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8,9	77 943 000	105 425 000
Annen driftskostnad	2	260 779 000	229 759 000
Sum kostnader		394 884 000	386 345 000
Driftsresultat		245 147 000	212 286 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	10	19 154 000	28 834 000
Annen finansinntekt	5	33 172 000	7 557 000
Sum finansinntekter		52 326 000	36 391 000
Annen finanskostnad	6	80 175 000	90 668 000
Sum finanskostnader		80 175 000	90 668 000
Netto finans		-27 849 000	-54 277 000
Resultat før skattekostnad		217 298 000	158 009 000
Skattekostnad	7	27 419 000	-4 334 000
Årsresultat		189 879 000	162 343 000
Overføringer og disponeringer			
Avgitt konsernbidrag			80 000 000
Overføringer til/fra annen egenkapital		189 879 000	82 343 000
Sum overføringer og disponeringer		189 879 000	162 343 000



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	9	14 551 000	9 097 000
Sum immaterielle eiendeler		14 551 000	9 097 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8	1 964 348 000	1 641 697 000
Sum varige driftsmidler		1 964 348 000	1 641 697 000
Finansielle anleggsmidler			
Investering i datterselskap	10	72 828 000	79 200 000
Sum finansielle anleggsmidler		72 828 000	79 200 000
Sum anleggsmidler		2 051 727 000	1 729 994 000
Omløpsmidler			
Varer			
Varer		550 000	5 929 000
Sum varer		550 000	5 929 000
Fordringer			
Kundefordringer	12	94 137 000	62 804 000
Konsernfordringer	20	174 083 000	240 799 000
Sum fordringer		268 220 000	303 603 000
Investeringer			
Andre finansielle instrumenter	18	36 369 000	11 566 000
Sum investeringer		36 369 000	11 566 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13	3 790 000	4 620 000
Sum bankinnskudd, kontanter og lignende		3 790 000	4 620 000
Sum omløpsmidler		308 929 000	325 718 000



Balanse

Beløp i: NOK	Note	2024	2023
SUM EIENDELER		2 360 656 000	2 055 712 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	14	1 022 000	1 022 000
Annen innskutt egenkapital		63 545 000	64 390 000
Sum innskutt egenkapital		64 567 000	65 412 000

Opptjent egenkapital

avsatt konsernbidrag	14		80 000 000
Annen egenkapital	14	407 835 000	217 111 000
Sum opptjent egenkapital		407 835 000	297 111 000

Sum egenkapital

472 402 000 **362 523 000**

Gjeld

Langsiktig gjeld

Utsatt skatt	11	57 868 000	65 908 000
Sum avsetninger for forpliktelser		57 868 000	65 908 000

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	15	1 475 536 000	1 374 703 000
other payables	17	6 128 000	3 708 000
provisions	16	56 868 000	50 280 000
Sum annen langsiktig gjeld		1 538 532 000	1 428 691 000

Sum langsiktig gjeld

1 596 400 000 **1 494 599 000**

Kortsiktig gjeld

Gjeld til kredittinstitusjoner	15	72 418 000	63 335 000
Betalbar skatt		35 207 000	24 108 000
Kortsiktig konserngjeld	20	43 769 000	10 326 000
Trade and other payables	17	140 460 000	100 821 000
Sum kortsiktig gjeld		291 854 000	198 590 000

Sum gjeld

1 888 254 000 **1 693 189 000**



Balanse

Beløp i: NOK	Note	2024	2023
SUM EGENKAPITAL OG GJELD		2 360 656 000	2 055 712 000



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To the General Meeting of Food Folk Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Food Folk Norge AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Offices in:

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Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodo	Knarvik	Stord	Alesund
Drammen	Kristiansand	Straume	

Pennco Dokumentnr: VVXDT-T9BQ2-YOYO-N0Z05-5NRT-L1821



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as 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 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 about 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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.
- 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

Hamar

KPMG AS

Thore Kleppen
State Authorised Public Accountant
(This document is signed electronically)

Pennco Dokumentnøkket: VXXDT-T9BQ2-YOYO-NOZOS-5NRT-L1821



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Kleppen, Thore

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Food Folk Norge AS

Pløens gate 2
0181 Oslo

Org. no. 950 173 378

Annual report 2024



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Food Folk Norge AS
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Food Folk Norge AS
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Statement by the Board of Directors and the Executive Board

The Company

Food Folk Norge AS activities have in 2024 as earlier years been concentrated on operations and development of the McDonald's international restaurant concept. The Company has one 100% owned daughter companies. The Company is reporting according to IFRS as adopted by the European Union.

At the end of the year, the McDonald's system in Norway had a total number of 85 family restaurants. The Company operated 14 restaurants while franchisees operated 71 restaurants. The Food Folk system (includes both restaurants operated by the group and restaurants operated by franchisees) had a total net sales ex VAT of NOK 3,619 million in 2024, of which the sales in franchisee restaurants were NOK 2,889 million. The franchisees operate the restaurants through their own companies. Their financial reports are, therefore, not included in the Food Folk Norge AS's financial report.

As of 31 December 2024, the restaurants are situated in the following counties: 12 restaurants in Oslo, 13 restaurants in Akershus, 6 restaurants in Buskerud, 7 restaurants in Østfold, 7 restaurants in Innlandet, 5 restaurants in Trøndelag, 2 restaurants in Møre og Romsdal, 8 restaurants in Vestland, 9 restaurants in Rogaland, 4 restaurants in Vestfold, 4 restaurants in Telemark, 6 restaurants in Agder, 1 restaurant in Nordland and 1 restaurant in Troms.

Outlook

The Company has opened seven new stores and remodeled seven stores. Total comparable system wide sales have been 1.8% higher than last year.

Positive free cash flows from operating activities were generated and it has continued to invest in new store openings/re-modelling/upgrades/capacity increases and will continue to do so in the future.

Despite challenging macro-economic trends, the beginning of 2025 has been good in terms of sales and profits. System wide sales performance of the two months of 2025 has increased compared to last year. From an EBITDA perspective, results at the end of February are higher than the plan and last year.

Financial and market risk

The Company has taken out long-term mortgage loans denominated in NOK and granted security to the lender in the owned property portfolio. The majority of the future interest payments on mortgages are fixed with SWAP agreements.

The credit risk associated with cash holdings is limited as the counterparties have high credit ratings assigned by international credit-rating agencies.

Overall, the management considers financial and market risk limited and in line with the industry. For further details on financial and market risk, please refer to note 18 in the Financial Statement.

Cash flow statement

In 2024, the Company had net investments of NOK 216.7 million. Seven new restaurants have been opened. Large reinvestments have been made in some of the restaurants. This was financed both by cash flow from operations (NOK 339.3 million), by a decrease in cash-pooling balances of NOK 51.2 million, and by a new loan facilities in June 2024 (NOK 23.0 million), which have been used to allow the payment of net group contribution in the year (NOK 60 million) and lease/bank liabilities (NOK 136.9 million).

Going Concern

In accordance with the Norwegian Accounting Law §3-3a the company confirms that the assumptions for going concern are present and the financial report has been based on this assumption.

Research and development

The Company does not have any research and development activities.

Employees and working environment

Similar to McDonald's international practice concerning employees' working conditions, Food Folk Norge applies a systematic job-rotation scheme intended to create the best possible working environment. Furthermore, Food Folk Norge regularly offers its employees the possibility to take part of various training programs. Such programs focus on individual development as well as facilitating promotions within the system. Additionally, performance reviews and staff surveys are conducted on a regular basis in order to better understand and improve our working environment. Food Folk Norge also took steps to position the company for growth, increase speed and innovation and provide employees with more exciting career and work opportunities.

The Board of Directors deems the working environment of the Company to be on a satisfactory level. There have been no serious occupational accidents or incidents during the year. Moreover, the Company has not observed any noticeable increase in sickness rate or leave of absence due to health and/or safety related reason (Food Folk



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Statement by the Board of Directors and the Executive Board

Norway had a total sick leave of 1,52% during 2024). The Company recognizes the importance of monitoring sickness/absence and has implemented a new absence tool, to help out both leaders and employees following up absence. The average number of employees during 2024 was 54.

Corporate Environment Responsibility

External pollution derived from McDonald's restaurants is considered to be well within the legal requirements. Systematic work is undertaken to improve the usage of resources in order to have a positive impact on the environment.

Human rights

In line with the Norwegian Transparency Act, the Group carried out a comprehensive materiality assessment of human rights within its supply chain and reported the results under the website www.mcdonalds.com/no.

We are now preparing for our 2024 report to be filed in line with the regulatory timing requirements and are continuously working to establish a full review of human rights across our organization in Norway.

Equal opportunities, Non-discrimination and accessibility

Diversity and equal opportunity

Diversity and inclusion are one of our strategic focuses related to the Company's sustainable development goals. It is believed that a dynamic mix of people is instrumental to a sustainable and healthy working environment.

Our ethical guidelines and policies clearly underline an absolute non-acceptance of inappropriate behavior such as bullying, harassment and any kind of discrimination based on *e.g.* gender, sexual orientation, age, ethnicity, or religious beliefs.

Business code of conduct

At Food Folk, we believe in the value of treating people with equality and respect. Our non-acceptance of harassment, intimidation, discrimination and other forms of inappropriate behavior is manifested in the Food Folk Code of Conduct. The Code of Conduct is shared on an annual basis with our employees who are requested to certify understanding and compliance with the values and principles set out in the Code of Conduct.

Speak-Up Policy - Integrity Line

The Food Folk Speak-Up Policy and Integrity Line facilitate the possibility for our employees to report unaccepted behavior. Employees are offered the possibility to report anonymously and the Speak Up policy manifests a guarantee of non-retaliation. The Integrity Line is furthermore available also to external parties such as suppliers and contractors. In order to avoid a culture of silent acceptance and leniency towards unaccepted behaviors, the Speak-Up Policy encourages our employees to act and report misconduct and unethical behavior, including but not limited to fraud and violations of laws and regulations.

Suspicion of Misconduct/Fraud

All employees with knowledge of suspected misconduct are encouraged to report suspicions of fraudulent or unethical conduct in violation of the Food Folk Code of Conduct and all violations of the law.

Women@McDonald's

Women@McDonald's is a network within McDonald's and its affiliates, which aims to engage, elevate and empower women across the McDonald's system and its organizations. One employee from the Company is participating in the network's operations in order to further support and enable:

- Break down barriers and build a community of women and allies across the organization to champion gender equity (Engage);
- Promote women's voices, ideas, and impact (Elevate); and
- Provide learning and engagement opportunities to advance professional development (Empower).

Employee engagement survey

Food Folk Norge AS conducts an engagement PULS-survey through the whole year where employees are asked if they have a positive and physical good workplace, and if they feel safe and cared for as an employee. The most recent survey was conducted in December 2024. The report indicate that our employees feels that Food Folk have a good working environment and care for them as employees. Our employees are sure that Food Folk would react in the right way if any misconduct was reported.

In addition, an engagement survey is conducted on annual basis at restaurant level. The reports from that survey do not indicate any significant dissatisfaction in relation to the employer. The reports further indicate that employees on an overall basis experience good treatment from managers, good working environment and respectful treatment amongst colleagues.



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Food Folk Norge AS
Annual Report 2024

Statement by the Board of Directors and the Executive Board

The company has several initiatives to ensure a safe and good working environment, such as a demonstration of the use of the Integrity Line (notification function), e-learning tools with a focus on a safe and respectful workplace and improved collaboration between company health service providers.

Initiatives to reduce the risk of discrimination

In order to mitigate risks relating to various kinds of discrimination, the following measures/processes are put in place:

- Properly developed recruitment processes at all levels. This includes training for recruiting leaders, In order to mitigate risks relating to various kinds of discrimination, the following measures/processes are put in place:
- Orderly and diligently developed recruitment processes on all levels. This includes training for recruiting leaders, guidelines, test tools and structured interviews.
- Active support from HR in all recruitment processes and the application of personality/integrity tests.
- In 2024, Food Folk Norge engaged Mercer to benchmark salaries, ensuring alignment with competitive market standards and reinforcing our commitment to equitable treatment for all employees.
- Annual gender balance mapping.

Gender balance

The gender balance in Food Folk Norge AS is as follows:

Executives men	33,33 %
Executives female	66,66 %
People Managers men	50 %
People Managers female	50 %
Office employees men	52%
Office employees female	48%

Part time work (not voluntary)

The Company has no part time workers.

Temporary Work

The vast majority of our Norwegian employees are employed on permanent employment contracts.

Parental leave

Parental leave follows legal regulations and individual choices. In 2024 two female employees were on paid parental leave for 25 weeks in total. In 2024 one male employee was on paid parental leave for 15 weeks in total. Food Folk Norway pays full salary to employees on parental leave – also for employees with higher salary than the cap in Norwegian social security regulations.

Women's Average Salary as Percentage of Men's Average Salary

- On executive level woman earn in average 10,59 % more than men.
- On people manager level woman earn in average 20,80 % more than men.
- Other employees women earn in average 11,54% more than men.

Directors' and officers' liability insurance

The Company is covered by the Food Folk Group's Directors' & Officers' Liability Insurance including inter alia general liability, crisis loss and losses due to environmental matters.



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Food Folk Norge AS
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Statement by the Board of Directors and the Executive Board

Result

In 2024 Food Folk Norge AS had a net profit of NOK 189,879 thousand. The Board regards the Financial Report to reflect a correct status of the financial position of the Company. The Board recommends the net profit to be allocated as follows:

Attributable to (in thousand NOK):

Group contribution	-
Dividends	-
Funds for unrealized gains	(845)
Retained earnings	<u>190,724</u>
Profit for the year	<u><u>189,879</u></u>

Oslo, 3 April 2025

Ann Helen Våge

Managing Director and Chairman of the Board

Anders Torbjörn Hägg

Board member



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Food Folk Norge AS
Annual Report 2024

Company details

General

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Website: www.mcdonalds.no

Org no. 950 173 378

Established: 17 November 1988
Registered office: Pløens gate 2, 0181 Oslo
Financial year: From 1 January to 31 December

Board of Directors

Ann Helen Våge
Anders Torbjörn Hägg

Managing Director

Ann Helen Våge

Auditor

KPMG AS
Godkjent revisjonsselskap
Sørkedalsveien 6
0369 Oslo

Bank

Danske Bank, Corporate banking

Annual general meeting

The annual general meeting will be held on 3 April 2025.



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Food Folk Norge AS
Annual Report 2024

Food Folk Corporate Social Responsibility

Our mission in Food Folk Norge, being part of Food Folk Group, is to provide our customers in Norway with the most friendly, convenient, and consistently excellent McDonald's experience in the world. Having a positive impact in communities, while maintaining the growth and success of the McDonald's System, is fundamental to how we operate. We achieve this by living our values as we serve our guests via our 85 restaurants.

Our values:

- **Serve:** We put our customers and people first
- **Inclusion:** We open our doors to everyone
- **Community:** We are good neighbors
- **Integrity:** We do the right thing
- **Family:** We Get Better Together

As one of Norway's and the Nordic's largest restaurant companies, we believe we have a responsibility to ensure long-term, sustainable value creation while taking action on some of the world's most pressing social and environmental challenges that are important to our employees and the communities in which we operate.

To manage our impact carefully and hold ourselves accountable across a range of ESG issues, in 2024 and beyond, we will continue do our part for sustainability, for example on climate action, packaging and waste, youth employability, and taking action as a part of the community.

In 2024, the Sustainable Brand Index ranked McDonald's Norway as the no.2 restaurant and catering industry's best in terms of sustainability.

Our role in the community

As one of the largest youth employers in Norway, we provide invaluable learning experiences for young people across the country from all backgrounds. Employment with McDonald's is often the first steppingstone into the workforce – we provide employees with opportunities to grow and gain experiences that can be used for the rest of their working lives, providing them with continuous learning opportunities.

Being part of the community means supporting people every day, and especially when they need it most. We are proud to lend this support through Ronald McDonald House Charities® (RMHC®). The mission of RMHC is to create, find, and support programs that directly improve the health and well-being of children and their families.

Other ways we support the community are through "Rusken" and collaboration with "Keep Norway Clean", where our employees join clean-up activities, to tackle the problem with littering. We have also initiated the Young Farmer of the Year award, a collaboration between McDonald's, Norwegian Rural Youth and Felleskjøpet Agri (Norwegian agricultural cooperative). The goal is to increase recruitment to Norwegian agriculture and focus on the production of Norwegian quality food. The candidate must be a food producer, under the age of 35, and be a healthy role model who can inspire more people to work in Norwegian agriculture.

Risk & Impact

a) Our planet

As we continue to grow as a business, our efforts are increasingly focused on managing our carbon footprint. In 2024, we produced our latest carbon emissions report (for 2023), and we have been building emissions reduction strategies across our business.

We take a holistic approach to sustainability, which includes exploring ways to help our customers reduce their own environmental impact. We continue to test and deploy new packaging solutions in our restaurants, to learn how we can reduce packaging and switch to more sustainable materials while still delivering a great experience for our customers.

In partnership with our Franchisees, suppliers and producers, we're finding new and innovative ways to reduce emissions, keep waste out of nature and preserve natural resources. From minimizing how much packaging we use to investing in renewable energy and partnering to advance sustainable and regenerative agriculture practices – we want to help protect our planet for communities today and in the future.

We are working consciously on the reduction of conventional energy and increasing the use of renewable energy. We have also begun transitioning to more efficient buildings and kitchen equipment. Together with our Franchisees, we are investing in our restaurants to be more innovative and energy efficient.

We have taken measures to reduce food waste via our "Made for You" platform. We collect grease (from the grease separator), food waste and cooking oil. These are then recycled into new products. We also make ongoing technology and process investments to move guests through the drive through process efficiently and with speed, thereby reducing emissions.

We are on target for our goal of 100 percent of our primary guest packaging to be from renewable, recycled or certified sources by the end 2025. In addition, our serving trays are made from 100% plastic from marine waste.

In 2012 we began installing charging stations for electric cars at our restaurants. By end of 2024, we had in total 135 charging stations in operation at 29 restaurants.



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Food Folk Norge AS
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Food Folk Corporate Social Responsibility

The majority of our environmental impacts occur in Scope III, within our supply chain. McDonald's journey toward sustainable sourcing begins with our suppliers. With a clear accounting of our carbon emissions now in place, we will focus on collaborative action and investment to address climate-related risks associated with our agriculture value chain to help protect our planet for communities today and in the future. We believe we have an important role to play in responsible sourcing.

Today, on a Nordic-level, approximately 72% of our food and packaging suppliers have commitments in place to Science Based Targets. We expect this to grow significantly up to 2025 and our objective is to have 100% of our food and beverage suppliers with climate targets in place.

b) Human Rights

At McDonald's, we conduct our activities in a manner that respects human rights as set out in the Universal Declaration of Human Rights. Our expectations of our suppliers are outlined in our Supplier Code of Conduct.

In order to provide goods and services to the McDonald's System, suppliers must meet our high standards, and direct suppliers are required to commit to upholding the standards contained in our Code. We provide guidance to assist our suppliers to meet the standards for human rights, workplace environment, business integrity and environmental management contained in the Code. We also expect suppliers to implement their own management systems in these areas.

We expect that suppliers treat their employees with fairness, respect and dignity, and follow practices that protect the health and safety of people working in their facilities, in compliance with national and local laws. We also require our suppliers to hold their own suppliers to the same standards as outlined in our Code, and to create internal mechanisms and programs for handling reports of workplace grievances, including anonymous reporting.

McDonald's has a comprehensive Supplier Workplace Accountability (SWA) program, which supports compliance with the standards and expectations outlined in our Code. The SWA program aims to help suppliers understand our expectations, verify compliance and work toward continuous improvement.

The SWA program provides suppliers and McDonald's Global Supply Chain Team with training to understand human rights issues and our SWA program requirements. Built on a model of continuous improvement and education, SWA includes an online training platform where suppliers can access optional tools and resources that provide guidance on human rights issues.

In 2022, and in line with the Norwegian Transparency Act, we carried out a comprehensive materiality assessment of human rights within our supply chain which was reported on in June 2023 in line with regulatory requirements. A review was posted in June 2024.

c) Governance

In compliance with McDonald's corporate standards, Food Folk has developed specific internal policies covering anti-fraud, anti-corruption, and has an established Code of Conduct. Food Folk staff are trained annually on governance-related issues. Furthermore, Food Folk in Norway follows the McDonald's Global anti-corruption policy.

d) Anti-corruption and bribery

We have an anti-corruption policy, which is aligned with McDonald's Global policy. Our head offices' employees conduct annually an anti-corruption e-learning program aimed at preventing the risk of corruption and bribery at the company. We have a whistle-blower system set-up for each of the countries where Food Folk Group operates. All current and new employees at the headquarters must read, sign our code of conduct and attend e-learning system training annually.

e) Our people

Our employees form the core of our business. Therefore, we measure employee satisfaction every year and aim to improve our scores every time. To ensure our employees' continued development and satisfaction, we offer a range of mandatory and optional courses. All our employees complete the mandatory McDonald's-learning courses.

In Food Folk, human and labor rights are governed by the employees' handbook and the Global HR policies for diversity and harassment. In addition to the satisfaction surveys by McDonald's Global, Food Folk performs culture audits as well with the support by Great Place to work, with focus on reports and developing of action plans.

For Food Folk Group suppliers are an important part of our business and all our markets follow the global code of conduct for suppliers. The McDonald's Supplier Code of Conduct where human rights, a safe working environment, labor law principles and business integrity are important elements of the content. Thus, we audit all our relevant suppliers through an independent auditor to ensure that our partners comply with our code of conduct.

Gender diversity

Food Folk is committed to inclusiveness and gender equality. At the management level, 67% of the positions are held by women and 33% by males. This is a change from 2023 (56% held by women and 44% males). The board consisted of one female and one male directors in 2024.





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Statement of profit or loss and other comprehensive income

NOK'000	Note	2024	2023
Revenue	1	633 055	584 404
Other external expenses	2	(260 779)	(229 759)
Depreciation, amortisation and impairment	8,9	(77 943)	(105 425)
Staff cost	3	(56 162)	(51 161)
Other operating income, net	4	6 976	14 227
Total expenses		(387 908)	(372 118)
Operating profit or loss		245 147	212 286
Financial income	5	33 172	7 557
Financial expense	6	(80 175)	(90 668)
Net finance expenses		(47 003)	(83 111)
Share of profit of equity accounted investees, net of tax	10	19 154	28 834
Profit or loss before tax		217 298	158 009
Tax for the year	7	(27 419)	4 334
Profit or loss		189 879	162 343
Attributable to			
Group contributions/dividends		0	80 000
Funds for unrealized gains		(845)	14 793
Retained earnings		190 724	67 550
Profit or loss		189 879	162 343
Statement of comprehensive income			
Profit or loss		189 879	162 343
Other comprehensive income for the year, net of income tax		0	0
Comprehensive income for the year		189 879	162 343

The notes form an integral part of these financial statements



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Food Folk Norge AS
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Statement of financial position at 31 December

NOK'000	Note	2024	2023
Assets			
Non current assets			
Property, plant and equipment	8	1 964 348	1 641 697
Intangible assets	9	14 551	9 097
Investments in subsidiaries	10	72 828	79 200
		2 051 727	1 729 994
Current assets			
Inventories		550	5 929
Trade and other receivables	12	94 137	62 804
Derivative assets	18	36 369	11 566
Receivables from related parties	20	174 083	240 799
Tax receivable		0	0
Restricted cash	13	3 790	4 620
Cash and cash equivalents	13	0	0
		308 929	325 718
Total Assets		2 360 656	2 055 712
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	14	1 022	1 022
Funds for unrealised gains		63 545	64 390
Proposed dividends and group contribution	14	0	80 000
Retained earnings		407 835	217 111
Total equity		472 402	362 523
Non current liabilities			
Loans and borrowings	15	1 475 536	1 374 703
Other payables	17	6 128	3 708
Provisions	16	56 868	50 280
Deferred tax liabilities	11	57 868	65 908
Non current liabilities		1 596 400	1 494 599
Current liabilities			
Loans and borrowings	15	72 418	63 335
Trade and other payables	17	140 460	100 821
Derivative liabilities	18	0	0
Payables to related parties	20	43 769	10 326
Tax payable		35 207	24 108
Provisions	16	0	0
Current liabilities		291 854	198 590
Total liabilities		1 888 254	1 693 189
Total equity and liabilities		2 360 656	2 055 712



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Statement of changes in equity

(See Note 14)

NOK'000	Share capital	Funds for unrealized gains	Proposed dividends and group contribution	Retained earnings	Total equity
Balance at 1 January 2023	1 022	49 597	325 500	149 561	525 680
Profit or loss	0	14 793	80 000	67 550	162 343
Total comprehensive income for the period	0	14 793	80 000	67 550	162 343
Transactions with owners, recorded directly in equity:					
Dividends	0	0	(175 500)	0	(175 500)
Group contribution	0		(150 000)	0	(150 000)
Total contributions by and distributions to owners	0	0	(325 500)	0	(325 500)
Balance at 31 December 2023	1 022	64 390	80 000	217 111	362 523

NOK'000	Share capital	Funds for unrealized gains	Proposed dividends and group contribution	Retained earnings	Total equity
Balance at 1 January 2024	1 022	64 390	80 000	217 111	362 523
Profit or loss	0	(845)	0	190 724	189 879
Total comprehensive income for the period	0	(845)	0	190 724	189 879
Transactions with owners, recorded directly in equity:					
Group contribution	0	0	(80 000)	0	(80 000)
Dividends	0	0	0	0	0
Total contributions by and distributions to owners	0	0	(80 000)	0	(80 000)
Balance at 31 December 2024	1 022	63 545	0	407 835	472 402



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Statement of cash flows

NOK'000	Note	2024	2023
Cash flow from operating activities			
Profit for the year		189 879	162 343
Adjustments for:			
Depreciation, amortisation and impairment	8,9	77 943	105 425
Financial income	5	(33 172)	(7 557)
Financial expense	6	80 175	90 668
Share of profit of equity accounted investees, net of tax	10	(19 154)	(28 834)
Other income/expense non-monetary		3 121	473
(Gain)/loss on sale of property, plant and equipment	4	14 259	2 360
Taxation	7	27 419	(4 334)
		150 591	158 201
Decrease/increase in trade and other receivables	12	(246)	(20 527)
Decrease/increase in inventories		5 379	(215)
Decrease/increase in trade and other payables	17	(30 625)	34 743
Decrease/increase in related parties balances	20	48 939	(24 013)
Decrease/increase in provisions	16	0	(692)
		23 447	(10 704)
Tax paid		(24 618)	(1 670)
		(24 618)	(1 670)
Net cash from operating activities		339 299	308 170
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	4	24 801	81
Dividends/Group contribution received		20 000	14 041
Change in cash-pooling (positive balances)	20	51 214	(143 436)
Acquisition of associates/business, net of cash	10	(8 875)	(5 532)
Acquisition of property, plant and equipment	8	(221 508)	(67 791)
Acquisition of intangible assets	9	(11 079)	(5 560)
Net cash from investing activities		(145 447)	(208 197)
Cash flows from financing activities			
Proceeds from new loan	22	23 000	368 021
Change in restricted cash	13	830	342
Interest paid		(33 468)	(34 218)
Financing transaction cost	22	(498)	(7 763)
Repayment of borrowings	22	(28 379)	(28 379)
Payment of lease liabilities (interest portion)	22	(29 163)	(30 757)
Payment of lease liabilities (principal portion)	22	(46 174)	(41 719)
Dividends/Group contribution paid	14	(80 000)	(325 500)
Net cash from financing activities		(193 852)	(99 973)
Net increase/decrease in cash and cash equivalents		0	0
Cash and cash equivalents at 1 January		0	0
Effect of exchange fluctuations on cash held		0	0
Cash and cash equivalents at 31 December	13	0	0



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Food Folk Norge AS
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Basis of preparation

Reporting entity

Food Folk Norge AS, corp id 950 173 378, is a Norwegian limited liability company domiciled in Oslo, Norway. The address to the head office is Pløens gate 2, 0181 Oslo, Norway. Food Folk Norge AS is a wholly owned subsidiary of Food Folk Norge Holdings AS.

The financial statements for the years ended 31 December 2023 and 31 December 2024 comprise the financial statements for Food Folk Norge AS.

The Company's main activity consists of acquiring real estate by renting or buying it, renovating and fitting it for the purpose of operating a McDonald's restaurant under a master franchise agreement made with McDonald's Corporation (hereafter referred to as McDonald's), the holder of the McDonald's global trademark.

Accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Functional and presentation currency

The financial statements are presented in NOK rounded to the nearest NOK 1,000.

Basis of accounting

The financial statements for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Changes and details of the accounting policies are included further.

Changes in significant accounting policies

A number of new standards and interpretations are effective from 1 January 2024:

Newly effective EU-endorsed standards for 01 Jan 2024 to 31 Dec 2024

Effective date	New standards or amendments
1 January 2024	Non-current Liabilities with Covenants (Amendments to IAS 1) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

It has been assessed that they do not have a material effect on the Company's financial statements.

Standards issued but not yet effective

The IASB has issued a number of new or amended accounting standards and interpretations, effective for annual periods beginning after 1 January 2025. The approved, though not yet effective, standards and IFRICs will be applied as they become mandatory for the Company.

Standards not / not yet endorsed by the EU

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability (Amendments to IAS 21)
1 January 2026	Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company has assessed that these new standards will not have a material effect on the Company's financial statements.



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Food Folk Norge AS
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Basis of preparation

Use of judgements and estimates

In preparing the financial statements, Management has made judgements, estimates and assumptions that affect how the Company's accounting policies are applied and the amount of assets, liabilities, income and expenses reported. The actual results may deviate from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the financial statements:

- **Gross vs. net recognition of royalty income and out-of-pocket expenses**

Food Folk both receives royalty income from the sub-franchisees and pays royalty income to McDonald's. These amounts represent the fees for using the McDonald's brand and intellectual property.

McDonald's has stipulated that Food Folk is required to charge its sub-franchisee a fixed percentage of system-wide sales as a royalty expense. Based on the indicators in IFRS 15 management has assessed that Food Folk is acting as a principal (requiring royalty payments to be recognised gross). This is substantiated by the fact that Food Folk is responsible and bears the risk that the sub-franchisees do not perform in accordance with the license granted by McDonald's, being also primarily responsible for providing the services to the franchisees.

Costs and fees (out-of-pocket expenses) related to leaseholds that are used by sub-franchisees are invoiced with no mark-up to the sub-franchisee, and recognised net of payments received from franchisees. Based on the indicators in IFRS 15 management has assessed that Food Folk is acting as an agent (requiring out-of-pocket costs to be recognised net). This is substantiated by the fact that other parties are primarily responsible for providing the services related to the out-of-pocket costs and that the prices for the services related to the out-of-pocket costs are not determined by Food Folk.

- **Investment incentives**

Food Folk grants investment incentives to franchisees, by reducing the franchise fee for a certain period after investment. The incentive is recognised as a reduction of revenue as the discount is provided to the franchisee. Historical data shows that the incentives offered are generally around 1% of system-wide sales.

- **Minimum lease term**

The lease term has an impact on the accounting for:

- right-of-use assets
- lease liabilities
- restoration provisions

According to IFRS 16 the lease term includes the non-cancellable period of the contract and any further periods for which the lessee has an option to continue to lease the asset and for which, at the time of inception of the lease, it is judged reasonably certain that the lessee will exercise that option.

Food Folk has a 20-year agreement with McDonald's (expiring in 2037) requiring Food Folk to ensure that there is a certain number of restaurants in the market, and restaurants can only be closed if permission is granted by McDonald's. Management has assessed that renewable leases expiring before 2037 will be in general extended, unless otherwise agreed with McDonald's.

Assumptions and estimation uncertainties

When preparing the financial statements of the Company, Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Company's assets and liabilities are based.

The following provides information about assumptions and estimation uncertainties with a significant risk of resulting in a material adjustment in the year ending 31 December 2024:

- **Impairment test intangible assets and property, plant and equipment**

When there is an indication of impairment, an estimate is made of how the Company's individual cash generating units will be able to generate sufficient positive net cash flows to support the value of the tangible and intangible assets of the unit. Estimates of future cash flows may span many years in the future and will be subject to uncertainty. The key assumptions supporting recoverable amounts mainly comprise discount rate (WACC) and expectations regarding future system-wide sales in restaurants.

- **Provisions**

The restoration provision is determined based on the net present value of expected future cash flows. Estimates of future cash flows will be subject to uncertainty. The key assumptions supporting the provisions are expectations regarding future system-wide sales in restaurants, cost per square meter for restoring leaseholds and the discount rate used to calculate the present value of the future cash flows. Please refer to note 16 for more details related to the provisions.



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Material accounting policies

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

Business combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

Foreign currency

Transactions in currencies other than the functional currency are foreign currency transactions. On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the transaction date. Foreign currency translation adjustments made when such transactions are settled or as a result of translation of monetary items denominated in foreign currencies at year-end exchange rates are recognised in profit or loss under financial income or financial expenses. Foreign currency differences arising from the translation of certain items (such as cash flow hedges) are recognised in OCI.

Statement of profit or loss

Revenues

Revenue consists of fees from franchised restaurants recognized over time, as the customer simultaneously consumes and receives benefit from the services as the service is performed. Franchise fees from franchised restaurants are based on a percentage of sales realised by the franchised restaurant if they exceed a minimum monthly amount and are recognised in the period they are earned. Incentives granted to franchisees are calculated and recognized as part of the variable revenue for the period. Revenue is presented net of discounts, rebates and incentives granted. Also, revenue is also presented net of VAT and other indirect taxes charged on behalf of third parties.

Other external expenses

Other external expenses include expenses relating to the entity's core activities, including expenses relating to advertising, administration, premises, bad debts, royalties paid to McDonald's, etc. Costs and fees related to leaseholds that are used by sub-franchisees are invoiced with no mark-up to the sub-franchisee, and recognised net of payments received from franchisees. According to the Franchise agreements, the franchisees are required to cover all costs related to the premises used as restaurants, such as common costs, marketing contributions, municipality fees and property taxes. As Food Folk does not obtain control of the goods or the right to the services, more than momentarily, in advance of transferring those goods or services to the franchisee, Food Folk acts as an agent rather than as a principal in rendering the services.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's employees. Staff costs are net of refunds made by public authorities. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled fully within 12 months of the reporting date, then they are discounted.

Other operating (expense)/income, net

Other operating (expense)/income, net are secondary to the principal activities of the Company and include intercompany recharge of services provided, gains and losses on disposal of intangible assets and property, plant and equipment.

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



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Material accounting policies

financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Positive changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.

Financial expenses comprise interest, losses on transactions denominated in foreign currencies, amortisation of financial liabilities, including finance lease commitments, and surcharges under the Norwegian tax prepayment scheme, etc. Negative changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.

Share of profit of subsidiaries, net of tax

The item includes the Company's proportionate share of the profit/loss for the year in equity accounted investees after elimination of intra group gains or losses, impairment of goodwill and amortisation/depreciation of other excess values at the time of acquisition.

Tax for the year

Income tax expense comprises current and deferred tax. It is recognised in profit except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Statement of financial position

Property, plant and equipment

Items of property, plant and equipment are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment losses.

The cost of certain items of property, plant and equipment at 1 January 2016, the Company's date of transition to IFRS, was determined with reference to its fair value at that date.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries. The present value of estimated liabilities related to restoring leaseholds is added to the cost of leasehold improvements or buildings if the liabilities are provided for.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	40 years
Leasehold improvements	length of lease + options but maximized to 30 years
Fixtures, fittings, and equipment	3-10 years

Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the statement of profit or loss as other operating (expense)/income net.

Intangible assets

Other intangible assets, including rights (key money), software licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or as incurred.

Since the period of amortisation is based on the assets expected useful life, no salvage value has been taken into account. Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Contractual rights	2-20 years
Software licenses	3-5 years



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Material accounting policies

Useful lives are reviewed at each reporting date and adjusted if appropriate. Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating (expense)/income, net.

Investments

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Interests in subsidiaries and associates are accounted for using the equity method. The investments are initially recognised at cost, which includes transaction costs. The equity value consists of the parent company's proportionate share of the entities' equity, adjusted for distributions plus goodwill and intra-group losses and less intra group gains and gain on bargain purchase, if any.

Investments in entities whose net asset value is negative are measured at NOK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognized under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss of equity accounted investees, until the date on which significant influence or control ceases.

Investment in entities in which the Company has no control or significant influence are categorized as "Other investments" and recognised at cost.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss under 'Depreciation, amortization and impairment'. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

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, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.



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When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit. If the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.
For additional details, see note 18.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Due to the nature of the scheme, balances in the Company's cash pool scheme are not considered cash but are recognised under 'Receivables from/Payables to related parties'.

Income tax

Income tax expense comprises current and deferred tax.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Provisions for deferred tax are calculated of all temporary differences between carrying amounts and tax values, with the exception of temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets are recognised at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan. Other liabilities are measured at net realisable value.

Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When the Company has a legal obligation to restore a leasehold/leased land, a provision is recognised corresponding to the present value of expected future costs.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease





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payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index/rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities in 'Loans and borrowings' in the statement of financial position.

Presentation of cash flow statement

The cash flow statement shows the Company's cash flows from operating, investment and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning of the year.

Cash flows from operating activities are determined using the indirect method and stated as the profit for the year adjusted for non-cash operating items, including depreciations and amortisations, gain on sale of property, plant and equipment, provisions and changes in working capital, interest received and income tax paid.

Cash flows from investing activities comprise payments connected with the purchase and sale of non-current assets, including property, plant and equipment.

Cash flows from financing activities include proceeds from loans and repayments on borrowings, interest and financing cost payments, capital reductions and dividends.

Cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less and an insignificant risk of changing value.



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1 Revenue

In the following table, revenue from contracts with customers is disaggregated by nature:

NOK'000	2024	2023
Sub-franchisee income (fixed)	119 227	106 539
Sub-franchisee income (variable)	417 498	358 840
Intercompany sales	<u>96 330</u>	<u>119 025</u>
Total revenues by nature	<u>633 055</u>	<u>584 404</u>

Independent sub franchisees have under franchise agreements the right to use McDonald's restaurants. The Franchise agreements have been granted for a period of up to 20 years from the date of issue. The franchise agreements include the following future minimum payments:

NOK'000	2024	2023
Less than one year	128 580	113 730
Between one and five years	484 435	436 330
More than five years	<u>1 118 525</u>	<u>941 540</u>
Total leases as lessor	<u>1 731 540</u>	<u>1 491 600</u>

2 Other external expenses

NOK'000	2024	2023
Royalties and other fees	181 389	171 266
Royalties from group companies	(37 143)	(45 112)
Lease expense	15 740	14 512
Other expenses	<u>100 793</u>	<u>89 093</u>
Total other external expenses	<u>260 779</u>	<u>229 759</u>

Fees to auditors

KPMG was appointed statutory auditor for 2024. The remuneration to KPMG reflected in these financial statements (which does not include VAT) is shown below:

NOK'000	2024	2023
Audit fees	680	574
Other assurance services	0	73
Tax advisory services	26	30
Other services other than assurance services	<u>55</u>	<u>226</u>
Total fees	<u>761</u>	<u>903</u>



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3 Staff cost

NOK'000	2024	2023
Wages and salaries	44 877	42 876
Social security costs	8 363	6 533
Contributions to defined contribution plans	<u>2 922</u>	<u>1 752</u>
Total staff cost	<u>56 162</u>	<u>51 161</u>
Average number of full time employees	<u>49</u>	<u>42</u>

Remuneration of key management personnel

NOK'000	2024	2023
Wages and salaries	4 349	5 131
Social security costs	922	1 363
Contributions to defined contribution plans	<u>551</u>	<u>539</u>
Total remuneration of key management personnel	<u>5 822</u>	<u>7 033</u>
Average number of key management personnel	1,2	1,2

Key management personnel is defined as the managing director of the company, plus the allocation of the Nordic CEO and the Nordic CFO to the Norwegian market.

The Company has a defined contribution plan (deposit-based pension) which renders a contribution of 5% of wages (0G -7.1G) and 8% (7.1G -12G); this year payment is NOK 2,476 thousand.

4 Other operating (expense)/income, net

NOK'000	2024	2023
Net gain/(loss) on disposal of property, plant and equipment	(14 259)	(2 360)
Income from intercompany recharges/mark-up	20 614	15 261
Other income/(expense)	<u>621</u>	<u>1 326</u>
Total other operating income, net	<u>6 976</u>	<u>14 227</u>

Caption "Other income/(expense)" includes the true-up adjustment on the dilapidation provision (see Note 16).

5 Financial income

NOK'000	2024	2023
Positive change in fair value of derivatives	24 890	90
Interests on related parties assets	8 167	7 333
Other interest income	<u>115</u>	<u>134</u>
Total finance income	<u>33 172</u>	<u>7 557</u>



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6 Financial expense

NOK'000	2024	2023
Net foreign exchange loss	1 554	3 933
Interest on financial liabilities	41 905	42 961
Negative change in fair value of derivatives	87	10 352
Interest on lease liabilities (see note 21)	34 037	31 071
Interests on related parties liabilities	5	437
Unwinding of discounts (see note 16)	1 806	1 661
Other interest expense	781	253
Total financial expense	80 175	90 668

7 Tax for the year

Recognised in the income statement

NOK'000	2024	2023
Current year	35 207	24 108
Current tax - Adjustments for prior years	0	0
Total current tax expense	35 207	24 108
Origination and reversal of temporary differences	(7 800)	(28 442)
Deferred tax - Adjustments for prior years	12	0
Total deferred tax expense	(7 788)	(28 442)
Total tax expense	27 419	(4 334)

Reconciliation of effective tax rate

NOK'000	2024	2023
Profit or loss before tax	217 298	158 009
Tax using the corporation tax rate in Norway (22%)	47 806	34 762
Non-deductible expenses	317	2 403
Tax exempt revenues	(9 690)	(6 365)
Recognition of previously unrecognised tax losses	0	0
Other	(11 026)	(35 134)
Under / (over) provided in prior years	12	0
Total tax expense	27 419	(4 334)

In accordance with IAS 12.46, current tax liabilities/assets are recognized and measured to the amount expected to be paid to - or recovered from - the tax authorities, including tax effects from expected group contributions (see Note 11).

Caption "Other" includes mostly the utilization of the tax impact on 2023 group contribution paid in 2024 (see Note 11).



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8 Property, plant and equipment

	Land and buildings	Leasehold improvements	Right-of-use asset	Fixtures, fittings and equipment	Under construction	Total
NOK'000						
	(see note 21)					
Cost						
Balance at 1 January 2023	1 101 258	225 285	811 812	17 090	31 959	2 187 404
Acquisitions through business combinations (Note 23)	0	0	0	0	0	0
Other acquisitions	21 568	6 832	75 694	4 474	41 057	149 625
Transfer	1 156	1 559	0	1 520	(4 397)	(162)
Disposals/Other movements	0	(9 990)	(20 546)	(1 181)	(2 701)	(34 418)
Balance at 31 December 2023	1 123 982	223 686	866 960	21 903	65 918	2 302 449
Balance at 1 January 2024	1 123 982	223 686	866 960	21 903	65 918	2 302 449
Acquisitions through business combinations (Note 23)	14 155	0	0	0	0	14 155
Other acquisitions	4 569	1 186	161 475	121	256 310	423 661
Transfer	139 530	61 005	0	659	(201 194)	0
Disposals/Other movements	(47 028)	(44)	(1 424)	(542)	(2 364)	(51 402)
Balance at 31 December 2024	1 235 208	285 833	1 027 011	22 141	118 670	2 688 863
Depreciation and impairment						
Balance at 1 January 2023	277 596	127 032	177 659	6 037	0	588 324
Depreciation charge for the year	22 546	8 085	52 353	3 174	0	86 158
Impairment losses / (reversal)	21 021	(5 174)	(451)	0	0	15 396
Transfer	0	0	0	0	0	0
Disposals / other movements	0	(7 775)	(20 395)	(956)	0	(29 126)
Balance at 31 December 2023	321 163	122 168	209 166	8 255	0	660 752
Balance at 1 January 2024	321 163	122 168	209 166	8 255	0	660 752
Depreciation charge for the year	27 596	9 243	53 643	2 859	0	93 341
Impairment losses / (reversal)	(21 023)	0	0	0	0	(21 023)
Transfer	0	0	0	0	0	0
Disposals / other movements	(8 140)	(16)	0	(399)	0	(8 555)
Balance at 31 December 2024	319 596	131 395	262 809	10 715	0	724 515
Net book value						
At 31 December 2023	802 819	101 518	657 794	13 648	65 918	1 641 697
At 31 December 2024	915 612	154 438	764 202	11 426	118 670	1 964 348

Impairment loss and subsequent reversal

In 2024, the Company has identified that there are impairment indicators related to a number of CGUs (restaurants). Management has estimated the recoverable amount of the restaurants with impairment triggers based on its value in use. Based on the calculated value in use of restaurants the Company has recognised a net impairment reversal on Tangible Assets of NOK 21,023 thousand, mostly connected to the loss booked on the disposal of assets related to a flooded restaurant. The estimate of value in use was calculated using a pre-tax discount rate of 16.6%.

Security

At 31 December 2024, properties with a carrying amount of NOK 688.2 million (2023: NOK 655.2 million) were subject to registered real estate mortgage notes that form security for bank loans. As security for mortgage loans, the Company has registered mortgage security on the Company's properties of NOK 881.6 million (2023: NOK 856.3 million).



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9 Intangible assets

NOK'000	Goodwill	Other	Total
Cost			
Balance at 1 January 2023	0	16 875	16 875
Acquisitions through business combinations	0	0	0
Other acquisitions – externally purchased	0	5 560	5 560
Transfers	0	163	163
Disposals	0	0	0
Balance at 31 December 2023	0	22 598	22 598
Balance at 1 January 2024	0	22 598	22 598
Acquisitions through business combinations	0	0	0
Other acquisitions – externally purchased	0	11 079	11 079
Transfers	0	0	0
Disposals	0	0	0
Balance at 31 December 2024	0	33 677	33 677
Amortisation and impairment			
Balance at 1 January 2023	0	9 630	9 630
Amortisation for the year	0	3 871	3 871
Impairment losses/(reversal)	0	0	0
Disposals	0	0	0
Balance at 31 December 2023	0	13 501	13 501
Balance at 1 January 2024	0	13 501	13 501
Amortisation for the year	0	5 625	5 625
Impairment losses/(reversal)	0	0	0
Disposals	0	0	0
Balance at 31 December 2024	0	19 126	19 126
Net book value			
At 31 December 2023	0	9 097	9 097
At 31 December 2024	0	14 551	14 551

10 Investments

NOK'000	Profit after tax	Other comprehensive income	Total comprehensive income	Investment in subsidiaries	
Subsidiaries	19 154	0	19 154	72 828	
	<u>Domicile</u>	<u>Shares (%)</u>	<u>Share Capital</u>	<u>Equity</u>	<u>Net result</u>
Zero Five AS	Norway	100	100	72 826	19 156

The subsidiary ZeroFive AS operates 14 (2023: 13) McDonald's restaurants under a sub-franchise contract with Food Folk Norge AS.

The Company owns in ZeroFive AS 100 ordinary shares of NOK 1,000 each (share capital: NOK 100 thousand).

Refer to note 23 for more information about the merger of subsidiaries occurred during the year.



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11 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

NOK'000	Assets		Liabilities	
	2024	2023	2024	2023
Property, plant and equipment	0	0	247 482	219 408
Financial assets	0	0	0	329
Interest-bearing loans and borrowings	(176 711)	(154 526)	0	0
Provisions	(14 006)	(12 476)	0	0
Tax effects of group contribution	0	0	0	13 200
Other	0	(27)	1 103	0
Tax (assets) / liabilities	(190 717)	(167 029)	248 585	232 937
Net of tax liabilities/(assets)	190 717	167 029	(190 717)	(167 029)
Net tax (assets) / liabilities	0	0	57 868	65 908

Movement in net deferred tax during the year

NOK'000	2024	2023
Opening balance	65 908	94 350
Recognised in profit or loss	(7 788)	(28 442)
Arising from business combination (see Note 23)	(252)	0
Closing balance	57 868	65 908
Total movement	(8 040)	(28 442)

12 Trade and other receivables

NOK'000	2024	2023
Trade receivables	84 861	61 558
Deposits	62	62
Prepayments	1 681	1 170
Other receivables	7 533	14
Total trade and other receivables	94 137	62 804

Changes in trade and other receivables

NOK'000	Opening balance for period	Cash flows	Non-cash transactions	Closing balance for period
2023	<u>43 202</u>	20 527	(925)	<u>62 804</u>
2024	<u>62 804</u>	246	31 087	<u>94 137</u>



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13 Cash and cash equivalents

NOK'000	2024	2023
Cash and cash equivalents	<u>0</u>	<u>0</u>
Total cash and cash equivalents	<u>0</u>	<u>0</u>
Restricted cash	<u>3 790</u>	<u>4 620</u>
Total restricted cash	<u>3 790</u>	<u>4 620</u>

14 Share capital

NOK'000	Ordinary shares	
	2024	2023
Share issued (thousands)	<u>170</u>	<u>170</u>
On issue 1 January	<u>1 022</u>	<u>1 022</u>
On issue at 31 December - fully paid	<u>1 022</u>	<u>1 022</u>

NOK'000	Ordinary shares	
	2024	2023
Allotted, called up and fully paid Ordinary shares of NOK 6,010 each	<u>1 022</u>	<u>1 022</u>
Total	<u>1 022</u>	<u>1 022</u>
Shares classified as liabilities	<u>0</u>	<u>0</u>
Shares classified in shareholders' funds	<u>1 022</u>	<u>1 022</u>
Total	<u>1 022</u>	<u>1 022</u>

100% of the share capital is owned and controlled by Food Folk Norge Holdings AS, Pløensgt 2, 0181 Oslo. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

There were no changes to the Company's share capital composition during the year. No shareholder holds special rights.

Food Folk Norge AS is a parent company, but does not prepare consolidated accounts, ref. section 3-7 in the Norwegian accounting act. The consolidated group accounts of Food Folk Norge Holdings are available at Pløensgt 2, 0181 Oslo.

Dividends

During 2024, a group contribution of NOK 80,000 thousand has been paid to the holding company Food Folk Norge Holdings AS,

After the balance sheet date, no dividend was proposed by the directors.



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15 Loans and borrowings

NOK'000	2024	2023
Non-current loans and borrowings		
Secured bank loans	704 646	708 940
Lease liabilities (see Note 21)	<u>770 890</u>	<u>665 763</u>
Total non-current loans and borrowings	<u>1 475 536</u>	<u>1 374 703</u>
Current loans and borrowings		
Secured bank loans	26 845	26 708
Lease liabilities (see Note 21)	<u>45 573</u>	<u>36 627</u>
Total current loans and borrowings	<u>72 418</u>	<u>63 335</u>

Loans and borrowings are measured at amortised cost and secured against the Company's portfolio of owned land and buildings.

Terms and debt repayment schedule

NOK'000	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Realkredit Danmark - Facility B1 - NOK	NOK	Variable	2037	282 460	274 970
Realkredit Danmark - Facility B2 - NOK	NOK	Variable	2037	91 000	89 931
Realkredit Danmark - Facility B3 - NOK	NOK	Variable	2037	60 000	59 069
Realkredit Danmark - Facility B4 - NOK	NOK	Variable	2037	226 125	223 536
Danske Bank A/S - Facility C - NOK	NOK	Variable	2028	<u>85 138</u>	<u>83 985</u>
Total 2024				<u>744 723</u>	<u>731 491</u>
Realkredit Danmark - Facility B1 - NOK	NOK	Variable	2037	282 460	274 088
Realkredit Danmark - Facility B2 - NOK	NOK	Variable	2037	91 000	89 773
Realkredit Danmark - Facility B3 - NOK	NOK	Variable	2037	37 000	36 451
Realkredit Danmark - Facility B4 - NOK	EUR	Variable	2037	226 125	223 661
Danske Bank A/S - Facility C - NOK	EUR	Variable	2028	<u>113 517</u>	<u>111 675</u>
Total 2023				<u>750 102</u>	<u>735 648</u>

On June 2024, the Company signed with RealKredit Danmark a utilization request for an additional loan (B3) for NOK 23,000 thousand expiring in March 2037 (at the same interest conditions as the other B facilities – 1.6% margin plus variable rate Nibor). No hedging has been stipulated for this new loan.

Direct transaction costs (such as bond premium, stamp duties, registration fees and legal fees) incurred total NOK 498 thousand.



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16 Provisions

NOK'000	Dilapidation	Other	Total
Balance at 1 January 2024	48 426	1 854	50 280
Provisions made during the year	4 025	1 378	5 403
Provisions used during the year	0	0	0
Provisions reversed/adjusted during the year	(621)	0	(621)
Unwinding of discounted amount	1 806	0	1 806
Balance at 31 December 2024	53 636	3 232	56 868
Non-current	53 636	3 232	56 868
Current	0	0	0
Balance at 31 December 2024	53 636	3 232	56 868

The dilapidation provision relates to the expected cost of restoring leased premises to the condition specified in the lease documents on termination of these leases. These costs will be incurred on exit from the properties, and the amount that will be payable is primarily dependent on negotiations with the individual landlords on exit.

17 Trade and other payables

NOK'000	2024	2023
Trade payables	109 100	61 265
VAT & duties	4 650	10 066
Payroll related	13 413	12 427
Other payables and accrued expenses	13 297	17 063
Total trade and other payables	140 460	100 821
Payroll related	6 128	3 708
Total other payables (non current)	6 128	3 708

18 Financial instruments

The Company uses various financial instruments. These include loans, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. In order to manage the Company's exposure to those risks, in particular the Company's exposure to interest rate risk, the Company enters into a number of derivative transactions including, but not limited to, variable to fixed rate interest rate swaps. All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign exchange risk, and interest rate risk. The policies for managing each of these risks are summarised below.

18 (a) Fair values of financial instruments

The fair value of all financial assets and liabilities by class together with their carrying amounts shown in the balance are as follows:



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NOK'000	2024	2023
Cash and cash equivalents	0	0
Restricted cash	3 790	4 620
Receivables from related parties	174 083	240 799
Trade and other receivables	94 137	62 804
Total financial assets at amortised cost	272 010	308 223
Financial assets designated as fair value through profit or loss	36 369	11 566
Total financial assets	308 379	319 789
Loans and borrowings	1 547 954	1 438 038
Trade and other payables	146 588	104 529
Payables to related parties	43 769	10 326
Provisions	56 868	50 280
Total financial liabilities at amortised cost	1 795 179	1 603 173
Financial liabilities designated as fair value through profit or loss	0	0
Total financial liabilities	1 795 179	1 603 173
Total net financial instruments	(1 486 800)	(1 283 384)

The fair value of financial instruments is deemed to be materially equivalent to the carrying value, except for loans and borrowings. The fair value of loans and borrowings for the Company is NOK 1,019,221 thousand.

Fair value hierarchy

All financial instruments measured at fair value use quoted prices (unadjusted) in active markets for identical assets or liabilities. As a result, no fair value hierarchy table is presented. If a table was presented, all financial instruments measured at fair value would be classed as Level 2 of the fair value hierarchy.

Effect of change of inputs used in fair value measurement

As the possibility of quoted prices (unadjusted) in active markets for identical assets not being available for these assets is remote, no analysis of the effect of changing one or more of the inputs used in fair value measurement to another reasonably possible assumption has been prepared.

18 (b) Credit risk

Credit risk is the risk of financial loss to the Company if a franchisee or counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are bank balances and trade receivables and the maximum exposure to credit risk at the balance sheet date is represented by the carrying value of these assets.

The credit risk associated with bank balances is limited as the counterparties have high credit ratings assigned by international credit-rating agencies.

The principal credit risk arises therefore from trade receivables, which represent outstanding fees receivable. In order to limit the risk surrounding outstanding fees are reviewed on a regular basis in conjunction with debt ageing and collection history.

The Company also has a limited credit risk arising from trade receivables, which represent outstanding fees receivable. The risk is limited due to short payment terms and limited receivables being past due. The Company has not realised any significant credit losses in 2024.



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Credit quality of financial assets and impairment losses

NOK'000	Gross 2024	Gross 2023	Impairment 2024	Impairment 2023
Not past due	49 644	61 241	0	0
Past due	35 217	317	0	0
Total	84 861	61 558	0	0

18 (c) Liquidity risk

The liquidity risk is managed by maintaining sufficient cash balances to meet working capital needs. Cash flow requirements are monitored by short-term and long-term rolling forecasts. In addition, the Company regularly reviews its position in relation to all financial covenants in place in relation to both its external borrowings and to McDonald's.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

NOK'000	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to 5 years	over 5 years
31 December 2024						
Non-derivative financial liabilities						
Secured bank loans	731 491	1 019 221	67 115	64 657	248 433	639 016
Lease liabilities	816 463	1 149 460	82 593	82 324	245 206	739 337
Payables to related parties	43 769	43 769	43 769	0	0	0
Trade and other payables	146 588	146 588	140 460	6 128	0	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	1 738 311	2 359 038	333 937	153 109	493 639	1 378 353
31 December 2023						
Non-derivative financial liabilities						
Secured bank loans	735 648	1 045 974	67 026	64 434	213 168	701 346
Lease liabilities	702 390	965 773	70 308	69 759	202 613	623 093
Payables to related parties	10 326	10 326	10 326	0	0	0
Trade and other payables	104 529	104 529	100 821	0	3 708	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	1 552 893	2 126 602	248 481	134 193	419 489	1 324 439

18 (d) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments.

Market risk - Interest rate risk

The Company has loans and borrowings in local currency with variable nominal interest rates as described in note 15. Variable rates may lead to unexpected increases in financial expenses. Therefore, the Company uses a fixed rate hedge contract to hedge the variability of the interest rates. The hedge follows the same period as the loans, for the majority of the amount.

At the balance sheet date, the interest rate profile of the Company's interest-bearing financial instruments was:



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NOK'000	2024	2023
Fixed rate instruments		
Financial assets	36 369	11 566
Financial liabilities	<u>0</u>	<u>0</u>
Total fixed rate instruments	<u>36 369</u>	<u>11 566</u>
Variable rate instruments		
Financial assets	142 794	194 838
Financial liabilities	<u>(731 491)</u>	<u>(735 648)</u>
Total variable rate instruments	<u>(588 697)</u>	<u>(540 810)</u>

All financial assets and liabilities identified as fixed rate instruments in the above table are accruing interest at rates that are fixed for the life of the instrument. Interest rate swaps and caps are disclosed above at fair value as fixed rate instruments, whilst the loans that they are hedging are disclosed as variable rate instruments.

Sensitivity analysis

A change of 100 basis points in interest over the year would have increased/decreased the result for the year by NOK 5,887 thousand (2023: NOK 5,408 thousand). The analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of all financial instruments with variable interest rates.

Market risk - Foreign currency risk

The Company's operations have exposure to foreign currency risk at year end due to that the carrying amount of financial instruments in foreign currencies amounts to NOK 1,053 thousand. A change of 1 % in the exchange rate at year end would have impacted on the carrying amount of financial instruments in foreign currency by NOK 11 thousand, dependent on the EUR/NOK movement.

18 (e) Capital management

The Company manages its capital to safeguard its ability to operate as a going concern and to optimise returns to shareholders. Overdraft and revolving credit facilities will be used to finance the working capital cycle if required.

The capital structure of the Company consists of net debt, which includes the borrowings disclosed in note 15 after deducting cash and cash equivalents, and equity attributable to the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The debt and equity balances (at a consolidated level with the other companies being part of the Norwegian sub-group) are subject to externally imposed capital requirements, such as those to be reported to McDonald's Corporation no later than four months after year-end. The Group has been in compliance with these capital requirements during the year (ratio should not be over 3.00).

19 Commitments

Capital commitments

During the year ended 31 December 2024, the Company entered into contracts to purchase property, plant and equipment for NOK 28,268 thousand (2023: NOK 18,794 thousand).

Off-balance sheet arrangements

No other guarantees to be disclosed as at 31 December 2024.

20 Related parties

Parent and ultimate controlling party

During 2017, the Company's shares were acquired by Food Folk Norge Holding AS from McDonald's Corporation. As a result, the new ultimate controlling party of the Company is Guy Hands (the previous ultimate controlling party was McDonald's Inc) and McDonald's Corporation is not anymore a related party. The next most senior parent which prepares consolidated financial statements is Food Folk Norge Holding ApS. A copy of these financial statements can be obtained from the company address: Pløensgt 2, 0181 Oslo.



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Key management personnel compensation

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined contribution plans (see Note 4).

Group related party transactions

Group companies within the Food Folk Group are rendering/receiving services for the use in ordinary business operations. All transactions are priced on an arm's length basis and are settled in cash at the request of the related party. None of the balances in respect of related party transactions are secured.

NOK'000	<i>Distributions of investment cost</i>	<i>Sale of services</i>	<i>Royalties</i>	<i>Purchase of services</i>	<i>Interest income</i>	<i>Interest expenses</i>
	2024	2024	2024	2024	2024	2024
Food Folk Group Holdings AS	0	495	0	(11 700)	8 167	(5)
Zero Five AS	0	97 128	37 143	0	0	0
Food Folk Denmark AS	0	4 878	0	(16 567)	0	0
Food Folk Suomi Oy	0	4 463	0	(2 477)	0	0
Food Folk Sverige AB	(14 975)	9 980	0	(36 465)	0	0
Total	(14 975)	116 944	37 143	(67 209)	8 167	(5)

NOK'000	<i>Group Contribution (paid)/received</i>	<i>Loans receivable/ (payable) outstanding</i>	<i>Receivables outstanding</i>	<i>Payables outstanding</i>	<i>Cash-pooling receivable balances</i>	<i>Cash-pooling payable balances</i>
	2024	2024	2024	2024	2024	2024
Food Folk Group Holdings AS	0	0	51	(6 242)	139 004	0
Food Folk Norge Holdings AS	(80 000)	0	0	0	0	0
Zero Five AS	20 000	0	24 946	(1 354)	0	0
Food Folk Denmark AS	0	0	2 598	(9 051)	0	0
Food Folk Suomi Oy	0	0	2 276	(1 051)	0	0
Food Folk Sverige AB	0	0	5 208	(26 071)	0	0
Total	(60 000)	0	35 079	(43 769)	139 004	0

NOK'000	<i>Distributions of investment cost</i>	<i>Sale of services</i>	<i>Royalties</i>	<i>Purchase of services</i>	<i>Interest income</i>	<i>Interest expenses</i>
	2023	2023	2023	2023	2023	2023
Food Folk Group Holdings AS	0	575	0	(13 248)	7 333	(437)
Zero Five AS	0	119 847	45 112	0	0	0
Food Folk Denmark AS	0	3 293	0	(14 782)	0	0
Food Folk Suomi Oy	0	3 313	0	(3 057)	0	0
Food Folk Sverige AB	(8 560)	7 258	0	(30 005)	0	0
Total	(8 560)	134 286	45 112	(61 092)	7 333	(437)

NOK'000	<i>Group Contribution (paid)/received</i>	<i>Loans receivable/ (payable) outstanding</i>	<i>Receivables outstanding</i>	<i>Payables outstanding</i>	<i>Cash-pooling receivable balances</i>	<i>Cash-pooling payable balances</i>
	2023	2023	2023	2023	2023	2023
Food Folk Group Holdings AS	0	0	52	(1 925)	190 218	0
Food Folk Norge Holdings AS	(325 500)	0	0	0	0	0
Zero Five AS	14 041	0	48 863	(47)	0	0
Brokelandsheia Øst 4 As	0	0	6	0	0	0
Food Folk Denmark AS	0	0	378	(1 420)	0	0
Food Folk Suomi Oy	0	0	418	(256)	0	0
Food Folk Sverige AB	0	0	864	(6 678)	0	0
Total	(311 459)	0	50 581	(10 326)	190 218	0



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21 Leases

The Company leases mainly properties. Information about leases for which the Company is a lessee is presented below.

i. Amounts recognised in Statement of financial position

NOK'000	2024	2023
- Right-of-use assets (presented in Property, plant and equipment - see note 8)	764 202	657 794
- Prepaid expense (presented in Trade and Other Receivables)	(6 540)	(5 885)
- Lease liabilities (presented in Other interest-bearing loans and borrowings - see n (816 463))	(702 390)	(702 390)

ii. Amounts recognised in Income Statement

NOK'000	2024	2023
- Depreciation charges (including impairment loss/reversal)	53 643	51 902
- Interest on lease liabilities	34 037	31 071
- variable lease payments not included in the measurement of lease liabilities	15 716	14 242
- expenses relating to other short-term leases	0	8
- expenses relating to leases of low-value assets	24	396
- other expenses	0	(134)

Some leases of restaurants contain variable lease payments that are based on sales that the Company makes at the restaurant.

Fixed and variable rental payments for the period ended 31 December 2024 were as follows:

NOK'000	2024	2023
Fixed payments	39 030	32 476
Variable payments	15 716	14 242
Total lease payments based on sales	54 746	46 718

The Company expects the incidence variable lease payments over the fixed ones to increase consistently with the sales growth expected for the future years.

iii. Amounts recognised in Statement of cash flows

NOK'000	2024	2023
- Payment of Lease liabilities (interest portion)	(29 163)	(30 757)
- Payment of Lease liabilities (principal portion)	(46 174)	(41 719)
Total cash outflow for leases	(75 337)	(72 476)

iv. Extension Options

Most of the restaurants' lease contracts contain extension options exercisable only by the Company and not by lessors up to a specific period (usually not higher than one year) before the end of the non-cancellable contract period. The Company assesses at lease commencement whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its controls.

According to the master franchise agreement with McDonald's, expiring 31 March 2037, a restaurant cannot be closed without its approval, even though it is loss making. It is therefore assumed that the lease term will be renewed until 31 March 2037 if there is not an approval from McDonalds to close a specific restaurant.

As a consequence, all available extension options have already been included in the lease term until the closest date to 31 March 2037. No other potential future lease payments not included in lease liabilities can be therefore disclosed.

v. Lease not yet commenced

The Company has entered during 2024 into lease agreements with few landlords not yet commenced, but committing to pay rent from the subsequent year.

The estimated amount of lease liability for the lease period has been assessed around NOK 298,0 million.



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22 Changes in liabilities from financing activities

NOK'000	Secured bank loans	Lease liabilities	TOTAL
Balance at 1 January 2023	398 400	667 679	1 066 079
Proceeds from loans and borrowings	368 021	0	368 021
Transaction costs related to loans and borrowings	(7 763)	0	(7 763)
Repayment of loans and borrowings	(28 379)	0	(28 379)
Payment of lease liabilities (principal portion)	0	(41 719)	(41 719)
Total changes from financing cash flows	331 879	(41 719)	290 160
New leases and other changes	0	76 116	76 116
Amortized costs	5 369	0	5 369
Interest expense	36 432	31 071	67 503
Payment of lease liabilities (interest portion)	0	(30 757)	(30 757)
Interest paid	(36 432)	0	(36 432)
Total liability related other changes	5 369	76 430	81 799
Balance at 31 December 2023	735 648	702 390	1 438 038
Balance at 1 January 2024	735 648	702 390	1 438 038
Proceeds from loans and borrowings	23 000	0	23 000
Transaction costs related to loans and borrowings	(498)	0	(498)
Repayment of loans and borrowings	(28 379)	0	(28 379)
Payment of lease liabilities (principal portion)	0	(46 174)	(46 174)
Total changes from financing cash flows	(5 877)	(46 174)	(52 051)
New leases and other changes	0	155 373	155 373
Amortized costs	1 720	0	1 720
Interest expense	39 625	34 037	73 662
Payment of lease liabilities (interest portion)	0	(29 163)	(29 163)
Interest paid	(39 625)	0	(39 625)
Total liability related other changes	1 720	160 247	161 967
Balance at 31 December 2024	731 491	816 463	1 547 954

23 Business combination

NOK'000	2024	2023
Acquirees net assets at the acquisition date:		
Investments	(5 532)	5 532
Land	14 155	
Deferred tax asset	252	
Total identifiable net assets acquired	8 875	5 532
Consideration paid:		
Cash	8 875	5 532

During 2023, the Company acquired the subsidiary Brokelandsheia Øst 4 AS for an amount of NOK 5,532 thousand with the purpose of a future restaurant construction in the properties (land) owned by that company. In 2024, with the opening of such restaurant, the company has been merged and the value of investment has been recognized against Land net of the deferred tax asset for carried forward tax losses.



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In addition, during 2024, another company (Kobbervikdalen 157 AS) has been acquired and merged by the Company; original purchase price was NOK 8,761 thousand, recognized against land net of the deferred tax asset for carried forward tax losses.

24 Subsequent events

No events have occurred after the balance sheet date that materially affect the financial position of the Company at 31 December 2024.



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Verification

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Document

FFNO IFRS FS 2024

Main document

36 pages

Initiated on 2025-04-03 08:52:35 CEST (+0200) by Food Folk (FF)

Finalised on 2025-04-03 13:18:44 CEST (+0200)

Initiator

Food Folk (FF)

Food Folk

precisely@foodfolk.com

Signatories

Ann Helen Våge (AHV)

Food Folk Norge AS

annhelen.vage@no.mcd.com



The name returned by Norwegian BankID was "Ann Helen Våge"

BankID issued by "BankID - Bankenes ID-tjeneste AS"

2024-08-26 21:33:39 CEST (+0200)

Signed 2025-04-03 10:34:55 CEST (+0200)

Haegg Anders (HA)

Food Folk Norge AS

anders.haegg@se.mcd.com



The name returned by Swedish BankID was "Anders

Torbjörn Hägg"

Signed 2025-04-03 13:18:44 CEST (+0200)

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Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	25.04.2018	14.05.2018
Telefon	Deres referanse	Vår referanse
90076012	Kennet Wienecke	2018/605516

FOOD FOLK GROUP HOLDINGS AS
Storgata 15
0155 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 25. april 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- Food Folk Group Holdings AS, org.nr. 817 906 222
- Food folk Norge Holdings AS, org.nr. 917 906 254
- Food Folk Norge AS, org.nr. 950 173 378
- Zero Five AS, org.nr. 951 816 981

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ovenstående selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Food Folk Group Holdings AS ("Food Folk") er Development Licensee til McDonald's Corporation I Norden ("McD") — og holder rettighetene til å utvikle, drive og videreleie rettighetene til McDonald's restauranter i de nordiske markedene gjennom en 20 års Master Unit Franchise Agreement ("MUFA") med McD.

Alle aksjene i Food Folk eies av en utenlandsk aksjonaer, Capitola Capital II S.a.r.l som igjen eies av engelskmannen Guy Hands.

Det er således klart at hovedmassen av aksjonærene ikke forstår norsk, men fullt ut behersker engelsk. Engelskkunnskaper er således nødvendig for å holde seg oppdatert om selskapet. All intern rapportering og kommunikasjon, med unntak av oversettelsen av årsregnskap og årsrapport til norsk som følge av lovkrav, foregår på engelsk. Det er ikke formidlet noe ønske fra selskapets aksjonærer om at slik rapportering og kommunikasjon bør være på norsk som et supplement til engelsk.

McDonalds er et internasjonalt konsern med virksomhet i mange land og med profesjonelle

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kontraktspartner, og behersker engelsk fullt ut.

Food Folks interne og eksterne arbeidsspråk er engelsk. Hovedbankforbindelse til Food Folk (Danske Bank) har i tillegg krevd at engelsk benyttes ved rapportering. Flesteparten av konsernets ansatte snakker ikke norsk. Konsernledelsen og styret har medlemmer som ikke behersker norsk. Alle sakspapirer til styre og konsernledelse er på engelsk.

En rekke av de personer som utarbeider grunnlagsdata for årsregnskap og årsberetning behersker ikke norsk. I praksis arbeides det med den engelske versjon av årsrapporten, som siden oversettes til norsk.

En norsk oversettelse vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at det norske konsernet er heleid av et utenlandsk selskap, og at eierkretsen derfor er begrenset. Det er videre lagt vekt på at selskapet har utenlandske styremedlemmer, og at arbeidsspråket er engelsk.



Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer