

Gebr. Heinemann Retail ApS

c/o Københavns Lufthavn, Vestvej 1, 2770 Kastrup

CVR no. 29 60 55 56

Annual report

for the year 1 January - 31 December 2022

Approved at the Company's annual general meeting on 31 May 2023

Chair of the meeting:

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Gebr. Heinemann Retail ApS for the financial year 1 January - 31 December 2022.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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

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

Kastrup, 31 May 2023
Executive Board:

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Katrin Bamler
CEO

Independent auditor's report

To the shareholder of Gebr. Heinemann Retail ApS

Opinion

We have audited the financial statements of Gebr. Heinemann Retail ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2022 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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 Company's internal control.

Independent auditor's report

- ▶ 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pedersen
State Authorised Public Accountant
mne35456

Tine Bugge Andersen
State Authorised Public Accountant
mne49047

Management's review

Company details

Name	Gebr. Heinemann Retail ApS
Address, Postal code, City	c/o Københavns Lufthavn, Vestvej 1, 2770 Kastrup
CVR no.	29 60 55 56
Registered office	Tårnby
Financial year	1 January - 31 December
Executive Board	Katrin Bamler, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank A/S

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
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Key figures

Revenue	757,037	299,141	263,313	1,043,484	1,031,177
Gross profit	95,054	70,381	64,128	130,527	116,968
Net financials	-793	-635	-393	252	-270
Profit before tax	39,927	22,747	-25,301	33,704	15,710
Profit for the year	31,150	18,175	-19,890	26,145	14,967

Total assets	274,830	224,115	185,611	238,699	216,932
Investments in property, plant and equipment	295	731	15	6,307	48,008
Equity	196,305	165,155	146,979	166,869	140,724

Financial ratios

Operating margin	5.4%	7.8%	-9.5%	3.2 %	1.5 %
Gross margin	12.6%	23.5%	24.4%	12.5%	11.3%
Return on assets	10.0%	-21.6%	-45.9%	5.2%	-2.0%
Equity ratio	71.4%	73.7%	79.2%	69.9%	64.9%

Average number of full-time employees	161	131	248	280	317
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Financial ratios are calculated in accordance with the terms and conditions as described in accounting policies.

Management's review

Business review

Since 1 March 2007, the Company had the concession to operate on tax and duty free sales of spirits, tobacco, confectionery, perfume and cosmetics at Copenhagen Airports through six tax free shops. Following successful negotiations with Copenhagen Airports, a new 5 year contract was signed in April 2017 effective from 1 March 2018 to 28 February 2023. Beginning of 2021 the contract was extended by 2 years. The contract includes an option of a 5 year extension, which has also been extended. The extension option starts from 1 March 2025 to 28 February 2030, but requires a new agreement.

Financial review

The income statement for 2022 shows a profit of DKK 31,150 thousand against a profit of DKK 18,175 last year, and the balance sheet at 31 December 2022 shows equity of DKK 196,305 thousand. The result is better compared to the previously announcement of outlook for 2022. The better result is related to a previously low activity in Copenhagen Airport and a faster improving on COVID-19 situation.

Research and development activities

The Company is not involved in research and development activities in connection with the products sold in the shops, but is engaged in initiatives to increase penetration and satisfaction of the customers.

Statutory CSR report

We know that our business activities affect the environment as well as the lives of many people, especially those of our employees and customers. We also know that we have the means to contribute to positive developments of society. We accept this significant corporate responsibility and strive to live up to its demands.

The purpose of the strategy is to create a strong link between corporate responsibility and our core business. Our materiality and risk assessment have helped us to focus our efforts on issues that are most material to our core business and our key stakeholders.

Our corporate responsibility activities help us to do business responsibly while focusing on our vision and mission, by living our vision statement;

“The Heinemann Family. We turn travel time into valuable time, as the most human-centric company in global Travel.”

By following and working with our vision statement, we are creating value for our customers and business.

We at Gebr. Heinemann Retail follow the market trends closely in order to ensure that we are always prepared to meet the demands of our customers.

Gebr. Heinemann Retail ApS has a CSR policy which describes the principles and values which the Company follows.

Management's review

Corporate Responsibility Report 2022

At the end of 2022, our team consisted of 207 employees. Our main business consists of six duty-free shops at Copenhagen Airport, but we also support the retail operations of around 21 ferries for everything connected to the sale of perfumes and cosmetics. We are part of the globally active Gebr. Heinemann group, headquartered in Hamburg, Germany and founded in 1879. Gebr. Heinemann is one of the top players in the international travel retail market and the leader in the European market. It is the only family-run business among the global players in the travel retail industry. In the retail sector, the company is active in over 90 countries, operating almost 500 of its own shops as a retailer at airports, on cruise ships and at border crossings. In addition, it not only supplies or operates shops at around 140 international airports, but also supplies or operates shops on around 240 ferries and cruise ships, around 200 border shops and around 50 airlines. Gebr. Heinemann has 6,700 employees around the world.

You can find out more about the company here: https://www.gebr-heinemann.de/heu/en/company_page.

The Covid-19 crisis in 2020 and 2021 had a massively negative impact on the whole travel industry. With travel restrictions, closed borders and lockdowns, the 2021 flight traffic at Copenhagen Airport was limited in total to 24.9% of the 2019 level. For a period, we had to close our stores and in the first four months of 2022 Covid-19 still had a negative impact on our business. But from April, the travel industry, CPH and Heinemann upgraded their expectations for 2022. Passenger numbers soared and we were able to welcome many new people to our company over the coming months. By the end of 2022 all of our stores were open.

You will be able to read more about the scaling up after the crisis in our business in this report. Since 2018, Gebr. Heinemann has been a signatory member of the United Nations Global Compact. The latest Communication on

Progress can be downloaded here: https://www.gebr-heinemann.de/heu/en/responsibility/initiatives_page.

The successful anchoring of the UNGC principles in the corporate strategy, is a basic prerequisite for making an authentic contribution to the 17 UN Sustainable Development Goals (UN SDGs). With the Gebr. Heinemann business model, a positive contribution can especially be made to four UN SDGs: #8 Decent work and economic growth, #12 Responsible consumption and production, #13 Climate action and #17 Partnerships for the goals. These are translated into the Gebr. Heinemann Sustainable Development Goals (GH SDGs) 2030, for which ambitious measures are planned. Energy and emissions: we will be carbon-neutral by avoiding CO2 emissions primarily through the reduction of energy consumption at our headquarters and logistics centres (UN SDG 13). Waste and packaging: preventive measures such as reduction, circularity and recycling will apply for every part of our value chain (UN SDG 12, 13). Product portfolio: we will generate more than 50% of our sales with sustainable products and responsible suppliers (UN SDG 12, 13). People: we will guarantee a fair, safe and non-discriminatory working environment through global health and diversity standards (UN SDG 8, 12). In addition the report constitutes to the statutory statement of corporate responsibility and gender distribution in management, cf. section 99a and §99b of the Danish Financial Statements Act (FSA).

The successful anchoring of the UNGC principles in the corporate strategy, is a basic prerequisite for making an authentic contribution to the 17 UN Sustainable Development Goals (UN SDGs).

Gebr. Heinemann Retail Denmark profits from Gebr. Heinemann's global CR Strategy, but is also keen on realising local measures. We are aware that our business activities affect the environment, as well as the lives of many people, especially those of our employees and customers. We also know that we have the means to contribute to positive developments in society. We accept this significant corporate responsibility and strive to meet its demands.

Our corporate responsibility activities help us do business responsibly, while focusing on our vision and mission. In the process, we create value for our customers and business.

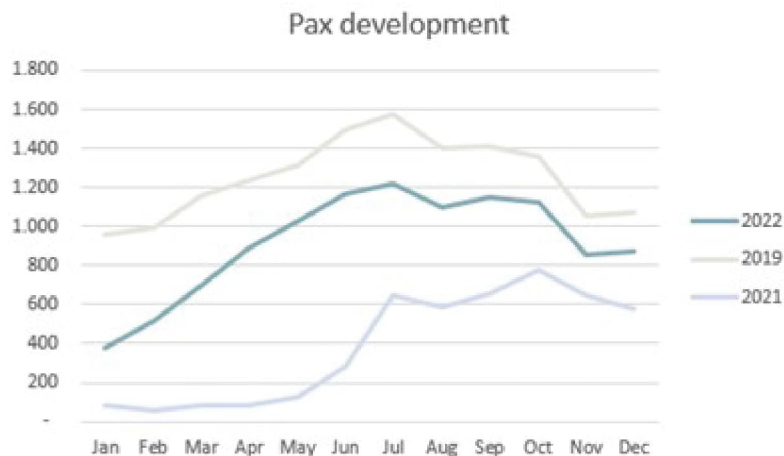
Management's review

Scaling up the business after years with Covid-19

As with the rest of the world, we were negatively affected by the Covid-19 pandemic for years. It had a huge impact on our operations and activity at Gebr. Heinemann Retail Denmark.

In 2022, passenger development returned to an upward trend, and in the year to date there have been almost 3 times as many passengers in Copenhagen Airport as compared to the same period in 2021. For the first 6 months in particular, the development was significant, with 4.5 times as many passengers; this is due to the extensive Corona closures that took place in 2021. From July 2021 the restrictions were gradually eased, which meant that the number of passengers from this point increased. To October 2022 has been at index 82.5 of 2019 level, which was the last year before the Corona pandemic.

Despite the positive trend, passenger numbers in 2022 will still be significantly lower than in 2019. The expected passenger level for the whole year is at index 72 of 2019. The large difference is particularly found at the beginning of the year, when Corona restrictions were still current.



As a consequence of the Corona pandemic and travel restrictions, Heinemann Retail had to close several of its stores in Copenhagen Airport early in 2022. Throughout 2022, the Main shop, Arrival shop and Pier shop A remained open during daytime hours. As Corona restrictions were lifted in Denmark and around the world, travel activity increased. It has therefore been economically justifiable to successively reopen the stores. In April, Pier shop B reopened; from June, we started to keep the Main shop open 24 hours, then the Arrival shop followed by staying open 24 hours from the month of July. Finally, Pier shop C and T3 opened in August. As there had been a total shutdown of all stores for the first 5 months of 2021, all sales comparisons are made with 2019. The net sales index is 71.6 and it is expected that the total sales in 2022 will end at index 72.0 compared to 2019.

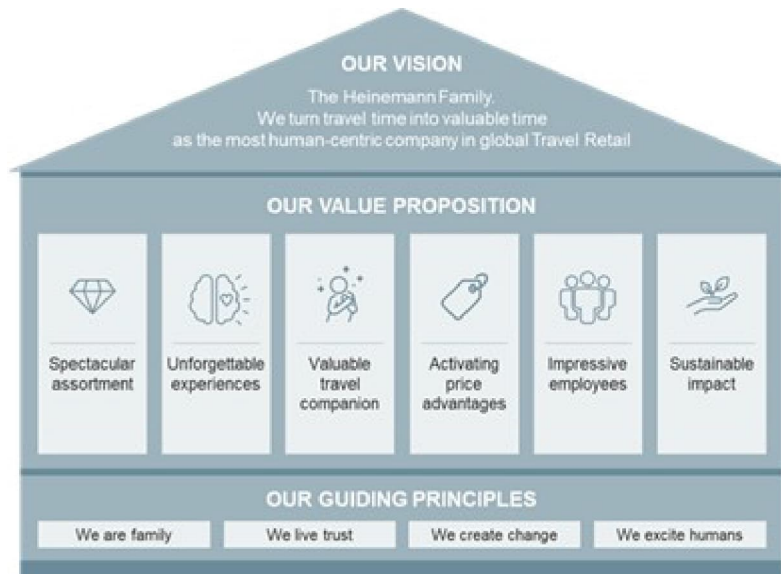
Management's review

Our mission statement, including our values and principles

Our strong service-minded culture cares for our employees and our customers, with both going hand-in-hand. This is also clearly portrayed in our company's mission statement.

Our vision: The Heinemann family. As the most human-centric company in global travel retail, we aim to turn travel time into valuable time.

Our mission: We want to live and breathe service, and create value in an inspiring and emotional way.



Gebr. Heinemann is a family-run company that stands for human experiences in the travel trade. Through our vision and principles, a basis is formed for everything the company does and believes.

The principles reflect the company's values ingrained in its history, which spans more than 140 years. This provides information to all employees across the globe and guides their actions. Family, trust, creating change and exciting people are among the core values upon which Gebr. Heinemann builds its business.

A new era of travel, and thus travel retail, has begun. The market places different demands on the travel industry than before. Digitisation, sustainability goals and the consequences of the coronavirus pandemic have heralded these changes.

Gebr. Heinemann plays a leading role in the global travel market, created through the company's willingness and ability to innovate, and we actively manage to shape change and make it future-proof. This refers to Gebr. Heinemann's mission statement: "We turn travel time into valuable time as the most human-centric company in global Travel Retail".

Gebr. Heinemann is above all characterised by two central forces. Our employees are our greatest asset. They make their mark on the company day in, day out. Our employees ensure that our customers like to buy our products, and that our partners value our services.

Our other great asset is our complete focus on the travellers' needs, and our willingness and dedication to fully understand what shoppers want and expect from us as a travel retailer. This will enable us to offer travellers across the globe even more entertaining, inspiring and sustainable shopping experiences in the future. In the future, we will continue our risk assessments on an annual basis, as well as communicate our guidelines and expectations regarding human rights to employees and business partners through our company guidelines.

Management's review

Introduction to our business model and corporate responsibility

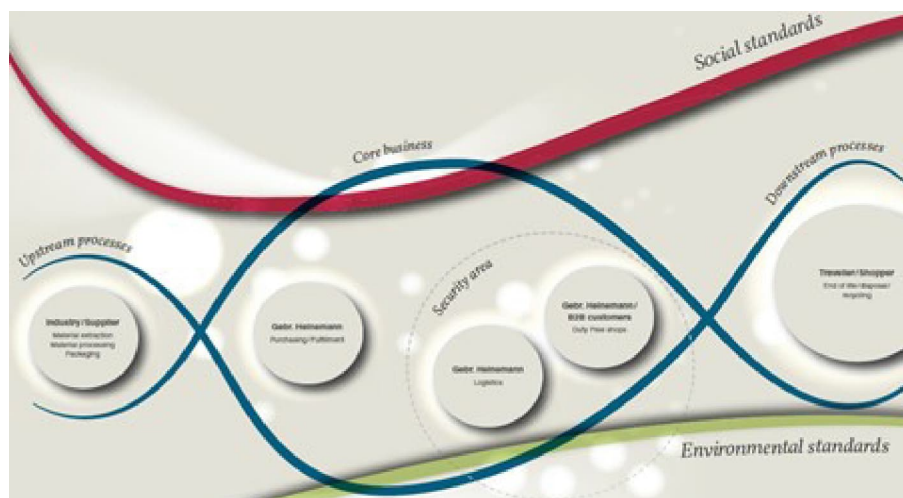
At Gebr. Heinemann Retail Denmark, we take corporate responsibility seriously. In the figure below, we briefly illustrate the value chain. It shows that our core business occurs in the middle of the value chain. As a retailer, we are influencers and get our inspiration from suppliers, customers and business partners, who at the same time are part of our value chain. The stakeholder dialogue is, therefore, of great importance. Besides individual dialogue, Gebr. Heinemann dedicates time to corporate responsibility, raising questions about social and environmental standards in upstream and downstream processes in industry associations, such as the Nordic Travel Retail Association, the European Travel Retail Confederation or the Travel Retail World Association. In addition to dialogue, it is also important to be aware of any human rights risks in the supply chain. In order to manage this, Gebr. Heinemann Retail Denmark conducted various risk assessments this year. On average, less than 5% of our products were classified as being of high risk.

Gebr. Heinemann Retail Denmark's core business is in areas which are subject to strict safety regulations. To ensure a responsible and secure supply chain and the integrity of all deliveries, we take particular care to prevent unauthorised third-party access at all process stages (e.g. storage, handling, packaging, transport). Our main methods are the implementation of access and admission controls, employee background checks and staff training. Our transportation partners also have to adopt similar measures.

The logistics centres are certified with ISO 14001 (environmental management) and ISO 45001 (health and safety management).

Our corporate responsibility strategy and reporting at Gebr. Heinemann Retail Denmark focuses on, but is not limited to, our duty-free stores at Copenhagen Airport (CPH), as they are our direct responsibility and thus where our ability to make a positive impact is greatest.

Any business which hopes to delight its stakeholders and customers alike has to keep reinventing itself. That is why our goal is to remain a driver of innovation and to continue to surprise and captivate the travelling public with extraordinary offerings, ideas and sustainable concepts.



Management's review

Our strategic approach to corporate responsibility

At Gebr. Heinemann Retail Denmark, we have adopted a strategic approach to corporate responsibility. The strategy focuses on minimising risks and enhancing the business potential of our retail business.

The purpose of the strategy is to create a strong link between corporate responsibility and our core business.

We have developed our corporate responsibility strategy on the basis of a materiality and risk assessment. We have, inter alia, assessed risks related to social and labour conditions, human rights, the environment and climate, as well as anti-corruption. We identified a risk related to social and employee conditions in our employees' lack of engagement.

Our materiality and risk assessment has helped us to focus our efforts on the issues most material to our core business and our key stakeholders.

Presentation of our code of ethics

We refer to Gebr. Heinemann's code of ethics in general terms, but our aim is to adopt a regional code of ethics which meets GH Retail Denmark's specific requirements.

The Gebr. Heinemann code of ethics sets out our core corporate values and rules of conduct. It adds the important message of sustainable and responsible action to our corporate philosophy, which serves as our guiding principle and the foundation upon which the success of our joint efforts has been built. Gebr. Heinemann is duty-bound to comply with accepted international environmental, legal and social standards, in particular the ten principles of the United Nations Global Compact (UNGC).



The code of ethics applies to all employees and business partners directly or indirectly associated with Gebr. Heinemann. Managers have a particular responsibility to foster ethical behaviour within their departments; they serve as role models and help their team members adhere to the code of ethics in their daily activities. The purpose of the code is also to guide Gebr. Heinemann's employees and business.

Management's review

Anti-corruption

We do not accept any form of corruption or bribery. Our systems and processes are certified to very high standards. At all times, we follow the anti-corruption guidelines agreed with our headquarters.



A risk related to anti-corruption is the exchange of gifts between suppliers and employees. We have therefore implemented a gift policy at Gebr. Heinemann Retail Denmark. The policy contains an internal approval process regarding the receiving of gifts from suppliers and, to protect our employees, we have also introduced documentation requirements.

Consideration for services provided by a third party must be proportionate. Overpayments could be used for unlawful purposes. It is prohibited for employees to hire or employ a public official or members of their immediate family, to improperly influence a public official, or to obtain an improper favour or benefit in exchange. In 2022, we did not register any instances of corruption or violations of the gift policy.

In 2022, we prevented Gebr. Heinemann Retail Denmark employees from being able to directly or indirectly offer, promise, grant money or anything of value through a third party, to a public official or business partner for the purpose of improperly influencing actions or obtaining an improper advantage.

Ethical rules apply to all employees and business partners directly or indirectly associated with Gebr. Heinemann Retail Denmark. Leaders and managers have a special responsibility to promote ethical conduct within their departments. They serve as role models and help their team members adhere to the ethical rules of their everyday activities. The purpose of the code is also to guide Gebr. Heinemann Retail Denmark employees and business partners in the management of legal and social risks in their daily business.

In the coming years, Gebr. Heinemann will continue to monitor breaches of our Anti-corruption Guidelines and gift policy.

Management's review

Our most valuable asset - our impressive employees

We respect and comply with the Universal Declaration of Human Rights (UDHR) of 1948.

At Gebr. Heinemann Retail Denmark we care about our employees, as they are at the heart of our operations.

We want to attract and retain the most skilled and engaged employees by focusing on a pleasant working culture. This means that we encourage our employees to grow by offering them pride, success, development, security, long-term prospects, a global family, and a team spirit, together with a common identity through our company values. Furthermore, we strive to have low employee turnover and low absence due to illness.

Absence due to illness is registered in our staffing system, from which statistics are drawn every month to follow up on sickness in line with our set absence policy.

In 2022 we increased our focus on employee well-being and trained managers to handle conversations and motivate employees.

We are still working towards our target of 4% overall sickness absence across the business.

With this goal, we can reduce costs and direct resources towards efforts to increase the focus on employee well-being, health and motivation. This would strengthen the company by reducing employee turnover, as measured by the percentage of employees who have left the company completely (i.e. excluding employees who simply changed department for development reasons). In 2022 we had a strong focus on sick leave, employee commitment and increasing employee well-being in the wake of a year comprising several lockdowns due to the Covid-19 crisis.

Our KPIs are calculated through our HR employee systems on a monthly basis, which includes all employees in the company. These are held up against the financial goals, and indicate which direction the management must focus on in order to influence the KPIs, and increase the well-being and social responsibility of our employees.

OUR EMPLOYEES	
SUMMARY OF RESULTS 2022 VERSUS 2021	
ABSENCE DUE TO ILLNESS:	
Absence due to illness 2022	5,52%
Absence due to illness 2021	6,59%
EMPLOYEE TURNOVER:	
Employee turnover 2022	33%
Employee turnover 2021	31%
KPIs are based on total headcounts	

Management's review

Work environment:

At Heinemann we pride ourselves on our global audience and strive to foster a diverse and inclusive work environment across all levels of our business.

In February 2022 we conducted our APV (work environment survey WES). The aim was to assess the business performance and employee satisfaction in regard to work culture, working conditions, and responsibilities. The survey was conducted anonymously with the results reviewed by the work environment committee and HR.

All employees are included in our KPIs for measuring both social and development areas.

The survey was answered by 94% of employees and showed that Heinemann employees overall are satisfied with their employment. Even so, we discovered areas for improvement focused on work environment, company communications and leadership training. Based on the APV, we have, among other things, worked on the following actions:

1. Updated and communicated our noise policy for the back-office
2. New ergonomic chairs at the cash registers
3. New lamps
4. Creation of an emergency list, when there is no manager present
5. We are still investigating the possibility of new ceiling ventilation in the stores

The survey also showed that there was a need for staff and management development. We have always focused intensively on the development of our employees and leaders/managers, but after the rapid increase in employees in the spring, we felt the need to offer additional training and education.

We have, among other things, offered the employees:

1. Extended Danish lessons
2. First Aid courses
3. Staff training sessions in ergonomics
4. A truck certificate for warehouse staff

We will continue to work with the findings of the report and in 2023 we will conduct a new health and safety audit to measure whether the actions implemented in 2022 have had an effect on the working environment in general.

Diversity and equal opportunities - more than a job:

Working at Gebr. Heinemann Retail Denmark is more than just a job. It is an opportunity to become part of a global family of 6,700 employees.

Gebr. Heinemann Retail Denmark seeks to create a sense of family spirit in the workplace and a feeling of making a difference together.

With our exchange program, Global Career Pool, all employees are offered the opportunity to go out into the world and work in our different outlets for shorter or longer periods of time.

This creates unique development opportunities professionally and personally.

At Gebr. Heinemann Retail Denmark we are strong supporters of equal opportunities for all and we have a non-discriminatory equality policy with a focus on the personal skills required for each job profile at all levels.

In 2022, we entered the Diversity Pact. The Diversity Pact is initiated by the Confederation of Danish Enterprise and Above and Beyond group.

By joining the Diversity Pact, we are sending a strong signal to the outside world that we support - and are consciously working to create - better framework conditions for the Danish labour market.

Gender and age distribution:

Gebr. Heinemann Retail Denmark focuses on diversity among employees in the company. We strive for an equal distribution of men and women but we still focus on hiring the most qualified employees. We are aware that there is currently an overall over-representation of women, which may be due to our large sales of perfumes and cosmetics primarily aimed at the female target group. In 2023 we will

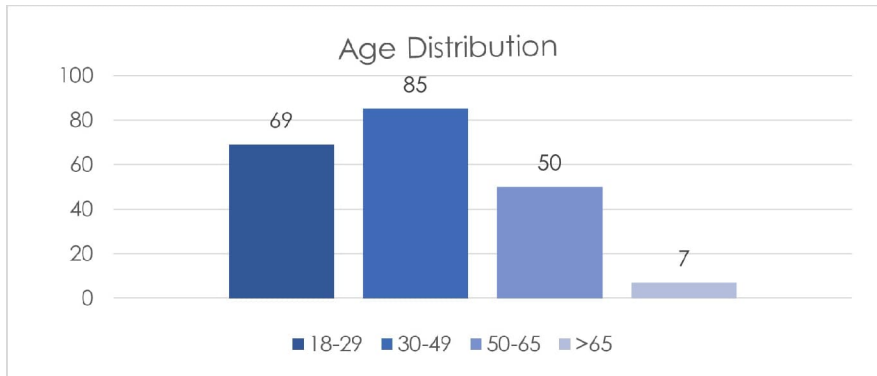
Management's review

increase our focus on equal representation in all departments.

DISTRIBUTION OF GENDER IN EACH DEPARTMENT 2022		
SALES	WAREHOUSE	BACKOFFICE
Women: 78.06%	Women: 7.14%	Women: 55.17%
Men: 21.94%	Men: 92.86%	Men: 44.83%

Despite our distinction between “men” and “women” in the distribution of gender, in 2022 we increased our focus on people who do not feel represented within binary definitions of gender. Amongst other things, we have provided the option not to disclose gender in our recruitment process. This is a focus we will retain in 2023.

Gebr. Heinemann Retail Denmark believes that this partly ensures a good working environment and partly helps to make the company more competitive. We have a very diverse team, including employees from many different backgrounds and nationalities. We strive to ensure that women and men have equal opportunities within the company.



Flexible working arrangements help employees achieve a balance between work and their personal lives, whilst taking business needs into consideration.

Our ability to adapt to the individual helps us to ensure an even age distribution among our employees.

We work with a dedicated HR effort that promotes inclusiveness and understanding of each other's differences. We see diversity as the way to do better together and we recruit on a broad and inclusive basis.

Having talented employees of different genders, nationalities and ages is crucial to our success in creating a diverse workplace, where our diverse human and professional skills enhance creativity, well-being and the desire to stay with us for many years.

Management's review

Responsible products

We strive to do better every year. 2022 was the year in which we delivered on many of our sustainability goals.

We focused more on local buying than in the previous years and this has taken us in the right direction when it comes to developing a more responsible supply chain.

By creating new and innovative shopping areas for all categories and supporting local brands, we have brought ourselves closer to achieving our aims in regard to our responsibilities.

At Gebr. Heinemann Retail Denmark, we follow market trends closely in order to ensure that we are always prepared to meet our customers' demands.

We are creating awareness for responsible products, such as high-quality products that are good for both the body and the environment, as part of our Clean Beauty concept. This initiative also allows companies to promote their sophisticated products on the international stage. The same applies for certified organic products.

Local heroes:

A local example is Simply Chocolate, a Danish company that offers 'chocolate that tastes of a better life'. They are part of Cocoa Horizons, a non-profit organisation supporting cocoa farmers in Africa. They offer individual farmers and the whole local community greater opportunities to have a better life. They even use solar energy for their production as a sustainable energy source.

We place especial emphasis on sustainability in our local market. Aiming to offer our customers an attractive product assortment, we are in constant dialogue with our suppliers to raise awareness of more sustainable products, such as products made from recycled materials.

From a CSR perspective, we have switched to local suppliers in order to decrease the footprint on the environment significantly.

Responsible consumption:

We are facing a trend in alcohol-free spirits (NoLo). We see more people choosing the non-alcoholic option – such as non-alcoholic wine, premixed drinks, spirits, beer, etc. – and we are supporting this in a dedicated area in our stores.

We are working on local success for 2022 with ISH Spirits, who will deliver spirits, wine, sparkling wine and RTD with no alcohol.

We also sell spirits and tobacco in our stores and are committed to supporting a culture of responsible consumption of these products. We apply the ETRC's (European Travel Retail Confederation) Alcohol Code of Conduct for Duty-Free and Travel Retail Sales of Alcohol.

At the same time, international suppliers are delivering on their sustainability goals. More suppliers are choosing to change their packaging from conventional to biodegradable or recycled packaging.

Sugar confectionary suppliers are also increasing their focus on responsible products by focusing on vegan, gluten-free and low-sugar (~30%) options.

Sustainable products from responsible suppliers:

Toblerone earned the award for best sustainable supplier in the travel retail market for their chocolate bars. Their bars are an ideal snack for travellers who are looking for a treat that is good for both people and the planet, made from 100% sustainable cocoa sourced through Mondelez International's Cocoa Life programme. The packaging is designed to be recyclable and features the Cocoa Life logo to highlight its sustainability credentials to customers.

Management's review

Under the umbrella 'Future Friendly', we are set to highlight even more brands in the coming years, creating an upgraded area in our shops for products that are, for example, socially and environmentally friendly, or cosmetics that are free from hazardous ingredients. Danish brands like Moms in Love, Woods and Bodyologist, together with REN from the UK, are among the brands we are going to be presenting in this area.

Energy efficiency

Copenhagen Airport collects data on energy consumption at the airport. Thanks to our collaboration with them, we can continuously monitor our energy consumption to identify potential savings. At Gebr. Heinemann, therefore, we collect data linked to the energy use in our stores.

With the energy crisis in Europe in 2022, we are paying extra attention to reducing our energy consumption.

We are working with the airport to seek all possible improvements to ensure that there is energy for everyone all day.

Some of the measures we have introduced are:

1. Refurbishment of our lighting installations, creating time-controlled zones, reducing light sources and optimizing the working environment. The new lighting installation has made a decrease of 15.600 Kwt since August 2022.
2. Dismantling of 2 large refrigerated containers. The refrigerated containers were dismantled August 2022 with a decrease of 14.400 Kwt.

In the financial year 2022 we have eliminated 30.000 Kwt of consumption, saving the environment 4.05 tons of CO₂. The calculation is carried out using the Danish Official calculation formula of 135 gr. Co₂ per produced Kwt.

The next thing we will reduce is our sale cooling system, where we expect to make a large saving in CO₂ emissions.

Approximately 95% of our products are distributed by the Gebr. Heinemann group distribution centre in Hamburg. Our logistics are based on the just-in-time principle. The logistics are optimised for fewer deliveries – meaning more products are stacked. Gebr. Heinemann group is responsible for transportation from the distribution centre to our stores at Copenhagen Airport. Thus, transport is outside the scope of this report.

The transport from our local warehouse is optimized by filling up the truck completely, instead of making small deliveries.

We have also concentrated our warehouse in one location where we already have a lot of transport. In that way can we avoid an empty truck driving between us and the warehouses.

We have also increased the number of local suppliers by about 50% since January. In this way, we have shifted a proportion of sales to Danish products.

Management's review

Waste management

When selling large quantities of products, it is inevitable that a vast amount of waste is produced.

Today, a great effort is made to sort cardboard and plastic packaging. In a continuous dialogue with Copenhagen Airport, we seek to optimise our waste management by strategically placing waste stations around the airport, making waste separation much more effective.

Hazardous waste:

In a company selling perfume and cosmetics, there will always be a lot of waste comprising mixed plastic, glass, metal and many different chemicals.

We have entered into an agreement with Copenhagen Airport whereby all our combined hazardous waste is sent for appropriate disposal. This is done by means of ultra-high-temperature incineration, in which everything is destroyed as gently as possible for the environment.

Reduction of single-use plastics:

To reduce plastic consumption as much as possible in the company, we have removed plastic coffee cups from our canteen and replaced them with mugs, meaning a reduction in the plastic load of 80,000 plastic cups annually.

Printing paper:

We have succeeded in reducing printed paper due to new printers and a 'Follow Me' paper-reduction system, in which our users have to re-evaluate the amount of paper they use.

We still have a large number of prints that are automatically printed from our suppliers.

We have been working on changing this in 2022, as it would create a huge reduction in paper consumption. The work will continue in 2023.

Paper waste from printer and office areas is collected and included in the airport's strategy for collection, recycling and waste separation.

Management's review

Fairtrade, ecology and donations

Work is being done to phase out or replace products that are environmentally harmful.

In 2022, we entered into an agreement with our coffee supplier on a more sustainable concept.

We have chosen to work with DBC Coffee A/S because their products are sustainable and are Rainforest Alliance Certificated.

Rainforest Alliance is an international non-profit organization that focuses on protecting the world's forests. The organization is doing important work to ensure sustainable coffee production and we want to support their work. When you buy coffee with the Rainforest Alliance label, you contribute to sustainable development.

Sustainable cleaning consumables:

In 2022, we reviewed the entirety of cleaning consumables in the company.

All cleaning products are free of perfumes and environmentally harmful substances.

Plastic bags:

One of our most relevant impacts on the environment is the use of plastic bags in our shops. Our ambition is to phase out the plastic bag with a more sustainable option, either in the form of recycled materials, or a quickly renewable material such as bamboo or other natural fibres.

Heinemann Retail is working to find a sustainable solution instead of continuing the sale of plastic bags. Until the new solution is implemented, we have chosen to donate the profit from the sale of plastic bags to the NGO Plastic Change.

Plastic Change works internationally to raise awareness of the consequences of the growing plastic pollution in the oceans and the environment in general.

Together with Plastic Change, we will continue our work to focus on plastic and hopefully contribute to creating positive purchasing patterns amongst our customers in the future.

In 2022 we donated 1,339,412 DKK.

Our social and local commitment

Social and local commitment is an important area of focus for Gebr. Heinemann Retail Denmark. We have a positive impact on Danish society. We are involved locally and we contribute to society in terms of job creation and tax payments. We have internal procedures in place to ensure that we pay our taxes according to national legislation. For a number of years, we have been raising money for the work done by the Danish Children's Cancer Foundation in collaboration with Spaniel Display. In front of our main shop, we have two collection boxes where the customers can make a donation. One, as mentioned, is for the Danish Children's Cancer Foundation and the other is for the volunteer organisation Girl Talk, which is a non-profit organisation for girls aged between 12 and 24 years who need someone to talk to when they don't know who to turn to.

Thank you for reading our CSR report.

We respectfully emphasise that our CSR report only represents the initiatives and thoughts of Gebr. Heinemann Retail Denmark management group in Copenhagen, Denmark.

Management's review

Account of the gender composition of Management

Gebr. Heinemann aims at a balanced distribution among employees in leadership positions and is currently composed of 40%male and 60%female members. There is no executive board in the company and there is only one director. There will continue to be a focus on maintaining gender balance in management positions. To this end, all are offered equal opportunities in relevant training and development.

By offering training to our leaders/managers and employees, we not only build the competencies of our employees, but also ensure that they are better suited to giving our customers the best service and experience.

By means of staff and leadership training, we are able to secure the ongoing development of our team's competencies and make them more involved in the future of Gebr. Heinemann Retail Denmark.

In 2022 we started the leadership training programme Start-up! for all shop managers.

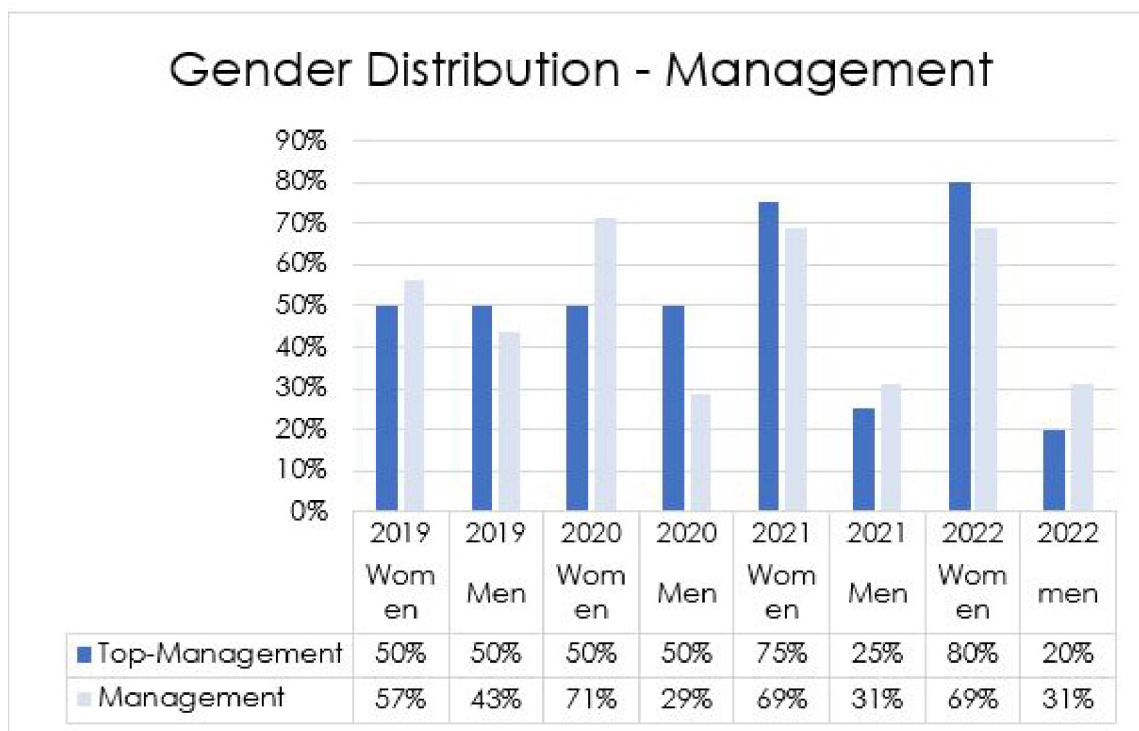
The leadership training programme is based on four basic approaches:

1. Leading self
2. Leading others
3. Leading conflicts
4. Leading the business

For all four approaches, Start-up! provides a framework for creating a common understanding of what management involves and how organisations can work to 'generate' management.

In addition, they are all based on the four key assumptions in the leadership programme:

- Right management at the right level
- Any change in management level involves a transition
- Management development is a management responsibility



*Management is defined as persons with personnel responsibility

Management's review

Data ethics

We are continuously working on updating our politics, and in 2022 we based our work with data ethics on the "Dataetiske Kompas" from the Danish "Dataetisk Råd", in the following areas: Self-determination, Dignity, Responsibility, Equality and Justice, Progressivity and Diversity.

Our target for ethical data behaviour is to use data responsibly at all times and create transparency in the way we collect, handle and exchange data. Our ethical data behaviour must contribute positively to the safety of the costumer, and ensure that the data they provide to Gebr. Heinemann APS is the costumer's own data and is handled in accordance with the legal framework.

The data used can be both personally identifiable and not personally identifiable. The data is primarily related to our delivery of FMCG products and home delivery services. We will only use data that is collected: 1) directly from the costumer 2) from valid sources, which the costumer has been informed about 3) from publicly available data. Collected data is primarily used for statistics, analysis and development in order to optimize our delivery of products and services.

New technologies, such as artificial intelligence, will only be used to a limited extent, and use of these technologies will only be to optimize the delivery of our products and services in accordance with the above mentioned "Dataetiske Kompas".

The employees of Gebr. Heinemann ApS contribute to an ethical and responsible use of data, both personally identifiable and other data. To ensure that all employees are well informed about data ethics, data safety and correct use of data that is personally identifiable and other data, we work continuously with training and education. In 2022, the training of managers and employees, as well as data processes, are still areas of focus.

The overall responsibility to correctly inform managers and employees on how to handle data, and new initiatives to ensure the appropriate handling of data, sits with the Steering Group. The responsibility to integrate data ethics on a daily basis is the responsibility of managers of the relevant entities. This is ensured by establishing relevant business procedures and processes for their implementation within the departments responsible.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Outlook

2023 is still effected by COVID-19, and now also the unfortunate war in Ukraine, but we are seeing an increasing passenger level. We therefore expect a positive net profit of 26 mill. DKK, if we take the current travel situation for 2023 into consideration. Passenger level of 2019 is not forecasted back before year 2024.

We are constantly adjusting and improving our business to accommodate the effects of the COVID-19 situation, and on a good path in building up the business again. The expected improvements of the overall business are an continuing implementation of numerous initiatives to increase the gross margin and turnover, and full focus on cost efficiency, based on a the expectations of passenger numbers departing out of Copenhagen Airport.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
2	Revenue	757,037	299,141
	Cost of sales	-319,802	-135,808
4	Other operating income	15,830	67,704
3	Other external expenses	-358,011	-160,656
	Gross profit	95,054	70,381
5	Staff costs	-46,896	-38,011
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-7,438	-8,988
	Profit before net financials	40,720	23,382
6	Financial income	862	252
7	Financial expenses	-1,655	-887
	Profit before tax	39,927	22,747
8	Tax for the year	-8,777	-4,572
	Profit for the year	31,150	18,175

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Acquired intangible assets	1	4
	Goodwill	219	407
		<u>220</u>	<u>411</u>
10	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	13,647	20,484
	Leasehold improvements	443	505
		<u>14,090</u>	<u>20,989</u>
	Total fixed assets	<u>14,310</u>	<u>21,400</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	21,865	14,785
		<u>21,865</u>	<u>14,785</u>
	Receivables		
	Receivables from group entities	28,391	5,767
13	Deferred tax assets	2,016	2,692
	Other receivables	11,124	42,765
11	Prepayments	22,558	30,777
		<u>64,089</u>	<u>82,001</u>
	Cash	174,566	105,929
	Total non-fixed assets	<u>260,520</u>	<u>202,715</u>
	TOTAL ASSETS	<u><u>274,830</u></u>	<u><u>224,115</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	31,000	31,000
	Retained earnings	165,305	134,155
	Total equity	<u>196,305</u>	<u>165,155</u>
	Provisions		
	Other provisions	4,419	3,684
14	Total provisions	<u>4,419</u>	<u>3,684</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Prepayments	0	18,595
		<u>0</u>	<u>18,595</u>
	Current liabilities other than provisions		
	Trade payables	40,012	25,279
	Income taxes payable	2,582	964
	Other payables	12,917	10,438
	Prepayments	18,595	0
		<u>74,106</u>	<u>36,681</u>
	Total liabilities other than provisions	<u>74,106</u>	<u>55,276</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>274,830</u></u>	<u><u>224,115</u></u>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2022	31,000	134,155	165,155
18	Transfer, see "Appropriation of profit"	0	31,150	31,150
	Equity at 31 December 2022	31,000	165,305	196,305

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2022	2021
	Profit for the year	31,150	18,175
19	Adjustments	18,055	24,427
	Cash generated from operations (operating activities)	49,205	42,602
20	Changes in working capital	20,630	-11,268
	Cash generated from operations (operating activities)	69,835	31,334
	Interest paid, etc.	-793	-625
	Cash flows from operating activities	69,042	30,709
	Additions of property, plant and equipment	-405	-731
	Cash flows to investing activities	-405	-731
	Proceeds of long-term liabilities	0	18,595
	Cash flows from financing activities	0	18,595
	Net cash flow	68,637	48,573
	Cash and cash equivalents at 1 January	105,929	57,356
21	Cash and cash equivalents at 31 December	174,566	105,929

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Gebr. Heinemann Retail ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue at the time of delivery and when risks passes to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, concession fee, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/ depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
Goodwill	5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

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

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	1-7 years
Leasehold improvements	1-7 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period of 5 years.

Other intangible assets include other acquired intangible assets.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment of fixed assets

Intangible assets and property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the weighted average cost method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

The company has chosen IAS 39 as interpretation for impairment of financial receivables.

Prepayments

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

Prepayments recognised under "Liabilities" comprise payments received concerning the subsequent financial reporting years.

Cash

Cash comprise cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Provisions

Provisions comprise expected expenses relating to leasehold restoration. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
2 Segment information		
Breakdown of revenue by business segment:		
Retail	757,037	299,141
	<u>757,037</u>	<u>299,141</u>
Breakdown of revenue by geographical segment:		
Denmark	757,037	299,141
	<u>757,037</u>	<u>299,141</u>
<p>The Company only has one geographical segment which is sale of products from Copenhagen Airport (only Retail) why no further segment information is disclosed.</p>		
DKK'000	2022	2021
3 Fee to the auditors appointed in general meeting		
Statutory audit	388	312
Assurance engagements	159	77
Tax assistance	249	190
Other assistance	191	508
	<u>987</u>	<u>1,087</u>
4 Other operating income		
Advertising income	9,883	4,108
Other operating income	3,201	2,332
State aid	2,746	61,258
Gain on the sale of property, plant and equipment	0	6
	<u>15,830</u>	<u>67,704</u>
5 Staff costs		
Wages/ salaries	40,137	32,197
Pensions	5,268	4,535
Other social security costs	1,268	1,014
Other staff costs	223	265
	<u>46,896</u>	<u>38,011</u>
Average number of full-time employees	<u>161</u>	<u>131</u>

Pursuant to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021	
6 Financial income			
Exchange gain	862	252	
	<u>862</u>	<u>252</u>	
7 Financial expenses			
Interest expenses, group entities	51	70	
Exchange losses	479	129	
Other financial expenses	1,125	688	
	<u>1,655</u>	<u>887</u>	
8 Tax for the year			
Estimated tax charge for the year	8,101	1,264	
Deferred tax adjustments in the year	676	3,308	
	<u>8,777</u>	<u>4,572</u>	
9 Intangible assets			
DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2022	704	677	1,381
Cost at 31 December 2022	704	677	1,381
Impairment losses and amortisation at 1 January 2022	700	270	970
Amortisation/depreciation in the year	3	188	191
Impairment losses and amortisation at 31 December 2022	703	458	1,161
Carrying amount at 31 December 2022	<u>1</u>	<u>219</u>	<u>220</u>
10 Property, plant and equipment			
DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	94,676	13,645	108,321
Additions in the year	295	110	405
Disposals in the year	-99	0	-99
Cost at 31 December 2022	<u>94,872</u>	<u>13,755</u>	<u>108,627</u>
Impairment losses and depreciation at 1 January 2022	74,192	13,140	87,332
Impairment losses in the year	7,076	172	7,248
Reversal of amortisation/depreciation and impairment of disposals	-43	0	-43
Impairment losses and depreciation at 31 December 2022	<u>81,225</u>	<u>13,312</u>	<u>94,537</u>
Carrying amount at 31 December 2022	<u>13,647</u>	<u>443</u>	<u>14,090</u>

Financial statements 1 January - 31 December

Notes to the financial statements

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including concession fee which is recognised in the income statement on a straight-line basis starting from 1 March 2018. The concession contract terminates on 28 February 2025.

12 Share capital

The Company's share capital has remained DKK 31,000 thousand over the past 5 years.

DKK'000	2022	2021
13 Deferred tax		
Deferred tax at 1 January	-2,692	-6,000
Adjustments to profit/loss for the year	676	3,308
Deferred tax at 31 December	-2,016	-2,692

Deferred tax as of 31 December 2022 consist of temporary differences.

14 Provisions

Other provisions consist of provisions for re-establishment obligations, totalling DKK 4,419 thousand, which are due at the termination of the existing concession contract on 28 February 2025.

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2022	2021
Other contingent liabilities	705,224	953,375
	705,224	953,375

Other contingent liabilities consist of a concession agreement which gives the Company the right to carry on trade at Copenhagen Airports, but which also imposes obligations on the Company through to expiry of the contract on 28 February 2025.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2022	2021
Rent and lease liabilities	3,194	3,026

Rent payments concern a contract which is non-cancellable until 28 February 2025.

16 Collateral

No assets were pledged as collateral or otherwise charged at 31 December 2022.

Financial statements 1 January - 31 December

Notes to the financial statements

17 Related parties

Gebr. Heinemann Retail ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Gebr. Heinemann SE & Co. KG	Koreastraße 3, Hamburg, Germany	Participating interest (sole shareholder)

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Gebr. Heinemann SE & Co. KG	Koreastraße 3, Hamburg, Germany	+49 40 301020

Related party transactions

Gebr. Heinemann Retail ApS was engaged in the below related party transactions:

DKK'000	2022	2021
Purchase of goods from Parent Company	268,622	121,857
Management fee to Parent Company	8,417	6,792
Income from parent company	53,257	22,807
Receivables from Parent Company	28,391	5,767
18 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	31,150	18,175
	<u>31,150</u>	<u>18,175</u>
19 Adjustments		
Amortisation/depreciation and impairment losses	7,438	8,988
Financial expenses	793	625
Changes in deferred tax	676	3,308
Adjustment of prepayment	8,820	11,500
Other adjustments	328	6
	<u>18,055</u>	<u>24,427</u>
20 Changes in working capital		
Change in inventories	-7,080	-6,068
Change in receivables	30,770	-19,882
Change in trade and other payables	19,564	770
Change in working capital from group entities	-22,624	13,912
	<u>20,630</u>	<u>-11,268</u>
21 Cash and cash equivalents at year-end		
Cash according to the balance sheet	174,566	105,929
	<u>174,566</u>	<u>105,929</u>

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"By my signature I confirm all dates and content in this document."

Katrin Bamler

CEO

On behalf of: Gebr. Heinemann Retail ApS

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2023-05-31 17:19:38 UTC



Katrin Bamler

Chairman of the meeting

On behalf of: Gebr. Heinemann Retail ApS

Serial number: 0eafdce9-7e9b-431d-bba7-a04e129ce84e

IP: 77.241.xxx.xxx

2023-05-31 17:19:38 UTC



Henrik West Rohden Pedersen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: be28c3ef-63c3-4030-ab1f-5b23aee164af

IP: 145.62.xxx.xxx

2023-06-01 07:03:02 UTC



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State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:95989365

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