

Lundsøe Køl & Frys A/S

Jellingvej 5
DK-9230 Svenstrup

CVR no. 26 27 77 44

Annual report 2021

The annual report was presented and approved at the
Company's annual general meeting on

8 July 2022

Claus Erdmann
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lundsøe Køl & Frys A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Svenstrup 8 July 2022
Executive Board:

Søren Søe-Larsen

Board of Directors:

Harld Johan Peters
Chairman

Johannes Albrecht Poelman

Annegien Maria Kooij

Independent auditor's report

To the shareholder of Lundsøe Køl & Frys A/S

Opinion

We have audited the financial statements of Lundsøe Køl & Frys A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the 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 our report.

We are independent of the Company 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 responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Aalborg, 8 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Lundsøe Køl & Frys A/S
Annual report 2021
CVR no. 26 27 77 44

Management's review

Company details

Lundsøe Køl & Frys A/S
Jellingvej 5
9230 Svenstrup

Telephone:	96 86 85 20
CVR no.:	26 27 77 44
Established:	17 October 2001
Registered office:	Aalborg
Financial year:	1 January – 31 December

Board of Directors

Harld Johan Peters, Chairman
Johannes Albrecht Poelman
Annegien Maria Kooij

Executive Board

Søren Søe-Larsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's activities are to provide deep freeze and cold storage facilities. Furthermore, the Company is taking care of the logistics related to storage rent in terms of packing, sorting, detail packing and, to a minor extent, transportation and forwarding of goods.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 3,684 thousand as against DKK 1,560 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 74,738 thousand as against DKK 71,054 thousand at 31 December 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit		23,302	20,139
Staff costs	2	-14,500	-10,960
Depreciation, amortisation and impairment losses		-3,865	-3,730
Other operating costs		-67	0
Profit before financial income and expenses		4,870	5,449
Financial income		0	56
Financial expenses	3	-125	-3,496
Profit before tax		4,745	2,009
Tax on profit		-1,061	-449
Profit for the year		3,684	1,560
Proposed profit appropriation			
Retained earnings		3,684	1,560

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	4		
Software		<u>236</u>	<u>30</u>
Property, plant and equipment	5		
Land and buildings		47,815	49,748
Plant and machinery		17,706	18,287
Fixtures and fittings, tools and equipment		2,588	2,657
Leasehold improvements		112	180
Property, plant and equipment in progress		<u>52,076</u>	<u>0</u>
		<u>120,297</u>	<u>70,872</u>
Total fixed assets		<u>120,533</u>	<u>70,902</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>289</u>	<u>290</u>
Receivables			
Trade receivables		4,997	3,835
Receivables from group entities		449	0
Other receivables		1,804	1,355
Prepayments		<u>1,241</u>	<u>836</u>
		<u>8,491</u>	<u>6,026</u>
Cash at bank and in hand		<u>1,153</u>	<u>6,270</u>
Total current assets		<u>9,933</u>	<u>12,586</u>
TOTAL ASSETS		<u><u>130,466</u></u>	<u><u>83,488</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		658	658
Retained earnings		74,080	70,396
Total equity		74,738	71,054
Provisions			
Provisions for deferred tax		3,190	2,130
Total provisions		3,190	2,130
Liabilities other than provisions			
Non-current liabilities other than provisions			
	6		
Lease obligations		1,538	1,982
Other payables		134	134
		1,672	2,116
Current liabilities other than provisions			
Current portion of non-current liabilities		727	671
Trade payables		10,127	2,030
Payables to group entities		40,415	0
Other payables		-403	5,487
		50,866	8,188
Total liabilities other than provisions		52,538	10,304
TOTAL EQUITY AND LIABILITIES		130,466	83,488
Contractual obligations, contingencies, etc.	7		
Related party disclosures	8		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	658	70,396	71,054
Transferred over the profit appropriation	0	3,684	3,684
Equity at 31 December 2021	658	74,080	74,738

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Lundsøe Køl & Frys A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue. Revenue from the sale of services is recognised as the services are provided and revenue from rent is recognised on a straight-line basis in the income statement.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Software

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised over the contract period.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are recognised in cost.

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.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	40 years
Plant and machinery	3-33 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-15 years

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

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.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2021</u>	<u>2020</u>
2 Staff costs		
Wages and salaries	12,737	9,438
Pensions	1,504	1,234
Other staff costs	<u>874</u>	<u>288</u>
	<u>15,115</u>	<u>10,960</u>
Average number of full-time employees	<u>29</u>	<u>24</u>
3 Financial expenses		
Interest expense to group entities	0	8
Other financial costs	<u>125</u>	<u>3,488</u>
	<u>125</u>	<u>3,496</u>
4 Intangible assets		
DKK'000		<u>Software</u>
Cost at 1 January 2021		30
		<u>206</u>
Cost at 31 December 2021		<u>236</u>
Carrying amount at 31 December 2021		<u>236</u>

Financial statements 1 January – 31 December

Notes

5 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 January 2021	53,994	28,412	4,171	1,852	0	88,429
Additions for the year	0	0	1,373	11	52,076	53,460
Disposals for the year	0	0	-282	0	0	-282
Cost at 31 December 2021	53,994	28,412	5,262	1,863	52,076	141,607
Depreciation and impairment losses at 1 January 2021	-4,246	-10,125	-1,515	-1,672	0	-17,558
Depreciation for the year	-1,933	-581	-1,273	-79	0	-3,866
Reversed depreciation and impairment losses on assets sold	0	0	115	0	0	115
Depreciation and impairment losses at 31 December 2021	-6,179	-10,706	-2,673	-1,751	0	-21,309
Carrying amount at 31 December 2021	47,815	17,706	2,589	112	52,076	120,298
Assets held under finance leases	0	134	2,739	64	0	2,937

6 Non-current liabilities other than provisions

The Company has non-current debt obligations are expected to fall due within 5 years after the balance sheet date.

Financial statements 1 January – 31 December

Notes

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the other Danish companies in the Group and has joint and several unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies.

Operating lease obligations

The Company has entered into lease agreements for properties and land with a remaining liability of DKK 20,857 thousand. The agreements are vested with standard market terms.

Upon the expiry of the lease agreement of land, the Company has, under certain conditions, an obligation to hand over the leased item in the same condition as when entering into the lease agreement, which is not recognised in the financial statements.

Furthermore the Company has entered into operating leases. Remaining operating lease obligations represent DKK 1,591 thousand.

8 Related party disclosures

Lundsøe Køl & Frys A/S' related parties comprise the following:

Control

Lineage Danish Bidco II ApS, c/o Lundsøe Køl & Frys A/S Jellingvej 5, 9230 Svenstrup J.

Lineage Danish Bidco II ApS holds the majority of the contributed capital in the Company.

Lundsøe Køl & Frys A/S is part of the consolidated financial statements of Lineage Dutch Cooperatief U.A., Noord-Brabant, and the consolidated financial statements of Lineage Logistics Holdings, LLC, Michigan, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Annegien Maria Kooij

Bestyrelsesmedlem

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IP: 144.178.xxx.xxx

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Harld Johan Peters

Bestyrelsesformand

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Søren Søe-Larsen

Adm. direktør

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Johannes Albrecht Poelman

Bestyrelsesmedlem

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Steffen Sjørslev Hansen

Statsautoriseret revisor

På vegne af: KPMG Statsautoriseret Revisionspartners...

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Claus Raunhøj Erdmann

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