



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 817 906 222
Organisasjonsform: Aksjeselskap
Foretaksnavn: FOOD FOLK GROUP HOLDINGS AS
Forretningsadresse: Pløens gate 2
0181 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Paolo Mantica
Dato for fastsettelse av årsregnskapet: 25.04.2025

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, 06.06.2025



Resultatregnskap

Beløp i: EUR	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	4	6 117 000	6 666 000
Sum inntekter		6 117 000	6 666 000
Kostnader			
Lønnskostnad	3	423 000	400 000
Annen driftskostnad	2	6 813 000	7 452 000
Sum kostnader		7 236 000	7 852 000
Driftsresultat		-1 119 000	-1 186 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	10	59 564 000	52 959 000
Renteinntekt fra foretak i samme konsern	5	47 000	863 000
Annen renteinntekt	5	4 335 000	5 355 000
Annen finansinntekt	5		486 000
Sum finansinntekter		63 946 000	59 663 000
Rentekostnad til foretak i samme konsern	6	2 226 000	3 076 000
Annen rentekostnad	6	25 000	442 000
Annen finanskostnad		1 128 000	0
Sum finanskostnader		3 379 000	3 518 000
Netto finans		60 567 000	56 145 000
Resultat før skattekostnad		59 448 000	54 959 000
Skattekostnad	7	2 122 000	416 000
Årsresultat		57 326 000	54 543 000
Andre resultatkomponenter for IFRS-foretak		-5 078 000	-4 622 000
Sum resultatkomponenter for IFRS-foretak		-5 078 000	-4 622 000
Totalresultat		52 248 000	49 921 000
Overføringer og disponeringer			



Resultatregnskap

Beløp i: EUR	Note	2024	2023
Funds for unrealized gains		31 638 000	-72 965 000
Retained earnings		25 688 000	127 508 000
Sum overføringer og disponeringer		57 326 000	54 543 000



Balanse

Beløp i: EUR	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11		1 622 000
Sum immaterielle eiendeler			1 622 000
Finansielle anleggsmidler			
Investering i datterselskap	10	280 237 000	248 599 000
Sum finansielle anleggsmidler		280 237 000	248 599 000
Sum anleggsmidler		280 237 000	250 221 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	12	72 000	182 000
Konsernfordringer	21	3 335 000	3 020 000
Sum fordringer		3 407 000	3 202 000
Bankinnskudd, kontanter og lignende			
cash	13	82 076 000	88 546 000
restricted cash	13	15 334 000	14 837 000
Sum bankinnskudd, kontanter og lignende		97 410 000	103 383 000
Sum omløpsmidler		100 817 000	106 585 000
SUM EIENDELER		381 054 000	356 806 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	14	14 479 000	14 479 000
Overkurs	14	43 427 000	43 427 000



Balanse

Beløp i: EUR	Note	2024	2023
Sum innskutt egenkapital		57 906 000	57 906 000
Opptjent egenkapital			
Funds for unrealized gains	14	223 945 000	192 307 000
Retained earnings	14	44 792 000	44 182 000
Sum opptjent egenkapital		268 737 000	236 489 000
Sum egenkapital		326 643 000	294 395 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	17	268 000	421 000
Betalbar skatt	7	500 000	1 030 000
Kortsiktig konserngjeld	21	53 643 000	60 960 000
Sum kortsiktig gjeld		54 411 000	62 411 000
Sum gjeld		54 411 000	62 411 000
SUM EGENKAPITAL OG GJELD		381 054 000	356 806 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	471 618 000	464 815 000
Annen driftsinntekt	4	-2 286 000	1 200 000
Sum inntekter		469 332 000	466 015 000
Kostnader			
Varekostnad		56 219 000	57 984 000
Lønnskostnad	3	101 224 000	99 277 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9	9 368 000	7 718 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8	50 146 000	49 136 000
Annen driftskostnad	2	154 128 000	147 739 000
Sum kostnader		371 085 000	361 854 000
Driftsresultat		98 247 000	104 161 000
Finansinntekter og finanskostnader			
Inntekt på andre investeringer	10	32 000	42 000
Annen renteinntekt	5	4 516 000	5 482 000
Annen finansinntekt	5	363 000	798 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	5	3 894 000	175 000
Sum finansinntekter		8 805 000	6 497 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	6	286 000	12 266 000
Rentekostnad til foretak i samme konsern	6	0	369 000
Annen rentekostnad	6	350 000	597 000
Annen finanskostnad		32 637 000	31 607 000
Sum finanskostnader		33 273 000	44 839 000
Netto finans		-24 468 000	-38 342 000
Resultat før skattekostnad		73 779 000	65 819 000
Skattekostnad	7	16 453 000	11 276 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2024	2023
Årsresultat		57 326 000	54 543 000
Foreign currency translation		-5 078 000	-4 622 000
Sum resultatkomponenter for IFRS-foretak		-5 078 000	-4 622 000
Totalresultat		52 248 000	49 921 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		57 326 000	54 543 000
Sum overføringer og disponeringer		57 326 000	54 543 000



Konsernets balanse

Beløp i: EUR	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Contractual rights	9	56 729 000	58 359 000
Other	9	5 168 000	4 911 000
Utsatt skattefordel	11	0	1 622 000
Goodwill	9	8 378 000	10 888 000
Sum immaterielle eiendeler		70 275 000	75 780 000
Varige driftsmidler			
Land and buildings	8	520 692 000	505 777 000
Right-of-use asset	8	314 638 000	295 454 000
Leasehold improvements	8	44 108 000	34 821 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	29 963 000	22 766 000
Asset under construction	8	44 466 000	34 656 000
Sum varige driftsmidler		953 867 000	893 474 000
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	10	12 000	10 000
Investeringer i tilknyttet selskap	10	30 000	24 000
Sum finansielle anleggsmidler		42 000	34 000
Sum anleggsmidler		1 024 184 000	969 288 000
Omløpsmidler			
Varer			
Varer		2 727 000	2 905 000
Sum varer		2 727 000	2 905 000
Fordringer			
Kundefordringer	12	48 947 000	44 989 000
tax receivables		2 294 000	435 000
derivative	18	4 804 000	1 217 000
Sum fordringer		56 045 000	46 641 000
Bankinnskudd, kontanter og lignende			



Konsernets balanse

Beløp i: EUR	Note	2024	2023
restricted cash	13	16 086 000	16 450 000
cash	13	85 164 000	91 267 000
Sum bankinnskudd, kontanter og lignende		101 250 000	107 717 000
Sum omløpsmidler		160 022 000	157 263 000
SUM EIENDELER		1 184 206 000	1 126 551 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	14	14 479 000	14 479 000
Overkurs	14	43 427 000	43 427 000
Sum innskutt egenkapital		57 906 000	57 906 000

Opptjent egenkapital

Fond		-24 941 000	-19 863 000
Annen egenkapital		293 678 000	256 352 000
Sum opptjent egenkapital		268 737 000	236 489 000

Sum egenkapital

326 643 000 **294 395 000**

Gjeld

Langsiktig gjeld

Utsatt skatt	11	50 612 000	54 189 000
Andre avsetninger for forpliktelser	16	20 635 000	18 448 000
Sum avsetninger for forpliktelser		71 247 000	72 637 000

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	15	648 466 000	631 586 000
Øvrig langsiktig gjeld	17	8 330 000	5 495 000
Sum annen langsiktig gjeld		656 796 000	637 081 000

Sum langsiktig gjeld

728 043 000 **709 718 000**

Kortsiktig gjeld

Gjeld til kredittinstitusjoner	15	42 809 000	38 690 000
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Konsernets balanse

Beløp i: EUR	Note	2024	2023
Leverandørgjeld	17	78 439 000	74 746 000
Betalbar skatt		5 121 000	5 386 000
Kortsiktig konserngjeld	21	193 000	357 000
Provisions	16	48 000	413 000
Derivative liabilities	18	2 910 000	2 846 000
Sum kortsiktig gjeld		129 520 000	122 438 000
Sum gjeld		857 563 000	832 156 000
SUM EGENKAPITAL OG GJELD		1 184 206 000	1 126 551 000
POSTER UTENOM BALANSEN			
Garantistillelser	20	4 971 000	3 154 000
Pantstillelser	8	406 889 000	391 878 000



Food Folk Group Holdings AS

Storgata 15
0155 Oslo

Org. no. 817 906 222

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FOOD FOLK

Development licensee
of McDonald's

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Statement by the Board of Directors

The Company

The Group was formed on 31 March 2017 when Food Folk Group Holdings AS (the Company) acquired the McDonald's operation in the Nordics territories through its wholly owned subsidiaries: Food Folk Norge Holdings AS (Norway), Food Folk Sweden Holdings AB (Sweden), Food Folk Danmark Holdings ApS (Denmark) and Food Folk Suomi Holdings Oy (Finland). In connection with the acquisition, the Group and its subsidiaries became the Development Licensee of McDonald's Corporation under a 20-year Multi-Unit Master Franchise Agreement. McDonald's is one of the most recognised consumer brands in the world with unparalleled brand strength in the Informal Eating Out (IEO) restaurant market. With 478 restaurants as at 31 December 2024 (2023: 457 restaurants) across the Nordics territories McDonald's is also the leading IEO restaurant chain in the region, based on sales. The Group operates its business through a diversified real estate portfolio with approximately 241 (50%) restaurants located on owned land, with the remaining restaurants located in leased locations under long-term lease agreements. As of 31 December 2024, the Group operated 59 (12%) of the McDonald's restaurants, while the remaining 419 (88%) restaurants were operated by 74 independent Franchisees (2023: 70 Franchisees) under individual sub-franchisee agreement with Group companies. Through its offices in Oslo, Stockholm, Copenhagen and Helsinki, the Group employs 317 employees who provide both own and franchised restaurant advice, guidance and support within areas such as restaurant operation, HR, marketing, finance/IT and building maintenance/development. The Company employs two people. There are a further 3,355 staff employed in Group operated restaurants. For further information about McDonald's, please visit www.mcdonalds.com.

Annual accounts

Parent Company

The Company's operation for the year ended 31 December, 2024 resulted in an operating loss of EUR 1.1 million (2023: EUR 1.2 million), net finance income of EUR 1.0 million (2023: EUR 3.2 million) and income from profit in subsidiaries, net of tax of EUR 59.6 million (2023: EUR 53.0 million). Profit for the year amounts to EUR 57.3 million (2023: EUR 54.5 million).

At the end of December 2024, the Company had:

- Balance sheet assets totaling EUR 381.1 million (2023: EUR 356.8 million)
- Equity of EUR 326.6 million, with an Equity ratio of 85.7% (2023: EUR 294.4 million – 82.5%)
- Cash holdings of EUR 97.4 million (2023: EUR 103.4 million), including restricted cash holdings of EUR 15.3 million (2023: EUR 14.8 million)
- Cash flow from operating activities during the year ended 31 December, 2024 was EUR -4.6 million (2023: EUR -0.1 million), from investment activities EUR +24.8 million (2023: EUR 186.1 million) and from financing activities EUR -27.4 million (2023: EUR -99.4 million).

Group

Revenues for the period amounted to EUR 471.6 million (2024: EUR 464.8 million) with operating profit of EUR 98.2 million (2023: EUR 104.2 million) and net finance expenses of EUR 24.5 million (2023: EUR 38.4 million). Profit for the year ended 31 December, 2024 amounted to EUR 57.3 million (2023: EUR 54.5 million).

The financial result is in line with management's expectations.

At the end of December 2024, the Group had:

- Consolidated balance sheet assets totaled EUR 1,184.2 million (2023: EUR 1,126.6 million)
- Equity of EUR 326.6 million, with an Equity ratio of 27.6% (2022: EUR 294.4 million - 26.1%)
- Cash holdings of EUR 101.3 million (2023: EUR 107.7 million), including restricted cash holdings of EUR 16.1 million (2023: EUR 16.5 million)
- Cash flow from operating activities during the year ended 31 December, 2024 was EUR +141.2 million (2023: EUR +138.9 million), from investment activities EUR -80.4 million (2023: EUR -57.6 million), and from financing activities EUR -63.1 million (2023: EUR -10.3 million).

Business outlook

In 2024, the Group had a slightly decrease in like-for-like restaurant sales consistent with the little reduction in number of guests across all markets (but revenues increased by 1.5% due to the new store openings) and managed the inflationary headwinds and the increase of prices on food and paper.

Positive free cash flows from operating activities were generated and significant investments in new store openings/re-modelling/upgrades/capacity increases have been made, which will continue also in the future. The Group has opened 28 new stores and closed 7.

Looking forward to 2025, the Group will continue on its growth trajectory both in terms of sales and EBITDA, with an expected stabilization of food and paper prices across all markets towards the end of the year. Food Folk will continue to execute on the 'Accelerating the Arches' strategy, strengthen operational excellence and strengthen



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Statement by the Board of Directors and the Executive Board

the franchisee relationship through central and local engagement. Despite challenging macro-economic trends, the System wide sales performance of the first quarter of 2025 has increased compared to last year.

Financial and market risk

Group companies have taken out long-term mortgage loans denominated in local currency and granted security to the lender in the owned property portfolio. Part of the future interest payments on mortgage loans is fixed, and the rest has been mostly swapped from variable to fixed obligations using interest rate swap agreements. All intergroup lending is subordinated to all other creditors.

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

The Group operates across four markets each with its own currency, and whilst there is some matching of assets and liabilities by currency, and similarly of revenues and expenditures, the Group remains exposed to exchange risk to the extent of unmatched currency exposures.

The Board of Directors and management considers financial and market risk limited and in line with industry norms.

Research and Development

Neither the Company nor the Group had any research and/or development activities during 2024.

Impact on climate/environment

Our impact

Food Folk's mission is to provide customers with the most friendly, convenient, and consistently excellent McDonald's experience in the world. We do this while at the same time remaining focused on having a positive impact on the communities we serve, as well as continuously reducing the impact of our operations on the climate. Our goal is to make McDonald's famous for its positive impact on people and the planet and this is our north star for the work we do within environmental and social responsibility.

Over the years, we have made progress in reducing our environmental impact in key areas of our value chain such as food, packaging, waste, animal feed, etc. However, we know that there is much more to be done, and we want to play a leadership role in solving some of the big issues in the food industry, contributing to keeping global warming of the planet below 1.5 degrees. Utilizing the *Green House Gas Protocol* (GHG), we have conducted a full review of our *Scope I, II and III* emissions and have set goals and targets to reduce our impact across all scopes including setting 2030 targets and a *2050 Net Zero* target according to the *Science Based Targets Initiative* (SBTI). Our targets are part of the McDonald's global targets, validated by the SBTI.

In 2024, in line with CSRD regulation, we conducted a double materiality assessment for the business, identifying key financial and environmental, social and governance risks and priorities. These risks inform our ongoing ESG strategy, climate impact reduction roadmap and people and human rights priorities.

In 2024, the Sustainable Brand Index named McDonald's in Denmark as the No.1 most sustainable brand in the QSR industry. McDonald's Sweden and McDonald's Norway ranked no. 2.

Sustainability in our restaurants

Since 2018 we have significantly reduced food waste in our kitchens. This continues to be an area of focus for reduction. The introduction of our "made for you" system into the kitchens has played a large role in the overall reduction. However, we continue to focus on annual measurement of food waste and the introduction of new measures to continue to reduce. As the science on re-purposing food waste continues to improve, we are looking at re-purposing our food waste into other elements such as biochar. Cooking oil from our French fries is repurposed in all our restaurants into biofuel and our serving trays are produced from recycled plastic removed from the sea

2025 will mark the completion of our guest packaging transition from plastic to 100% paper-based, recycled, forest certified paper. At the end of 2024, we were 95.2% of the way towards achievement of this goal. In 2023 we introduced reusable cups into our Swedish restaurants in line with regulation and as part of the McDonald's system have begun testing for the introduction of future packaging transitions such as "*bring your own!*".

Reducing the impact on our packaging on nature continued to be a key focus for us in 2024, with our programs to actively reduce the impact of our packaging on nature across our markets. For example, in Denmark, through our partnership with Ren Natur, 491 routes of litter were collected in 2024. A total of 58 municipalities participated along with 7542 volunteers; 45 of these routes were near to a McDonald's. In Norway we work to tackle litter through our partnership with "Rusken" and in collaboration with "Keep Norway Clean", where our employees join clean-up activities. In all markets our *one-block policy* means employees continuously help keep the local area clean not only from McDonald's own litter but also litter from society in general.



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Statement by the Board of Directors and the Executive Board

Sustainable sourcing

For ingredients sourced from regions categorized as "high risk" we use world leading certification standards to verify traceability and farming practices.

- Palm oil - 100% of the palm oil we sourced in 2024 was certified by the *Roundtable of Sustainable Palm Oil* (RSPO). Palm oil produced for McDonald's must be certified by the RSPO, which sets out strict criteria to minimize negative impacts to the environment and to communities in palm oil producing regions.
- Soy - 100% of soy sourced in 2024 for the feed of chicken used in McDonald's products supported deforestation-free supply chains globally. One of the primary environmental impacts of raising chickens comes from the use of soy in their feed.
- Coffee - 100% of our ground and whole bean coffee was sustainably sourced in 2024 and Rainforest Alliance certified. We also source 100% organic coffee for the Swedish and Norwegian market.

As of 2024 up to 72% of our food and packaging suppliers have validated climate targets in place for 2030 and 2050 in line with the *Science Based Targets Initiative*. Our goal is to have 100% of food and packaging suppliers with approved SBTi targets in place by the end of 2025.

In January of 2024, Food Folk began a policy of no longer accepting any new food or packaging suppliers without committed and validated *Science Based* climate targets, including 2030 and 2050 public goals for emissions reduction. In addition, the ESG team are working on the introduction of an ESG screen, ensuring all new suppliers meet required social and environmental requirements.

Key initiatives in our value chain include:

- Beef & Dairy – 100% of our beef suppliers in the Nordics will have validated climate targets in place by the end of 2025, including *Net Zero* target dates no later than 2050. We are working in close cooperation with our beef and dairy suppliers to identify key initiatives and interventions in our own value chain that will reduce emissions. For example, in 2024 we signed an agreement with Arla to develop a precision feeding program, working with farmers to pilot reduction strategies. Our expectation is that suppliers will work on innovative solutions and independent strategies as part of self-managed excellence including reporting of their progress to CDP (*Climate Disclosure Project*) to allow us to monitor the climate risks, opportunities, targets and actions being taken across our supply chain.
- Fish - Our goal is that all the wild-caught fish sourced for use in McDonald's products comes from verified sustainable sources. 100% of the fish used in McDonald's Filet-O-Fish® in 2024 came from verified sustainable fisheries and was certified by the *Marine Stewardship Council* (MSC).
- Chicken – Our strategy is informed by large scale commercial trials conducted together with our suppliers to study the effects certain production parameters have on key welfare, environmental and farm-level outcomes. As a result, we are working with our suppliers on the implementation of key enrichments and measure performance and report on key farm-level welfare outcomes. Our strategy approach is holistic and focuses on animal welfare, environmental impact, affordability and nutrition.
- Antibiotics Policy – Our longstanding commitment to the reduction of antibiotic use in food animals – including reducing the use of medically important antibiotics as defined by the *World Health Organization* (WHO) – spans over 18 years, since McDonald's first outlined its position on antibiotic use in the supply chain in 2003. Through our commitment to responsible antibiotic use, we are doing our part to help preserve the effectiveness of antibiotics for future generations. *Antimicrobial Resistance* (AMR) is a critical global public health issue that we believe we and our suppliers have a responsibility to help address. Our antibiotic use policies do not permit the routine use of medically important antibiotics for the purpose of growth promotion or the habitual use of antibiotics for disease prevention. Our focus is on refining antibiotic selection and administration, reducing non-therapeutic antibiotic use and, when possible, replacing antibiotics with long-term solutions to proactively prevent disease and protect animal health and welfare. We remain committed to the treatment of sick animals aligned with herd veterinarian direction to ensure the safety of our supply chain. Our suppliers adhere to criteria set by WOA standards on the responsible and prudent use of antimicrobials, as defined in the *Terrestrial Animal Health Code*.

Human rights

McDonald's has a comprehensive Supplier Workplace Accountability (SWA) program, which supports compliance with the standards and expectations outlined in our Supplier Code of Conduct. 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.



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Statement by the Board of Directors and the Executive Board

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.

In 2024, we adopted further measures to strengthen our human rights work:

- a DEI (Diversity, Equity, Inclusion) Specialist was added to further accelerate our DEI ambitions across the value chain;
- an ESG Strategy Alignment role is deployed to strengthen our ESG strategy implementation, governance, and growing reporting obligations;
- following the in-depth human rights in the workplace assessment (offices and restaurants) conducted in 2023, in 2024 we developed a data driven tool for analysis of the employee experience based on selected DEI indicators, to be implemented in 2025;
- in line with our ambition of a value chain perspective on human rights, we initiated a human rights review of the business segment Delivery, to be finalized in 2025.

Employees and working environment

Similar to McDonald's international practice concerning employees' working conditions, the Group applies a systematic job-rotation scheme intended to create the best possible working environment. Furthermore, it 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.

Overall, the Board of Directors deems the working environment of the Group to be on a satisfactorily level. There have been no serious occupational accidents or incidents during the year. Moreover, the Group has not observed any noticeable increase in sickness rate or leave of absence due to health and/or safety related reasons (specifically in the Norwegian entities: 1.52% in Food Folk Norge AS and 5.91% in Zero Five AS in 2024). The Group recognizes the importance of monitoring sickness/absence and have now implemented a Nordic program to further improve information accuracy related to statistics on occupational accidents and sick leave. An extra focus on short term sickness has been proposed for 2025.

Equal opportunities, Non-discrimination and accessibility *(applicable to Food Folk Group Holdings AS and the Norwegian subsidiaries Food Norge AS and Zero Five AS)*

Diversity and equal opportunity

Diversity and inclusion are one of our strategic focuses related to the Group'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 Group is participating in the network's operations in order to further support and enable:

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TRANSACTION

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Food Folk Group Holdings AS
Annual Report 2024

Statement by the Board of Directors and the Executive Board

- 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 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 indicates that our employees feel that Food Folk has a good working environment and cares 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 an annual basis at restaurant level. The Group uses the Peakon Employee Voice service to gain insights into employees' perceived work life wellbeing. The Group cannot see which employee gave what answers, but it will be able to view the submitted answers filtered by team/restaurant, job role, employment date, gender, and birth date. The minimum sample that the data can be filtered down to is four individuals. The legal basis for this data processing is its legitimate interest to gain insights into work life's wellbeing of its workforce, to lower staff turnover and to create a better work environment. The latest results show that the engagement score is 0.2 below true benchmark. The segments that deserve a better focus are Freedom of Opinions and Growth, while scores have been high on goal setting, environment and peer relationships.

The Group 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:

- 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.
- Benchmarking salaries (Mercer), ensuring alignment with competitive market standards and reinforcing our commitment to equitable treatment for all employees.
- Annual gender balance mapping.

Nationalities

In Norway, we have employees from over 80 different nationalities.

Gender balance

In Food Folk Group Holdings AS, both two employees are males.
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%

About 47.6% of the total number of managers in ZeroFive AS are women (included shift managers). The same gender balance exists when it comes to crew level (employees without manager responsibility). These numbers have been stable for several years.

Part time work (not voluntary)

Neither Food Folk Group Holdings AS nor Food Folk Norge AS has any part-time workers employed.

Temporary Work

The vast majority of our Norwegian employees within Food Folk Norge AS (all under Food Folk Group Holdings AS) are employed on permanent employment contracts.

Salary balance (Zero Five AS)

Salaries to hourly-paid employees are governed and determined by collective agreement (Riksavtalen and Restaurant). Full-time employees (managers and support functions) are salaried based on role/position and salary



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Food Folk Group Holdings AS
Annual Report 2024

Statement by the Board of Directors and the Executive Board

levels are subject to annual review. Women's Average Salary as Percentage of Men's Average Salary is almost 100% balanced.

Parental leave

Parental leave follows legal regulations and individual choices. Food Folk pays full salary to employees on parental leave – also for employees with higher salary than the cap in Norwegian social security regulations. This also applies to the owned restaurant staff, but only for restaurant managers.

During 2024:

- Food Folk Group Holdings AS – one male on paid parental leave took in total 9 weeks;
- Food Folk Norge AS - 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;
- ZeroFive AS - female employees on parental paid leave took in total 215 weeks and male employees 53 weeks.

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

In ZeroFive AS the level is almost 100% balanced, while in Food Folk Norge AS:

- 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.

Going concern

In accordance with section 3-3a of the Norwegian Accounting Act, the Board of Directors and management confirm that the assumptions of continuing operations are present and are used as basis for the preparation of the Financial Statements.

Result

The Financial Statements for the Company and the consolidated Financial Statements for the Group as of 31 December 2024 have been prepared in accordance with IFRS as adopted by the European Union.

The Board of Directors believes that the Financial Statements give a true and fair view of the Company's financial position as of 31 December 2024.

Parent Company

Profit for the year amounts to EUR 57.3 million.

The Board of Directors proposes that the profit for the year is allocated as follows:

Attributable to (in million EUR):

Funds for unrealized gains	31.6
Reserves	25.7
Profit for the year	<u>57.3</u>

Group

Profit for the year amounts to EUR 57.3 million.

Oslo, 24 April 2025

Ross Edward Brinklow

Lars Kristian Sande

Eli Karine Navestad

Chairperson

Board Member

Board Member



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Food Folk Group Holdings AS
Annual Report 2024

Company details

General

Food Folk Group Holdings AS
Storgata 15
0155 Oslo

Org. No.: 817 906 222

Established: 29 September 2016
Registered office: Pløens gate 2, 0181 Oslo
Financial year: From 1 January to 31 December

Board of Directors

Ross Edward Brinklow (chairperson)
Lars Kristian Sande
Eli Karine Navestad

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 25 April 2025.



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Food Folk Group Holdings AS
Annual Report 2024

Food Folk Corporate Social Responsibility

Food Folk's mission is to provide customers with the most friendly, convenient, and consistently excellent McDonald's experience in the world. We do this while at the same time remaining focused on having a positive impact on the communities we serve, and continuously reducing the impact of our operations on climate.

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

Our role in the community

As one of the largest youth employers in the Nordics, we provide invaluable learning experiences for young people across the country from all backgrounds. Young people aged 16-18 account for roughly 40% of our staff and through their employment - which is often the first steppingstone into the labor market- we provide them with opportunities to grow and gain experience that can be used for the rest of their working lives, providing them with continuous learning opportunities.

As part of the community, we work with value-aligned organizations to make a difference. Through *Ronald McDonald House Charities® (RMHC®)*, Ronald McDonald House provides housing accommodation, comfort and care to the families of seriously ill or injured children undergoing medical treatment in hospital. Our aim is to keep families close to their child to help in the healing process. Since 2021, Food Folk franchisees and Food Folk master licensee Guy Hands have raised over 7 million EUROS for the 7 RMHC Houses in Sweden, Denmark and Finland. In March of 2025, a second RMHC house will open in Denmark. In Norway, we continued our partnership with the Stine Sofie Stiftelsen (the Stine Sofie Foundation) which we entered in 2016 to support their important work on rehabilitation of child and youth victims of violence and abuse.

Food Folk Risk & Impact

a) Impact on climate/environment

Over the years, we have made progress in reducing our environmental impact in key areas such as packaging, waste, animal feed, etc. However, we know that there is much more to be done and we want to play a leadership role in solving some of the big issues in the food industry, contributing to keeping global warming of the planet below 1.5 degrees. Therefore, in 2022, utilizing the *Green House Gas Protocol (GHG)*, we conducted a full review of our *Scope I, II and III* emissions and established our 2018 baseline. Our latest carbon accounting review was conducted in May 2024. In 2023, the leadership team set targets and goals to take action to continue to reduce our emissions across all scopes, utilizing the *Science Based Targets Initiative (SBTI)*, the world leading framework for setting climate targets and reduction of absolute emissions. McDonald's Net Zero target date is 2050.

Packaging

Our public goal for packaging is that 100% of our guest packaging will be both recyclable and originating from renewable, certified, or recycled sources by 2025. As of 2024, 96.2% of our packaging was in compliance with this goal. As packing technologies continue to improve such as molded fiber and others, we will continue to transition our packaging. In 2023 we introduced reusable cups into our Swedish restaurants in line with regulation.

Reducing the impact on our packaging on nature continued to be a key focus for us in 2024 with littering reduction programs established in each of our markets.

Examples of sustainability initiatives

- Sweden - HAVI, our distribution partner, transported 80% of deliveries via renewable fuel. Electricity equivalent to 60 Mkm of driving was charged at our restaurants, compared to 55 Mkm in 2023.



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Food Folk Group Holdings AS
Annual Report 2024

Food Folk Corporate Social Responsibility

- Norway - In Norway, we joined with the community to protect nature through "Rusken", where our employees join clean-up activities, to tackle the problem with littering. We also continue the *Young Farmer of the Year* award, a collaboration between Food Folk, 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.
- Finland - At the end of 2024, 50% of our restaurants with Drive-Thru lanes had charging stations in place.
- Denmark - In Denmark through our partnership with Ren Natur 524 routes of litter collection were organized in 2024. A total of 58 municipalities participated along with 7542 volunteers. Of these 50 routes were nearby McDonald's. Our 'one-block policy' means employees continuously help keep the local area clean not only from McDonald's own litter but also litter from society in general.

b) Sustainable Sourcing

Our approach to sourcing is to balance environmental factors and animal and human health, together with a strong focus on human rights within our supply chain. For ingredients sourced from regions categorized as "high risk" we use world leading certification standards to verify traceability and farming practices.

- Palm oil - 100% of the palm oil we sourced in 2024 was certified by the Roundtable of *Sustainable Palm Oil* (RSPO). Palm oil produced for McDonald's must be certified by the RSPO, which sets out strict criteria to minimize negative impacts to the environment and to communities in palm oil producing regions.
- Soy - 100% of soy sourced in 2024 for the feed of chicken used in McDonald's products supported deforestation-free supply chain globally. One of the primary environmental impacts of raising chickens comes from the use of soy in their feed.
- Coffee - 100% of our ground and whole bean coffee was sustainably sourced in 2024 and Rainforest Alliance certified. We also source 100% organic coffee for the Swedish and Norwegian market.
- Beef - As of 2024 up to 72% of our food and packaging suppliers has validated climate targets in place for 2030 and 2050 in line with the *Science Based Targets Initiative*. Our goal is to have 100% of food and packaging suppliers with approved SBTI targets in place by the end of 2025.
- Fish - Our goal is that all the wild-caught fish sourced for use in McDonald's products comes from verified sustainable sources. 100% of the fish used in McDonald's Filet-O-Fish® in 2024 came from verified sustainable fisheries and was certified by the *Marine Stewardship Council* (MSC).
- Chicken - Our strategy is informed by large scale commercial trials conducted together with our suppliers to study the effects certain production parameters have on key welfare, environmental and farm-level outcomes. As a result, we are working with our suppliers on the implementation of key enrichments and we plan to set targets, measure performance and report on key farm-level welfare outcomes. Our strategy approach is holistic and focuses on animal welfare, environmental impact, affordability and nutrition.
- Antibiotics Policy - Our longstanding commitment to the reduction of antibiotic use in food animals – including reducing the use of medically important antibiotics as defined by the *World Health Organization* (WHO) – spans over 18 years, since McDonald's first outlined its position on antibiotic use in the supply chain in 2003. Through our commitment to responsible antibiotic use, we are doing our part to help preserve the effectiveness of antibiotics for future generations. *Antimicrobial Resistance* (AMR) is a critical global public health issue that we believe we and our suppliers have a responsibility to help address. Our antibiotic use policies do not permit the routine use of medically important antibiotics for the purpose of growth promotion or the habitual use of antibiotics for disease prevention. Our focus is on refining antibiotic selection and administration, reducing non-therapeutic antibiotic use and, when possible, replacing antibiotics with long-term solutions to proactively prevent disease and protect animal health and welfare. We remain committed to the treatment of sick animals aligned with herd veterinarian direction to ensure the safety of our supply chain. Our suppliers adhere to criteria set by WOA standards on the responsible and prudent use of antimicrobials, as defined in the *Terrestrial Animal Health Code*.



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c) Human rights

McDonald's has a comprehensive *Supplier Workplace Accountability (SWA)* program, which supports compliance with the standards and expectations outlined in our Supplier Code of Conduct. 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 tools and resources that provide guidance on human rights issues.

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 expect and 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.

d) 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.

In 2024, we established the *Food Folk Sustainability Council*. This Council, comprised of Food Folk executives from the legal and compliance, human resources, marketing, sustainability and other functions, provides oversight on ESG matters, progress against the sustainability strategy, risk mitigation and compliance on regulatory reporting and other requirements.

In 2024 we established the *Franchisee Sustainability Forum*, made up of one franchisee from each of our four markets, to provide input into our sustainability strategy at the restaurant level on an ongoing basis.

In 2025, our goal is to assign ESG-related oversight to one member of the Food Folk Group Holdings board.

We will also recruit and have in place a resource with responsibility for regulatory reporting required at market and EU levels.

e) 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 our countries. All current and new employees at the headquarters must read, sign our code of conduct and attend e-learning system training annually.

f) Our people

Diversity and equal opportunity

Diversity and inclusion are cornerstones of our people strategy. We believe that a dynamic mix of people is instrumental to a sustainable and healthy working environment. Our ethical guidelines and policies make clear zero tolerance for inappropriate behavior such as bullying, harassment and any kind of discrimination based on e.g. gender, sexual orientation, age, ethnicity, or religious beliefs. Each year employees attend online digital certification training on "Building a safe, respectful and inclusive workplace" (human rights).

In an effort to deepen our focus on diversity, equity and inclusion, in 2024 we hired a DEI specialist into the sustainability team. We also established a clear strategy to diversify our franchisee community between 2025 and 2030, with the goal of recruiting and hiring a diverse pool of candidates.

Business Code of Conduct

Food Folk Group believes 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. Each year employees sign the Code of Conduct and attend online digital certification training on the "Standards of business conduct" (anti-corruption and bribery).





Food Folk Group Holdings AS
Annual Report 2024

Food Folk Corporate Social Responsibility

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.

As an outcome of a review of the employee experience related to safe, respectful and inclusive workplaces, initiated in 2023, in 2024 we worked to strengthen the internal awareness of the access to the whistle blowing channel as a channel appropriate for grievances in case anonymity is needed. In addition, and in parallel to maturing our data foundation, we are working to enable improved analysis and monitoring of indicators related to inclusion, equity and diversity. This will support our progress monitoring and ability to take data driven decisions of actions where needed.

Employee engagement survey

There are several established channels for our employees to communicate with our leadership and share their feedback and insights, so that we can let that guide our activities to manage the potential and actual impacts on them.

Our main tool for engaging directly with corporate employees is an anonymous survey, overseen by Head of Nordic People Development. We use it to understand how our employees feel about the organization and identify areas for growth or improvement. The survey was introduced with the purpose of enhancing our employees' engagement by encouraging them to provide honest feedback. The survey is sent to employees quarterly and has achieved a significant aggregated response rate of 91% since launch. Results from the latest survey indicate positive overall engagement, highlighting increased scores within the areas organizational fit and strategy. The results of the survey are broken down by demographics e.g., gender and age, and thus allow us to gather insights.

In 2025, we're extending the survey to all employees in the Food Folk system, i.e. encompassing all employed in offices, restaurants, including franchised restaurants, as well as deploying a format for in-person dialogue between crew and senior management to gather more insights in how to strengthen our support for our largest employee segment and to voice their input on our business direction.

Gender diversity

Diversity is a strategic business asset which enables us to anticipate and meet customer needs. Striving for gender balance and equality across our business is both an expectation of stakeholders as well as key for our business success. There are two main focus areas for improved gender representation, our senior leadership team and our franchisee base. We have a strategy in place to improve the diversity of our franchisee base and a strong focus on gender representation. Following a comprehensive review of our ways of working in franchise recruitment, we have taken action to remove barriers for females in terms of how we attract candidates in the recruitment process and overall communication. The current share of female franchisees is 17% compared to 11% in 2023.

In 2024, the *Senior Leadership Team (SLT)*, consisting of heads of departments and managing directors, had a gender ratio of 42% female and 58% male. At the management level, SLT direct reports and heads of functions, the gender ratio was 52% female and 48% male. Below the split by country:

- Denmark 45% females and 55% males
- Norway 44% females and 56% males
- Sweden 48% females and 52% males
- Finland 34% females and 66% males

The board consists of two males and one female.





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Statement of profit or loss and other comprehensive income

Parent company			Group		
2024	2023	EUR'000	Note	2024	2023
0	0	Revenue	1	471 618	464 815
0	0	Raw materials and consumables		(56 219)	(57 984)
(6 813)	(7 452)	Other external expenses	2	(154 128)	(147 739)
0	0	Depreciation, amortisation and impairment	8,9	(59 514)	(56 854)
(423)	(400)	Staff cost	3	(101 224)	(99 277)
6 117	6 666	Other operating income, net	4	(2 286)	1 200
(1 119)	(1 186)	Total expenses		(373 371)	(360 654)
(1 119)	(1 186)	Operating profit or loss		98 247	104 161
4 382	6 704	Financial income	5	8 773	6 455
(3 379)	(3 518)	Financial expense	6	(33 273)	(44 839)
1 003	3 186	Net finance expenses		(24 500)	(38 384)
59 564	52 959	Share of profit of subsidiaries and associates, net of tax	10	32	42
59 448	54 959	Profit or loss before tax		73 779	65 819
(2 122)	(416)	Tax for the year	7	(16 453)	(11 276)
57 326	54 543	Profit or loss		57 326	54 543
		Attributable to			
31 638	(72 965)	Funds for unrealized gains		0	0
25 688	127 508	Retained earnings		57 326	54 543
57 326	54 543	Profit or loss		57 326	54 543
		Statement of comprehensive income			
57 326	54 543	Profit or loss		57 326	54 543
		<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
(5 078)	(4 622)	Foreign currency translation differences		(5 078)	(4 622)
(5 078)	(4 622)	Other comprehensive income for the year, net of income tax		(5 078)	(4 622)
52 248	49 921	Comprehensive income for the year		52 248	49 921

The notes form an integral part of these financial statements





Food Folk Group Holdings AS
Annual Report 2024

Statement of financial position at 31 December

Parent company			Group		
2024	2023	EUR'000	Note	2024	2023
Assets					
Non current assets					
0	0	Property, plant and equipment	8	953 867	893 474
0	0	Intangible assets	9	70 275	74 158
280 237	248 599	Investments	10	42	34
0	0	Receivables from related parties	21	0	0
0	1 622	Deferred tax assets	11	0	1 622
280 237	250 221			1 024 184	969 288
Current assets					
0	0	Inventories		2 727	2 905
72	182	Trade and other receivables	12	48 947	44 989
0	0	Derivative assets	18	4 804	1 217
3 335	3 020	Receivables from related parties	21	0	0
0	0	Tax receivable		2 294	435
15 334	14 837	Restricted cash	13	16 086	16 450
82 076	88 546	Cash and cash equivalents	13	85 164	91 267
100 817	106 585			160 022	157 263
381 054	356 806	Total Assets		1 184 206	1 126 551
Equity and liabilities					
Equity attributable to equity holders of the parent					
14 479	14 479	Share capital	14	14 479	14 479
43 427	43 427	Share premium	14	43 427	43 427
0	0	Reserves	14	(24 941)	(19 863)
223 945	192 307	Funds for unrealized gains		0	0
44 792	44 182	Retained earnings		293 678	256 352
326 643	294 395	Total equity		326 643	294 395
Non current liabilities					
0	0	Loans and borrowings	15	648 466	631 586
0	0	Other payables	17	8 330	5 495
0	0	Provisions	16	20 635	18 448
0	0	Deferred tax liabilities	11	50 612	54 189
0	0	Non current liabilities		728 043	709 718
Current liabilities					
0	0	Loans and borrowings	15	42 809	38 690
268	421	Trade and other payables	17	78 439	74 746
0	0	Derivative liabilities	18	2 910	2 846
53 643	60 960	Payables to related parties	21	193	357
500	1 030	Tax payable		5 121	5 386
0	0	Provisions	16	48	413
54 411	62 411	Current liabilities		129 520	122 438
54 411	62 411	Total liabilities		857 563	832 156
381 054	356 806	Total equity and liabilities		1 184 206	1 126 551



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Food Folk Group Holdings AS
Annual Report 2024

Statement of changes in equity

(See Note 14)

Parent company

EUR'000	Share capital	Share premium	Funds for unrealised gains	Retained earnings	Total equity
Balance at 1 January 2023	14 479	43 427	265 272	1 296	324 474
Profit or loss	0	0	(72 965)	127 508	54 543
Foreign currency translation differences	0	0	0	(4 622)	(4 622)
Total comprehensive income for the period	0	0	(72 965)	122 886	49 921
Transactions with owners, recorded directly in equity:					
Dividends	0		0	(80 000)	(80 000)
Total contributions by and distributions to owners	0	0	0	(80 000)	(80 000)
Balance at 31 December 2023	14 479	43 427	192 307	44 182	294 395
EUR'000	Share capital	Share Premium	Funds for unrealised gains	Retained earnings	Total equity
Balance at 1 January 2024	14 479	43 427	192 307	44 182	294 395
Profit or loss	0	0	31 638	25 688	57 326
Foreign currency translation differences	0	0	0	(5 078)	(5 078)
Total comprehensive income for the period	0	0	31 638	20 610	52 248
Transactions with owners, recorded directly in equity:					
Dividends	0	0	0	(20 000)	(20 000)
Total contributions by and distributions to owners	0	0	0	(20 000)	(20 000)
Balance at 31 December 2024	14 479	43 427	223 945	44 792	326 643



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Food Folk Group Holdings AS
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Group

EUR'000	Share capital	Share premium	Reserves (translation)	Retained earnings	Total equity
Balance at 1 January 2023	14 479	43 427	(15 241)	281 809	324 474
Profit or loss	0	0	0	54 543	54 543
Foreign currency translation differences	0	0	(4 622)	0	(4 622)
Total comprehensive income for the period	0	0	(4 622)	54 543	49 921
Transactions with owners, recorded directly in equity:					
Dividends	0		0	(80 000)	(80 000)
Total contributions by and distributions to owners	0	0	0	(80 000)	(80 000)
Balance at 31 December 2023	14 479	43 427	(19 863)	256 352	294 395
EUR'000	Share capital	Share Premium	Reserves (translation)	Retained earnings	Total equity
Balance at 1 January 2024	14 479	43 427	(19 863)	256 352	294 395
Profit or loss	0	0	0	57 326	57 326
Foreign currency translation differences	0	0	(5 078)	0	(5 078)
Total comprehensive income for the period	0	0	(5 078)	57 326	52 248
Transactions with owners, recorded directly in equity:					
Dividends	0	0	0	(20 000)	(20 000)
Total contributions by and distributions to owners	0	0	0	(20 000)	(20 000)
Balance at 31 December 2024	14 479	43 427	(24 941)	293 678	326 643



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Food Folk Group Holdings AS
Annual Report 2024

Statement of cash flows

Parent company				Group	
2024	2023	EUR'000	Note	2024	2023
Cash flow from operating activities					
57 326	54 543	Profit for the year		57 326	54 543
Adjustments for:					
0	0	Depreciation, amortisation and impairment	8,9	59 514	56 854
(4 382)	(6 704)	Financial income	5	(8 773)	(6 455)
3 379	3 518	Financial expense	6	33 273	44 839
(59 564)	(52 959)	Share of profit of subsidiaries and associates, net of tax	10	(32)	(42)
0	0	Other income/expense non-monetary		2 667	441
0	0	(Gain)/loss on sale of property, plant and equipment	4	3 073	(454)
2 122	416	Taxation	7	16 453	11 276
(58 445)	(55 729)			106 175	106 459
110	39	Decrease/increase in trade and other receivables	12	2 261	(5 226)
0	0	Decrease/increase in inventories		112	904
(153)	64	Decrease/increase in trade and other payables	17	(4 598)	(1 145)
(2 370)	1 136	Decrease/increase in related parties balances	21	(164)	357
0	0	Decrease/increase in provisions	16	(370)	(214)
(2 413)	1 239			(2 759)	(5 324)
(1 050)	(198)	Tax paid (including withholding taxes)		(19 526)	(16 819)
(1 050)	(198)			(19 526)	(16 819)
(4 582)	(145)	Net cash from operating activities		141 216	138 859
Cash flows from investing activities					
0	0	Proceeds from sale of property, plant and equipment	4	6 089	5 151
0	10 000	Proceeds from loans to related parties	21	0	0
22 848	121 302	Dividends / Group Contributions received		30	42
1 908	54 834	Change in cash-pooling (positive balances)	21	0	0
0	0	Acquisition of a associates/business, net of cash	24	(9 881)	(4 204)
0	0	Acquisition of property, plant and equipment	8	(74 274)	(57 353)
0	0	Acquisition of intangible assets	9	(2 375)	(1 187)
24 756	186 136	Net cash from investing activities		(80 411)	(57 551)
Cash flows from financing activities					
0	0	Proceeds from new loan	23	26 432	186 555
(497)	(4 490)	Change in restricted cash	13	288	(5 154)
(9 058)	10 573	Change in cash-pooling (negative balances)	21	0	0
2 171	3 011	Interest received/(paid)		(11 885)	(12 386)
0	0	Financing transaction cost	23	(420)	(5 943)
0	(28 512)	Repayment of borrowings	23	(25 292)	(64 329)
0	0	Payment of lease liabilities (interest portion)	23	(9 743)	(10 926)
0	0	Payment of lease liabilities (principal portion)	23	(22 462)	(18 087)
(20 000)	(80 000)	Dividends paid	14	(20 000)	(80 000)
(27 384)	(99 418)	Net cash from financing activities		(63 082)	(10 270)
(7 210)	86 573	Net increase/decrease in cash and cash equivalents		(2 277)	71 038
88 546	5 938	Cash and cash equivalents at 1 January		91 267	21 601
740	(3 965)	Effect of exchange fluctuations on cash held		(3 826)	(1 372)
82 076	88 546	Cash and cash equivalents at 31 December	13	85 164	91 267



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Food Folk Group Holdings AS
Annual Report 2024

Basis of preparation

Reporting entity

Food Folk Group Holdings AS is a limited liability company domiciled in Norway.

The financial statements for the years ended 31 December 2023 and 31 December 2024 comprise the consolidated financial statements for Food Folk Group Holdings AS and its subsidiaries (the Group), and separate parent company financial statements.

The Group's main activity consists of acquiring real estate by renting or buying it, and 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 Group has consistently applied the following accounting policies to all periods presented in these consolidated and parent company financial statements.

For comparative reasons at Group level, the value of "Restricted cash" for 2023 (EUR 183 thousand) within the Statement of financial position, the Statement of cash flows and the Notes has been reclassified against the line "Trade and other receivables".

Functional and presentation currency

The consolidated financial statements and the parent company financial statements are presented in EUR rounded to the nearest EUR 1,000.

Basis of accounting

The consolidated 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 Group's consolidated 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 Group.

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



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Basis of preparation

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

Use of judgements and estimates

In preparing the consolidated financial statement, Management has made judgements, estimates and assumptions that affect how the Group'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 consolidated financial statements of the Group, Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Group'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.



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Food Folk Group Holdings AS
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Basis of preparation

- **Business combination**

On acquisition of businesses, the acquired identifiable assets, liabilities and contingencies are recognised at fair value in accordance with the acquisition method. For a majority of the assets and liabilities acquired, no active market exists which can be used to determine the fair value. This applies in particular to intangible assets and property, plant and equipment. Methods typically used are based on the net present value of expected future cash flows and depreciated replacement costs. Management therefore estimates the fair value of acquired assets, liabilities and contingencies. Depending on the nature of the item, the fair value may therefore be uncertain and could require subsequent adjustment. The fair values of identifiable assets, liabilities and contingencies associated with the purchase of restaurants are disclosed in note 24.

- **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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Food Folk Group Holdings AS
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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.

Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of Food Folk Group Holdings AS and entities under its control. Control is achieved when the Group has the power to direct the relevant activities of an entity, is exposed to or has rights to variable returns from its involvement with the entity and is able to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When necessary, the financial statements of subsidiaries are adjusted to bring their accounting policies in line with the Group's accounting policies.

Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group members are fully eliminated on consolidation.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. 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 sales of goods from restaurants, recognized in the statement of income in the point in time when the sales occur, 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.

Raw materials and consumables

Raw materials and consumables include expenses relating to raw materials and consumables used in restaurants.

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,



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Food Folk Group Holdings AS
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Material accounting policies

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 Group'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 Group 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 Group can no longer withdraw the offer of those benefits and when the Group 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 is secondary to the principal activities of the Group and includes 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 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 and associates, 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 as at 31 March 2017, the Group'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 Group.



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Material accounting policies

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 Group 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 the 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

Goodwill arising from the acquisition of a subsidiary or a restaurant from a franchisee is measured at cost less accumulated impairment losses. Other intangible assets, including rights (key money), software licenses that are acquired by the Group 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 loss 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

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 EUR 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.



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Food Folk Group Holdings AS
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Material accounting policies

Subsequent to initial recognition, the consolidated financial statements include the Group'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 Group 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 Group 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.

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.



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Food Folk Group Holdings AS
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Material accounting policies

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Due to the nature of the scheme, balances in the Group'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, except for 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 Group 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 the inception of a contract, the Group 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 Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group 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 Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group 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 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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.



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Material accounting policies

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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group 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 consolidated cash flow statement shows the Group'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 Group'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 consolidated 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.





Food Folk Group Holdings AS
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Notes

1 Revenue

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

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Sale of goods	0	0	188 355	190 999
Sub-franchisee income (fixed)	0	0	74 547	69 862
Sub-franchisee income (variable)	0	0	208 716	203 954
Total revenues by nature	0	0	471 618	464 815

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Denmark	0	0	95 394	92 702
Norway	0	0	108 373	117 812
Finland	0	0	104 388	102 744
Sweden	0	0	163 463	151 557
Total revenues by country	0	0	471 618	464 815

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:

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Less than one year	0	0	75 856	69 922
Between one and five years	0	0	280 106	269 243
More than five years	0	0	603 092	568 303
Total leases as lessor	0	0	959 054	907 468

2 Other external expenses

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Royalties and other fees	0	0	94 050	92 027
Lease expense	0	0	4 595	4 507
Other expenses	6 813	7 452	55 483	51 205
Total other external expenses	6 813	7 452	154 128	147 739

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:



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EUR'000	Parent company		Group	
	2024	2023	2024	2023
Audit fees	109	62	460	356
Other assurance services	10	79	23	104
Tax advisory services	65	177	119	284
Other services other than assurance services	2	3	65	59
Total fees	186	321	667	803

3 Staff cost

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Wages and salaries	351	323	80 298	79 961
Social security costs	57	62	13 542	11 887
Contributions to defined contribution plans	15	15	8 165	8 016
Other personnel costs / reimbursements	0	0	(781)	(587)
Total staff cost	423	400	101 224	99 277

Average number of full time employees	2	2	1 683	1 692
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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).

No employees have been working in equity accounted investees.

Remuneration of key management personnel

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Wages and salaries	816	1 749	2 313	3 863
Social security costs	282	574	365	629
Contributions to defined contribution plans	180	176	340	320
Total	1 278	2 499	3 018	4 812

Average number of key management personnel	1,2	1,2	5,0	5,0
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Key management personnel is defined by the Group as the managing director of each market, plus the Nordic Management functions which for 2024 is identified with the Nordic CFO (being the Nordic CEO position still vacant). No loans/sureties have been granted to the key management personnel, Board chairman or other related parties. The Board of Directors has received EUR 286 thousand during the financial year (2023: EUR 297 thousand).



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4 Other operating (expense)/income, net

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Net gain/(loss) on disposal of property, plant and equipment	0	0	(2 472)	(1 882)
Net gain/(loss) from sale of restaurants	0	0	(601)	2 336
Income from intercompany recharges/mark-up	6 117	6 666	0	0
Other income/(expense)	0	0	787	746
Total other operating income, net	6 117	6 666	(2 286)	1 200

5 Financial income

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Net foreign exchange gain	0	486	363	798
Positive change in fair value of derivatives	0	0	3 894	175
Interests on related parties assets	47	863	0	0
Other interest income	4 335	5 355	4 516	5 482
Total finance income	4 382	6 704	8 773	6 455

6 Financial expense

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Net foreign exchange loss	1 128	0	1 360	1 896
Interest on financial liabilities	18	15	18 359	18 578
Negative change in fair value of derivatives	0	0	286	12 266
Interest on lease liabilities (see note 22)	0	0	12 423	10 695
Interests on related parties liabilities	2 226	3 076	0	369
Unwinding of discounts (see note 16)	0	0	495	438
Other interest expense	7	427	350	597
Total financial expense	3 379	3 518	33 273	44 839



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7 Tax for the year

Recognised in the income statement

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Current year	500	1 030	17 441	15 400
Current tax - Adjustments for prior years	0	(2 979)	(16)	(789)
Total current tax expense	500	(1 949)	17 425	14 611
Origination and reversal of temporary differences	1 622	2 365	(1 035)	(3 146)
Reduction in tax rate	0	0	0	0
Deferred tax - Adjustments for prior years	0	0	63	(189)
Total deferred tax expense	1 622	2 365	(972)	(3 335)
Total tax expense	2 122	416	16 453	11 276

Reconciliation of effective tax rate

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Profit or loss before tax	59 448	54 959	73 779	65 819
Tax using the corporation tax rate	13 079	12 091	16 231	14 480
Effect of tax rates in other jurisdictions	0	0	(377)	(310)
Non-deductible expenses	0	7	287	679
Tax exempt revenues	(13 111)	(11 651)	(506)	(37)
Reduction in tax rate on deferred tax balances	0	0	0	0
Recognition of previously unrecognised tax losses	0	0	0	0
Current year losses for which no deferred tax asset was recognised	0	0	0	0
Withholding tax	0	(2 469)	0	(2 469)
Other	2 154	2 389	771	(648)
Under / (over) provided in prior years	0	49	47	(419)
Total tax expense	2 122	416	16 453	11 276

The tax rate applicable to the Company is 22%.



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8 Property, plant and equipment

EUR'000	Land and buildings	Leasehold improvements	Right-of-use asset	Fixtures, fittings and equipment	Under construction	Total
			(see note 22)			
Cost						
Balance at 1 January 2023	570 668	37 975	349 595	38 266	19 593	1 016 097
Acquisitions through business combinations	508	0	0	1 380	0	1 888
Other acquisitions	26 276	9 960	56 472	4 535	28 359	125 602
Transfer	6 865	2 966	0	1 434	(12 738)	(1 473)
Disposals/Other movements	(572)	(1 217)	(9 059)	(6 049)	(342)	(17 239)
Effect of movements in foreign exchange	(5 609)	(847)	(4 857)	(892)	(216)	(12 421)
Balance at 31 December 2023	598 136	48 837	392 151	38 674	34 656	1 112 454
Balance at 1 January 2024	598 136	48 837	392 151	38 674	34 656	1 112 454
Acquisitions through business combinations	1 101	18	0	2 776	0	3 895
Other acquisitions	387	105	55 239	1 359	82 032	139 122
Transfer	42 270	13 386	0	12 839	(69 408)	(913)
Disposals/Other movements	(4 274)	(1 247)	(11 078)	(5 242)	(1 961)	(23 802)
Effect of movements in foreign exchange	(11 280)	(933)	(8 720)	(987)	(853)	(22 773)
Balance at 31 December 2024	626 340	60 166	427 592	49 419	44 466	1 207 983
Depreciation and impairment						
Balance at 1 January 2023	74 604	12 945	78 406	13 699	0	179 654
Depreciation charge for the year	16 267	2 731	23 083	5 961	0	48 042
Impairment losses / (reversal)	1 929	(556)	(434)	155	0	1 094
Transfer	0	0	0	0	0	0
Disposals / other movements	(101)	(894)	(3 673)	(3 692)	0	(8 360)
Effect of movements in foreign exchange	(340)	(210)	(685)	(215)	0	(1 450)
Balance at 31 December 2023	92 359	14 016	96 697	15 908	0	218 980
Balance at 1 January 2024	92 359	14 016	96 697	15 908	0	218 980
Depreciation charge for the year	17 870	3 287	24 535	7 320	0	53 012
Impairment losses / (reversal)	(2 170)	(138)	(186)	(372)	0	(2 866)
Transfer	0	0	0	(19)	0	(19)
Disposals / other movements	(622)	(769)	(5 883)	(2 921)	0	(10 195)
Effect of movements in foreign exchange	(1 789)	(338)	(2 209)	(460)	0	(4 796)
Balance at 31 December 2024	105 648	16 058	112 954	19 456	0	254 116
Net book value						
At 31 December 2023	505 777	34 821	295 454	22 766	34 656	893 474
At 31 December 2024	520 692	44 108	314 638	29 963	44 466	953 867

Impairment loss and subsequent reversal

In 2024, Group has identified that there are impairment indicators related to a number of CGUs (restaurants). Management has estimated the recoverable amount of these restaurants with impairment triggers based on their value in use, resulting in a net impairment reversal of EUR 2,866 thousand.

The estimate of value in use was calculated using a pre-tax discount rate within a range of 11.7%-16.6%, depending on the geographical market.

Security

At 31 December 2024, properties with a carrying amount of EUR 406,889 thousand (2023: EUR 391,878 thousand) were subject to registered real estate mortgage notes that form security for bank loans.

As security for mortgage loans, the Group has registered mortgage security on the Group's properties of EUR 429,992 thousand (2023: EUR 413,104 thousand).



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9 Intangible assets

EUR'000	Goodwill	Contractual rights	Other	Total
Cost				
Balance at 1 January 2023	11 015	88 921	9 485	109 421
Acquisitions through business combinations	620	1 690	0	2 310
Other acquisitions – externally purchased	0	0	1 187	1 187
Transfers	0	0	1 473	1 473
Disposals	(604)	(1 605)	(98)	(2 307)
Effect of movements in foreign exchange	(21)	(33)	(96)	(150)
Balance at 31 December 2023	11 010	88 973	11 951	111 934
Balance at 1 January 2024	11 010	88 969	11 951	111 930
Acquisitions through business combinations	377	5 572	9	5 958
Other acquisitions – externally purchased	0	56	2 319	2 375
Transfers	0	30	864	894
Disposals	(2 089)	(663)	(4)	(2 756)
Effect of movements in foreign exchange	(285)	(1 467)	(248)	(2 000)
Balance at 31 December 2024	9 013	92 497	14 891	116 401
Amortisation and impairment				
Balance at 1 January 2023	789	25 119	4 915	30 823
Amortisation for the year	0	5 631	2 234	7 865
Impairment losses/(reversal)	(624)	477	0	(147)
Disposals	0	(693)	(98)	(791)
Transfer	0	0	0	0
Effect of movements in foreign exchange	(43)	80	(11)	26
Balance at 31 December 2023	122	30 614	7 040	37 776
Balance at 1 January 2024	122	30 614	7 040	37 776
Amortisation for the year	0	5 753	2 828	8 581
Impairment losses/(reversal)	520	267	0	787
Disposals	0	(361)	(4)	(365)
Transfer	0	0	0	0
Effect of movements in foreign exchange	(7)	(505)	(141)	(653)
Balance at 31 December 2024	635	35 768	9 723	46 126
Net book value				
At 31 December 2023	10 888	58 359	4 911	74 158
At 31 December 2024	8 378	56 729	5 168	70 275

Impairment loss and subsequent reversal

In 2024, Group 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 Group has recognised a net impairment loss on intangible assets of EUR 787 thousand.

The estimate of value in use was calculated using a pre-tax discount rate within a range of 11.7% - 16.6%, depending on the geographical market.

Management has assessed that the recoverable amount would exceed the carrying amount also with a reasonably possible change in the key assumptions (average growth rate 5.0% and discount rate 10.5%) to the impairment test. The following data shows by which percentage these two assumptions would need to change individually for the estimated recoverable amount to be approximately equal to the carrying amount: growth rate -1.75% on explicit years and -1% on terminal value and discount rate +1.5%.



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10 Investments

Parent company

EUR'000		Profit after tax	Other comprehensive income	Total comprehensive income	Investment in subsidiaries
Subsidiaries	2024	64 642	(5 078)	59 564	280 237
Subsidiaries	2023	57 581	(4 622)	52 959	248 599

	Domicile	Shares'000 (100%)	Share Capital	Equity	Net result
Food Folk Danmark Holding ApS	Denmark	2020	4 023	87 572	22 649
* Food Folk Danmark ApS	Denmark	60	4 023	44 908	21 815
Food Folk Suomi Holdings Oy	Finland	174	1 090	43 148	2 959
* Food Folk Suomi Oy	Finland	2.5	3	37 746	3 389
Food Folk Norge Holding AS	Norway	30	1 332	48 985	16 976
* Food Folk Norge AS	Norway	170	87	40 051	16 328
* Zero Five AS	Norway	100	8	6 174	1 647
Food Folk Sverige Holdings AB	Sweden	67501	5 891	100 535	16 979
* Food Folk Sverige Development AB	Sweden	1	9	44 438	3 220
* Food Folk Sverige AB	Sweden	80	698	102 849	13 147
* Lindvreten Fastighetsförvaltning KB	Sweden	0	87	2 272	271
* Food Folk Nordanvind AB	Sweden	1	9	5	1

*Shareholdings in entities marked with an asterisk are held indirectly. Voting rights equals ownership interest %.

The subsidiaries are the owners of the master franchisee agreement with McDonald's Corporation and operate McDonald's restaurants in the four Nordic territories.

All rights, titles, interests and benefits in shares in subsidiaries have been pledged as security for punctual payment and discharge of obligations to McDonald's Corporation.

As secondary ranking security, all rights, titles and interests in shares in subsidiaries have been pledged as security for the fulfilment of the Food Folk Group Holdings AS group obligations towards the parties that have provided the Group's credit facilities.

Group

a) Associates

The associate I/S Fællesskiltning operates signage in proximity to one of the Food Folk Danmark ApS real estate investments.

EUR'000		Profit after tax	Other comprehensive income	Total comprehensive income	Investment in associates
Associates	2024	2	0	2	12
Associates	2023	1	0	1	10

	Domicile	Shares (%)	Equity	Net result
I/S Fællesskiltning	Denmark	41.5%	28	5



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b) Other

These entities handle the marketing and purchasing agreements of the restaurants in the four Nordic markets.

EUR'000	Domicile	Interest %	Carrying value 2024	Carrying value 2023
Marketing Coop DK A/S	Denmark	1%	1	1
Koop SA	Norway	6.67%	0	0
Nordic Diensten Ekonomisk Förening	Sweden	12.34%	5	4
Diensten Ekonomisk Förening	Sweden	12.06%	2	2
Svenska McMarketing Ekonomisk Förening	Sweden	12.06%	21	16
Osuuskunta Yhteismarkkinointi Suomi	Finland	8.3%	1	1
Total			30	24

11 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

Parent company

EUR'000	Assets		Liabilities	
	2024	2023	2024	2023
Non deductible interest expense carried forward	0	0	0	0
Tax value of loss carry-forwards	0	0	0	0
Tax effects of group contribution	0	(1 622)	0	0
Other	0	0	0	0
Tax (assets) / liabilities	0	(1 622)	0	0
Net of tax liabilities/(assets)	0	0	0	0
Net tax (assets) / liabilities	0	(1 622)	0	0

Group

EUR'000	Assets		Liabilities	
	2024	2023	2024	2023
Property, plant and equipment	(2 439)	(3 174)	117 005	113 673
Intangible assets	0	0	10 966	11 533
Financial assets	0	0	353	53
Interest-bearing loans and borrowings	(71 125)	(65 517)	0	0
Non deductible interest expense carried forward	0	(21)	0	0
Provisions	(4 054)	(3 839)	0	0
Tax effects of group contribution	0	(1 622)	0	1 622
Other	(188)	(141)	94	0
Tax (assets) / liabilities	(77 806)	(74 314)	128 418	126 881
Net of tax liabilities/(assets)	77 806	72 692	(77 806)	(72 692)
Net tax (assets) / liabilities	0	(1 622)	50 612	54 189



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Movement in net deferred tax during the year

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Opening balance	(1 622)	(3 987)	52 567	56 623
Effect of movements in foreign exchange	0	0	(961)	(721)
Recognised in profit or loss	1 622	2 365	(972)	(3 335)
Arising from business combination	0	0	(22)	0
Closing balance	<u>0</u>	<u>(1 622)</u>	<u>50 612</u>	<u>52 567</u>
Total movement	<u>1 622</u>	<u>2 365</u>	<u>(1 955)</u>	<u>(4 056)</u>

12 Trade and other receivables

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Trade receivables	0	0	36 377	34 510
Deposits	0	0	1 735	1 650
Prepayments	42	142	2 972	3 074
VAT & Duties	30	40	32	42
Other receivables	<u>0</u>	<u>0</u>	<u>7 831</u>	<u>5 713</u>
Total trade and other receivables	<u>72</u>	<u>182</u>	<u>48 947</u>	<u>44 989</u>

Changes in trade and other receivables (Parent company)

EUR'000	Opening balance for period	Cash flows	Effect of movements in foreign exchange	Non-cash transactions	Closing balance for period
2023	<u>221</u>	<u>(39)</u>	<u>0</u>	<u>0</u>	<u>182</u>
2024	<u>182</u>	<u>(110)</u>	<u>0</u>	<u>0</u>	<u>72</u>

Changes in trade and other receivables (Group)

EUR'000	Opening balance for period	Cash flows	Effect of movements in foreign exchange	Non-cash transactions	Closing balance for period
2023	<u>41 622</u>	<u>5 226</u>	<u>(324)</u>	<u>(1 535)</u>	<u>44 989</u>
2024	<u>44 989</u>	<u>(2 261)</u>	<u>(807)</u>	<u>7 026</u>	<u>48 947</u>



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13 Cash and cash equivalents

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Cash and cash equivalents	<u>82 076</u>	<u>88 546</u>	<u>85 164</u>	<u>91 267</u>
Total cash and cash equivalents	<u>82 076</u>	<u>88 546</u>	<u>85 164</u>	<u>91 267</u>
Restricted cash	<u>15 334</u>	<u>14 837</u>	<u>16 086</u>	<u>16 450</u>
Total restricted cash	<u>15 334</u>	<u>14 837</u>	<u>16 086</u>	<u>16 450</u>

14 Share capital

Parent company and Group EUR'000	Ordinary shares	
	2024	2023
In thousands of shares	<u>30</u>	<u>30</u>
On issue at 29 September 2016	30	30
Issued for cash	<u>14 449</u>	<u>14 449</u>
On issue at 31 December - fully paid	<u>14 479</u>	<u>14 479</u>
Parent company and Group EUR'000	Ordinary shares	
	2024	2023
Allotted, called up and fully paid		
Ordinary shares of EUR 482.6 each	<u>14 479</u>	<u>14 479</u>
Total	<u>14 479</u>	<u>14 479</u>
Shares classified as liabilities	0	0
Shares classified in shareholders' funds	<u>14 479</u>	<u>14 479</u>
Total	<u>14 479</u>	<u>14 479</u>

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.

Dividends

In December 2024, an extraordinary dividend of EUR 20 million was distributed to the holding company Capitola Capital II Limited.

After the balance sheet date, no dividends have been proposed by the directors.

Translation reserve

The translation reserve comprises the effective portion of the net translation of subsidiaries foreign currencies into the reporting currency.



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15 Loans and borrowings

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

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Non-current loans and borrowings				
Secured bank loans	0	0	328 141	334 184
Lease liabilities (see Note 22)	0	0	320 325	297 402
Total non-current loans and borrowings	0	0	648 466	631 586
Current loans and borrowings				
Secured bank loans	0	0	23 161	22 222
Lease liabilities (see Note 22)	0	0	19 648	16 468
Total current loans and borrowings	0	0	42 809	38 690

Terms and debt repayment schedule

EUR'000	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Danske Bank A/S - Facility A4 - DKK	DKK	Variable	2028	1 074	1 050
Realkredit Danmark - Facility B1 - DKK	DKK	0.3088%	2036	53 196	48 209
Realkredit Danmark - Facility B2 - DKK	DKK	0.3088%	2036	13 903	13 098
Realkredit Danmark - Facility B3 - DKK	DKK	0.9404%/Var	2036/2037	20 238	19 906
Realkredit Danmark - Facility B4 - DKK	DKK	Variable	2037	50 292	49 227
Realkredit Danmark - Facility B1 - NOK	NOK	Variable	2037	23 947	23 312
Realkredit Danmark - Facility B2 - NOK	NOK	Variable	2037	7 715	7 625
Realkredit Danmark - Facility B3 - NOK	NOK	Variable	2037	5 087	5 008
Realkredit Danmark - Facility B4 - NOK	NOK	Variable	2037	19 171	18 952
Danske Bank A/S - Facility C - NOK	NOK	Variable	2028	7 218	7 120
Danske Bank A/S - Facility A4 - SEK	SEK	Variable	2028	7 920	7 818
Realkredit Danmark - Facility B1 - SEK	SEK	Variable	2037	62 193	63 112
Realkredit Danmark - Facility B2 - SEK	SEK	Variable	2037	13 526	13 145
Realkredit Danmark - Facility B3 - SEK	SEK	Variable	2037	13 967	13 582
Realkredit Danmark - Facility B4 - SEK	SEK	Variable	2037	31 390	30 458
Danske Bank A/S - Facility C - SEK	SEK	Variable	2028	12 701	12 365
Danske Bank A/S - Facility A4 - EUR	EUR	Variable	2028	17 575	17 315
Total 2024				361 113	351 302
Danske Bank A/S - Facility A4 - DKK	DKK	Variable	2028	2 847	2 768
Realkredit Danmark - Facility B1 - DKK	DKK	0.3088%	2036	57 875	52 043
Realkredit Danmark - Facility B2 - DKK	DKK	0.3088%	2036	15 126	14 182
Realkredit Danmark - Facility B3 - DKK	DKK	0.9404%	2036	6 335	6 179
Realkredit Danmark - Facility B4 - DKK	DKK	Variable	2037	53 437	52 176
Realkredit Danmark - Facility B1 - NOK	NOK	Variable	2037	25 129	24 384
Realkredit Danmark - Facility B2 - NOK	NOK	Variable	2037	8 096	7 987
Realkredit Danmark - Facility B3 - NOK	NOK	Variable	2037	3 292	3 243
Realkredit Danmark - Facility B4 - NOK	NOK	Variable	2037	20 117	19 898
Danske Bank A/S - Facility C - NOK	NOK	Variable	2028	10 099	9 935
Danske Bank A/S - Facility A4 - SEK	SEK	Variable	2028	10 434	10 280
Realkredit Danmark - Facility B1 - SEK	SEK	Variable	2037	64 228	65 275
Realkredit Danmark - Facility B2 - SEK	SEK	Variable	2037	13 969	13 535
Realkredit Danmark - Facility B3 - SEK	SEK	Variable	2037	4 421	4 187
Realkredit Danmark - Facility B4 - SEK	SEK	Variable	2037	32 417	31 376
Danske Bank A/S - Facility C - SEK	SEK	Variable	2028	17 489	16 923
Danske Bank A/S - Facility A4 - EUR	EUR	Variable	2028	22 420	22 035
Total 2023				367 731	356 406



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On June 2024, the Group signed with Realkredit Danmark a utilization request for an additional loan (B3) for EUR 26,432 thousand (split in three markets: DKK 99,404 thousand, SEK 111,000 thousand, NOK 23,000 thousand) expiring in March 2037 (at the same interest conditions as the other B facilities – 1.6% margin plus variable rate Stibor). No hedging has been stipulated for these new loans.

Direct transaction costs (such as bond premium, stamp duties, registration fees and legal fees) incurred total EUR 420 thousand.

In addition, the Danish A4 facility has been partially repaid (DKK 9,814 thousand as principal equivalent to EUR 1,316 thousand) and substituted by a new additional B3 facility amounting to DKK 10,937 thousand (equivalent to EUR 1,467 thousand), expiring in May 2037 at quarterly variable rates (Cibor) plus 1.6% margin.

16 Provisions

Group

EUR'000	Dilapidation	Other	Total
Balance at 1 January 2024	17 405	1 456	18 861
Effect of movements in foreign exchange	(372)	(20)	(392)
Provisions made during the year	1 408	972	2 380
Provisions used during the year	(370)	0	(370)
Provisions reversed/adjusted during the year	(291)	0	(291)
Unwinding of discounted amount	495	0	495
Balance at 31 December 2024	18 275	2 408	20 683
Non-current	18 227	2 408	20 635
Current	48	0	48
Balance at 31 December 2024	18 275	2 408	20 683

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

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Trade payables	102	231	38 139	30 780
Interest payable	0	0	0	0
Deposits received	0	0	1 679	1 615
VAT & duties	0	0	4 914	7 336
Payroll related	106	116	20 803	21 288
Prepaid base rent	0	0	4 305	4 253
Other payables and accrued expenses	60	74	8 599	9 474
Total trade and other payables (current)	268	421	78 439	74 746
Payroll related	0	0	8 330	5 495
Total other payables (non current)	0	0	8 330	5 495



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18 Financial instruments

The Group 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 Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. In order to manage the Group's exposure to those risks, in particular the Group's exposure to interest rate risk, the Group 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 Group's financial instruments are credit risk, liquidity risk and market risk. The policies for managing each of these risks are summarised below.

18 (a) Fair values of financial instruments

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.

The fair value of financial instruments is deemed to be materially equivalent to the carrying value, except for loans and borrowings with third parties. The fair value of loans and borrowings for the Group is EUR 457,087 thousand. The fair value of all financial assets and liabilities by class together with their carrying amounts shown in the balance are as follows:

EUR'000	Parent company		Group	
	2024	2023	2024	2023
Cash and cash equivalents	82 076	88 546	85 164	91 267
Restricted cash	15 334	14 837	16 086	16 450
Receivables from related parties	3 335	3 020	0	0
Trade and other receivables	72	182	48 947	44 989
Total financial assets at amortised cost	100 817	106 585	150 197	152 706
Financial assets designated as fair value through profit or loss	0	0	4 804	1 217
Total financial assets	100 817	106 585	155 001	153 923
Loans and borrowings	0	0	691 275	670 276
Trade and other payables	268	421	86 769	80 241
Payables to related parties	53 643	60 960	193	357
Provisions	0	0	20 683	18 861
Total financial liabilities at amortised cost	53 911	61 381	798 920	769 735
Financial liabilities designated as fair value through profit or loss	0	0	2 910	2 846
Total financial liabilities	53 911	61 381	801 830	772 581
Total net financial instruments	46 906	45 204	(646 829)	(618 658)

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18 (b) Credit risk

Credit risk is the risk of financial loss to the Group if a franchisee or counterparty to a financial instrument fails to meet its contractual obligations. The Group'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 Group 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 Group has not realised any significant credit losses in 2024.

Credit quality of financial assets and impairment losses (Group)

EUR'000	Gross 2024	Gross 2023	Impairment 2024	Impairment 2023
Not past due	29 184	31 400	0	0
Past due	7 193	3 110	0	0
Total	36 377	34 510	0	0

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amounts considered irrecoverable are written off against the trade receivables directly.

18 (c) Liquidity risk

The liquidity risk is managed for both the Group and the Company 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 and the Group regularly review their 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:

Parent company

EUR'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						
Payables to related parties	53 643	53 643	53 643	0	0	0
Trade and other payables	268	268	268	0	0	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	53 911	53 911	53 911	0	0	0
31 December 2023						
Non-derivative financial liabilities						
Payables to related parties	60 960	60 960	60 960	0	0	0
Trade and other payables	421	421	421	0	0	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	61 381	61 381	61 381	0	0	0



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Group

EUR'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	351 302	457 087	39 743	38 550	120 170	258 624
Lease liabilities	339 973	449 175	33 628	33 644	97 959	283 944
Payables to related parties	193	193	193	0	0	0
Trade and other payables	86 769	86 769	78 439	8 330	0	0
Derivative financial liabilities						
Interest rate swaps	2 910	2 910	2 910	0	0	0
Total	781 147	996 134	154 913	80 524	218 129	542 568
31 December 2023						
Non-derivative financial liabilities						
Secured bank loans	356 406	472 846	39 622	38 209	114 888	280 127
Lease liabilities	313 870	407 525	31 105	30 058	86 361	260 001
Payables to related parties	357	357	357	0	0	0
Trade and other payables	80 241	80 241	74 746	0	5 495	0
Derivative financial liabilities						
Interest rate swaps	2 846	2 846	2 846	0	0	0
Total	753 720	963 815	148 676	68 267	206 744	540 128

18 (d) Market risk

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

Market risk - Interest rate risk

The Group 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, for most of the loan facilities, the Group 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 Group's interest-bearing financial instruments was:

EUR'000	2024	2023
Fixed rate instruments		
Financial assets	4 804	1 217
Financial liabilities	(78 395)	(75 250)
Total fixed rate instruments	(73 591)	(74 033)
Variable rate instruments		
Financial assets	101 250	107 717
Financial liabilities	(275 817)	(284 002)
Total variable rate instruments	(174 567)	(176 285)

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.



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Sensitivity analysis

A change of 100 basis points in interest over the year would have increased/decreased the result for the year by EUR 1,746 thousand (2023: EUR 1,763 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 – Energy price risk

The Group's operations are subject to the risk of an increase in energy prices. The company "Nordic Diensten Ekonomisk" (see note 10) has signed a Nordic master agreement with a vendor in order to hedge (with different coverage percentages and usually over a period of maximum 3 years) the risk of a significant change in the electricity cost on the restaurants. Since this contract is not directly managed by the Group, no further accounting and disclosure implications have been identified at the Group level, rather they pertain the financial statements of Nordic Diensten Ekonomisk.

Market risk - Foreign currency risk

The Group's operations have exposure to foreign currency risk at year end due to the fact that the amount of financial instruments in foreign currencies amounts to EUR 405,575 thousand (2023: EUR 407,183 thousand). A change of 1% in the exchange rate against DKK, SEK and NOK at year end would have impacted the carrying amount of financial instruments in foreign currency by EUR 7,862 thousand (2023: EUR -2,760 thousand).

18 (e) Capital management

The Group 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 Group 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 the sub-group level for Norway, Denmark, Sweden and Finland 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. Each sub-group has been in compliance with these capital requirements during the year (debt to equity ratio should not be over 3.00).

On the debt side, only at FFGH Group level, the contract with Danske Bank includes several covenants to be reported no later than four months after year-end:

- Cash flow cover (cash flow / debt service) at a minimum of 1.00
- Interest cover (EBITDA / net finance charges) at a minimum of 4.00
- Leverage (net debt / EBITDA) at a maximum of 3.16
- LTV (loan to value cover) at a maximum of 75% (with percentages varying from 70% to 85% depending on the market)

All bank covenants are met as of 31 December 2024. The loans would be repayable on demand if the covenants would not have been met.

The local tax treatment is also taken into consideration when determining the most appropriate capital structure for investments in subsidiaries.

19 Commitments

Capital commitments

During the year ended 31 December 2024, the Group entered into contracts to purchase property, plant and equipment for EUR 8,714 thousand (2023: EUR 8,231 thousand).

Off-balance sheet arrangements

The Group is jointly and severally liable with the co-owners of I/S Fællesskiltning for the partnership's obligations. The total net assets from the statement of financial position amount to EUR 28 thousand at year end (2023: EUR 23 thousand).

Other commitments amount to EUR 4,971 thousand (2023: EUR 3,154 thousand), mostly related to bank guarantees.



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20 Contingencies

The Group is a guarantor for the performance of subsidiaries under a credit agreement that the Food Folk Group Holdings AS group has entered into with a financial institution. The guarantee includes customary limitations that ensure that payments cannot exceed what would normally be permitted to be distributed as dividends from the companies. The Group's total obligation amounts to EUR 361.1 million as of 31 December 2024.

21 Related parties

Parent and ultimate controlling party

The Company's ultimate controlling party of the Company is Capitola Capital II Ltd, which owns 100% of all the shares in Food Folk Group Holdings AS. Guy Hands is the ultimate owner.

Key management personnel compensation

Compensation of the Company's / Group's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined contribution plans (see note 3).

Group related party transactions

Group companies within the Food Folk Group are rendering/receiving services for the use in ordinary business operations. The Group has also entered into an agreement for the provision of services with Terra Firma Investment Limited, which is a related party as it is owned by Guy Hands who is also the Company's ultimate owner. 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 below balances in respect of related party transactions are secured.

Group

	<i>Loans receivable/ (payable) outstanding</i>	<i>Dividends / Group Contribution received</i>	<i>Payables outstanding</i>	<i>Purchase of services</i>	<i>Interest expenses</i>
EUR'000	2024	2024	2024	2024	2024
Capitola Capital II Ltd	0	0	0	0	0
Terra Firma Investment Limited	0	0	(193)	(3 210)	0
Total	0	0	(193)	(3 210)	0
	<i>Loans receivable/ (payable) outstanding</i>	<i>Dividends / Group Contribution received</i>	<i>Payables outstanding</i>	<i>Purchase of services</i>	<i>Interest expenses</i>
EUR'000	2023	2023	2023	2023	2023
Capitola Capital II Ltd	0	(80 000)	0	0	(369)
Terra Firma Investment Limited	0	0	(357)	(4 063)	0
Total	0	(80 000)	(357)	(4 063)	(369)



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Parent company

EUR'000	<i>Dividends / Group Contribution received</i> 2024	<i>Sale of services</i> 2024	<i>Purchase of services</i> 2024	<i>Interest income</i> 2024	<i>Interest expenses</i> 2024
Food Folk Norge Holdings AS	7 139	0	0	0	(9)
Food Folk Danmark Holdings Aps	9 383	0	0	3	(8)
Food Folk Suomi Holdings Oy	2 000	0	0	0	(28)
Food Folk Sverige Holdings AB	4 326	0	0	31	(27)
Food Folk Norge AS	0	1 010	(42)	0	(700)
Zero Five AS	0	75	0	0	(242)
Food Folk Denmark AS	0	1 369	(99)	1	(391)
Food Folk Suomi Oy	0	1 058	3	0	(252)
Food Folk Sverige AB	0	2 605	(2 618)	6	(538)
Food Folk Sverige Development AB	0	0	0	6	(4)
Lindvreten Fastighetsförvaltning KB	0	0	0	0	(27)
Food Folk Nordanvind AB	0	0	0	0	0
Capitola Capital II Ltd	(20 000)	0	0	0	0
Terra Firma Investment Limited	0	0	(3 210)	0	0
Total	2 848	6 117	(5 966)	47	(2 226)

EUR'000	<i>Loans receivable/ (payable) outstanding</i> 2024	<i>Receivables outstanding</i> 2024	<i>Payables outstanding</i> 2024	<i>Cash-pooling receivable balances</i> 2024	<i>Cash-pooling payable balances</i> 2024
Food Folk Norge Holdings AS	0	0	0	0	(834)
Food Folk Danmark Holdings Aps	0	0	(74)	0	(1 701)
Food Folk Suomi Holdings Oy	0	0	0	0	(143)
Food Folk Sverige Holdings AB	0	0	0	120	0
Food Folk Norge AS	0	527	(4)	0	(11 785)
Zero Five AS	0	26	0	0	(4 636)
Food Folk Denmark AS	0	743	(13)	0	(13 336)
Food Folk Suomi Oy	0	537	0	0	(2 273)
Food Folk Sverige AB	0	1 382	(329)	0	(16 907)
Food Folk Sverige Development AB	0	0	0	0	(371)
Lindvreten Fastighetsförvaltning KB	0	0	0	0	(1 036)
Food Folk Nordanvind AB	0	0	0	0	0
Capitola Capital II Ltd	0	0	0	0	0
Terra Firma Investment Limited	0	0	(193)	0	0
Total	0	3 215	(613)	120	(53 030)

EUR'000	<i>Dividends / Group Contribution received</i> 2023	<i>Sale of services</i> 2023	<i>Purchase of services</i> 2023	<i>Interest income</i> 2023	<i>Interest expenses</i> 2023
Food Folk Norge Holdings AS	23 363	0	0	75	(1)
Food Folk Danmark Holdings Aps	73 612	0	0	49	(21)
Food Folk Suomi Holdings Oy	5 000	0	0	4	(56)
Food Folk Sverige Holdings AB	19 328	0	0	152	(167)
Food Folk Norge AS	0	1 131	(49)	38	(643)
Zero Five AS	0	97	0	0	(205)
Food Folk Denmark AS	0	1 417	(133)	90	(572)
Food Folk Suomi Oy	0	1 139	(33)	216	(345)
Food Folk Sverige AB	0	2 882	(2 315)	98	(681)
Food Folk Sverige Development AB	0	0	0	141	0
Lindvreten Fastighetsförvaltning KB	0	0	0	0	(16)
Food Folk Nordanvind AB	0	0	0	0	0
Capitola Capital II Ltd	(80 000)	0	0	0	(369)
Terra Firma Investment Limited	0	0	(4 063)	0	0
Total	41 303	6 666	(6 593)	863	(3 076)

EUR'000	<i>Loans receivable/ (payable) outstanding</i> 2023	<i>Receivables outstanding</i> 2023	<i>Payables outstanding</i> 2023	<i>Cash-pooling receivable balances</i> 2023	<i>Cash-pooling payable balances</i> 2023
Food Folk Norge Holdings AS	0	0	0	0	(404)
Food Folk Danmark Holdings Aps	0	0	0	0	(294)
Food Folk Suomi Holdings Oy	0	0	0	0	(2 133)
Food Folk Sverige Holdings AB	0	0	0	1 732	0
Food Folk Norge AS	0	171	(5)	0	(16 923)
Zero Five AS	0	9	0	0	(6 706)
Food Folk Denmark AS	0	214	11	0	(1 902)
Food Folk Suomi Oy	0	166	1	0	(10 086)
Food Folk Sverige AB	0	432	(410)	0	(21 038)
Food Folk Sverige Development AB	0	0	0	296	0
Lindvreten Fastighetsförvaltning KB	0	0	0	0	(705)
Food Folk Nordanvind AB	0	0	0	0	(9)
Capitola Capital II Ltd	0	0	0	0	0
Terra Firma Investment Limited	0	0	(357)	0	0
Total	0	992	(760)	2 028	(60 200)



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22 Leases

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

i. Amounts recognised in Statement of financial position

EUR'000	2024	2023
- Right-of-use assets (presented in Property, plant and equipment - see note 8)	314 638	295 454
- Prepaid expense (presented in Trade and Other Receivables)	(3 622)	(3 677)
- Lease liabilities (presented in Other interest-bearing loans and borrowings - see note 15)	(339 973)	(313 870)

ii. Amounts recognised in Income Statement

EUR'000	2024	2023
- Depreciation charges (including impairment loss/reversal)	24 349	22 649
- Interest on lease liabilities	12 423	10 695
- variable lease payments not included in the measurement of lease liabilities	3 427	3 614
- expenses relating to other short-term leases	35	16
- expenses relating to leases of low-value assets	1 039	923
- other expenses	94	(46)

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

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

EUR'000	2024	2023
Fixed payments	8 242	7 746
Variable payments	3 427	3 614
Total lease payments based on sales	11 669	11 360

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

iii. Amounts recognised in statement of cash flows

EUR'000	2024	2023
- Payment of Lease liabilities (interest portion)	(9 743)	(10 926)
- Payment of Lease liabilities (principal portion)	(22 462)	(18 087)
Total cash outflow for leases	(32 205)	(29 013)

iv. Extension Options

Most of the restaurants' lease contracts contain extension options exercisable only by the Group 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 Group 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, which expires on 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 McDonald's to close a specific restaurant. As a consequence, all available extension options have been already included in the lease term until the closest date to 31 March 2037. On the contrary, potential renewals happening after such date have been excluded from the lease liabilities when calculating the future lease payments.

v. Lease not yet commenced

The Group 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 EUR 34.5 million.



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23 Changes in liabilities from financing activities

Group

EUR'000	Shareholder Loan	Secured bank loans	Lease liabilities	TOTAL
Balance at 1 January 2023	28 512	210 778	282 667	521 957
Proceeds from bans and borrowings	0	186 555	0	186 555
Transaction costs related to loans and borrowings	0	(5 943)	0	(5 943)
Repayment of loans and borrowings	(28 512)	(35 817)	0	(64 329)
Payment of lease liabilities (principal portion)	0	0	(18 087)	(18 087)
Total changes from financing cash flows	(28 512)	144 795	(18 087)	98 196
The effect of changes in foreign exchange rates	0	(2 389)	(3 373)	(5 762)
New leases and other changes	0	0	52 893	52 893
Amortized costs	0	3 222	0	3 222
Interest expense	0	14 793	10 696	25 489
Payment of lease liabilities (interest portion)	0	0	(10 926)	(10 926)
Interest paid	0	(14 793)	0	(14 793)
Total liability related other changes	0	3 222	52 663	55 885
Balance at 31 December 2023	0	356 406	313 870	670 276
Proceeds from bans and borrowings	0	26 432	0	26 432
Transaction costs related to loans and borrowings	0	(420)	0	(420)
Repayment of loans and borrowings	0	(25 292)	0	(25 292)
Payment of lease liabilities (principal portion)	0	0	(22 462)	(22 462)
Total changes from financing cash flows	0	720	(22 462)	(21 742)
The effect of changes in foreign exchange rates	0	(7 650)	(7 180)	(14 830)
New leases and other changes	0	0	53 065	53 065
Amortized costs	0	1 826	0	1 826
Interest expense	0	16 216	12 423	28 639
Payment of lease liabilities (interest portion)	0	0	(9 743)	(9 743)
Interest paid	0	(16 216)	0	(16 216)
Total liability related other changes	0	1 826	55 745	57 571
Balance at 31 December 2024	0	351 302	339 973	691 275



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24 Acquisitions

a) Acquisition of a restaurant

EUR'000	2024	2023
Acquirees net assets at the acquisition date:		
Land and buildings	370	16
Leasehold improvements	18	0
Fixtures, fittings and equipment	2 776	1 380
Other intangible assets	9	0
Contractual rights	5 572	1 690
Total identifiable net assets acquired	8 745	3 086
Consideration paid:		
Cash	9 122	3 712
Total consideration	9 122	3 712
Release to income statement	0	6
Recognition to Goodwill	377	620

In 2024, the Group acquired few restaurants from the Franchisees in Sweden, Norway and Finland. The acquired restaurants contributed a net profit of EUR 1.3 million to the net profit for the year. If the acquisitions had occurred on the first day of the accounting period, the Group revenues would have increased by EUR 12.1 million and net profit would have been higher by EUR 1.1 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on the first day of the accounting period.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets were as follows:

- Leasehold improvements and Fixtures, fittings and equipment - depreciated replacement cost has been used as the valuation model. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

- Contractual rights - Multi-earnings excess method: The multi earnings excess method considers the present value of net cash flows expected to be generated by the contractual rights, by excluding any cash flows related to contributory assets.

Acquisition-related costs

No acquisition-related costs were incurred by the Group.

b) Acquisition of subsidiaries

EUR'000	2024	2023
Acquirees net assets at the acquisition date:		
Land	731	157
Deferred taxes	22	0
Total identifiable net assets acquired	753	157
Consideration paid:		
Cash	753	492
Total consideration	753	492
Difference	0	335

In 2023, the Group acquired 100% of the shares in the Norwegian company Brokelandsheia Øst 4 AS for an amount of EUR 492 thousand. The difference of EUR 335 thousand arising from the acquired assets and the consideration paid has been allocated to the land owned by this company. In 2024, the company was merged with a small impact on land value due to deferred tax asset for carried forward tax losses.

In addition, during 2024 another Norwegian company (Kobbervikdalen 157 AS) was acquired and merged into the Group; the original purchase price was EUR 753 thousand, recognized against land net of the deferred tax asset for carried forward tax losses.



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25 Subsequent events

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



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Document

FFGH IFRS FS 2024

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Initiator

Food Folk (FF)

Food Folk

precisely@foodfolk.com

Signatories

Lars Kristian Sande (LKS)

lks@bahr.no

Signed 2025-04-24 15:59:41 CEST (+0200)

Eli Karine Navestad (EKN)

ekn@thommessen.no

Signed 2025-04-24 15:56:13 CEST (+0200)

Ross Brinklow (RB)

Food Folk Group Holdings AS

ross.brinklow@terrafirma.com

Signed 2025-04-24 16:08:50 CEST (+0200)

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KPMG AS
Vangsvæien 73
N-2317 Hamar

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Food Folk Group Holdings AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Food Folk Group Holdings AS, which comprise:

- the financial statements of the parent company Food Folk Group Holdings 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, and
- the consolidated financial statements of Food Folk Group Holdings AS and its subsidiaries (the Group), 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,
- 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group 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 and the Group 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 (management) is 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

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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.

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 and the Group'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 Group 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 and the Group'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 and the Group'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 and the Group 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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)

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Kleppen, Thore

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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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0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



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.



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Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

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