



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 906 254
Organisasjonsform: Aksjeselskap
Foretaksnavn: FOOD FOLK NORGE 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: 03.04.2025

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 20.05.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	263 000	281 000
Sum kostnader		263 000	281 000
Driftsresultat		-263 000	-281 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	10	189 664 000	162 128 000
Renteinntekt fra foretak i samme konsern	5	9 376 000	7 976 000
Sum finansinntekter		199 040 000	170 104 000
Rentekostnad til foretak i samme konsern	6	19 000	863 000
Sum finanskostnader		19 000	863 000
Netto finans		199 021 000	169 241 000
Resultat før skattekostnad		198 758 000	168 960 000
Skattekostnad	7	1 345 000	1 819 000
Årsresultat		197 413 000	167 141 000
Overføringer og disponeringer			
Overføring til/fra fond		109 878 000	-113 063 000
Ordinært utbytte	14	100 000 000	
Konsernbidrag	14		83 000 000
Overføringer til/fra annen egenkapital		-12 465 000	197 204 000
Sum overføringer og disponeringer		197 413 000	1 141 000



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	10	475 027 000	365 363 000
Lån til foretak i samme konsern	21	95 000 000	95 000 000
Sum finansielle anleggsmidler		570 027 000	460 363 000
Sum anleggsmidler		570 027 000	460 363 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	12	17 000	21 000
Konsernfordringer	21	9 838 000	4 539 000
Sum fordringer		9 855 000	4 560 000
Sum omløpsmidler		9 855 000	4 560 000
SUM EIENDELER		579 882 000	464 923 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	14	15 710 000	15 710 000
Sum innskutt egenkapital		15 710 000	15 710 000
Opptjent egenkapital			
Avsatt utbytte	14	100 000 000	83 000 000
Annen egenkapital	14	462 072 000	364 659 000
Sum opptjent egenkapital		562 072 000	447 659 000



Balanse

Beløp i: NOK	Note	2024	2023
Sum egenkapital		577 782 000	463 369 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	0	660 000
Sum avsetninger for forpliktelser		0	660 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	660 000
Kortsiktig gjeld			
Leverandørgjeld	17	96 000	97 000
Betalbar skatt	7	2 004 000	797 000
Sum kortsiktig gjeld		2 100 000	894 000
Sum gjeld		2 100 000	1 554 000
SUM EGENKAPITAL OG GJELD		579 882 000	464 923 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	1 260 274 000	1 345 985 000
Annen driftsinntekt	4	8 485 000	38 574 000
Sum inntekter		1 268 759 000	1 384 559 000
Kostnader			
Varekostnad		216 035 000	272 196 000
Lønnskostnad	3	297 641 000	354 665 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8,9	93 445 000	123 020 000
Annen driftskostnad	2	401 568 000	392 757 000
Sum kostnader		1 008 689 000	1 142 638 000
Driftsresultat		260 070 000	241 921 000
Finansinntekter og finanskostnader			
Inntekt på andre investeringer	10	-1 000	-1 000
Renteinntekt fra foretak i samme konsern	5	20 361 000	17 424 000
Annen renteinntekt	5	738 000	919 000
Annen finansinntekt	5	113 000	18 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	5	24 890 000	90 000
Sum finansinntekter		46 101 000	18 450 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	6	89 000	10 353 000
Rentekostnad til foretak i samme konsern	6	5 000	1 301 000
Annen rentekostnad	6	805 000	253 000
Annen finanskostnad	6	79 303 000	79 633 000
Sum finanskostnader		80 202 000	91 540 000
Netto finans		-34 101 000	-73 090 000
Resultat før skattekostnad		225 969 000	168 831 000
Skattekostnad	7	28 550 000	1 696 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2024	2023
Årsresultat		197 419 000	167 135 000
Overføringer og disponeringer			
Ordinært utbytte	14	100 000 000	
Konsernbidrag	14		83 000 000
Overføringer til/fra annen egenkapital		97 419 000	84 135 000
Sum overføringer og disponeringer		197 419 000	1 135 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	9	22 445 000	12 791 000
Utsatt skattefordel	11		
Goodwill	9		
Sum immaterielle eiendeler		22 445 000	12 791 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8	1 070 047 000	909 862 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	93 042 000	71 259 000
Right of use of assets	8	764 202 000	657 794 000
Under construction	8	136 421 000	96 410 000
Sum varige driftsmidler		2 063 712 000	1 735 325 000
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	10	11 000	12 000
Lån til foretak i samme konsern	21	95 000 000	95 000 000
Sum finansielle anleggsmidler		95 011 000	95 012 000
Sum anleggsmidler		2 181 168 000	1 843 128 000
Omløpsmidler			
Varer			
Varer		6 528 000	10 991 000
Sum varer		6 528 000	10 991 000
Fordringer			
Kundefordringer	12	84 872 000	61 590 000
Andre fordringer	12	23 091 000	22 437 000
Andre fordringer	18	36 369 000	11 566 000
Konsernfordringer	21	213 862 000	271 851 000
Sum fordringer		358 194 000	367 444 000
Bankinnskudd, kontanter og lignende			



Konsernets balanse

Beløp i: NOK	Note	2024	2023
xash	13	3 647 000	11 802 000
restricted cash	13	8 856 000	18 130 000
Sum bankinnskudd, kontanter og lignende		12 503 000	29 932 000
Sum omløpsmidler		377 225 000	408 367 000
SUM EIENDELER		2 558 393 000	2 251 495 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	14	15 710 000	15 710 000
Sum innskutt egenkapital		15 710 000	15 710 000
Opptjent egenkapital			
Avsatt utbytte	14	100 000 000	83 000 000
Annen egenkapital		462 072 000	364 653 000
Sum opptjent egenkapital		562 072 000	447 653 000
Sum egenkapital		577 782 000	463 363 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	63 225 000	75 633 000
Andre avsetninger for forpliktelser	16	56 868 000	50 280 000
Sum avsetninger for forpliktelser		120 093 000	125 913 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	15	1 475 536 000	1 374 703 000
Øvrig langsiktig gjeld	17	6 128 000	3 708 000
Sum annen langsiktig gjeld		1 481 664 000	1 378 411 000
Sum langsiktig gjeld		1 601 757 000	1 504 324 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	15	72 418 000	63 335 000
Leverandørgjeld	17	222 485 000	184 760 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Betalbar skatt	7	40 706 000	25 212 000
Kortsiktig konserngjeld	21	43 245 000	10 501 000
Annen kortsiktig gjeld	16		0
Sum kortsiktig gjeld		378 854 000	283 808 000
Sum gjeld		1 980 611 000	1 788 132 000
SUM EGENKAPITAL OG GJELD		2 558 393 000	2 251 495 000
POSTER UTENOM BALANSEN			
Pantstillelser	8	688 200 000	655 208 000



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

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
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

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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 Norge Holdings As

Independent Auditor's Report

Opinion

We have audited the financial statements of Food Folk Norge Holdings As, which comprise:

- the financial statements of the parent company Food Folk Norge 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 Norge 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 and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover

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Bodo	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Strøme	

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the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

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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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kleppen, Thore

Statsautorisert revisor

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Food Folk Norge Holdings AS

Pløens gate 2
0181 Oslo

Org. no. 917 906 254

Annual Report 2024



FOOD FOLK

Development licensee
of McDonald's

Transaction 09222115557543303317



Signed AHV, HA



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FOOD FOLK

Development Partner
of H&M Group

Transaction 09222115557543303317



Signed AHV, HA

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Food Folk Norge Holdings AS
Annual Report 2024

Statement by the Board of Directors and the Executive Board

The Company

The Group was formed on 31 March 2017 after Food Folk Norge Holdings AS (the Company) successfully acquired Food Folk Norge AS and its subsidiary Zero Five AS from McDonald's Corporation. In connection to the acquisition, the Group became the Development Licensee of McDonald's Corporation in the Norwegian territory under a 20-year Multi Unit Master Franchisee 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 industry.

The Group's main activity consists of acquiring real estate by renting or buying it, renovating and fitting it for the purpose of operating a McDonald's restaurant. As of 31 December 2024, there were 85 McDonald's restaurants in Norway where the Group operated 14 (16%) while the remaining 71 (84%) restaurants were operated by 14 independent Franchisees under individual sub-franchisee agreement with members of Group.

All Group entities are located in Oslo, while restaurants are located throughout Norway.

The Company, Food Folk Norge Holdings AS, has no employees.

Annual accounts

Parent Company

The Company's operation resulted in an operating loss of NOK 0.3 million, net finance income of NOK 9.4 million and income from profit in subsidiaries, net of tax of NOK 189.7 million. Profit for the year amounted to NOK 197.4 million.

At the end of December 2024, the Company's:

- Balance sheet amounted to a total of NOK 579.9 million
- Owners Equity amounted to a total of NOK 577.8 million, with an Equity ratio of 99.6%
- Cash flow from operating activities was NOK -1.1 million, investment activities NOK 74.7 million and financing activities NOK -73.6 million.

Group

Revenue for the period amounted to NOK 1,260.3 million with operating profit of NOK 260.1 million, net finance expenses of NOK 34.1 million and profit for the year of NOK 197.4 million.

The financial result for the financial year ending on 31 December 2024 is in line with management's expectations.

At the end of December 2024, the Group

- Consolidated balance sheet amounted to a total of NOK 2,558.4 million
- Owners Equity amounted to a total of NOK 577.8 million, with an Equity ratio of 22.6%
- Cash holdings of NOK 12.5 million
- Cash flow from operating activities was NOK 341.9 million, investment activities NOK -174.5 million and financing activities NOK -175.5 million.

Business outlook

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

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

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

Going concern

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

Financial and market risk

Financial risk in the Group is primarily related to exchange rate fluctuations in food and raw material for the Group operated restaurants.

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



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Food Folk Norge Holdings AS
Annual Report 2024

Statement by the Board of Directors and the Executive Board

agreements. Intergroup lending is with variable interests. 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.

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

Research and Development

Neither the Company nor the Group have research and/or development activities within the meaning of the accounting regulations.

Human rights

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

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

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 satisfactory level. There have been no serious occupational accidents or incidents during the year. The Group has observed a small increase in sickness rate or leave of absence due to health and/or safety related reasons (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.

The average number of employees during 2024 was 54 in the office and 999 in the restaurants.

Equal opportunities, Non-discrimination and accessibility (applicable to the 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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Food Folk Norge 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 indicate that our employees feels that Food Folk have a good working environment and care for them as employees. Our employees are sure that Food Folk would react in the right way if any misconduct was reported.

In addition, an engagement survey is conducted on 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 the 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:

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

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 total managers in ZeroFive AS is 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)

Food Folk Norge AS has no part-time workers.

Temporary Work

The vast majority of our Norwegian employees within Food Folk Norge 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 Norge 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 apply also to the owned restaurant staff, but only for restaurant managers.

During 2024:

- 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.

Corporate Environmental Responsibility

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

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.

Result

The Financial Statement for the Company and the consolidated Financial Statement 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 and management believes that Financial Statements give a true and fair view of the Company's financial position on 31 December 2024.

Parent Company

Profit for the year amounts to NOK 197.4 million.

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

Attributable to (in million NOK):

Group contribution	-
Dividends	100.0
Funds for unrealized gains	109.9
Retained earnings	<u>(12.5)</u>
Profit for the year	<u>197.4</u>

Group

Profit for the year amounts to NOK 197.4 million.

Oslo, 3 April 2025

Ann Helen Våge

Managing Director and Chairman of the Board

Anders Torbjörn Hägg

Board member



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Food Folk Norge Holdings AS
Annual Report 2024

Company details

General

Food Folk Norge Holdings AS
Mailboxes Etc 303
Postboks 1 Youngstorvet
0028 Oslo

Org. No.: 917 906 254

Established: 20 October 2016
Registered office: Pløens gate 2, 0181 Oslo
Financial year: From 1 January to 31 December

Board of Directors

Ann Helen Våge
Anders Torbjörn Hägg

Managing Director

Ann Helen Våge

Auditor

KPMG AS
Godkjent revisjonsselskap
Sørkedalsveien 6
0369 Oslo

Bank

Danske Bank, Corporate banking

Annual general meeting

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



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Food Folk Norge Holdings AS
Annual Report 2024

Food Folk Corporate Social Responsibility

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

Our values:

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

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

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

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

Our role in the community

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

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

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

Risk & Impact

a) Our planet

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

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

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

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

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

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



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Food Folk Norge Holdings AS
Annual Report 2024

Food Folk Corporate Social Responsibility

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

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

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

b) Human Rights

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

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

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

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

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

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

c) Governance

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

d) Anti-corruption and bribery

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

e) Our people

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

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

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

Gender diversity

Food Folk is committed to inclusiveness and gender equality. At the management level, 67% of the positions are held by women and 33% by males. This is a change from 2023 (56% held by women and 44% males).

The board consisted of one female and one male directors in 2024.



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Food Folk Norge Holdings AS
Annual Report 2024

Statement of profit or loss and other comprehensive income

Parent company			Group		
2024	2023	NOK'000	Note	2024	2023
0	0	Revenue	1	1 260 274	1 345 985
0	0	Raw materials and consumables		(216 035)	(272 196)
(263)	(281)	Other external expenses	2	(401 568)	(392 757)
0	0	Depreciation, amortisation and impairment	8,9	(93 445)	(123 020)
0	0	Staff cost	3	(297 641)	(354 665)
0	0	Other operating income, net	4	8 485	38 574
(263)	(281)	Total expenses		(1 000 204)	(1 104 064)
(263)	(281)	Operating profit or loss		260 070	241 921
9 376	7 976	Financial income	5	46 102	18 451
(19)	(863)	Financial expense	6	(80 202)	(91 540)
9 357	7 113	Net finance expenses		(34 100)	(73 089)
189 664	162 128	Share of profit of equity accounted investees, net of tax	10	(1)	(1)
198 758	168 960	Profit or loss before tax		225 969	168 831
(1 345)	(1 819)	Tax for the year	7	(28 550)	(1 696)
197 413	167 141	Profit or loss		197 419	167 135
100 000	83 000	Attributable to Group contribution/dividends		100 000	83 000
109 878	(113 063)	Funds for unrealized gains		0	0
(12 465)	197 204	Retained earnings		97 419	84 135
197 413	167 141	Profit or loss		197 419	167 135
197 413	167 141	Statement of comprehensive income Profit or loss		197 419	167 135
0	0	Other comprehensive income for the year, net of income tax		0	0
197 413	167 141	Comprehensive income for the year		197 419	167 135

The notes form an integral part of these financial statements



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Food Folk Norge Holdings AS
Annual Report 2024

Statement of financial position at 31 December

Parent company			Group		
2024	2023	NOK'000	Note	2024	2023
Assets					
Non current assets					
0	0	Property, plant and equipment	8	2 063 712	1 735 325
0	0	Intangible assets	9	22 445	12 791
475 027	365 363	Investments	10	11	12
95 000	95 000	Receivables from related parties	21	95 000	95 000
0	0	Deferred tax assets	11	0	0
570 027	460 363			2 181 168	1 843 128
Current assets					
0	0	Inventories		6 528	10 991
17	21	Trade and other receivables	12	107 963	84 027
0	0	Derivative assets	18	36 369	11 566
9 838	4 539	Receivables from related parties	21	213 862	271 851
0	0	Restricted cash	13	8 856	18 130
0	0	Cash and cash equivalents	13	3 647	11 802
9 855	4 560			377 225	408 367
579 882	464 923	Total Assets		2 558 393	2 251 495
Equity and liabilities					
Equity attributable to equity holders of the parent					
15 710	15 710	Share capital	14	15 710	15 710
0	0	Share premium	14	0	0
272 221	162 343	Funds for unrealized gains		0	0
100 000	83 000	Proposed dividends and group contribution	14	100 000	83 000
189 851	202 316	Retained earnings		462 072	364 653
577 782	463 369	Total equity		577 782	463 363
Non current liabilities					
0	0	Loans and borrowings	15	1 475 536	1 374 703
0	0	Other payables	17	6 128	3 708
0	0	Provisions	16	56 868	50 280
0	660	Deferred tax liabilities	11	63 225	75 633
0	660	Non current liabilities		1 601 757	1 504 324
Current liabilities					
0	0	Loans and borrowings	15	72 418	63 335
96	97	Trade and other payables	17	222 485	184 760
0	0	Derivative liabilities	18	0	0
0	0	Payables to related parties	21	43 245	10 501
2 004	797	Tax payable		40 706	25 212
0	0	Provisions	16	0	0
2 100	894	Current liabilities		378 854	283 808
2 100	1 554	Total liabilities		1 980 611	1 788 132
579 882	464 923	Total equity and liabilities		2 558 393	2 251 495



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Food Folk Norge Holdings AS
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Statement of changes in equity

(See Note 14)

Parent company

NOK'000	Share capital	Share Premium	Funds for unrealized gains	Proposed dividends and group contribution	Retained earnings	Total equity
Balance at 1 January 2023	15 710	0	275 406	273 856	5 112	570 084
Profit or loss	0	0	(113 063)	83 000	197 204	167 141
Total comprehensive income for the period	0	0	(113 063)	83 000	197 204	167 141
Transactions with owners, recorded directly in equity:						
Dividends	0	0	0	(100 000)	0	(100 000)
Group contribution	0	0	0	(173 856)	0	(173 856)
Total contributions by and distributions to owners	0	0	0	(273 856)	0	(273 856)
Balance at 31 December 2023	15 710	0	162 343	83 000	202 316	463 369

NOK'000	Share capital	Share Premium	Funds for unrealized gains	Proposed dividends and group contribution	Retained earnings	Total equity
Balance at 1 January 2024	15 710	0	162 343	83 000	202 316	463 369
Profit or loss	0	0	109 878	100 000	(12 465)	197 413
Total comprehensive income for the period	0	0	109 878	100 000	(12 465)	197 413
Transactions with owners, recorded directly in equity:						
Dividends	0	0	0	0	0	0
Group contribution	0	0	0	(83 000)	0	(83 000)
Total contributions by and distributions to owners	0	0	0	(83 000)	0	(83 000)
Balance at 31 December 2024	15 710	0	272 221	100 000	189 851	577 782



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Food Folk Norge Holdings AS
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Group

NOK'000	Share capital	Share Premium	Proposed dividends and group contribution	Retained earnings	Total equity
Balance at 1 January 2023	15 710	0	273 856	280 518	570 084
Profit or loss	0	0	83 000	84 135	167 135
Total comprehensive income for the period	0	0	83 000	84 135	167 135
Transactions with owners, recorded directly in equity:					
Dividends	0	0	(173 856)	0	(173 856)
Group contribution	0	0	(100 000)	0	(100 000)
Total contributions by and distributions to owners	0	0	(273 856)	0	(273 856)
Balance at 31 December 2023	15 710	0	83 000	364 653	463 363

NOK'000	Share capital	Share Premium	Proposed dividends and group contribution	Retained earnings	Total equity
Balance at 1 January 2024	15 710	0	83 000	364 653	463 363
Profit or loss	0	0	100 000	97 419	197 419
Total comprehensive income for the period	0	0	100 000	97 419	197 419
Transactions with owners, recorded directly in equity:					
Dividends	0	0	0	0	0
Group contribution	0	0	(83 000)	0	(83 000)
Total contributions by and distributions to owners	0	0	(83 000)	0	(83 000)
Balance at 31 December 2024	15 710	0	100 000	462 072	577 782



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Food Folk Norge Holdings AS
Annual Report 2024

Statement of cash flows

Parent company				Group	
2024	2023	NOK'000	Note	2024	2023
Cash flow from operating activities					
197 413	167 141	Profit for the year		197 419	167 135
Adjustments for:					
0	0	Depreciation, amortisation and impairment	8,9	93 445	123 020
(9 376)	(7 976)	Financial income	5	(46 102)	(18 451)
19	863	Financial expense	6	80 202	91 540
(189 664)	(162 128)	Share of profit of equity accounted investees, net of tax	10	1	1
0	0	Other income/expense non-monetary		3 121	(5 397)
0	0	(Gain)/loss on sale of property, plant and equipment	4	11 951	(16 939)
1 345	1 819	Taxation	7	28 550	1 696
(197 676)	(167 422)			171 168	175 470
4	(2)	Decrease/increase in trade and other receivables	12	7 151	(25 813)
0	0	Decrease/increase in inventories		4 463	1 451
(1)	(60)	Decrease/increase in trade and other payables	17	(36 909)	6 012
0	0	Decrease/increase in related parties balances	21	24 322	(2 080)
0	0	Decrease/increase in provisions	16	0	(692)
3	(62)			(973)	(21 122)
(817)	0	Tax paid		(25 749)	(1 670)
(817)	0			(25 749)	(1 670)
(1 077)	(343)	Net cash from operating activities		341 865	319 813
Cash flows from investing activities					
0	0	Proceeds from sale of property, plant and equipment	4	34 989	42 605
0	54 800	Proceeds from loan to related parties	21	0	54 800
0	(95 000)	Loan to related parties	21	0	(95 000)
80 000	325 500	Dividends / Group Contributions received		0	0
(5 299)	(4 539)	Change in cash-pooling (positive balances)	21	66 411	(149 914)
0	0	Acquisition of a associates/business, net of cash	24	(14 218)	(5 526)
0	0	Acquisition of property, plant and equipment	8	(250 333)	(107 081)
0	0	Acquisition of intangible assets	9	(11 390)	(5 560)
74 701	280 761	Net cash from investing activities		(174 541)	(265 676)
Cash flows from financing activities					
0	0	Proceeds from new loan	23	23 000	368 021
0	0	Change in restricted cash	13	9 274	(7 468)
0	(16 129)	Change in cash-pooling (negative balances)	21	0	(16 129)
9 376	9 567	Interest received/(paid)		(20 539)	(21 743)
0	0	Financing transaction cost		(498)	(7 763)
0	0	Repayment of borrowings	23	(28 379)	(28 379)
0	0	Payment of lease liabilities (interest portion)	23	(29 163)	(30 757)
0	0	Payment of lease liabilities (principal portion)	23	(46 174)	(41 719)
(83 000)	(273 856)	Dividends paid	14	(83 000)	(273 856)
(73 624)	(280 418)	Net cash from financing activities		(175 479)	(59 793)
0	0	Net increase/decrease in cash and cash equivalents		(8 155)	(5 656)
0	0	Cash and cash equivalents at 1 January		11 802	17 458
0	0	Effect of exchange fluctuations on cash held		0	0
0	0	Cash and cash equivalents at 31 December	13	3 647	11 802



Food Folk Norge Holdings AS
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Basis of preparation

Reporting entity

Food Folk Norge 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 Norge 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, 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.

Functional and presentation currency

The consolidated financial statements and the parent company financial statements are presented in NOK rounded to the nearest NOK 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

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



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Food Folk Norge Holdings AS
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Basis of preparation

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:

- **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.





Food Folk Norge Holdings AS
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Basis of preparation

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

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

- **Provisions**

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





Food Folk Norge Holdings AS
Annual Report 2024

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 Norge 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 recognised 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, 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.



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Material accounting policies

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 are secondary to the principal activities of the Group and include intercompany recharge of services provided, gains and losses on disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of 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 equity accounted investees, 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 include capitalised borrowing costs, less accumulated depreciation and impairment losses.

The cost of certain items of property, plant and equipment 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.

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



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Material accounting policies

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

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

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

Intangible assets

Other intangible assets, including rights (key money), software licenses that are acquired by the 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 NOK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognized under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Subsequent to initial recognition, the 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.



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Material accounting policies

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.

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, with the exception of temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and taxable temporary differences arising on the initial recognition of goodwill.

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

Liabilities

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



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Material accounting policies

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 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.

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.



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Food Folk Norge Holdings AS
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Material accounting policies

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.



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Food Folk Norge Holdings AS
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Notes

1 Revenue

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

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Sale of goods	0	0	723 549	880 606
Sub-franchisee income (fixed)	0	0	119 227	106 539
Sub-franchisee income (variable)	0	0	417 498	358 840
Total revenues by nature	0	0	1 260 274	1 345 985

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

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Less than one year	0	0	128 580	113 730
Between one and five years	0	0	484 435	436 330
More than five years	0	0	1 118 525	941 540
Total leases as lessor	0	0	1 731 540	1 491 600

2 Other external expenses

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Royalties and other fees	0	0	181 389	171 266
Lease expense	0	0	15 740	14 545
Other expenses	263	281	204 439	206 946
Total other external expenses	263	281	401 568	392 757

Fees to auditors

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

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Audit fees	138	135	955	812
Other assurance services	0	0	0	93
Tax advisory services	29	37	90	91
Other services other than assurance services	0	0	55	292
Total fees	167	172	1 100	1 288



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3 Staff cost

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Wages and salaries	0	0	249 625	296 515
Social security costs	0	0	38 714	44 293
Contributions to defined contribution plans	0	0	9 302	13 857
Total staff cost	0	0	297 641	354 665
Average number of full time employees	0	0	453	581

Remuneration of key management personnel

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Wages and salaries	0	0	4 349	5 131
Social security costs	0	0	922	1 363
Contributions to defined contribution plans	0	0	551	539
Total	0	0	5 822	7 033
Average number of key management personnel	0,0	0,0	1,2	1,2

Key management personnel is defined by the Group as the managing director of Food Folk Norge AS, plus the allocation of the Nordic CEO and the Nordic CFO to the Norwegian market.

The Group has different pension plans:

- Food Folk Norge AS: defined contribution plan (deposit-based pension) which renders a contribution of 5% of wages (0G -7.1G) and 8 % (7.1G -12G); this year payment is NOK 2,476 thousand.
- Zero Five AS: mandatory service pension "Obligatorisk Tjeneste Pensjonsforsikring" for the employees through the insurance company DNB AS - company contribution is 2% of salary over 1G.

4 Other operating (expense)/income, net

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Net gain/(loss) on disposal of property, plant and equipment	0	0	(17 334)	(7 000)
Net gain/(loss) from sale of restaurants (see Note 24)	0	0	5 383	23 939
Income from intercompany recharges/mark-up	0	0	19 815	14 440
Other income/(expense)	0	0	621	7 195
Total other operating income, net	0	0	8 485	38 574

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



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5 Financial income

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Net foreign exchange gain	0	18	113	18
Positive change in fair value of derivatives	0	0	24 890	90
Interests on related parties assets	9 376	7 750	20 361	17 424
Other interest income	0	208	738	919
Total finance income	9 376	7 976	46 102	18 451

6 Financial expense

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Net foreign exchange loss	0	0	1 555	3 940
Interest on financial liabilities	0	0	41 905	42 961
Negative change in fair value of derivatives	0	0	89	10 353
Interest on lease liabilities (see note 22)	0	0	34 037	31 071
Interests on related parties liabilities	0	863	5	1 301
Unwinding of discounts (see note 16)	0	0	1 806	1 661
Other interest expense	19	0	805	253
Total financial expense	19	863	80 202	91 540

7 Tax for the year

Recognised in the income statement

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Current year	2 005	797	40 706	25 213
Current tax - Adjustments for prior years	0	0	0	0
Total current tax expense	2 005	797	40 706	25 213
Origination and reversal of temporary differences	(660)	1 022	(12 168)	(23 517)
Deferred tax - Adjustments for prior years	0	0	12	0
Total deferred tax expense	(660)	1 022	(12 156)	(23 517)
Total tax expense	1 345	1 819	28 550	1 696



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Reconciliation of effective tax rate

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

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

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Profit or loss before tax	198 758	168 960	225 969	168 831
Tax using the corporation tax rate	43 727	37 171	49 713	37 143
Non-deductible expenses	4	0	386	2 481
Tax exempt revenues	(41 726)	(35 714)	(5 476)	(67)
Recognition of previously unrecognised tax losses	0	0	0	0
Other	(660)	362	(16 085)	(37 861)
Under / (over) provided in prior years	0	0	12	0
Total tax expense	1 345	1 819	28 550	1 696



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8 Property, plant and equipment

NOK'000	Land and buildings	Leasehold improvements	Right-of-use asset (see note 22)	Fixtures, fittings and equipment	Under construction	Total
Cost						
Balance at 1 January 2023	925 113	136 901	811 812	149 714	35 588	2 059 128
Acquisitions through business combinations (see Note 24)	5 526	0	0	0	0	5 526
Other acquisitions	21 568	6 832	75 694	13 273	71 548	188 915
Transfer	1 156	1 559	0	5 148	(8 025)	(162)
Disposals/Other movements	0	(3 937)	(20 546)	(36 580)	(2 701)	(63 764)
Balance at 31 December 2023	953 363	141 355	866 960	131 555	96 410	2 189 643
Balance at 1 January 2024	953 363	141 355	866 960	131 555	96 410	2 189 643
Acquisitions through business combinations (see Note 24)	8 627	0	0	1 117	0	9 744
Other acquisitions	4 569	1 186	161 475	15 566	274 060	456 856
Transfer	139 530	61 005	0	30 916	(231 685)	(234)
Disposals/Other movements	(43 441)	(44)	(1 424)	(14 648)	(2 364)	(61 921)
Balance at 31 December 2024	1 062 648	203 502	1 027 011	164 506	136 421	2 594 088
Depreciation and impairment						
Balance at 1 January 2023	101 452	38 648	177 659	55 114	0	372 873
Depreciation charge for the year	22 546	8 085	52 353	21 565	0	104 549
Impairment losses / (reversal)	21 021	(5 174)	(451)	1 915	0	17 311
Transfer	0	0	0	0	0	0
Disposals / other movements	0	(1 722)	(20 395)	(18 298)	0	(40 415)
Balance at 31 December 2023	145 019	39 837	209 166	60 296	0	454 318
Balance at 1 January 2024	145 019	39 837	209 166	60 296	0	454 318
Depreciation charge for the year	27 596	9 243	53 643	22 776	0	113 258
Impairment losses / (reversal)	(21 023)	0	0	(4 747)	0	(25 770)
Transfer	0	0	0	(234)	0	(234)
Disposals / other movements	(4 553)	(16)	0	(6 627)	0	(11 196)
Balance at 31 December 2024	147 039	49 064	262 809	71 464	0	530 376
Net book value						
At 31 December 2023	808 344	101 518	657 794	71 259	96 410	1 735 325
At 31 December 2024	915 609	154 438	764 202	93 042	136 421	2 063 712

Impairment loss and subsequent reversal

In 2024, the 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 reversal on Tangible assets of NOK 25,770 thousand, mostly connected to the loss booked on the disposal of assets related to a flooded restaurant. The estimate of value in use was calculated using a pre-tax discount rate of 16.6%.

Security

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



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9 Intangible assets

NOK'000	Goodwill	Contractual rights	Other	Total
Cost				
Balance at 1 January 2023	6 540	11 467	16 014	34 021
Acquisitions through business combinations	0	0	0	0
Other acquisitions – externally purchased	0	0	5 560	5 560
Transfers	0	0	163	163
Disposals	(5 169)	(5 478)	0	(10 647)
Balance at 31 December 2023	1 371	5 989	21 737	29 097
Balance at 1 January 2024	1 371	5 988	21 737	29 096
Acquisitions through business combinations	0	4 221	0	4 221
Other acquisitions – externally purchased	0	311	11 079	11 390
Transfers	0	0	0	0
Disposals	0	(272)	0	(272)
Balance at 31 December 2024	1 371	10 248	32 816	44 435
Amortisation and impairment				
Balance at 1 January 2023	4 386	7 470	8 769	20 625
Amortisation for the year	0	304	3 871	4 175
Impairment losses/(reversal)	(3 015)	0	0	(3 015)
Disposals	0	(5 479)	0	(5 479)
Balance at 31 December 2023	1 371	2 295	12 640	16 306
Balance at 1 January 2024	1 371	2 294	12 640	16 305
Amortisation for the year	0	332	5 625	5 957
Impairment losses/(reversal)	0	0	0	0
Disposals	0	(272)	0	(272)
Balance at 31 December 2024	1 371	2 354	18 265	21 990
Net book value				
At 31 December 2023	0	3 694	9 097	12 791
At 31 December 2024	0	7 894	14 551	22 445

10 Investments

Parent company

NOK'000	Profit after tax	Elimination	Other comprehensive income	Total comprehensive income	Investment in subsidiaries
Subsidiaries 2024	189 664	0	0	189 664	475 027
Subsidiaries 2023	162 128	0	0	162 128	365 363
	Domicile	Shares'000 (100 %)	Share Capital	Equity	Net result
Food Folk Norge AS	Norway	170	1 022	472 402	189 879
Zero Five AS *	Norway	100	100	72 826	19 156

* Shareholdings in Zero Five AS are held indirectly through Food Folk Norge AS.



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Food Folk Norge AS is the owner of the master franchisee agreement with McDonald's Corporation and operates McDonald's restaurants in the Norwegian territory. The Company owns in Food Folk Norge AS 170 ordinary shares of NOK 6,010 each (share capital: 1,022 thousand NOK).

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

NOK'000	Domicile	Interest %	Carrying value 2024	Carrying value 2023
Koop SA	Norway	6.67%	0	0
Nordic Diensten Ekonomisk Förening	Sweden	2.9%	11	12
Total			11	12

The above entities (held indirectly via Zero Five AS) handle respectively the marketing strategy on the Norwegian market and the procurement strategy and frame agreements of the restaurants in the four Nordic markets.

11 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

Parent company

NOK'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	0	0	660
Tax (assets) / liabilities	0	0	0	660
Net of tax liabilities/(assets)	0	0	0	0
Net tax (assets) / liabilities	0	0	0	660

Group

NOK'000	Assets		Liabilities	
	2024	2023	2024	2023
Property, plant and equipment	0	0	252 097	223 272
Intangible assets	0	0	742	801
Financial assets	0	0	0	329
Interest-bearing loans and borrowings	(176 711)	(154 526)	0	0
Provisions	(14 006)	(12 476)	0	0
Tax effects of group contribution	0	0	0	18 260
Other	0	(27)	1 103	0
Tax (assets) / liabilities	(190 717)	(167 029)	253 942	242 662
Net of tax liabilities/(assets)	190 717	167 029	(190 717)	(167 029)
Net tax (assets) / liabilities	0	0	63 225	75 633



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Movement in net deferred tax during the year

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Opening balance	660	(362)	75 633	99 150
Recognised in profit or loss	(660)	1 022	(12 156)	(23 517)
Arising from business combination	0	0	(252)	0
Closing balance	<u>0</u>	<u>660</u>	<u>63 225</u>	<u>75 633</u>
Total movement	<u>(660)</u>	<u>1 022</u>	<u>(12 408)</u>	<u>(23 517)</u>

12 Trade and other receivables

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Trade receivables	0	0	84 872	61 590
Deposits	0	0	107	62
Prepayments	0	0	3 548	2 638
VAT & Duties	17	21	17	21
Other receivables	<u>0</u>	<u>0</u>	<u>19 419</u>	<u>19 716</u>
Total trade and other receivables	<u>17</u>	<u>21</u>	<u>107 963</u>	<u>84 027</u>

Changes in trade and other receivables (Group)

NOK '000	Opening balance for period	Cash flows	Non-cash transactions	Closing balance for period
2023	<u>53 270</u>	<u>25 813</u>	<u>4 944</u>	<u>84 027</u>
2024	<u>84 027</u>	<u>(7 151)</u>	<u>31 087</u>	<u>107 963</u>

13 Cash and cash equivalents

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Cash and cash equivalents	<u>0</u>	<u>0</u>	<u>3 647</u>	<u>11 802</u>
Total cash and cash equivalents	<u>0</u>	<u>0</u>	<u>3 647</u>	<u>11 802</u>
Restricted cash	<u>0</u>	<u>0</u>	<u>8 856</u>	<u>18 130</u>
Total restricted cash	<u>0</u>	<u>0</u>	<u>8 856</u>	<u>18 130</u>



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14 Share capital

Parent company and Group NOK'000	Ordinary shares	
	2024	2023
In thousands of shares	30	30
On issue at 20 October 2016	30	30
Issued for cash	15 680	15 680
On issue at 31 December - fully paid	15 710	15 710

Parent company and Group NOK'000	Ordinary shares	
	2024	2023
Allotted, called up and fully paid		
Ordinary shares of NOK 523,660 each	15 710	15 710
Total	15 710	15 710
Shares classified as liabilities	0	0
Shares classified in shareholders' funds	15 710	15 710
Total	15 710	15 710

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

During 2024, a group contribution of NOK 83,000 thousand was distributed to the holding company Food Folk Group Holdings AS.

After the balance sheet date, a dividend for NOK 100,000 thousand was proposed by the directors.

15 Loans and borrowings

Group NOK'000	Parent company		Group	
	2024	2023	2024	2023
Non-current loans and borrowings				
Secured bank loans	0	0	704 646	708 940
Lease liabilities (see Note 22)	0	0	770 890	665 763
Total non-current loans and borrowings	0	0	1 475 536	1 374 703
Current loans and borrowings				
Secured bank loans	0	0	26 845	26 708
Lease liabilities (see Note 22)	0	0	45 573	36 627
Total current loans and borrowings	0	0	72 418	63 335

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



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Terms and debt repayment schedule

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

On June 2024, the Group signed with Realkredit Danmark a utilization request for an additional loan (B3) for NOK 23,000 thousand expiring in March 2037 (at the same interest conditions as the other B facilities – 1.6% margin plus variable rate Nibor). No hedging has been stipulated for this new loan.
Direct transaction costs (such as bond premium, stamp duties, registration fees and legal fees) incurred total NOK 498 thousand.

16 Provisions

Group

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

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.



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17 Trade and other payables

NOK'000	Parent company		Group	
	2024	2023	2024	2023
Trade payables	0	0	124 784	75 956
VAT & duties	0	0	17 512	21 323
Payroll related	0	0	56 787	60 925
Other payables and accrued expenses	<u>96</u>	<u>97</u>	<u>23 402</u>	<u>26 556</u>
Total trade and other payables	<u>96</u>	<u>97</u>	<u>222 485</u>	<u>184 760</u>
Other payables and accrued expenses	<u>0</u>	<u>0</u>	<u>6 128</u>	<u>3 708</u>
Total other payables (non current)	<u>0</u>	<u>0</u>	<u>6 128</u>	<u>3 708</u>

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, foreign exchange risk, and interest rate risk. The policies for managing each of these risks are summarised below.

18 (a) Fair values of financial instruments

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



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NOK'000	Parent company		Group	
	2024	2023	2024	2023
Cash and cash equivalents	0	0	3 647	11 802
Restricted cash	0	0	8 856	18 130
Receivables from related parties	104 838	99 539	308 862	366 851
Trade and other receivables	17	21	107 963	84 027
Total financial assets at amortised cost	104 855	99 560	429 328	480 810
Financial assets designated as fair value through profit or loss	0	0	36 369	11 566
Total financial assets	104 855	99 560	465 697	492 376
Loans and borrowings	0	0	1 547 954	1 438 038
Trade and other payables	96	97	228 613	188 468
Payables to related parties	0	0	43 245	10 501
Provisions	0	0	56 868	50 280
Total financial liabilities at amortised cost	96	97	1 876 680	1 687 287
Financial liabilities designated as fair value through profit or loss	0	0	0	0
Total financial liabilities	96	97	1 876 680	1 687 287
Total net financial instruments	104 759	99 463	(1 410 983)	(1 194 911)

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 NOK 1,019,221 thousand.

Fair value hierarchy

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

Effect of change of inputs used in fair value measurement

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

18 (b) Credit risk

Credit risk is the risk of financial loss to the 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.



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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)

NOK'000	Gross 2024	Gross 2023	Impairment 2024	Impairment 2023
Not past due	49 655	61 273	0	0
Past due	<u>35 217</u>	<u>317</u>	<u>0</u>	<u>0</u>
Total	<u>84 872</u>	<u>61 590</u>	<u>0</u>	<u>0</u>

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 its position in relation to all financial covenants in place in relation to both its external borrowings and to McDonald's.

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

Parent company

NOK'000	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to 5 years	over 5 years
31 December 2024						
Non-derivative financial liabilities						
Shareholder Loan	0	0	0	0	0	0
Payables to related parties	0	0	0	0	0	0
Trade and other payables	<u>96</u>	<u>96</u>	<u>96</u>	<u>0</u>	<u>0</u>	<u>0</u>
Derivative financial liabilities						
Interest rate swaps	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>96</u>	<u>96</u>	<u>96</u>	<u>0</u>	<u>0</u>	<u>0</u>
31 December 2023						
Non-derivative financial liabilities						
Shareholder Loan	0	0	0	0	0	0
Payables to related parties	0	0	0	0	0	0
Trade and other payables	<u>97</u>	<u>97</u>	<u>97</u>	<u>0</u>	<u>0</u>	<u>0</u>
Derivative financial liabilities						
Interest rate swaps	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>97</u>	<u>97</u>	<u>97</u>	<u>0</u>	<u>0</u>	<u>0</u>



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NOK'000	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to 5 years	over 5 years
31 December 2024						
Non-derivative financial liabilities						
Secured bank loans	731 491	1 019 221	67 115	64 657	248 433	639 016
Lease liabilities	816 463	1 149 460	82 593	82 324	245 206	739 337
Payables to related parties	43 245	43 245	43 245	0	0	0
Trade and other payables	<u>222 485</u>	<u>228 613</u>	<u>222 485</u>	<u>6 128</u>	<u>0</u>	<u>0</u>
Derivative financial liabilities						
Interest rate swaps	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>1 813 684</u>	<u>2 440 539</u>	<u>415 438</u>	<u>153 109</u>	<u>493 639</u>	<u>1 378 353</u>
31 December 2023						
Non-derivative financial liabilities						
Secured bank loans	735 648	1 045 974	67 026	64 434	213 168	701 346
Lease liabilities	702 390	965 773	70 308	69 759	202 613	623 093
Payables to related parties	10 501	10 501	10 501	0	0	0
Trade and other payables	<u>184 760</u>	<u>188 468</u>	<u>184 760</u>	<u>0</u>	<u>3 708</u>	<u>0</u>
Derivative financial liabilities						
Interest rate swaps	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>1 633 299</u>	<u>2 210 716</u>	<u>332 595</u>	<u>134 193</u>	<u>419 489</u>	<u>1 324 439</u>

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 – Energy price risk

The Company'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. Being this contract not directly managed by the Company, no further accounting and disclosure implications have been identified.

Market risk - Foreign currency risk

The Group's and Company's operations have exposure to foreign currency risk at year end due to that the carrying amount of financial instruments in foreign currencies amounts to NOK 4,023 thousand. A change of 1 % in the exchange rate at year end would have impacted the carrying amount of financial instruments in foreign currency by NOK 40 thousand, dependent on the EUR/NOK movement.

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, 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.



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

NOK'000	2024	2023
Fixed rate instruments		
Financial assets	36 369	11 566
Financial liabilities	<u>0</u>	<u>0</u>
Total fixed rate instruments	<u>36 369</u>	<u>11 566</u>
Variable rate instruments		
Financial assets	311 230	395 070
Financial liabilities	<u>(731 491)</u>	<u>(735 648)</u>
Total variable rate instruments	<u>(420 261)</u>	<u>(340 578)</u>

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

Sensitivity analysis

A change of 100 basis points in interest over the year would have increased/decreased the result for the year by NOK 4,203 thousand (2023: NOK 3,406 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.

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

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 NOK 28,268 thousand (2023: NOK 18,794 thousand).

Off-balance sheet arrangements

The Group has no other guarantees at 31 December 2024.

20 Contingencies

The Group has guaranteed that the subsidiary Food Folk Norge AS performs its obligations under credit agreement that the Food Folk Group Holdings AS group has entered into with a financial institution. The guarantee includes customary limitation that ensure that payments can't exceed what would normally be permitted to distributed as dividends from the companies. The Food Folk Group Holdings AS group's total obligation amounts to EUR 361.1 million as of 31 December 2024.



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21 Related parties

Parent and ultimate controlling party

The Company, established on 20 October 2016, was acquired in February 2017 by its current Parent company, Food Folk Group Holdings AS (Norway). The ultimate controlling party of the Company is Guy Hands.

Key management personnel compensation

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

Group related party transactions

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

Parent company

NOK'000	Group Contribution (paid)/received 2024	Sale of services 2024	Purchase of services 2024	Interest income 2024	Interest expenses 2024
Food Folk Group Holdings AS	(83 000)	0	0	107	0
Food Folk Norge AS	80 000	0	0	0	0
Food Folk Denmark AS	0	0	(77)	0	0
Food Folk Suomi Oy	0	0	0	9 269	0
Total	(3 000)	0	(77)	9 376	0

NOK'000	Loans receivable/ (payable) outstanding 2024	Receivables outstanding 2024	Payables outstanding 2024	Cash-pooling receivable balances 2024	Cash-pooling payable balances 2024
Food Folk Group Holdings AS	0	0	0	9 838	0
Food Folk Suomi Oy	95 000	0	0	0	0
Total	95 000	0	0	9 838	0

NOK'000	Group Contribution (paid)/received 2023	Sale of services 2023	Purchase of services 2023	Interest income 2023	Interest expenses 2023
Food Folk Group Holdings AS	(273 856)	0	0	12	(863)
Food Folk Suomi Holdings Oy	0	0	0	1 098	0
Food Folk Norge AS	325 500	0	0	0	0
Food Folk Denmark AS	0	0	(71)	0	0
Food Folk Suomi Oy	0	0	0	6 640	0
Total	51 644	0	(71)	7 750	(863)

NOK'000	Loans receivable/ (payable) outstanding 2023	Receivables outstanding 2023	Payables outstanding 2023	Cash-pooling receivable balances 2023	Cash-pooling payable balances 2023
Food Folk Group Holdings AS	0	0	0	4 539	0
Food Folk Suomi Oy	95 000	0	0	0	0
Total	95 000	0	0	4 539	0

On 31 March 2023, an intercompany loan (NOK 95,000 thousand) has been granted to Food Folk Suomi OY, expiring in 7 years (margin 5% plus NIBOR 3M). The purpose of the loan is to finance the business operations and continued expansion in Finland.



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NOK'000	Distributions of investment cost 2024	Sale of services 2024	Royalties 2024	Purchase of services 2024	Interest income 2024	Interest expenses 2024
Food Folk Group Holdings AS	0	494	0	(12 574)	11 093	(5)
Food Folk Denmark AS	0	4 878	0	(17 035)	0	0
Food Folk Suomi Oy	0	4 463	0	(2 856)	9 268	0
Food Folk Sverige AB	(14 975)	9 980	0	(36 531)	0	0
Total	(14 975)	19 815	0	(68 996)	20 361	(5)

NOK'000	Group Contribution (paid)/received 2024	Loans receivable/ (payable) outstanding 2024	Receivables outstanding 2024	Payables outstanding 2024	Cash-pooling receivable balances 2024	Cash-pooling payable balances 2024
Food Folk Group Holdings AS	(83 000)	0	53	(6 548)	203 727	0
Food Folk Denmark AS	0	0	2 598	(9 248)	0	0
Food Folk Suomi Oy	0	95 000	2 276	(1 354)	0	0
Food Folk Sverige AB	0	0	5 208	(26 095)	0	0
Total	(83 000)	95 000	10 135	(43 245)	203 727	0

NOK'000	Distributions of investment cost 2023	Sale of services 2023	Royalties 2023	Purchase of services 2023	Interest income 2023	Interest expenses 2023
Food Folk Group Holdings AS	0	575	0	(14 378)	9 687	(1 301)
Food Folk Suomi Holdings Oy	0	0	0	0	1 098	0
Food Folk Denmark AS	0	3 293	0	(15 355)	0	0
Food Folk Suomi Oy	0	3 313	0	(3 116)	6 639	0
Food Folk Sverige AB	(8 560)	7 259	0	(30 579)	0	0
Total	(8 560)	14 440	0	(63 428)	17 424	(1 301)

NOK'000	Group Contribution (paid)/received 2023	Loans receivable/ (payable) outstanding 2023	Receivables outstanding 2023	Payables outstanding 2023	Cash-pooling receivable balances 2023	Cash-pooling payable balances 2023
Food Folk Group Holdings AS	(273 856)	0	52	(2 031)	270 138	0
Food Folk Suomi Holdings Oy	0	0	0	0	0	0
Food Folk Denmark AS	0	0	378	(1 466)	0	0
Food Folk Suomi Oy	0	95 000	418	(263)	0	0
Food Folk Sverige AB	0	0	865	(6 741)	0	0
Total	(273 856)	95 000	1 713	(10 501)	270 138	0



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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 Income Statement

NOK'000	2024	2023
- Depreciation charges (including impairment loss/reversal)	53 643	51 902
- Interest on lease liabilities	34 037	31 071
- variable lease payments not included in the measurement of lease liabilities	15 716	14 242
- expenses relating to other short-term leases	0	8
- expenses relating to leases of low-value assets	24	396
- other expenses	0	(101)

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 31 December 2024 were as follows:

NOK'000	2024	2023
- Right-of-use assets (presented in Property, plant and equipment - see note 8)	764 202	657 794
- Prepaid expense (presented in Trade and Other Receivables)	(6 540)	(5 885)
- Lease liabilities (presented in Other interest-bearing loans and borrowings - see note 15)	(816 463)	(702 390)

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

ii. Amounts recognised in Statement of financial position

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

iii. Amounts recognised in Statement of cash flows

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

iv. Extension Options

Most of the restaurants' lease contract 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, expiring 31 March 2037, a restaurant cannot be closed without its approval, even though it is loss making. It is therefore assumed that the lease term will be renewed until 31 March 2037 if there is not an approval from McDonalds to close a specific restaurant.

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

v. Lease not yet commenced

The 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 NOK 298.0 million.



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23 Changes in liabilities from financing activities

Group

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



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24 Business combinations

a) Acquisition of a restaurant

NOK'000	2024	2023
Acquirees net assets at the acquisition date:		
Land and buildings	0	0
Fixtures, fittings and equipment	1 117	0
Contractual rights	4 221	0
Total identifiable net assets acquired	5 338	0
Consideration paid:		
Cash	5 338	0
Total consideration	5 338	0
Goodwill	0	0

In 2024, the Group acquired a restaurant from a Franchisee. The acquired restaurant contributed a net loss of NOK 0.4 million to the net profit for the year. If the acquisitions had occurred on the first day of the accounting period, the Company revenues would have increased by NOK 35.2 million and net profit would have been higher by NOK 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 excess earnings 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 Company.

b) Acquisition of a subsidiary

NOK'000	2024	2023
Acquirees net assets at the acquisition date:		
Land	8 627	1 760
Deferred tax asset	252	0
Trade and other payables	0	0
Total identifiable net assets acquired	8 879	1 760
Consideration paid:		
Cash	8 879	5 526
Total consideration	8 879	5 526
Difference	0	3 766

In 2023, the Group acquired 100% of the shares in the company Brokelandsheia Øst 4 AS for an amount of NOK 5,526 thousand. The difference of NOK 3,766 thousand arising from the acquired assets and the consideration paid has been allocated to the land owned by this company. In 2024, the company has been merged with a small impact on Land due to deferred tax asset for carried forward tax losses.

In addition, during 2024, another company (Kobbervikdalen 157 AS) has been acquired and merged by the Group; original purchase price was NOK 8,761 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 at 31 December 2024.



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Initiator

Food Folk (FF)

Food Folk

precisely@foodfolk.com

Signatories

Ann Helen Våge (AHV)

Food Folk Norge Holdings AS

annhelen.vage@no.mcd.com



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

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

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Signed 2025-04-03 10:33:48 CEST (+0200)

Haegg Anders (HA)

Food Folk Norge Holdings AS

anders.haegg@se.mcd.com



The name returned by Swedish BankID was "Anders Torbjörn Hägg"

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