20230703548S1

Årsredovisning

för

Food Folk Sverige Development AB

556492-0220

Räkenskapsåret

2022

Fastställelseintyg

Undertecknad styrelseledamot i Food Folk Sverige Development AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-03-22. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2023-06-26

Anne Nordberg

20230703534852

Styrelsen för Food Folk Sverige Development AB upprättar härmed följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Ägarförhållanden
Bolaget är ett helägt dotterbolag till Food Folk Sverige Holdings AB, organisationsnummer 559094-9623 med säte i Stockholm som i sin tur ytterst ägs av Food Folk Group Holdings AS, organisationsnummer 817906222, i Norge som upprättar koncernredovisning.

Verksamheten
Bolaget har till föremål för sin verksamhet att, direkt och indirekt, äga och förvalta fast och lös egendom, däribland fastigheter relaterade till restaurangbranschen, och därmed förenlig verksamhet.

Dotterbolaget Food Folk Sverige AB är Developmental Licensee för varumärket McDonald's i Sverige, vilket innebär att bolaget äger rättigheterna att vara franchisegivare i Sverige för nämnda varumärke.

McDonald´s är Sveriges största restaurangkedja. Restaurangerna i Sverige ägs och drivs huvudsakligen av lokala entreprenörer på franchisebasis vilka redovisar egna bokslut.

McDonald's strategi bygger på att servera bra mat med råvaror av hög kvalitet. Den första restaurangen i Sverige öppnade på Kungsgatan i Stockholm den 27 oktober 1973 och som företag har McDonald's haft stor betydelse för svensk ekonomi och samhälle under åren. Många ungdomar får sin första rad i CV:t på företaget och företaget är en av Sveriges största privata ungdomsarbetsgivare. Mångfalden hos McDonald's med cirka 100 nationaliteter och 65 olika språk är en styrka i kontakten med gästerna och speglar hur företaget bidrar till integrationen i arbetslivet.

Medarbetarna är en av våra viktigaste tillgångar och utbildning och utveckling i bland annat ledarskap, service och teamledning är ett prioriterat område.

Under de senaste åren har satsningar på modernisering av gästupplevelsen skett på företagets restauranger, primärt genom olika uppdateringar av restaurangmiljön men även genom utveckling av den digitala upplevelsen. Det här arbetet beräknas vara slutfört under 2023, då samtliga restauranger ska vara moderniserade.

Företaget har sitt säte i Stockholm.

Penneo dokumentnyckel: YD4I6-M74Z-6X1WM-XQNZG-21XY1-DIMOQ

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Väsentliga händelser under räkenskapsåret

Efter drygt två år med Covid-19-pandemin så har 2022 inneburit kraftigt förbättrat affärsklimat vilket har lett till att Food Folk Sveriges totala försäljning ökade med 10,1 % jämfört med 2021.

McDonald's i Sverige etablerade ett nytt café-koncept under 2021; McCafé. Konceptet är ett shop-in-shop där gästerna erbjuds barista-kaffe och bakverk. I slutet av 2022 var 33 stycken McCafé etablerade på restaurangerna i Sverige.

McDonald's i Sverige introducerade Mobile Order and Pay (MOP) under 2021 vilket innebär att gästerna direkt i mobilen kan beställa, betala samt välja var de vill ta emot sin mat. MOP är en populär service som uppskattas av gästerna.
För att öka tillgängligheten för gästerna så införde McDonald's i Sverige 2018, möjligheten att beställa mat för leverans dit gästen befinner sig, så kallad Delivery service. Leveranserna sker i samarbete med Delivery-partners, till exempel Wolt och Foodora.

Food Folk Sverige etablerade sju nya restauranger under 2022; Bålsta, Umeå, Märsta, Borås, Göteborg, Sundsvall, och Jönköping.

Flerårsöversikt (tkr)	**2022**	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	0	0	0	0	0
Resultat efter finansiella poster	436 587	210 998	210 173	-5 294	-2 623
Balansomslutning	999 361	754 805	757 615	552 550	507 623
Soliditet (%)	54	38	36	6	67

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Förändring av eget kapital

Ingående balans för Eget kapital för räkenskapsåret 2022 var 287 656 TSEK. Bolaget redovisar ett resultat för året om 474 558 TSEK. Utgående balans för Eget kapital uppgår till 542 213 TSEK.

Antal aktier: 1 000

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	100 000	9 900 000	41 138 822	236 516 602	**287 655 424**
Disposition enligt beslut av årets årsstämma:			236 516 602	-236 516 602	**0**
Utdelning			-220 000 000		**-220 000 000**
Årets resultat				474 557 946	**474 557 946**
Belopp vid årets utgång	**100 000**	**9 900 000**	**57 655 424**	**474 557 946**	**542 213 370**

Penneo dokumentnyckel: YD4I6-M744Z-6X1VM-XQN2G-21XY1-DIMOQ

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	57 655 424
årets vinst	474 557 946
	532 213 370

disponeras så att	
till aktieägare utdelas (30 000 kronor per aktie)	30 000 000
i ny räkning överföres	502 213 370
	532 213 370

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Penneo dokumentnyckel: YD4I6-M7Z4Z-6X1VM-XQN2G-21XY1-DIMOO

20230703548S4

Resultaträkning
Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsens kostnader			
Övriga externa kostnader	2	-59	-53
Rörelseresultat		**-59**	**-53**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	450 000	220 000
Räntekostnader och liknande resultatposter	4	-13 355	-8 950
Summa finansiella poster		**436 645**	**211 050**
Resultat efter finansiella poster		**436 587**	**210 998**
Bokslutsdispositioner	5	44 360	29 804
Resultat före skatt		**480 947**	**240 802**
Skatt på årets resultat	6	-6 389	-4 285
Årets resultat		**474 558**	**236 517**

Penneo dokumentnyckel: YD4I6-M74Z-6X1VM-XQN2G-21XY1-DIMOQ

Balansräkning

Tkr

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7, 8	505 000	505 000
Summa anläggningstillgångar		**505 000**	**505 000**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		494 360	249 804
Övriga fordringar		1	1
Summa kortfristiga fordringar		**494 361**	**249 805**
Summa omsättningstillgångar		**494 361**	**249 805**
SUMMA TILLGÅNGAR		**999 361**	**754 805**

Penneo dokumentnyckel: YD4I6-M74Z-6X1VM-XQN2G-21XY1-DIMOQ

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Balansräkning

Tkr

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		9 900	9 900
Summa bundet eget kapital		**10 000**	**10 000**
Fritt eget kapital			
Balanserad vinst		57 655	41 139
Årets resultat		474 558	236 517
Summa fritt eget kapital		**532 213**	**277 656**
Summa eget kapital		**542 213**	**287 656**
Kortfristiga skulder			
Checkräkningskredit	9	0	126 816
Skulder till koncernföretag	10	454 219	333 765
Aktuella skatteskulder		2 872	6 517
Upplupna kostnader och förutbetalda intäkter		57	51
Summa kortfristiga skulder		**457 148**	**467 149**
SUMMA EGET KAPITAL OCH SKULDER	11	**999 361**	**754 805**

Penneo dokumentnyckel: YD4I6-MI7AZ-6X1VM-XQN2G-21XY1-DIMOQ

Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Ägarförhållanden
Bolaget är ett helägt dotterbolag till Food Folk Sverige Holdings AB, organisationsnummer 559094-9623 med säte i Stockholm som i sin tur ytterst ägs av Food Folk Group Holdings AS, organisationsnummer 817906222, i Norge som upprättar koncernredovisning.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Utdelning
Utdelning redovisas när ägarens rätt att erhålla betalningen har säkerställts.

Eftersom moderföretaget innehar mer än hälften av rösterna för samtliga andelar i dotterföretaget redovisas utdelning när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning.

Företaget är helägt dotterföretag till Food Folk Sverige Holdings AB, org nr 559094-9623 med säte i Stockholm. Food Folk Sverige Holdings AB ingår i en koncern där Food Folk Group Holdings AS, org nr 817906222 med säte i Oslo, Norge, upprättar koncernredovisning för koncernen. Det utländska moderföretagets koncernredovisning finns att tillgå hos Food Folk Group Holdings AS.

Företaget som utgör moderföretag för en koncern med dotterföretag enligt not 7, upprättar ej koncernredovisning då företaget och dess samtliga dotterföretag omfattas av en koncernredovisning som upprättas av Food Folk Group Holdings AS.

Penneo dokumentnyckel: YD4I6-M744Z-6X1VM-XQN2G-21XY1-DIMOO

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Nyckeltalsdefinitioner

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Anställda och personalkostnader

Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 3 Resultat från andelar i koncernföretag

	2022	2021
Anteciperad utdelning	450 000	220 000
	450 000	**220 000**

Not 4 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-13 288	-8 915
Övriga räntekostnader	-67	-35
	-13 355	**-8 950**

Not 5 Bokslutsdispositioner

	2022	2021
Erhållna koncernbidrag	44 360	29 804
	44 360	**29 804**

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Not 6 Aktuell och uppskjuten skatt

	2022	2021
Skatt på årets resultat		
Aktuell skatt	-6 389	-4 285
Totalt redovisad skatt	**-6 389**	**-4 285**

Avstämning av effektiv skatt

	2022		2021	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		480 947		240 802
Skatt enligt gällande skattesats	20,60	-99 075	20,60	-49 605
Ej avdragsgilla kostnader		-14		
Ej skattepliktiga intäkter		92 700		45 320
Redovisad effektiv skatt	**1,33**	**-6 389**	**1,78**	**-4 285**

Not 7 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	505 000	505 000
Utgående ackumulerade anskaffningsvärden	**505 000**	**505 000**
Utgående redovisat värde	**505 000**	**505 000**

Not 8 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Food Folk Sverige AB	100%	100%	80 000	505 000
				505 000

	Org.nr	Säte	Eget kapital	Resultat
Food Folk Sverige AB	556181-2297	Stockholm	539 521	414 035

Not 9 Checkräkningskredit

	2022-12-31	2021-12-31
Cashpool	0	126 816

Cashpool redovisas i år som en kortfristig skuld till koncernföretag.
Koncernens cash pool ägs av moderbolaget Food Folk Group Holdings AS, Norge.

Penneo dokumentnyckel: YD4I6-M744Z-6X1VM-XQN2G-21XY1-DIMOQ

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Not 10 Skulder till koncernföretag

	2022-12-31	2021-12-31
Cashpool	124 709	0
Övriga skulder till koncernföretag	329 510	333 765
	454 219	**333 765**

Not 11 Ställda säkerheter och eventualförpliktelser

	2022-12-31	2021-12-31
Ställda säkerheter för koncernens skulder till kreditinstitut:		
Aktier i dotterföretag	505 000	505 000
	505 000	**505 000**

Företaget ansvarar såsom för egen skuld för skulder till kreditinstitut i koncernen om motsvarande 2 441 MSEK, i den mån det inte strider mot aktiebolagslagen. Fritt eget kapital i företaget uppgick per 2022-12-31 till 532 MSEK.

Not 12 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Stockholm 2023-03-22

Anne Nordberg
Styrelseordförande

Anders Hägg

Vår revisionsberättelse har lämnats 2023-03-22

KPMG AB

Marc Karlsson
Auktoriserad revisor

Penneo dokumentnyckel: YD4I6-M7442-6X1VM-XQN2G-21XY1-DIMOQ

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Anne Carina Vanja Nordberg
Styrelseordförande
Serienummer: 19671103xxxx
IP: 212.181.xxx.xxx
2023-03-22 08:25:40 UTC

BankID

Anders Torbjörn Hägg
Styrelseledamot
Serienummer: 19690124xxxx
IP: 80.217.xxx.xxx
2023-03-22 08:31:42 UTC

BankID

MARC KARLSSON
Auktoriserad revisor
Serienummer: 19800502xxxx
IP: 98.128.xxx.xxx
2023-03-22 08:51:58 UTC

BankID

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20230703534858

Revisionsberättelse

Till bolagsstämman i Food Folk Sverige Development AB, org. nr 556492-0220

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Food Folk Sverige Development AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Food Folk Sverige Development ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Food Folk Sverige Development AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Food Folk Sverige Development AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Penneo dokumentnyckel: EGFE7-IG7V1-Q33TG-CGDEB-KF7KF-WZECS

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Food Folk Sverige Development AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Stockholm den 22 mars 2023

KPMG AB

Marc Karlsson
Auktoriserad revisor

Penneo dokumentnyckel: EGFE7-IG7V1-Q33TG-CGDEB-KF7KF-WZECS

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MARC KARLSSON
Auktoriserad revisor
Serienummer: 19800502xxxx
IP: 98.128.xxx.xxx
2023-03-22 08:49:43 UTC

BankID

Penneo dokumentnyckel: EGFE7-IG7V1-Q33TG-CGDEB-KF7KF-WZECS

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Food Folk Group Holdings AS

Storgata 15
0155 Oslo

Org. no. 817 906 222

Annual Report 2022

The financial statements were presented and adopted at the Company's annual general meeting

on 28 April 2023

_____

chairman of the annual general meeting

FOOD FOLK

Development licensee of McDonald's

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Statement by the Board of Directors

The Company

The Group was formed on 31 March 2017 when Food Folk Group Holdings AS (the Company) acquired the McDonald's operation in the Nordics territories through its wholly owned subsidiaries: Food Folk Norge Holdings AS (Norway), Food Folk Sweden Holdings AB (Sweden), Food Folk Danmark Holdings ApS (Denmark) and Food Folk Suomi Holdings Oy (Finland). In connection with the acquisition, the Group and its subsidiaries became the Development Licensee of McDonald's Corporation under a 20-year Multi-Unit Master 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 market. With 445 restaurants as at 31 December 2022 (2021: 432 restaurants) across the Nordics territories McDonald's is also the leading IEO restaurant chain in the region, based on sales.
The Group operates its business through a diversified real estate portfolio with approximately 231 (52%) restaurants located on owned land, with the remaining restaurants located in leased locations under long-term lease agreements. As of 31 December 2022, the Group operated 52 (12%) of the McDonald's restaurants, while the remaining 393 (88%) restaurants were operated by 68 independent Franchisees under individual sub-franchisee agreement with Group companies.
Through its offices in Oslo, Stockholm, Copenhagen and Helsinki, the Group employs 267 employees who provide both own and franchised restaurant advice, guidance and support within areas such as restaurant operation, HR, marketing, finance/IT and building maintenance/development.
The Company employs two people. There are a further 4,762 staff employed in Group operated restaurants.
For further information about McDonald's, please visit www.mcdonalds.com.

Annual accounts

Parent Company

The Company's operation for the year ended 31 December, 2022 resulted in an operating loss of EUR 1.2 million (2021: EUR 0.8 million), net finance expenses of EUR 1.5 million (2021: EUR 1.1 million) and income from profit in subsidiaries, net of tax of EUR 71.6 million (2021: EUR 64.2 million). Profit for the year amounts to EUR 68.2 million (2021: EUR 62.5 million).
At the end of December 2022, the Company had:
- Balance sheet assets totaling EUR 411.0 million (2021: EUR 366.9 million)
- Equity of EUR 324.5 million, with an Equity ratio of 79.0% (2021: EUR 266.5 million – 72.6%)
- Cash holdings of EUR 16.3 million (2021: EUR 51.6 million), including restricted cash holdings of EUR 10.3 million (2021: EUR 9.6 million)
- Cash flow from operating activities during the year ended 31 December, 2022 was EUR -3.7 million (2021: EUR +2.0 million), from investment activities EUR +27.3million (2021: EUR +42.1 million) and from financing activities EUR -56.3 million (2021: EUR -48.5 million).

Group

Revenues for the period amounted to EUR 431.8 million (2021: EUR 374.1 million) with operating profit of EUR 99.9 million (2021: EUR 96.8 million) and net finance expenses of EUR 13.3 million (2021: EUR 16.6 million). Profit for the year ended 31 December, 2022 amounted to EUR 68.1 million (2021: EUR 62.5 million).
The financial result is in line with management's expectations.
At the end of December 2022, the Group had:
- Consolidated balance sheet assets totaled EUR 1,009.4 million (2021: EUR 997.1 million)
- Equity of EUR 324.5 million, with an Equity ratio of 32.1% (2021: EUR 266.5 million - 26.7%)
- Cash holdings of EUR 33.0 million (2021: EUR 54.5 million), including restricted cash holdings of EUR 11.4 million (2021: EUR 10.5 million)
- Cash flow from operating activities during the year ended 31 December, 2022 was EUR +146.5 million (2021: EUR +128.9 million), from investment activities EUR -83.7 million (2021: EUR -59.6 million), and from financing activities EUR -80.5 million (2021: EUR -74.2 million).

Business outlook

The Group has remained resilient, through Covid-19 restrictions that dampened front-counter guest count in the first months of the year, to now managing inflationary headwinds and increased food and paper costs.
Positive free cash flows from operating activities were generated and significant investments in new store openings/re-modelling/upgrades/capacity increases have been made, which will continue also in the future. The Group has opened 20 new stores and closed 7. The growth in terms of like for like sales and number of guests has been good, with total revenues increasing by 15.4%.
Looking forward to 2023, the Group will continue on its growth trajectory both in terms of sales and EBITDA. Food and paper prices are expected to stabilise in all markets except Norway, which is anticipated to experience a lagged impact. Food Folk will continue to execute on the 'Accelerating the Arches' strategy, strengthen operational excellence and strengthen the franchisee relationship through central and local engagement. The beginning of 2023

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has been strong in terms of sales and profits. The comparable sales performance of the first quarter of 2023 has increased compared to last year. From an EBITDA perspective, results at the end of March are ahead of the plan for 2023 and higher than last year.

Financial and market risk

Group companies have taken out long-term mortgage loans denominated in local currency and granted security to the lender in the owned property portfolio. Part of the future interest payments on mortgage loans is fixed, and the rest has been mostly swapped from variable to fixed obligations using interest rate swap agreements. All intergroup lending is subordinated to all other creditors.
The credit risk associated with cash holdings is limited as the counterparties have high credit ratings assigned by international credit-rating agencies.
The Group operates across four markets each with its own currency, and whilst there is some matching of assets and liabilities by currency, and similarly of revenues and expenditures, the Group remains exposed to exchange risk to the extent of unmatched currency exposures.
The Board of Directors and management considers financial and market risk limited and in line with industry norms.

Research and Development

Neither the Company nor the Group had any research and/or development activities during 2022.

Impact on climate/environment

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

Over the years, we have made progress in reducing our environmental impact in key areas such as packaging, waste, animal feed, etc.. However, we know that there is much more to be done and we want to play a leadership role in solving some of the big issues in the food industry, contributing to keeping global warming of the planet below 1.5 degrees. Therefore, in 2022, utilizing the Green House Gas Protocol (GHG), we conducted a full review of our Scope I, II and III emissions. In 2023, we will be setting targets and taking action to continue to reduce our emissions across all scopes, utilizing the Science Based Targets Initiative (SBTI), the world leading framework for setting climate targets and reduction of absolute emissions. McDonald's Net Zero target date is 2050.
In 2022, we also conducted an ESG materiality assessment, identifying key environmental, social and governance risks and priorities, which will inform both our climate reduction roadmap and broader ESG strategy.
We continue to innovate in our chicken and alternative protein categories. In 2022, consumption of chicken and alternative proteins represented 50% of our total protein volumes. Our continued focus on expansion of alternative proteins will play a key role in reduction of Scope III emissions.
In 2022, the Sustainable Brand Index named McDonald's in Norway the restaurant and catering industry's best in terms of sustainability.

Food Waste

Our aim is to reduce the impact of the Group on climate and to care for the environment. For example, as we rebuild our restaurants, we have redesigned our operations with a new made-to-order system for food, thereby limiting food waste significantly. We are also taking key steps towards circularity, but reusing valuable resources contained cooking oil, converting these waste materials to biofuel, ultimately resulting in a smaller carbon footprint for the society by displacing fossil fuels.

Packaging

In 2022 we continued the transition of our primary packaging materials to recycled or certified sources. Our commitment is for our packaging to come from 100% certified, recycled or renewable materials by 2025.
Key advances in packaging included moving to molded fiber technologies to replace plastic lids and cups, a fiber-based, renewable solution.
Wooden cutlery was utilized in 2021 across our four markets, replacing difficult-to-recycle plastic cutlery.
Also in 2022, we drastically reduced the plastics in our Happy Meal toys eliminating virgin and fossil fuel-based plastic and continuing to increase the percentage of materials from renewable, recycled or certified sources.
We continue our programs to actively reduce the impact of our packaging on nature across all four of our markets. For example, in Denmark through our partnership with Ren Natur, 542 routes of litter were collected in 2022. A total of 41 municipalities participated. Of these, 62 routes were located in near proximity to a McDonald's. In Norway we work to tackle litter through our partnership with "Rusken" and in collaboration with "Keep Norway Clean", where our employees join clean-up activities. In all markets our 'one-block policy' means employees continuously help keep the local area clean not only from McDonald's own litter but also litter from society in general.

Sustainable sourcing

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

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- Palm oil - 100% of the palm oil we sourced in 2022 was certified by the Roundtable of Sustainable Palm Oil (RSPO). Palm oil produced for McDonald's must be certified by the RSPO, which sets out strict criteria to minimize negative impacts to the environment and to communities in palm oil producing regions.
- Soy - 100% of soy sourced in 2022 for the feed of chicken used in McDonald's products supported deforestation-free supply chains globally. One of the primary environmental impacts of raising chickens comes from the use of soy in their feed.
- Coffee - 100% of our ground and whole bean coffee was sustainably sourced in 2022 and Rainforest Alliance certified. We also source 100% organic coffee for the Swedish and Norwegian market.
- Beef - In 2022 we set and communicated our expectations for beef suppliers on climate, seeking their commitment to double their efforts on working on reducing emissions. Our expectation is that suppliers will work on innovative solutions and independent strategies as part of self-managed excellence including reporting of their progress to CDP (Climate Disclosure Project) to allow us to monitor the climate risks, opportunities, targets and actions being taking across our supply chain.
- Fish - Our goal is that all the wild-caught fish sourced for use in McDonald's products comes from verified sustainable sources. 100% of the fish used in McDonald's Filet-O-Fish® in 2022 came from verified sustainable fisheries and was certified by the Marine Stewardship Council (MSC).
- Chicken – Our strategy is informed by large scale commercial trials conducted together with our suppliers to study the effects certain production parameters have on key welfare, environmental and farm-level outcomes. As a result, we are working with our suppliers on the implementation of key enrichments and we plan to set targets, measure performance and report on key farm-level welfare outcomes. Our strategy approach is holistic and focuses on animal welfare, environmental impact, affordability and nutrition.
- Antibiotics Policy – Our longstanding commitment to the reduction of antibiotic use in food animals – including reducing the use of medically important antibiotics as defined by the World Health Organization (WHO) – spans over 18 years, since McDonald's first outlined its position on antibiotic use in the supply chain in 2003. Through our commitment to responsible antibiotic use, we are doing our part to help preserve the effectiveness of antibiotics for future generations. Antimicrobial Resistance (AMR) is a critical global public health issue that we believe we and our suppliers have a responsibility to help address. Our antibiotic use policies do not permit the routine use of medically important antibiotics for the purpose of growth promotion or the habitual use of antibiotics for disease prevention. Our focus is on refining antibiotic selection and administration, reducing non-therapeutic antibiotic use and, when possible, replacing antibiotics with long-term solutions to proactively prevent disease and protect animal health and welfare. We remain committed to the treatment of sick animals aligned with herd veterinarian direction to ensure the safety of our supply chain. Our suppliers adhere to criteria set by WOAH standards on the responsible and prudent use of antimicrobials, as defined in the Terrestrial Animal Health Code.

Human rights

McDonald's has a comprehensive Supplier Workplace Accountability (SWA) program, which supports compliance with the standards and expectations outlined in our Supplier Code of Conduct. The SWA program aims to help suppliers understand our expectations, verify compliance and work toward continuous improvement.
The SWA program provides suppliers and McDonald's Global Supply Chain Team with training to understand human rights issues and our SWA program requirements. Built on a model of continuous improvement and education, SWA includes an online training platform where suppliers can access optional tools and resources that provide guidance on human rights issues.
In 2022, and in line with the Norwegian Transparency Act, the Group carried out a comprehensive materiality assessment of human rights within its supply chain. In line with regulatory requirements, the report will be reported by the end of June 2023 under the website www.mcdonalds.com/no.

Employees and working environment

Similar to McDonald's international practice concerning employees' working conditions, the Group applies a systematic job-rotation scheme intended to create the best possible working environment. Furthermore, it regularly offers its employees the possibility to take part of various training programs. Such programs focus on individual development as well as facilitating promotions within the system. Additionally, performance reviews and staff-surveys are conducted on a regular basis in order to better understand and improve our working environment.
Overall, the Board of Directors deems the working environment of the Group to be on a satisfactorily level. There have been no serious occupational accidents or incidents during the year (2). Moreover, the Group has not observed any noticeable increase in sickness rate or leave of absence due to health and/or safety related reasons (2.39% in Food Folk Norge AS and 3.02% in Zero Five AS in 2022). The Group recognizes the importance of monitoring sickness/absence and is in the pilot phase of implementing a Nordic program to further improve information accuracy related to statistics on occupational accidents and sick leave.
In 2022 the Group have also focused on training all leaders in leading the new generation of employees, the generation Z.

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Equal opportunities, Non-discrimination and accessibility

(applicable to Food Folk Group Holdings AS and the Norwegian subsidiaries Food Norge AS and Zero Five AS)

Diversity and equal opportunity

Diversity and inclusion are one of our strategic focuses related to the Group's sustainable development goals. its belief 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. Two employees from Food Folk Norge AS are participating in the network's operations in order to further support and enable:

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

Employee engagement survey

Food Folk conducts an annual engagement survey through which employees are asked if they have been exposed to harassment (bullying, discrimination or sexual harassment) at work during the past twelve months. The most recent survey was conducted in November 2022. In addition, an engagement survey is conducted on an annual basis at restaurant level. The reports from said surveys do not indicate any significant dissatisfaction in relation to the employer. The reports further indicate that employees on an overall basis experience good treatment from managers, good working environment and respectful treatment amongst colleagues.
The Group, and primarily its Norwegian entities, has several initiatives to ensure a safe and good working environment, such as a demonstration of the use of the Integrity Line (notification function), e-learning tools with a focus on a safe and respectful workplace and improved collaboration between company health service providers.

Initiatives to reduce the risk of discrimination

In order to mitigate risks relating to various kinds of discrimination, the following measures/processes are put in place:
• Properly developed recruitment processes at all levels. This includes training for recruiting leaders, In order to mitigate risks relating to various kinds of discrimination, the following measures/processes are put in place:
• Orderly and diligently developed recruitment processes on all levels. This includes training for recruiting leaders, guidelines, test tools and structured interviews.
• Active support from PD (HR) in all recruitment processes and the application of personality/integrity tests.
• Annual salary reviews/processes connected to performance/achievement as further detailed in the Group's Performance Development System.
• Annual gender balance mapping.

Temporary Work

The vast majority of our Norwegian employees within Food Folk Norge AS are employed on permanent employment contracts.

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

Part time work (not voluntary)
Neither Food Folk Group Holdings AS nor Food Folk Norge AS has any part-time workers employed.

Salary balance (Zero Five AS)
Salaries to hourly-paid employees in the restaurants 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 levels are subject to annual review.

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.
During 2022:

- Food Folk Group Holdings AS – one male on paid parental leave too in total 18 weeks;
- Food Folk Norge As - female employees on parental paid leave took in total 9.14 weeks, while two male employees were on paid parental leave for 5 days;
- ZeroFive AS - female employees on parental paid leave took in total 529.5 weeks and male employees 168.6 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 29.6% more than men
- On people manager level men earn in average 11.6% more than woman
- Other employees women earn in average 24.9% more than men.

Gender balance
In Food Folk Group Holdings AS, both two employees are males.
The gender balance in Food Folk Norge AS is as follows:

Executives men	16 %
Executives female	83 %
People Managers men	20 %
People Managers female	80 %
Office employees men	50 %
Office employees female	50 %

About 49,6% 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.

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

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

Result
The Financial Statements for the Company and the consolidated Financial Statements for the Group as of 31 December 2022 have been prepared in accordance with IFRS as adopted by the European Union.
The Board of Directors believes that the Financial Statements give a true and fair view of the Company's financial position as of 31 December 2022.

Parent Company
Profit for the year amounts to EUR 68.2 million.

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

Attributable to (in million EUR):	
Funds for unrealized gains	55.3
Reserves	12.9
Profit for the year	68.2

Group
Profit for the year amounts to EUR 68.2 million.

Oslo, 27 April 2023

Vivek Gopaldas Ahjua	Susanne Elise Munch Thore	Lars Kristian Sande
Chairperson	Board Member	Board Member

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Company details

General

Food Folk Group Holdings AS
Storgata 15
0155 Oslo

Org. No.:	817 906 222
Established:	29 September 2016
Registered office:	Storgata 15, 0155 Oslo
Financial year:	*From 1 January to 31 December*

Board of Directors

Vivek Gopaldas Ahjua	(chairperson)
Susanne Elise Munch Thore	
Lars Kristian Sande	

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 28 April 2023.

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Food Folk Corporate Social Responsibility

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

Our values:

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

Our role in the community

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

As part of the community, we work with values-aligned organizations to make a difference. Through Ronald McDonald House Charities® (RMHC®), Ronald McDonald House provides housing accommodation, comfort and care to the families of seriously ill or injured children undergoing medical treatment in hospital. Our aim is to keep families close to their child to help in the healing process.

Food Folk Risk & Impact

a) Impact on climate/environment

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

Sweden
In 2022 92% of energy from our restaurants came from renewable sources. HAVI, our distribution partner transported 80% of deliveries via renewable fuel. We doubled the number of chargers for electric vehicles at our restaurants in 2022. Electricity equivalent to 33 Mkm of driving was charged at our restaurants, compared to 9,8 Mkm in 2021.

Norway
In Norway, we joined with the community to protect nature through "Rusken", where our employees join clean-up activities, to tackle the problem with littering. We also continue the Young Farmer of the Year award, a collaboration between Food Folk, Norwegian Rural Youth and Felleskjøpet Agri (Norwegian agricultural cooperative). The goal is to increase recruitment to Norwegian agriculture and focus on the production of Norwegian quality food. The candidate must be a food producer, under the age of 35, and be a healthy role model who can inspire more people to work in Norwegian agriculture.

Finland
Centralized collection of used cooking oil for upstream processing into biodiesel was trialed at the end of 2019 in our test restaurant. By the end of 2022, the collection was scaled up to cover 70 out of 72 restaurants. In 2020 we began installing electric car charging stations outside at our drive through restaurants and by the end of 2022, we had a total of 25 charging stations in place.

Denmark
in Denmark through our partnership with Ren Natur, 542 routes of litter were collected in 2022. A total of 41 municipalities participated. Of these, 62 routes were located in near proximity to a restaurant. Our 'one-block policy' means employees continuously help keep the local area clean not only from McDonald's own litter but also litter from society in general.

b) Sustainable Sourcing

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

Palm oil - 100% of the palm oil we sourced in 2022 was certified by the Roundtable of Sustainable Palm Oil (RSPO). Palm oil produced for McDonald's must be certified by the RSPO, which sets out strict criteria to minimize negative impacts to the environment and to communities in palm oil producing regions.

Soy - 100% of soy sourced in 2022 for the feed of chicken used in McDonald's products supported deforestation-free supply chains globally. One of the primary environmental impacts of raising chickens comes from the use of soy in their feed.

Coffee - 100% of our ground and whole bean coffee was sustainably sourced in 2022 and Rainforest Alliance certified. We also source 100% organic coffee for the Swedish and Norwegian market.

Beef - In 2022 we set and communicated our expectations for beef suppliers on climate, seeking their commitment to double their efforts on working on reducing emissions. Our expectation is that suppliers will work on innovative solutions and independent strategies as part of self-managed excellence including reporting of their progress to CDP (Climate Disclosure Project) to allow us to monitor the climate risks, opportunities, targets and actions being taking across our supply chain.

Fish - Our goal is that all the wild-caught fish sourced for use in McDonald's products comes from verified sustainable sources. 100% of the fish used in McDonald's Filet-O-Fish® in 2022 came from verified sustainable fisheries and was certified by the Marine Stewardship Council (MSC).

Chicken - Our strategy is informed by large scale commercial trials conducted together with our suppliers to study the effects certain production parameters have on key welfare, environmental and farm-level outcomes. As a result, we are working with our suppliers on the implementation of key enrichments and we plan to set targets, measure performance and report on key farm-level welfare outcomes. Our strategy approach is holistic and focuses on animal welfare, environmental impact, affordability and nutrition.

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Antibiotics Policy - Our longstanding commitment to the reduction of antibiotic use in food animals – including reducing the use of medically important antibiotics as defined by the World Health Organization (WHO) – spans over 18 years, since McDonald's first outlined its position on antibiotic use in the supply chain in 2003.
Through our commitment to responsible antibiotic use, we are doing our part to help preserve the effectiveness of antibiotics for future generations. Antimicrobial Resistance (AMR) is a critical global public health issue that we believe we and our suppliers have a responsibility to help address.
Our antibiotic use policies do not permit the routine use of medically important antibiotics for the purpose of growth promotion or the habitual use of antibiotics for disease prevention.
Our focus is on refining antibiotic selection and administration, reducing non-therapeutic antibiotic use and, when possible, replacing antibiotics with long-term solutions to proactively prevent disease and protect animal health and welfare. We remain committed to the treatment of sick animals aligned with herd veterinarian direction to ensure the safety of our supply chain.
Our suppliers adhere to criteria set by WOAH standards on the responsible and prudent use of antimicrobials, as defined in the Terrestrial Animal Health Code.

c) Human rights

McDonald's has a comprehensive Supplier Workplace Accountability (SWA) program, which supports compliance with the standards and expectations outlined in our Supplier Code of Conduct. The SWA program aims to help suppliers understand our expectations, verify compliance and work toward continuous improvement.
The SWA program provides suppliers and McDonald's Global Supply Chain Team with training to understand human rights issues and our SWA program requirements. Built on a model of continuous improvement and education, SWA includes an online training platform where suppliers can access tools and resources that provide guidance on human rights issues.
In order to provide goods and services to the McDonald's System, suppliers must meet our high standards, and direct suppliers are required to commit to upholding the standards contained in our Code. We expect and provide guidance to assist our suppliers to meet the standards for human rights, workplace environment, business integrity and environmental management contained in the Code. We also expect suppliers to implement their own management systems in these areas.

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

d) Governance

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

e) Anti-corruption and bribery

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

f) Our people

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

Business Code of Conduct
Food Folk Group believes in the value of treating people with equality and respect. Our non-acceptance of harassment, intimidation, discrimination and other forms of inappropriate behaviour is manifested in the Food Folk Code of Conduct. Each year employees sign the Code of Conduct and attend online digital certification training on the "Standards of business conduct" (anti-corruption and bribery).

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Speak-Up Policy – Integrity Line
The Food Folk Speak-Up Policy and Integrity Line facilitate the possibility for our employees to report unaccepted behaviour. 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 behaviours, the Speak-Up Policy encourages our employees to act and report misconduct and unethical behaviour, including but not limited to fraud and violations of laws and regulations.

Employee engagement survey
Food Folk conducts an annual engagement survey through which employees are asked if they have been exposed to harassment (bullying, discrimination or sexual harassment) at work during the past twelve months. The most recent survey was conducted in November 2022. In addition, an engagement survey is conducted on an annual basis at restaurant level. The reports from said surveys do not indicate any significant dissatisfaction in relation to the employer.

Gender diversity

Food Folk is committed to inclusivity and gender equality.

At the management level, the gender ratio of managers is 43% females and 57% males. Below the split by country:
- Denmark 43% females and 57% males
- Norway 60% females and 40% males
- Sweden 60% females and 40% males
- Finland 29% females and 71% males

The board consists of two males and one female director.

For the future, a similar split between genders is expected to be continued.

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Statement of profit or loss and other comprehensive income

Parent company				Group	
2022	**2021**	EUR'000	Note	**2022**	**2021**
0	**0**	**Revenue**	1	**431 751**	**374 112**
0	0	Raw materials and consumables		(49 937)	(38 852)
(6 447)	(5 632)	Other external expenses	2	(136 810)	(114 593)
0	0	Depreciation, amortisation and impairment	8,9	(51 358)	(47 342)
(319)	(284)	Staff cost	3	(94 611)	(82 062)
5 565	5 086	Other operating income, net	4	893	5 570
(1 201)	**(830)**	**Total expenses**		**(331 823)**	**(277 279)**
(1 201)	**(830)**	**Operating profit or loss**		**99 928**	**96 833**
2 747	4 722	Financial income	5	13 610	11 340
(4 285)	(5 806)	Financial expense	6	(26 867)	(27 977)
(1 538)	**(1 084)**	**Net finance expenses**		**(13 257)**	**(16 637)**
71 611	64 177	Share of profit of subsidiaries and associates, net of tax	10	16	(1)
68 872	**62 263**	**Profit or loss before tax**		**86 687**	**80 195**
(685)	197	Tax for the year	7	(18 500)	(17 735)
68 187	**62 460**	**Profit or loss**		**68 187**	**62 460**
		Attributable to			
55 268	64 578	Funds for unrealized gains		0	0
12 919	(2 118)	Retained earnings		68 187	62 460
68 187	**62 460**	**Profit or loss**		**68 187**	**62 460**
		Statement of comprehensive income			
68 187	62 460	Profit or loss		68 187	62 460
		Items that are or may be reclassified subsequently to profit or loss:			
(10 256)	400	Foreign currency translation differences		(10 256)	400
(10 256)	**400**	**Other comprehensive income for the year, net of income tax**		**(10 256)**	**400**
57 931	**62 860**	**Comprehensive income for the year**		**57 931**	**62 860**

The notes form an integral part of these financial statements

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Statement of financial position at 31 December

Parent company 2022	Parent company 2021	EUR'000	Note	Group 2022	Group 2021
		Assets			
		Non current assets			
0	0	Property, plant and equipment	8	836 443	817 269
0	0	Intangible assets	9	78 593	75 350
321 564	266 297	Investments	10	32	30
10 000	31 221	Receivables from related parties	22	0	0
3 987	1 768	Deferred tax assets	11	4 021	4 526
335 551	**299 286**			**919 089**	**897 175**
		Current assets			
0	0	Inventories		3 885	1 747
221	57	Trade and other receivables	12	41 558	40 801
0	0	Derivative assets	19	10 876	32
58 911	15 988	Receivables from related parties	22	0	0
0	0	Tax receivable		941	602
10 347	9 620	Restricted cash	13	11 425	10 530
5 938	41 956	Cash and cash equivalents	13	21 601	43 947
0	0	Asset held for sale	14	0	2 286
75 417	**67 621**			**90 286**	**99 945**
410 968	**366 907**	**Total Assets**		**1 009 375**	**997 120**
		Equity and liabilities			
		Equity attributable to equity holders of the parent			
14 479	14 479	Share capital	15	14 479	14 479
43 427	43 427	Share premium	15	43 427	43 427
0	0	Reserves	15	(15 241)	(4 985)
265 272	210 004	Funds for unrealized gains		0	0
1 296	(1 367)	Retained earnings		281 809	213 622
324 474	**266 543**	**Total equity**		**324 474**	**266 543**
		Non current liabilities			
28 512	48 342	Loans and borrowings	16	496 325	543 274
0	0	Other payables	18	3 853	2 815
0	0	Provisions	17	15 896	15 276
0	0	Deferred tax liabilities	11	60 644	66 430
28 512	**48 342**	**Non current liabilities**		**576 718**	**627 795**
		Current liabilities			
0	0	Loans and borrowings	16	25 632	32 522
558	334	Trade and other payables	18	73 225	58 982
0	0	Derivative liabilities	19	0	2 135
54 520	51 374	Payables to related parties	22	1 137	4 118
2 904	314	Tax payable		7 593	4 558
0	0	Provisions	17	596	467
57 982	**52 022**	**Current liabilities**		**108 183**	**102 782**
86 494	**100 364**	**Total liabilities**		**684 901**	**730 577**
410 968	**366 907**	**Total equity and liabilities**		**1 009 375**	**997 120**

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Statement of changes in equity

(See Note 15)

Parent company

EUR'000	Share capital	Share premium	Funds for unrealised gains	Retained earnings	Total equity
Balance at 1 January 2021	14 479	43 427	145 426	351	203 683
Profit or loss	0	0	64 578	(2 118)	62 460
Foreign currency translation differences	0	0	0	400	400
Total comprehensive income for the period	**0**	**0**	**64 578**	**(1 718)**	**62 860**
Transactions with owners, recorded directly in equity:					
Dividends	0		0	0	0
Total contributions by and distributions to owners	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2021	**14 479**	**43 427**	**210 004**	**(1 367)**	**266 543**

EUR'000	Share capital	Share Premium	Funds for unrealised gains	Retained earnings	Total equity
Balance at 1 January 2022	14 479	43 427	210 004	(1 367)	266 543
Profit or loss	0	0	55 268	12 919	68 187
Foreign currency translation differences	0	0	0	(10 256)	(10 256)
Total comprehensive income for the period	**0**	**0**	**55 268**	**2 663**	**57 931**
Transactions with owners, recorded directly in equity:					
Dividends	0	0	0	0	0
Total contributions by and distributions to owners	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2022	**14 479**	**43 427**	**265 272**	**1 296**	**324 474**

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Group

EUR'000	Share capital	Share premium	Reserves (translation)	Retained earnings	Total equity
Balance at 1 January 2021	14 479	43 427	(5 385)	151 162	203 683
Profit or loss	0	0	0	62 460	62 460
Foreign currency translation differences	0	0	400	0	400
Total comprehensive income for the period	**0**	**0**	**400**	**62 460**	**62 860**
Transactions with owners, recorded directly in equity:					
Dividends	0		0	0	0
Total contributions by and distributions to owners	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2021	**14 479**	**43 427**	**(4 985)**	**213 622**	**266 543**

EUR'000	Share capital	Share Premium	Reserves (translation)	Retained earnings	Total equity
Balance at 1 January 2022	14 479	43 427	(4 985)	213 622	266 543
Profit or loss	0	0	0	68 187	68 187
Foreign currency translation differences	0	0	(10 256)	0	(10 256)
Total comprehensive income for the period	**0**	**0**	**(10 256)**	**68 187**	**57 931**
Transactions with owners, recorded directly in equity:					
Dividends	0	0	0	0	0
Total contributions by and distributions to owners	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2022	**14 479**	**43 427**	**(15 241)**	**281 809**	**324 474**

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Statement of cash flows

Parent company				Group	
2022	**2021**	EUR'000	Note	**2022**	**2021**
		Cash flow from operating activities			
68 187	62 460	Profit for the year		68 187	62 460
		Adjustments for:			
0	0	Depreciation, amortisation and impairment	8,9	51 358	47 342
(2 747)	(4 722)	Financial income	5	(13 610)	(11 340)
4 285	5 806	Financial expense	6	26 867	27 977
(71 611)	(64 177)	Share of profit of subsidiaries and associates, net of tax	10	(16)	1
0	0	Other income/expense non-monetary		588	(847)
0	0	(Gain)/loss on sale of property, plant and equipment	4	(641)	463
685	(197)	Taxation	7	18 500	17 735
(69 388)	**(63 290)**			**83 046**	**81 331**
(164)	250	Decrease/increase in trade and other receivables	12	(1 392)	(10 049)
0	0	Decrease/increase in inventories		(2 198)	(425)
24	(155)	Decrease/increase in trade and other payables	18	17 966	13 186
(1 260)	2 808	Decrease/increase in related parties balances	22	(16)	29
0	0	Decrease/increase in provisions	17	(347)	(524)
(1 400)	**2 903**			**14 013**	**2 217**
(1 100)	(68)	Tax paid (including withholding taxes)		(18 753)	(17 132)
(1 100)	**(68)**			**(18 753)**	**(17 132)**
(3 701)	**2 005**	**Net cash from operating activities**		**146 493**	**128 876**
		Cash flows from investing activities			
0	0	Proceeds from sale of property, plant and equipment	4	2 058	3 363
21 221	42 090	Proceeds from invested capital	22	0	0
6 087	0	Dividends / Group Contributions received		20	0
0	0	Acquisition of a associates/business, net of cash	25	(14 556)	(8 968)
0	0	Acquisition of property, plant and equipment	8	(69 435)	(53 256)
0	0	Acquisition of intangible assets	9	(1 786)	(695)
27 308	**42 090**	**Net cash from investing activities**		**(83 699)**	**(59 556)**
		Cash flows from financing activities			
0	0	Proceeds from new loan	24	0	112 314
(727)	(1 116)	Change in restricted cash	13	(941)	(704)
(32 241)	(11 352)	Change in cash-pooling balances	22	0	0
(3 540)	709	Interest receveid/(paid)		(13 154)	(12 653)
0	0	Financing transaction cost	24	(285)	(580)
(19 830)	(36 696)	Repayment of borrowings	24	(39 021)	(145 226)
0	0	Payment of lease liabilities (interest portion)	24	(9 795)	(9 929)
0	0	Payment of lease liabilities (principal portion)	24	(17 308)	(17 410)
0	0	Dividends paid	15	0	0
(56 338)	**(48 455)**	**Net cash from financing activities**		**(80 504)**	**(74 188)**
(32 731)	(4 360)	Net increase/decrease in cash and cash equivalents		(17 710)	(4 868)
41 956	46 132	Cash and cash equivalents at 1 January		43 947	48 001
(3 287)	184	Effect of exchange fluctuations on cash held		(4 636)	814
5 938	**41 956**	**Cash and cash equivalents at 31 December**	13	**21 601**	**43 947**

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Basis of preparation

Reporting entity

Food Folk Group Holdings AS is a limited liability company domiciled in Norway.
The financial statements for the years ended 31 December 2021 and 31 December 2022 comprise the consolidated financial statements for Food Folk Group Holdings AS and its subsidiaries (the Group), and separate parent company financial statements.
The Group's main activity consists of acquiring real estate by renting or buying it, and renovating and fitting it for the purpose of operating a McDonald's restaurant under a master franchise agreement made with McDonald's Corporation (hereafter referred to as McDonald's), the holder of the McDonald's global trademark.

Accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and parent company financial statements.

Functional and presentation currency

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

Basis of accounting

The consolidated financial statements for the year ended 31 December 2022 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 2022:

Newly effective EU-endorsed standards for 01 Jan 2022 to 31 Dec 2022

Effective date	New standards or amendments
1 January 2022	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) Annual Improvements to IFRS Standards 2018–2020 Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) Reference to the Conceptual Framework (Amendments to IFRS 3)

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 2023. 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 2023	Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) Definition of Accounting Estimates (Amendments to IAS 8)

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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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 2022:

- **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 25.

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

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

- ***Provisions***

The restoration provision is determined based on the net present value of expected future cash flows. Estimates of future cash flows will be subject to uncertainty. The key assumptions supporting the provisions are expectations regarding future system-wide sales in restaurants, cost per square meter for restoring leaseholds and the discount rate used to calculate the present value of the future cash flows. Please refer to note 17 for more details related to the provisions.

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Significant accounting policies

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

Basis of consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of Food Folk Group Holdings AS and entities under its control. Control is achieved when the Group has the power to direct the relevant activities of an entity, is exposed to or has rights to variable returns from its involvement with the entity and is able to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.
When necessary, the financial statements of subsidiaries are adjusted to bring their accounting policies in line with the Group's accounting policies.

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

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

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

Statement of profit or loss

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

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

Other external expenses
Other external expenses include expenses relating to the entity's core activities, including expenses relating to advertising, administration, premises, bad debts, royalties paid to McDonald's, etc.
Costs and fees related to leaseholds that are used by sub-franchisees are invoiced with no mark-up to the sub-franchisee, and recognised net of payments received from franchisees. According to the Franchise agreements the franchisees are required to cover all costs related to the premises used as restaurants, such as common costs, 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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Staff costs

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

Other operating (expense)/income, net

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

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Positive changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.
Financial expenses comprise interest, losses on transactions denominated in foreign currencies, amortisation of financial liabilities, including finance lease commitments, and surcharges under the Norwegian tax prepayment scheme, etc. Negative changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.

Share of profit of subsidiaries and associates, net of tax

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

Tax for the year

Income tax expense comprises current and deferred tax. It is recognised in profit except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.
Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Statement of financial position

Property, plant and equipment

Items of property, plant and equipment are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment losses.
The cost of certain items of property, plant and equipment 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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Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year.
In the case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.
Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the statement of profit or loss as other operating (expense)/income net.

Intangible assets
Goodwill arising from the acquisition of a subsidiary or a restaurant from a franchisee is measured at cost less accumulated impairment losses. Other intangible assets, including rights (key money), software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.
Since the period of amortisation is based on the assets expected useful life, no salvage value has been taken into account. Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.
The estimated useful lives for current and comparative periods are as follows:

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

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

Asset held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.
Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Investments
Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.
Interests in subsidiaries and associates are accounted for using the equity method. The investments are initially recognised at cost, which includes transaction costs. The equity value consists of the parent company's proportionate share of the entities' equity, adjusted for distributions plus goodwill and intra-group losses and less intra-group gains and gain on bargain purchase, if any.
Investments in entities whose net asset value is negative are measured at EUR 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognized under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.
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.

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For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss under 'Depreciation, amortization and impairment'. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.
The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired.
An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.
Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit. If the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.
When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.
For additional details, see note 18.

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

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

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not a business combination and that affects neither accounting nor taxable profit or loss and taxable temporary differences arising on the initial recognition of goodwill.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets are recognised at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set off against deferred tax liabilities within the same jurisdiction.

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

Provisions
Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.
When the Group has a legal obligation to restore a leasehold/leased land, a provision is recognised corresponding to the present value of expected future costs.

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

Leases
At 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.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Presentation of cash flow statement

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

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

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

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

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

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Notes

1 Revenue

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

	Parent company		Group	
EUR'000	**2022**	**2021**	**2022**	**2021**
Sale of goods	0	0	172 661	139 827
Sub-franchisee income (fixed)	0	0	66 023	63 602
Sub-franchisee income (variable)	0	0	193 067	170 683
Total revenues by nature	**0**	**0**	**431 751**	**374 112**

	Parent company		Group	
EUR'000	**2022**	**2021**	**2022**	**2021**
Denmark	0	0	84 418	75 972
Norway	0	0	127 557	114 899
Finland	0	0	77 781	58 578
Sweden	0	0	141 995	124 663
Total revenues by country	**0**	**0**	**431 751**	**374 112**

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:

	Parent company		Group	
EUR'000	**2022**	**2021**	**2022**	**2021**
Less than one year	0	0	69 965	67 469
Between one and five years	0	0	272 476	268 904
More than five years	0	0	573 870	524 639
Total leases as lessor	**0**	**0**	**916 311**	**861 012**

2 Other external expenses

	Parent company		Group	
EUR'000	**2022**	**2021**	**2022**	**2021**
Royalties and other fees	0	0	85 495	75 417
Lease expense	0	0	4 197	2 535
Other expenses	6 447	5 632	47 118	36 641
Total other external expenses	**6 447**	**5 632**	**136 810**	**114 593**

Fees to auditors
KPMG was appointed statutory auditor for 2022. The remuneration to KPMG reflected in these financial statements (which does not include VAT) is shown below:

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EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Audit of these financial statements	67	64	370	319
Other assurance services	41	13	49	20
Tax advisory services	47	102	115	202
Other services other than assurance services	33	13	58	53
Total fees	**188**	**192**	**592**	**594**

3 Staff cost

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Wages and salaries	251	223	76 521	67 166
Social security costs	53	46	12 254	10 082
Contributions to defined contribution plans	15	15	6 278	5 303
Other personnel costs / reimbursements	0	0	(442)	(489)
Total staff cost	**319**	**284**	**94 611**	**82 062**
Average number of full time employees	2	2	1 592	1 312

The Company has a defined contribution plan (deposit-based pension) which renders a contribution of 5% of wages (0G -7.1G) and 8 % (7.1G -12G).
No employees have been working in equity accounted investees.

Remuneration of key management personnel

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Wages and salaries	1 204	1 754	2 797	3 265
Social security costs	458	579	716	779
Contributions to defined contribution plans	290	416	485	720
Total	**1 952**	**2 749**	**3 998**	**4 764**
Average number of key management personnel	1,3	1,7	5,3	5,7

Key management personnel is defined by the Group as the managing director of each market, plus the Nordic Management functions. The number of key management personnel includes the Nordic CFO for the full year and the Nordic CEO until April 2022.
The remuneration to the Nordic CEO until April includes SEK 2,094 thousand of salaries and other benefits, and SEK 970 thousand in pension expenses. In April an agreement has been signed with the CEO (with a net impact on 2022 net result of SEK 5,728 thousand) including *inter alia* notice period, severance and pro-rated share of the Company LTIP.
No loans/sureties have been granted to the Nordic CEO, Board chairman or other related parties.
The Board of Directors has received EUR 319 thousand during the financial year (2021: EUR 227 thousand).

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4 Other operating (expense)/income, net

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Net gain/(loss) on disposal of property, plant and equipment	0	0	(374)	(250)
Net gain/(loss) from sale of restaurants	0	0	1 015	(213)
Income from intercompany recharges/mark-up	5 565	5 086	0	0
Other income/(expense)	0	0	252	6 033
Total other operating income, net	**5 565**	**5 086**	**893**	**5 570**

Caption "Other income/(expenses)" included in 2021 mostly:

- EUR 860 thousand as true-up adjustment / release on the dilapidation provision (see Note 17).
- EUR 3,130 thousand as pay out of consolidation funds related to the employee Group insurance in Sweden (AFA insurance within the AGS);
- EUR 1,777 thousand as insurance compensation received in 2021 for a Swedish restaurant burnt down in 2020 (when a full write-off of related fixed assets was booked for SEK 5,930 thousand within "Net gain/(loss) on disposal of property, plant and equipment");
- EUR 97 thousand as key money received for the takeover of a lease contract on a restaurant closed during 2021 in Sweden.

5 Financial income

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Net foreign exchange gain	0	0	157	2 190
Positive change in fair value of derivatives	0	0	13 431	5 776
Interests on related parties assets	2 747	4 722	0	0
Other interest income	0	0	22	3 374
Total finance income	**2 747**	**4 722**	**13 610**	**11 340**

6 Financial expense

EUR'000		Parent company 2022	Parent company 2021	Group 2022	Group 2021
Net foreign exchange loss		386	349	4 445	2 989
Interest on financial liabilities		15	11	8 438	8 758
Negative change in fair value of derivatives		0	0	32	52
Interest on lease liabilities	(see note 23)	0	0	9 855	10 123
Interests on related parties liabilities		3 346	4 656	2 937	4 651
Unwinding of discounts	(see note 17)	0	0	449	401
Other interest expense		538	790	711	1 003
Total financial expense		**4 285**	**5 806**	**26 867**	**27 977**

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7 Tax for the year

Recognised in the income statement

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Current year	2 904	381	21 546	17 835
Current tax - Adjustments for prior years	0	0	(20)	105
Total current tax expense	**2 904**	**381**	**21 526**	**17 940**
Origination and reversal of temporary differences	(2 219)	(578)	(3 094)	(106)
Reduction in tax rate	0	0	(256)	(67)
Deferred tax - Adjustments for prior years	0	0	324	(32)
Total deferred tax expense	**(2 219)**	**(578)**	**(3 026)**	**(205)**
Total tax expense	**685**	**(197)**	**18 500**	**17 735**

Reconciliation of effective tax rate

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Profit or loss before tax	**68 872**	**62 263**	**86 687**	**80 195**
Tax using the corporation tax rate	15 152	13 698	19 071	17 643
Effect of tax rates in other jurisdictions	0	0	(595)	(516)
Non-deductible expenses	0	0	996	769
Tax exempt revenues	(15 574)	(14 119)	(728)	(352)
Reduction in tax rate on deferred tax balances	0	0	(256)	(67)
Recognition of previously unrecognised tax losses	0	0	(1)	0
Current year losses for which no deferred tax asset was recognised	0	0	(1)	1
Withholding tax	0	68	0	68
Other	1 107	156	(290)	116
Under / (over) provided in prior years	0	0	304	73
Total tax expense	**685**	**(197)**	**18 500**	**17 735**

The tax rate applicable to the Company is 22%.

During 2022, the tax case with the Norwegian Tax authorities regarding NOK 5.2 million of "penalty tax"/additional tax imposed on the corrected 2017 tax settlement has been closed by recognizing a reduction of the percentage applied from 20% to 10%, resulting in a final payment by the Company of NOK 2.6 million occurred in November 2022.

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8 Property, plant and equipment

EUR'000	Land and buildings	Leasehold improvements	Right-of-use asset *(see note 23)*	Fixtures, fittings and equipment	Under construction	Total
Cost						
Balance at 1 January 2021	512 409	26 765	343 455	24 961	8 492	916 082
Acquisitions through business combinations	1 360	0	0	666	0	2 026
Other acquisitions	28 779	4 526	34 174	5 909	14 042	87 430
Transfer	5 665	822	0	1 506	(7 993)	0
Disposals/Other movements	(59)	(601)	(35 461)	(2 826)	57	(38 890)
Reclassification to Asset held for sale	(3 673)	0	0	0	0	(3 673)
Effect of movements in foreign exchange	(286)	166	(139)	288	12	41
Balance at 31 December 2021	**544 195**	**31 678**	**342 029**	**30 504**	**14 610**	**963 016**
Balance at 1 January 2022	544 195	31 678	342 029	30 504	14 610	963 016
Acquisitions through business combinations	22	0	0	3 492	0	3 514
Other acquisitions	39 695	5 250	38 134	7 630	17 151	107 860
Transfer	5 276	2 375	0	946	(10 181)	(1 584)
Disposals/Other movements	(484)	(72)	(15 789)	(2 667)	(1 362)	(20 374)
Reclassification from Asset held for sale	3 673	0	0	0	0	3 673
Effect of movements in foreign exchange	(21 709)	(1 256)	(14 779)	(1 639)	(625)	(40 008)
Balance at 31 December 2022	**570 668**	**37 975**	**349 595**	**38 266**	**19 593**	**1 016 097**
Depreciation and impairment						
Balance at 1 January 2021	46 973	9 879	46 113	8 336	0	111 301
Depreciation charge for the year	14 162	2 270	21 743	3 877	0	42 052
Impairment losses / (reversal)	274	(715)	(425)	(216)	0	(1 082)
Transfer	(16)	16	0	0	0	0
Disposals / other movements	0	(259)	(4 066)	(898)	0	(5 223)
Reclassification to Asset held for sale	(1 387)	0	0	0	0	(1 387)
Effect of movements in foreign exchange	(108)	32	42	120	0	86
Balance at 31 December 2021	**59 898**	**11 223**	**63 407**	**11 219**	**0**	**145 747**
Reclassification from Asset held for sale						
Balance at 1 January 2022	59 898	11 223	63 407	11 219	0	145 747
Depreciation charge for the year	15 669	2 451	21 987	4 730	0	44 837
Impairment losses / (reversal)	534	(80)	(1 835)	137	0	(1 244)
Transfer	0	2	0	0	0	2
Disposals / other movements	(125)	(69)	(1 849)	(1 643)	0	(3 686)
Reclassification from Asset held for sale	1 387	0	0	0	0	1 387
Effect of movements in foreign exchange	(2 759)	(584)	(3 302)	(744)	0	(7 389)
Balance at 31 December 2022	**74 604**	**12 943**	**78 408**	**13 699**	**0**	**179 654**
Net book value						
At 31 December 2021	**484 297**	**20 455**	**278 622**	**19 285**	**14 610**	**817 269**
At 31 December 2022	**496 064**	**25 032**	**271 187**	**24 567**	**19 593**	**836 443**

Impairment loss and subsequent reversal
In 2022, Group has identified that there are impairment indicators related to a number of CGUs (restaurants). Management has estimated the recoverable amount of these restaurants with impairment triggers based on their value in use, resulting in a net impairment loss of EUR 1,244 thousand.
The estimate of value in use was calculated using a pre-tax discount rate within a range of 11.9%-12.5%, depending on the geographical market.

Security
At 31 December 2022, properties with a carrying amount of EUR 393,829 thousand (2021: EUR 423,527 thousand) were subject to registered real estate mortgage notes that form security for bank loans.
As security for mortgage loans, the Group has registered mortgage security on the Group's properties of EUR 249,789 thousand (2021: EUR 277,368 thousand).

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9 Intangible assets

EUR'000	Goodwill	Contractual rights	Other	Total
Cost				
Balance at 1 January 2021	2 041	87 340	5 946	95 327
Acquisitions through business combinations	4 469	2 475	0	6 944
Other acquisitions – externally purchased	0	67	628	695
Transfers	0	0	0	0
Disposals	(757)	(989)	(96)	(1 842)
Effect of movements in foreign exchange	0	(873)	(5)	(878)
Balance at 31 December 2021	**5 753**	**88 020**	**6 473**	**100 246**
Balance at 1 January 2022	5 753	88 020	6 473	100 246
Acquisitions through business combinations	5 923	5 113	0	11 036
Other acquisitions – externally purchased	0	131	1 655	1 786
Transfers	0	(28)	1 612	1 584
Disposals	(229)	(708)	(9)	(946)
Effect of movements in foreign exchange	(432)	(3 610)	(246)	(4 288)
Balance at 31 December 2022	**11 015**	**88 918**	**9 485**	**109 418**
Amortisation and impairment				
Balance at 1 January 2021	536	16 654	1 982	19 172
Amortisation for the year	0	5 081	1 412	6 493
Impairment losses/(reversal)	(114)	(4)	(3)	(121)
Disposals	0	(437)	(92)	(529)
Transfer	0	0	0	0
Effect of movements in foreign exchange	17	(154)	18	(119)
Balance at 31 December 2021	**439**	**21 140**	**3 317**	**24 896**
Balance at 1 January 2022	439	21 140	3 317	24 896
Amortisation for the year	0	5 592	1 744	7 336
Impairment losses/(reversal)	389	40	0	429
Disposals	0	(658)	(9)	(667)
Transfer	0	(2)	0	(2)
Effect of movements in foreign exchange	(39)	(991)	(137)	(1 167)
Balance at 31 December 2022	**789**	**25 121**	**4 915**	**30 825**
Net book value				
At 31 December 2021	**5 314**	**66 880**	**3 156**	**75 350**
At 31 December 2022	**10 226**	**63 797**	**4 570**	**78 593**

Impairment loss and subsequent reversal

In 2022, 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 Intangible assets for EUR 429 thousand.

The estimate of value in use was calculated using a pre-tax discount rate within a range of 11.9%-12.5%, depending on the geographical market.

Management has assessed that the recoverable amount would exceed the carrying amount also with a reasonably possible change in the key assumptions (average growth rate 4.8% and discount rate 10.0 %) to the impairment test. The following data shows by which percentage these two assumptions would need to change individually for the estimated recoverable amount to be approximately equal to the carrying amount: growth rate – 1.1% and discount rate +1.5%.

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10 Investments

Parent company

EUR'000		Profit after tax	Other comprehen-sive income	Total comprehensive income	Investment in subsidiaries
Subsidiaries	2022	81 867	(10 256)	71 611	321 564
Subsidiaries	2021	63 777	400	64 177	266 297

	Domicile	Shares'000 (100%)	Share Capital	Equity	Net result
Food Folk Danmark Holding ApS	Denmark	2020	4 034	125 658	23 048
* Food Folk Danmark ApS	Denmark	60	4 034	77 735	22 985
Food Folk Suomi Holdings Oy	Finland	174	1 090	42 832	5 181
* Food Folk Suomi Oy	Finland	2,5	3	36 778	6 380
Food Folk Norge Holding AS	Norway	0	1 494	54 222	17 362
* Food Folk Norge AS	Norway	170	97	49 999	20 243
* Zero Five AS	Norway	100	10	5 600	1 483
Food Folk Sverige Holdings AB	Sweden	67501	6 069	98 854	26 014
* Food Folk Sverige Development AB	Sweden	1	9	(35 259)	941
* Food Folk Sverige AB	Sweden	80	719	126 990	28 374
* Lindvreten Fastighetsförvaltning KB	Sweden	0	90	1 792	266
* Food Folk Nordanvind AB	Sweden	1	9	7	0

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

The subsidiaries are the owners of the master franchisee agreement with McDonald's Corporation and operate McDonald's restaurants in the four Nordic territories.
All rights, titles, interests and benefits in shares in subsidiaries have been pledged as security for punctual payment and discharge of obligations to McDonald's Corporation.
As secondary ranking security, all rights, titles and interests in shares in subsidiaries have been pledged as security for the fulfilment of the Food Folk Group Holdings AS group obligations towards the parties that have provided the Group's credit facilities.

Group

a) Associates

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

EUR'000		Profit after tax	Other comprehensive income	Total comprehensive income	Investment in associates
Associates	2022	(3)	0	(3)	8
Associates	2021	(1)	0	(1)	12

	Domicile	Shares (%)	Equity	Net result
I/S Fællesskiltning	Denmark	41.5	20	(8)

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b) Other

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

EUR'000	Domicile	Interest %	Carrying value 2022	Carrying value 2021
Marketing Coop DK A/S	Denmark	1%	1	1
Koop SA	Norway	7.14%	0	0
Nordic Diensten Ekonomisk Förening	Sweden	11.69%	4	3
Diensten Ekonomisk Förening	Sweden	8.2%	2	1
Svenska McMarketing Ekonomisk Förening	Sweden	8.2%	16	12
Osuuskunta Yhteismarkkinointi Suomi	Finland	9.5%	1	1
Total			**24**	**18**

11 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

Parent company

	Assets		Liabilities	
EUR'000	**2022**	**2021**	**2022**	**2021**
Non deductible interest expense carried forward	0	(392)	0	0
Tax value of loss carry-forwards	0	0	0	0
Tax effects of group contribution	(3 987)	(1 376)	0	0
Other	0	0	0	0
Tax (assets) / liabilities	**(3 987)**	**(1 768)**	**0**	**0**
Net of tax liabilities/(assets)	0	0	0	0
Net tax (assets) / liabilities	**(3 987)**	**(1 768)**	**0**	**0**

Group

	Assets		Liabilities	
EUR'000	**2022**	**2021**	**2022**	**2021**
Property, plant and equipment	(25 688)	(42 712)	89 079	74 774
Intangible assets	0	0	11 873	13 057
Trade and other receivables	0	0	0	0
Financial assets	(6)	(346)	1 782	31
Interest-bearing loans and borrowings	(37 687)	(22 402)	21 172	38 863
Non deductible interest expense carried forward	0	(392)	0	0
Provisions	(3 482)	(3 464)	0	0
Tax value of loss carry-forwards	0	0	0	0
Untaxed reserve	0	0	0	4 572
Tax effects of group contribution	(4 021)	(4 135)	3 673	4 135
Other	(72)	(77)	0	0
Tax (assets) / liabilities	**(70 956)**	**(73 528)**	**127 579**	**135 432**
Net of tax liabilities/(assets)	66 935	69 002	(66 935)	(69 002)
Net tax (assets) / liabilities	**(4 021)**	**(4 526)**	**60 644**	**66 430**

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Movement in net deferred tax during the year

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Opening balance	(1 768)	(1 190)	61 904	62 404
Effect of movements in foreign exchange	0	0	(2 470)	(295)
Recognised in profit or loss	(2 219)	(578)	(3 026)	(205)
Arising from business combination	0	0	215	0
Closing balance	(3 987)	(1 768)	56 623	61 904
Total movement	**(2 219)**	**(578)**	**(5 281)**	**(500)**

12 Trade and other receivables

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Trade receivables	0	0	30 530	28 340
Deposits	0	0	1 313	1 192
Prepayments	55	42	2 385	3 879
VAT & Duties	54	15	56	16
Other receivables	112	0	7 274	7 374
Total trade and other receivables	**221**	**57**	**41 558**	**40 801**

Changes in trade and other receivables (Parent company)

EUR'000	Opening balance for period	Cash flows	Effect of movements in foreign exchange	Non-cash transactions	Closing balance for period
2021	1 284	(250)	0	(977)	**57**
2022	57	164	0	0	**221**

Changes in trade and other receivables (Group)

EUR'000	Opening balance for period	Cash flows	Effect of movements in foreign exchange	Non-cash transactions	Closing balance for period
2021	30 875	10 049	20	(143)	**40 801**
2022	40 801	1 392	(1 206)	571	**41 558**

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13 Cash and cash equivalents

	Parent company		Group	
EUR'000	**2022**	**2021**	**2022**	**2021**
Cash and cash equivalents	5 938	41 956	21 601	43 947
Total cash and cash equivalents	**5 938**	**41 956**	**21 601**	**43 947**
Restricted cash	10 347	9 620	11 425	10 530
Total restricted cash	**10 347**	**9 620**	**11 425**	**10 530**

14 Asset held for sale

In the last quarter 2021, management had committed to a plan to sell the land and building associated with a restaurant closed in November 2021. Accordingly, the land and building were presented in 2021 as a "Asset held for sale". Accumulated impairment losses of EUR 852 thousand for write-downs of the assets to the lower of its carrying amount and its fair value less costs to sell had been applied to reduce the carrying amount of property, plant and equipment. The fair value measurement for the assets of EUR 2,286 thousand had been categorised as a Level 3 fair value based on the inputs to the valuation technique used (external evaluation).
Despite the efforts from the Company to sell the assets during 2022, no buyer has yet been found. Currently the site is not on sale anymore, but a new real estate agent has been contacted to sell the building. For this reason, the assets have been moved back to the category "Property, plant and equipment" with an expected selling amount revised to EUR 1,345 thousand, resulting in an additional impairment of EUR 676 thousand.

15 Share capital

Parent company and Group	**Ordinary shares**	
EUR'000	**2022**	**2021**
In thousands of shares	30	30
On issue at 29 September 2016	30	30
Issued for cash	14 449	14 449
On issue at 31 December - fully paid	**14 479**	**14 479**

Parent company and Group	**Ordinary shares**	
EUR'000	**2022**	**2021**
Allotted, called up and fully paid		
Ordinary shares of EUR 482.6 each	14 479	14 479
Total	**14 479**	**14 479**
Shares classified as liabilities	0	0
Shares classified in shareholders' funds	14 479	14 479
Total	**14 479**	**14 479**

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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
No dividend was recognised during the period.

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

16 Loans and borrowings

Group

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

		Parent company		Group	
EUR'000		2022	2021	2022	2021
Non-current loans and borrowings					
Secured bank loans		0	0	199 654	220 194
Shareholder Loan		28 512	48 342	28 512	48 342
Lease liabilities	(see Note 23)	0	0	268 159	274 738
Total non-current loans and borrowings		**28 512**	**48 342**	**496 325**	**543 274**
Current loans and borrowings					
Secured bank loans		0	0	11 124	18 711
Lease liabilities	(see Note 23)	0	0	14 508	13 811
Total current loans and borrowings		**0**	**0**	**25 632**	**32 522**

Terms and debt repayment schedule

Effective from October 2022, Realkredit Danmark - Facilities B2 have been renegotiated in Norway and Sweden with the postponement of the first installment to be paid from December 2022 to March 2024. The renegotiation led to a net positive impact on the income statement, due to the derecognition of the liability for an amount of EUR 66 thousand, booked within the "financial expenses" line.

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EUR'000	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Danske Bank A/S - Facility A2 - DKK	DKK	Variable	2024	1 186	1 173
Realkredit Danmark - Facility B1 - DKK	DKK	0.3088%	2036	62 642	55 812
Realkredit Danmark - Facility B2 - DKK	DKK	0.3088%	2036	16 372	15 255
Realkredit Danmark - Facility B3 - DKK	DKK	0.9404%	2036	6 815	6 629
Realkredit Danmark - Facility B1 - NOK	NOK	Variable	2037	26 866	25 941
Realkredit Danmark - Facility B2 - NOK	NOK	Variable	2037	8 655	8 502
Realkredit Danmark - Facility B3 - NOK	NOK	Variable	2037	3 519	3 450
Danske Bank A/S - Facility A2 - SEK	SEK	Variable	2024	5 835	5 744
Realkredit Danmark - Facility B1 - SEK	SEK	Variable	2034	64 079	65 505
Realkredit Danmark - Facility B2 - SEK	SEK	Variable	2037	13 937	13 460
Realkredit Danmark - Facility B3 - SEK	SEK	Variable	2037	4 410	4 196
Danske Bank A/S - Facility A1 - EUR	EUR	Variable	2022	0	0
Danske Bank A/S - Facility A2 - EUR	EUR	Variable	2024	5 185	5 111
Shareholder loan - EUR	EUR	8%	2042	28 512	28 512
Total 2022				**248 013**	**239 290**
Danske Bank A/S - Facility A2 - DKK	DKK	Variable	2024	1 637	1 609
Realkredit Danmark - Facility B1 - DKK	DKK	0.3088%	2036	67 269	59 476
Realkredit Danmark - Facility B2 - DKK	DKK	0.3088%	2036	17 582	16 304
Realkredit Danmark - Facility B3 - DKK	DKK	0.9404%	2036	7 277	7 139
Realkredit Danmark - Facility B1 - NOK	NOK	Variable	2037	28 278	27 203
Realkredit Danmark - Facility B2 - NOK	NOK	Variable	2037	9 110	8 928
Realkredit Danmark - Facility B3 - NOK	NOK	Variable	2037	3 704	3 675
Danske Bank A/S - Facility A2 - SEK	SEK	Variable	2024	8 740	8 534
Realkredit Danmark - Facility B1 - SEK	SEK	Variable	2034	69 527	71 495
Realkredit Danmark - Facility B2 - SEK	SEK	Variable	2037	15 122	14 649
Realkredit Danmark - Facility B3 - SEK	SEK	Variable	2037	4 785	4 636
Danske Bank A/S - Facility A1 - EUR	EUR	Variable	2022	8 250	8 235
Danske Bank A/S - Facility A2 - EUR	EUR	Variable	2024	7 158	7 022
Shareholder loan - EUR	EUR	8%	2042	48 342	48 342
Total 2021				**296 781**	**287 247**

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17 Provisions

Group

EUR'000	Pensions	Dilapidation	Other	Total
Balance at 1 January 2022	24	15 719	0	15 743
Effect of movements in foreign exchange	0	(657)	0	(657)
Provisions made during the year	0	901	444	1 345
Provisions used during the year	0	(347)	0	(347)
Provisions reversed/adjusted during the year	(24)	(17)	0	(41)
Unwinding of discounted amount	0	449	0	449
Balance at 31 December 2022	**0**	**16 048**	**444**	**16 492**
Non-current	0	15 452	444	15 896
Current	0	596	0	596
Balance at 31 December 2022	**0**	**16 048**	**444**	**16 492**

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.

Notes

18 Trade and other payables

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Trade payables	168	221	26 764	18 808
Interest payable	0	0	102	72
Deposits received	0	0	1 439	1 367
VAT & duties	0	0	7 423	5 744
Payroll related	127	77	19 256	18 559
Prepaid base rent	0	0	3 975	3 819
Other payables and accrued expenses	263	36	14 266	10 613
Total trade and other payables (current)	**558**	**334**	**73 225**	**58 982**
Payroll related	0	0	3 853	2 815
Total other payables (non current)	**0**	**0**	**3 853**	**2 815**

19 Financial instruments

The Group uses various financial instruments. These include loans, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.
The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. In order to manage the Group's exposure to those risks, in particular the Group's exposure to interest rate risk, the Group enters into a number of derivative transactions including, but not limited to, variable to fixed rate interest rate swaps. All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk. The policies for managing each of these risks are summarised below.

19 (a) Fair values of financial instruments

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

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

The fair value of financial instruments is deemed to be materially equivalent to the carrying value, except for loans and borrowings with third parties. The fair value of loans and borrowings for the Group is EUR 264,258 thousand.

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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Notes

EUR'000	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Cash and cash equivalents	5 938	41 956	21 601	43 947
Restricted cash	10 347	9 620	11 425	10 530
Receivables from related parties	68 911	47 209	0	0
Trade and other receivables	221	57	41 558	40 801
Total financial assets at amortised cost	**85 417**	**98 842**	**74 584**	**95 278**
Financial assets designated as fair value through profit or loss	0	0	10 876	32
Total financial assets	**85 417**	**98 842**	**85 460**	**95 310**
Loans and borrowings	28 512	48 342	521 957	575 796
Trade and other payables	558	334	73 225	58 982
Payables to related parties	54 520	51 374	1 137	4 118
Provisions	0	0	16 492	15 743
Total financial liabilities at amortised cost	**83 590**	**100 050**	**612 811**	**654 639**
Financial liabilities designated as fair value through profit or loss	0	0	0	2 135
Total financial liabilities	**83 590**	**100 050**	**612 811**	**656 774**
Total net financial instruments	**1 827**	**(1 208)**	**(527 351)**	**(561 464)**

19 (b) Credit risk

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

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

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

The Group also has a limited credit risk arising from trade receivables, which represent outstanding fees receivable. The risk is limited due to short payment terms and limited receivables being past due. The Group has not realised any credit losses in 2022.

Credit quality of financial assets and impairment losses (Group)

EUR'000	Gross 2022	Gross 2021	Impairment 2022	Impairment 2021
Not past due	27 738	26 695	0	0
Past due	2 792	1 645	0	0
Total	**30 530**	**28 340**	**0**	**0**

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

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19 (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

EUR'000	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to 5 years	over 5 years
31 December 2022						
Non-derivative financial liabilities						
Shareholder Loan	28 512	74 132	2 281	2 281	6 843	62 727
Payables to related parties	54 520	54 520	54 520	0	0	0
Trade and other payables	558	558	558	0	0	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	**83 590**	**129 210**	**57 359**	**2 281**	**6 843**	**62 727**
31 December 2021						
Non-derivative financial liabilities						
Shareholder Loan	48 342	129 549	3 867	3 867	11 601	110 214
Payables to related parties	51 374	51 374	51 374	0	0	0
Trade and other payables	334	334	334	0	0	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	**100 050**	**181 257**	**55 575**	**3 867**	**11 601**	**110 214**

Group

EUR'000	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to 5 years	over 5 years
31 December 2022						
Non-derivative financial liabilities						
Secured bank loans	210 778	264 258	18 240	26 585	59 756	159 677
Lease liabilities	282 667	363 824	26 676	25 798	74 359	236 991
Shareholder Loan	28 512	74 132	2 281	2 281	6 843	62 727
Payables to related parties	1 137	1 137	1 137	0	0	0
Trade and other payables	77 078	77 078	73 225	0	3 853	0
Derivative financial liabilities						
Interest rate swaps	0	0	0	0	0	0
Total	**600 172**	**780 429**	**121 559**	**54 664**	**144 811**	**459 395**
31 December 2021						
Non-derivative financial liabilities						
Secured bank loans	238 905	299 853	26 186	20 929	68 470	184 268
Lease liabilities	288 549	378 810	26 747	25 387	72 368	254 308
Shareholder Loan	48 342	129 549	3 867	3 867	11 601	110 214
Payables to related parties	4 118	4 118	4 118	0	0	0
Trade and other payables	61 797	61 797	58 982	0	0	2 815
Derivative financial liabilities						
Interest rate swaps	2 135	2 135	2 135	0	0	0
Total	**643 846**	**876 262**	**122 035**	**50 183**	**152 439**	**551 605**

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

Market risk - Foreign currency risk
The Group'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 EUR 279,692 thousand (2021: EUR 278,983 thousand). A change of 1% in the exchange rate against DKK, SEK and NOK at year end would have impacted the carrying amount of financial instruments in foreign currency by EUR 2,769 thousand (2021: EUR 2,763 thousand).

Market risk - Interest rate risk
The Group has loans and borrowings in local currency with variable nominal interest rates as described in note 16. Variable rates may lead to unexpected increases in financial expenses. Therefore, for most of the loan facilities, the Group uses a fixed rate hedge contract to hedge the variability of the interest rates. The hedge follows the same period as the loans, for the majority of the amount.

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

EUR'000	**2022**	**2021**
Fixed rate instruments		
Financial assets	10 876	32
Financial liabilities	(106 208)	(133 396)
Total fixed rate instruments	**(95 332)**	**(133 364)**
Variable rate instruments		
Financial assets	33 026	54 477
Financial liabilities	(133 082)	(155 986)
Total variable rate instruments	**(100 056)**	**(101 509)**

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 EUR 1,001 thousand (2021: EUR 1,015 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.

19 (e) Capital management

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

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

The debt and equity balances are subject to externally imposed capital requirements, such as those imposed by third party loan providers and McDonald's. The Group has been in compliance with these capital requirements during the year.
The local tax treatment is also taken into consideration when determining the most appropriate capital structure for investments in subsidiaries.

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20 Commitments

Capital commitments
During the year ended 31 December 2022, the Group entered into contracts to purchase property, plant and equipment for EUR 5,831 thousand (2021: EUR 2,682 thousand).

Off-balance sheet arrangements
The Group is jointly and severally liable with the co-owners of I/S Fællesskiltning for the partnership's obligations. The total net assets from the statement of financial position amounts to EUR 20 thousand at year end (2021: EUR 32 thousand).
Other commitments amount to EUR 2,694 thousand (2021: EUR 2,617 thousand), mostly related to bank guarantees.

21 Contingencies

The Group is a guarantor for the performance of subsidiaries under credit agreement that the Food Folk Group Holdings AS group has entered into with a financial institution. The guarantee includes customary limitations that ensure that payments cannot exceed what would normally be permitted to be distributed as dividends from the companies. The Food Folk Group Holdings AS group's total obligation amounts to EUR 219.5 million as of 31 December 2022.

22 Related parties

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

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

Group related party transactions
Group companies within the Food Folk Group are rendering/receiving services for the use in ordinary business operations. The Group has also entered into an agreement for the provision of services with Terra Firma Investment Limited, which is a related party as it is owned by Guy Hands who is also the Company's ultimate owner. All transactions are priced on an arm's length basis and are settled in cash at the request of the related party. None of the below balances in respect of related party transactions are secured.

Group

	Loans receivable/ (payable) outstanding	*Receivables outstanding*	*Payables outstanding*	*Purchase of services*	*Interest expenses*
EUR'000	**2022**	**2022**	**2022**	**2022**	**2022**
Capitola Capital II SARL	(28 512)	0	(1 137)	0	(2 937)
Terra Firma Investment Limited	0	0	0	(2 981)	0
Total	**(28 512)**	**0**	**(1 137)**	**(2 981)**	**(2 937)**

	Loans receivable/ (payable) outstanding	*Receivables outstanding*	*Payables outstanding*	*Purchase of services*	*Interest expenses*
EUR'000	**2021**	**2021**	**2021**	**2021**	**2021**
Capitola Capital II SARL	(48 342)	0	(4 102)	0	(4 651)
Terra Firma Investment Limited	0	0	(16)	(2 689)	0
Total	**(48 342)**	**0**	**(4 118)**	**(2 689)**	**(4 651)**

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Parent company

EUR'000	*Dividends / Group Contribution received* **2022**	*Sale of services* **2022**	*Purchase of services* **2022**	*Interest income* **2022**	*Interest expenses* **2022**
Food Folk Norge Holdings AS	6 087	0	0	234	(2)
Food Folk Danmark Holdings Aps	0	0	0	39	(3)
Food Folk Suomi Holdings Oy	0	0	0	271	(18)
Food Folk Sverige Holdings AB	0	0	0	1 067	(84)
Food Folk Norge AS	0	987	(63)	70	(102)
Zero Five AS	0	10	0	0	(71)
Food Folk Denmark AS	0	1 205	(153)	265	(50)
Food Folk Suomi Oy	0	866	(56)	374	0
Food Folk Sverige AB	0	2 497	(1 915)	172	(77)
Food Folk Sverige Development AB	0	0	0	255	0
Lindvreten Fastighetsförvaltning KB	0	0	0	0	(2)
Food Folk Nordanvind AB	0	0	0	0	0
Capitola Capital II SARL	0	0	0	0	(2 937)
Terra Firma Investment Limited	0	0	(2 981)	0	0
Total	**6 087**	**5 565**	**(5 168)**	**2 747**	**(3 346)**

EUR'000	*Loans receivable/ (payable) outstanding* **2022**	*Receivables outstanding* **2022**	*Payables outstanding* **2022**	*Cash-pooling receivable balances* **2022**	*Cash-pooling payable balances* **2022**
Food Folk Norge Holdings AS	0	0	0	1 534	0
Food Folk Danmark Holdings Aps	0	0	0	0	(1 344)
Food Folk Suomi Holdings Oy	0	0	0	0	(7 711)
Food Folk Sverige Holdings AB	10 000	469	0	0	(27 429)
Food Folk Norge AS	0	110	(9)	0	(4 450)
Zero Five AS	0	10	0	0	(6 985)
Food Folk Denmark AS	0	150	(16)	0	(4 898)
Food Folk Suomi Oy	0	80	(2)	42 705	0
Food Folk Sverige AB	0	1 230	(185)	1 410	0
Food Folk Sverige Development AB	0	0	0	11 213	0
Lindvreten Fastighetsförvaltning KB	0	0	0	0	(344)
Food Folk Nordanvind AB	0	0	0	0	(10)
Capitola Capital II SARL	(28 512)	0	(1 137)	0	0
Terra Firma Investment Limited	0	0	0	0	0
Total	**(18 512)**	**2 049**	**(1 349)**	**56 862**	**(53 171)**

EUR'000	*Distributions of investment cost* **2021**	*Sale of services* **2021**	*Purchase of services* **2021**	*Interest income* **2021**	*Interest expenses* **2021**
Food Folk Norge Holdings AS	0	0	0	548	0
Food Folk Danmark Holdings Aps	0	0	0	331	0
Food Folk Suomi Holdings Oy	0	0	0	633	0
Food Folk Sverige Holdings AB	0	0	0	2 663	0
Food Folk Norge AS	0	883	(64)	41	(3)
Zero Five AS	0	0	0	7	(1)
Food Folk Denmark AS	0	1 060	(81)	223	0
Food Folk Suomi Oy	0	776	(61)	21	0
Food Folk Sverige AB	977	2 367	(2 022)	84	0
Food Folk Sverige Development AB	0	0	0	170	0
Lindvreten Fastighetsförvaltning KB	0	0	0	1	0
Food Folk Nordanvind AB	0	0	0	0	0
Capitola Capital II SARL	0	0	0	0	(4 652)
Terra Firma Investment Limited	0	0	(2 689)	0	0
Total	**977**	**5 086**	**(4 917)**	**4 722**	**(4 656)**

EUR'000	*Loans receivable/ (payable) outstanding* **2021**	*Receivables outstanding* **2021**	*Payables outstanding* **2021**	*Cash-pooling receivable balances* **2021**	*Cash-pooling payable balances* **2021**
Food Folk Norge Holdings AS	6 675	0	0	0	(344)
Food Folk Danmark Holdings Aps	0	0	(5)	0	(1 489)
Food Folk Suomi Holdings Oy	7 047	0	0	0	(7 580)
Food Folk Sverige Holdings AB	17 499	0	0	0	(4 412)
Food Folk Norge AS	0	78	(5)	0	(7 371)
Zero Five AS	0	0	0	0	(7 560)
Food Folk Denmark AS	0	94	(6)	0	(2 311)
Food Folk Suomi Oy	0	69	(5)	3 165	0
Food Folk Sverige AB	0	208	(304)	0	(15 854)
Food Folk Sverige Development AB	0	0	0	12 372	0
Lindvreten Fastighetsförvaltning KB	0	0	0	2	0
Food Folk Nordanvind AB	0	0	0	0	(10)
Capitola Capital II SARL	(48 342)	0	(4 102)	0	0
Terra Firma Investment Limited	0	0	(16)	0	0
Total	**(17 121)**	**449**	**(4 443)**	**15 539**	**(46 931)**

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23 Leases

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

i. Amounts recognised in Statement of financial position

EUR'000	**2022**	**2021**
- Right-of-use assets (presented in Property, plant and equipment - see note 8)	271 187	278 622
- Prepaid expense (presented in Trade and Other Receivables)	(3 122)	(3 480)
- Lease liabilities (presented in Other interest-bearing loans and borrowings - see note 16)	(282 667)	(288 549)

ii. Amounts recognised in Income Statement

EUR'000	**2022**	**2021**
- Depreciation charges (including impairment loss/reversal)	20 152	21 318
- Interest on lease liabilities	9 855	10 123
- variable lease payments not included in the measurement of lease liabilities (including COVID-19 rent concessions)	3 353	1 729
- expenses relating to other short-term leases	28	32
- expenses relating to leases of low-value assets	802	776
- other expenses	14	(2)

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 2022 were as follows:

EUR'000	**2022**	**2021**
Fixed payments	6 211	5 962
Variable payments	3 357	2 204
Total lease payments based on sales	9 568	8 166

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

iii. Amounts recognised in statement of cash flows

EUR'000	**2022**	**2021**
- Payment of Lease liabilities (interest portion)	(9 795)	(9 929)
- Payment of Lease liabilities (principal portion)	(17 308)	(17 410)
Total cash outflow for leases	(27 103)	(27 339)

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 McDonald's to close a specific restaurant.
As a consequence, all available extension options have been already included in the lease term until the closest date to 31 March 2037. 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 2022 into lease agreements with few landlords not yet commenced, but committing to pay rent from the subsequent year.
The estimated amount of lease liability for the lease period has been assessed around EUR 11.7 million.

vi. Rent concessions (not applicable)

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24 Changes in liabilities from financing activities

Group

EUR'000	Shareholder Loan	Secured bank loans	Lease liabilities	TOTAL
Balance at 1 January 2021	**85 038**	**238 305**	**304 993**	**628 336**
Proceeds from loans and borrowings	0	112 314	0	112 314
Transaction costs related to loans and borrowings	0	(580)	0	(580)
Repayment of loans and borrowings	(36 696)	(108 530)	0	(145 226)
Payment of lease liabilities (principal portion)	0	0	(17 410)	(17 410)
Total changes from financing cash flows	**(36 696)**	**3 204**	**(17 410)**	**(50 902)**
The effect of changes in foreign exchange rates	**0**	**(356)**	**(126)**	**(482)**
New leases and other changes	0	0	898	898
Amortized costs	0	(2 248)	0	(2 248)
Interest expense	0	7 236	10 123	17 359
Payment of lease liabilities (interest portion)	0	0	(9 929)	(9 929)
Interest paid	0	(7 236)	0	(7 236)
Total liability related other changes	**0**	**(2 248)**	**1 092**	**(1 156)**
Balance at 31 December 2021	**48 342**	**238 905**	**288 549**	**575 796**
Proceeds from loans and borrowings	0	0	0	0
Transaction costs related to loans and borrowings	0	(285)	0	(285)
Repayment of loans and borrowings	(19 830)	(19 191)	0	(39 021)
Payment of lease liabilities (principal portion)	0	0	(17 308)	(17 308)
Total changes from financing cash flows	**(19 830)**	**(19 476)**	**(17 308)**	**(56 614)**
The effect of changes in foreign exchange rates	**0**	**(9 761)**	**(12 575)**	**(22 336)**
New leases and other changes	0	0	23 941	23 941
Amortized costs	0	1 110	0	1 110
Interest expense	0	6 831	9 855	16 686
Payment of lease liabilities (interest portion)	0	0	(9 795)	(9 795)
Interest paid	0	(6 831)	0	(6 831)
				0
Total liability related other changes	**0**	**1 110**	**24 001**	**25 111**
Balance at 31 December 2022	**28 512**	**210 778**	**282 667**	**521 957**

25 Acquisitions

a) Acquisition of a restaurant

EUR'000	2022	2021
Acquirees net assets at the acquisition date:		
Land and buildings	0	0
Fixtures, fittings and equipment	3 492	666
Contractual rights	5 113	2 475
Total identifiable net assets acquired	**8 605**	**3 141**
Consideration paid:		
Cash	14 528	7 610
Total consideration	**14 528**	**7 610**
Goodwill	**5 923**	**4 469**

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In 2022, the Group has acquired few restaurants from the Franchisees. The acquired restaurants contributed a net profit of EUR 1.3 million to the net profit for the year. If the acquisitions had occurred on the first day of the accounting period, the Group revenues would have increased by EUR 21.8 million and net profit would have been higher by EUR 0.9 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 Group.

b) Acquisition of subsidiaries

EUR'000	**2022**	**2021**
Acquirees net assets at the acquisition date:		
Land	22	1 015
Trade and other payables	0	(4)
Total identifiable net assets acquired	**22**	**1 011**
Consideration paid:		
Cash	22	1 357
Total consideration	**22**	**1 357**
Difference	**0**	**346**

During 2021, the Group acquired the 100% of the shares in a Swedish and a Norwegian company for an amount of EUR 1,357 thousand (plus additional EUR 22 thousand incurred in 2022). The difference arising from the acquired assets and the consideration paid for EUR 346 thousand has been allocated to the land owned by these two companies.

26 Subsequent events

Management has identified the below subsequent events occurred in the first quarter 2023 and deemed them as not affecting the financial position of the Group at 31 December 2022:

a) Bank refinancing

On 17 February 2023, Food Folk Group signed an amendment to the current loan agreement with Danske Bank AS/RealKredit Danmark. The impact on the Group is below described:
- the A2 facility has been fully repaid in all markets for a principal amount of EUR 9,883 thousand (SEK 52,453 thousand, DKK 7,141 thousand, EUR 4,198 thousand) and substituted by a new A4 facility amounting to EUR 43,393 thousand (SEK 140,794 thousand, DKK 25,806 thousand, EUR 27,264 thousand), expiring in 5 years with half-yearly installments starting on June 2023. In addition, also a C facility of EUR 35.306 thousand (SEK 242,565 thousand, NOK 141,896 thousand) has been granted with the same financial conditions as the A4 facility;
- a new B4 facility of EUR 110,095 thousand (SEK 359,700 thousand, DKK 418,268 thousand, NOK 226,125 thousand) expiring in March 2037 has been added to the existing B facilities (B1,B2,B3). All the previously existing B facilities got the same financial terms as the new B4 facility, meaning an increase of 0.1% on

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the margin and the extension of the first installment repayment (March 2028 instead of 2023/2024, except Denmark where installments remain quarterly starting March 2023).

All facilities are subject to variable rate (Ibor) – except the B1/B2/B3 facilities in Denmark which are at fixed rate - and hedged with interest rate swaps at 90% of the total loan value.

Direct transaction costs (such as stamp duties, arrangement fees, coordination fees, commitment fees, registration fees, property valuation fees) incurred so far total EUR 5,317 thousand, plus legal/consultants fees at EUR 590 thousand.

b) Repayment of shareholder loan

Food Folk Sverige Holdings AB fully repaid on 1 March 2023 the shareholder loan against Food Folk Group Holdings AS. The payment, amounting to EUR 10,598 thousand (equivalent to SEK 117,409 thousand), includes EUR 10,000 thousand as principal and EUR 598 thousand as accumulated interests for the period June 2022 – February 2023. On the same date, Food Folk Group Holdings AS repaid the shareholder loan against Capitola Capital II Sarl for a total amount of EUR 30,218 thousand, of which EUR 28,512 thousand as principal, EUR 1,450 thousand as accumulated interests and EUR 256 thousand as withholding taxes on interests.

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Lars Kristian Sande
Undertecknare
Serienummer: 9578-5993-4-2490371
IP: 46.15.xxx.xxx
2023-04-27 14:40:28 UTC

bankID

Susanne Elise Munch Thore
Undertecknare
Serienummer: 9578-5994-4-519993
IP: 46.15.xxx.xxx
2023-04-27 15:14:12 UTC

bankID

Vivek Ahuja
Undertecknare
Serienummer: vivek.ahuja@terrafirma.com
IP: 136.228.xxx.xxx
2023-04-28 08:20:14 UTC

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KPMG AS
Vangsveien 73
N-2317 Hamar

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

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To the General Meeting of Food Folk Group Holdings AS

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Food Folk Group Holdings AS (the Company), which comprise the balance sheet as at 31 December 2022, 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 a summary of significant accounting policies, and

- the consolidated financial statements of Food Folk Group Holdings AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, 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 a summary of significant accounting policies.

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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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.

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Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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 International Financial Reporting 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

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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, 28 April 2023
KPMG AS

Thore Kleppen
State Authorised Public Accountant