



Geia Food A/S

Fuglevænget 9
9000 Aalborg
CVR No. 14983007

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.06.2022

Esko Mikael Aro

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	10
Balance sheet at 31.12.2021	11
Statement of changes in equity for 2021	13
Notes	14
Accounting policies	22

Entity details

Entity

Geia Food A/S
Fuglevænget 9
9000 Aalborg

Business Registration No.: 14983007
Registered office: Aalborg
Financial year: 01.01.2021 - 31.12.2021

Statutory reports on the entity's website

Statutory report on corporate social responsibility: <https://www.geiafood.com/wp-content/uploads/2022/05/Geia-Food-CSR-Report-2022.pdf>

Board of Directors

Esko Mikael Aro
Claus Juel Jensen
Per Olof Martin Frankling
Sara Elisabeth Damberg
Andréa Ellinor Persdotter Nilsson
Ivar Villa

Executive Board

Claus Ulrik Ravnsbo

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Geia Food A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 24.06.2022

Executive Board

Claus Ulrik Ravnsbo

Board of Directors

Esko Mikael Aro

Claus Juel Jensen

Per Olof Martin Frankling

Sara Elisabeth Damberg

Andréa Ellinor Persdotter Nilsson

Ivar Villa

Independent auditor's report

To the shareholders of Geia Food A/S

Opinion

We have audited the financial statements of Geia Food A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 24.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Birner Sørensen

State Authorised Public Accountant
Identification No (MNE) mne11671

Management commentary

Financial highlights

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	1,591,632	1,580,387	1,327,931	1,230,361	1,117,914
Gross profit/loss	126,271	128,633	89,933	87,170	72,300
Operating profit/loss	59,348	65,834	37,342	42,064	31,714
Net financials	5,664	(1,395)	914	1,383	1,196
Profit/loss for the year	61,963	48,866	29,724	37,988	28,752
Total assets	385,925	280,542	257,939	218,732	201,375
Equity	146,710	78,659	49,862	56,322	55,678
Ratios					
Gross margin (%)	7.90	8.10	6.80	7.10	6.50
Net margin (%)	3.90	3.10	2.20	3.10	2.60

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Primary activities

Geia Food is a strong business partner with extensive expertise within a wide range of product categories – from frozen and chilled foods to groceries and beverages. We are the value-adding link between suppliers and customers, developing food concepts for the Nordics through unique competences and a long track record as a trusted partner.

We create value for our customers by boosting product innovation, reducing operating complexity and increasing category profitability. Our best-in-class supplier network benefit from a one-point-of-access to all the Nordic markets, an effective sales platform, deep customer insight and a cost-efficient logistics and quality assurance platform.

Development in activities and finances

Geia Food generated a net profit of 61.963 t.DKK in the financial year. The profit for the year is considered satisfactory by the Board of Directors.

Profit/loss for the year in relation to expected developments

The expected net profit of 50-60m.DKK stated in the outlook of the annual report from 2020 has been slightly exceeded due to higher revenue in Denmark and other Nordic countries.

Uncertainty relating to recognition and measurement

There are no uncertainties relating to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement.

Outlook

Geia Food expects continued good performance in the financial year 2022 as sales development in Denmark and foreign markets continues to be positive, with an expected profit for the year in the range of 60-65 m.DKK. Furthermore, Geia Food expects to develop its current business areas and to develop new ones.

Use of financial instruments

Business risks

Geia Food's most significant business risk relates to the quality and food safety of the products distributed.

Financial risks

Because of its operations, investments and financing, Geia Food is exposed to changes in the level of interest and exchange rates. Geia Food pursues a fiscal policy operating with a low risk profile so that currency risks, interest risks and credit risks only arise based on commercial matters.

Currency risks

Where possible, Geia Food's currency exposure is hedged through matching of payments received and made in the same currency and by using forward exchange contracts. It is company policy to hedge the most important commercial currency risks on 3-9 months basis. Geia Food does not enter into speculative currency contracts.

At the end of the financial year 2021, the notional value of Geia Food's forward exchange contracts for meeting future currency risks amounted to negative 1.190 t.DKK.

Forward exchange contracts consist of hedging of activities in EUR, USD, NOK and SEK with a term up to 24 months.

Research and development activities

Geia Food has not incurred any research and development expenses.

Foreign branches

Geia Food is represented in Sweden through the subsidiary Geia Food AB, Geia Food Holding AB, in Norway through the subsidiary Geia Food Norge AS and Geia Food AS and Østlandske Formidling AS and in Finland through the subsidiary Geia Food OY.

Statutory report on corporate social responsibility

The 2021 Corporate Social Responsibility report contains Geia Food's policies regarding CSR, animal welfare and environmental performance.

The 2021 Corporate Social Responsibility report is available on the following link: <https://www.geiafood.com/wp-content/uploads/2022/05/Geia-Food-CSR-Report-2022.pdf>

Statutory report on the underrepresented gender

Geia Food recognizes the importance of a diverse workforce and work to create equal opportunities for all current as well as future employees.

In the process of retaining and attracting talent across the organization, Geia Food have processes and policies in place which are solely based on an evaluation of the employees' professional skills. Therefore, diversity is not a decision factor, but rather an ongoing focus point to ensure that all positions are at all times populated by the right person with the right skills. The Board of Directors is certain that this approach to retaining and attracting talent will sustain Geia Food's business performance over time.

Geia Food has a target of minimum two female directors on the Board of Directors, which has been reached in 2021.

There are currently no females in the group management team of Geia Food. The Board of Directors is continuously monitoring performance across the group management team and will at all times make sure that all roles are populated by the right person.

Statutory report on data ethics policy

Geia Food are aware of both the security and data ethics risks regarding employees and other stakeholders. Several elements are incorporated in existing policies and procedures that describe data ethics and during 2022, we will develop a specific policy for data ethics.

Events after the balance sheet date

In the beginning of 2022 Geia Food completed the acquisitions of Danish companies Food Partners and Lauge Food

To this date no other events have occurred after the balance sheet date which would influence the evaluation of this annual report.

Geia Food expect that Covid-19 will have a minor impact on the business and the financial result in 2022.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK '000
Revenue	1	1,591,632	1,580,387
Other operating income		298	53
Cost of sales		(1,450,971)	(1,437,013)
Other external expenses	2	(14,688)	(14,794)
Gross profit/loss		126,271	128,633
Staff costs	3	(51,721)	(50,211)
Depreciation, amortisation and impairment losses	4	(14,797)	(12,588)
Other operating expenses		(405)	0
Operating profit/loss		59,348	65,834
Income from investments in group enterprises		12,862	3,311
Other financial income	5	5,719	1,843
Other financial expenses	6	(55)	(3,238)
Profit/loss before tax		77,874	67,750
Tax on profit/loss for the year	7	(15,911)	(18,884)
Profit/loss for the year	8	61,963	48,866

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired licences		5,717	6,988
Goodwill		31,321	33,795
Intangible assets	9	37,038	40,783
Other fixtures and fittings, tools and equipment		9,988	9,719
Property, plant and equipment	10	9,988	9,719
Investments in group enterprises		50,701	31,879
Receivables from group enterprises		50,660	23,011
Deposits		1,201	1,248
Financial assets	11	102,562	56,138
Fixed assets		149,588	106,640
Manufactured goods and goods for resale		75,771	59,377
Prepayments for goods		5,433	1,512
Inventories		81,204	60,889
Trade receivables		58,414	52,320
Receivables from group enterprises		39,755	44,024
Other receivables		3,582	1,756
Prepayments	12	1,308	1,498
Receivables		103,059	99,598
Cash	13	52,074	13,415
Current assets		236,337	173,902
Assets		385,925	280,542

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	14	769	769
Reserve for fair value adjustments of hedging instruments		(1,632)	(1,760)
Reserve for net revaluation according to the equity method		0	8,689
Retained earnings		147,573	70,961
Equity		146,710	78,659
Deferred tax	15	332	83
Provisions		332	83
Lease liabilities		200	259
Other payables		137	4,556
Non-current liabilities other than provisions	16	337	4,815
Current portion of non-current liabilities other than provisions	16	2,437	2,545
Trade payables		162,672	130,447
Payables to group enterprises		22,258	817
Tax payable		15,698	20,523
Other payables	17	35,208	42,290
Deferred income	18	273	363
Current liabilities other than provisions		238,546	196,985
Liabilities other than provisions		238,883	201,800
Equity and liabilities		385,925	280,542
Financial instruments	19		
Fair value information	20		
Unrecognised rental and lease commitments	21		
Contingent liabilities	22		
Assets charged and collateral	23		
Related parties with controlling interest	24		
Non-arm's length related party transactions	25		
Group relations	26		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	769	(1,760)	8,689	70,961	78,659
Increase of capital	0	0	0	31,700	31,700
Exchange rate adjustments	0	0	541	0	541
Value adjustments	0	164	0	0	164
Other entries on equity	0	0	(26,281)	0	(26,281)
Tax of entries on equity	0	(36)	0	0	(36)
Transfer to reserves	0	0	4,189	(4,189)	0
Profit/loss for the year	0	0	12,862	49,101	61,963
Equity end of year	769	(1,632)	0	147,573	146,710

FCP BidCo ApS has made a group contribution to the subsidiary in the amount of t.DKK 31,700.

Notes

1 Revenue

	2021
	DKK'000
Denmark	1,363
Other Scandinavian countries	196
Other countries	33
Total revenue by geographical market	1,592

2 Fees to the auditor appointed by the Annual General Meeting

In accordance with §96 (3) of the Danish Financial Statements Act, the company has not disclosed the auditor's fee, this is disclosed in the consolidated financial statements of FCP HoldCo ApS, CVR 42 15 06 06.

3 Staff costs

	2021	2020
	DKK'000	DKK'000
Wages and salaries	45,803	42,998
Pension costs	4,935	4,449
Other staff costs	983	2,764
	51,721	50,211
Average number of full-time employees	80	75

	Remuneration of Management 2021 DKK'000	Remuneration of Management 2020 DKK'000
Total amount for management categories	4,234	4,634
	4,234	4,634

Management categories has incentive programmes based on the financial result.

Management categories consist of both Executive Board and Board of Directors.

4 Depreciation, amortisation and impairment losses

	2021	2020
	DKK'000	DKK'000
Amortisation of intangible assets	10,192	8,658
Depreciation of property, plant and equipment	4,605	3,930
	14,797	12,588

5 Other financial income

	2021	2020
	DKK'000	DKK'000
Financial income from group enterprises	4,809	1,843
Other financial income	910	0
	5,719	1,843

6 Other financial expenses

	2021	2020
	DKK'000	DKK'000
Financial expenses from group enterprises	471	0
Other interest expenses	1,015	311
Other financial expenses	(1,431)	2,927
	55	3,238

7 Tax on profit/loss for the year

	2021	2020
	DKK'000	DKK'000
Current tax	15,698	15,355
Change in deferred tax	213	3,417
Adjustment concerning previous years	0	112
	15,911	18,884

8 Proposed distribution of profit and loss

	2021	2020
	DKK'000	DKK'000
Extraordinary dividend distributed in the financial year	0	25,000
Retained earnings	61,963	23,866
	61,963	48,866

9 Intangible assets

	Acquired licences DKK'000	Goodwill DKK'000
Cost beginning of year	7,200	84,284
Additions	0	6,447
Cost end of year	7,200	90,731
Amortisation and impairment losses beginning of year	(212)	(50,489)
Amortisation for the year	(1,271)	(8,921)
Amortisation and impairment losses end of year	(1,483)	(59,410)
Carrying amount end of year	5,717	31,321

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	18,407
Additions	6,809
Disposals	(5,925)
Cost end of year	19,291
Depreciation and impairment losses beginning of year	(8,688)
Depreciation for the year	(4,605)
Reversal regarding disposals	3,990
Depreciation and impairment losses end of year	(9,303)
Carrying amount end of year	9,988
Recognised assets not owned by entity	1,230

11 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	23,031	23,011	1,248
Exchange rate adjustments	0	5,593	0
Transfers	0	(27,114)	0
Additions	31,700	71,781	15
Disposals	0	(22,611)	(62)
Cost end of year	54,731	50,660	1,201
Revaluations beginning of year	8,848	0	0
Exchange rate adjustments	541	0	0
Adjustments on equity	(26,281)	0	0
Amortisation of goodwill	380	0	0
Share of profit/loss for the year	12,482	0	0
Revaluations end of year	(4,030)	0	0
Carrying amount end of year	50,701	50,660	1,201

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Geia Food OY	Vantaa, Finland	OY	100.00
Geia Food Holding AB	Karlstad, Sweden	AB	100.00
Geia Food AB *)	Karlstad, Sweden	AB	100.00
Geia Food Norge AS	Oslo, Norway	AS	100.00
Geia Food AS **)	Oslo, Norway	AS	100.00

*) The company is a subsidiary in Geia Food Holding AB

***) The company is a subsidiary in Geia Food Norge AS

12 Prepayments

Prepayments consists of rent and insurance costs.

13 Cash

Referring to section 86 (4) of the Danish Financial Statements Act, no cash flow statements have been prepared.

14 Share capital

	Number	Nominal value DKK'000
Shares	769,000	769
	769,000	769

Par value is 1,0 DKK.

15 Deferred tax

	2021 DKK'000	2020 DKK'000
Intangible assets	309	30
Property, plant and equipment	577	638
Financial assets	(262)	(298)
Receivables	288	330
Liabilities other than provisions	(580)	(617)
Deferred tax	332	83

	2021 DKK'000	2020 DKK'000
Changes during the year		
Beginning of year	83	3,334
Recognised in the income statement	213	(3,417)
Recognised directly in equity	36	166
End of year	332	83

16 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000
Lease liabilities	2,437	2,545	200
Other payables	0	0	137
	2,437	2,545	337

Outstanding debt after 5 years amounts to DKK 0.

17 Other payables

	2021 DKK'000	2020 DKK'000
VAT and duties	23,061	25,122
Wages and salaries, personal income taxes, social security costs, etc payable	1,661	4,171
Holiday pay obligation	1,384	1,142
Derivative financial instruments	1,054	1,569
Other costs payable	8,048	10,286
	35,208	42,290

18 Deferred income

Deferred income consists of freight charges.

19 Financial instruments

The Company hedges currency risks on expected transactions in EUR with forward exchange contracts. Forward exchange contracts relates to purchase of goods. Value adjustments are recognized in the equity and are expected to be carried out and recognized in the income statement after the balance sheet day. 100% of the forward exchange contracts are hedging towards currency risks relating to EUR/DKK.

The fair value has not been calculated on the basis of observations in an active market. For the valuation of the fair value as of the balance sheet date, the statement of the bank has been used due to the company's credit rating and collateral.

Period	Fair value DKK'000	Contractual value DKK'000
0-6 months	664	333,551
6-12 months	390	238,092
12-24 months	137	59,560
Total	1,191	631,203

20 Fair value information

	Forward exchange contracts '000DKK
Fair value end of year	1,191
Unrealised fair value adjustments recognised in the fair value reserve in equity	1,191

21 Unrecognised rental and lease commitments

The entity has entered agreements of rented premises with an average annual rent of 2,841.t.DKK. The Contracts are irredeemable for 67 month and have an outstanding commitment of 15,864 t.DKK.

22 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where FCP HoldCo ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

23 Assets charged and collateral

Shares in Geia Food Norge AS has been deposited to guarantee the company's and affiliated companies' loan at Danske Bank. The affiliated companies are FCP BidCo, Geia Food AS, Geia Food Holding AB and Geia Food AB. As of the 31st of December the affiliated companies bank debt amounts to 592,209 t.DKK and the book value of the shares are 28,825 t.DKK.

Shares in Geia Food Holding AB has been deposited to guarantee the company's and affiliated companies' loan at Danske Bank. The affiliated companies are FCP BidCo, Geia Food Norge AS, Geia Food AS and Geia Food AB. As of the 31st of December the affiliated companies bank debt amounts to 592,210 t.DKK and the book value of the shares are 19.926 t.DKK.

The company has provided unlimited surety for Geia Food AS' debt at Danske Bank and as of the 31st of December the bank debt amounts to 7,303 t.DKK.

The company has provided unlimited surety for Geia Food Norge AS' debt at Danske Bank and as of the 31st of December the bank debt amounts to 0 t.DKK.

The company has provided unlimited surety for Geia Food Holding AB's debt at Danske Bank and as of the 31st of December the bank debt amounts to 0 t.DKK.

The company has provided unlimited surety for Geia Food AB's debt at Danske Bank and as of the 31st of December the bank debt amounts to 0 t.DKK.

Mortgage debt is secured by way of company charges. The Company charge comprises stocks, intellectual property rights, goodwill, other fixtures and fittings, tools and equipment and receivables, limited to 50,000 t.DKK. The book value of secured assets is t.DKK 186,644.

24 Related parties with controlling interest

FCP BidCo ApS, Aalborg holds the majority of the shares in Geia Food A/S, and thus has a controlling interest. FCP HoldCo ApS, Aalborg holds the majority of the shares in FCP BidCo ApS, and thus has a controlling interest. TSM II Luxco 3 SARL, Luxembourg holds the majority of the shares in FCP HoldCo ApS, and thus has a controlling interest. TSM II Luxco 3 SARL is the ultimate parent of Geia Food A/S.

25 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

FCP BidCo ApS has made a group contribution to the subsidiary in the amount of t.DKK 31,700. No further transactions were conducted during the financial year.

26 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

- FCP HoldCo ApS, 9000 Aalborg

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	1-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an

assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The entity has not been given information about the cash flow statement with reference to the one that will be presented in the consolidated annual report for Cena Partnerskab Holding ApS, CVR-nr. 38929852.