

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 2021

Approved at the Company's annual general meeting on 31 May 2022

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 2021.

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 2021 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

Further, in my opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Kastrup, 31 May 2022
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 2021, 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 2021 and of the results of the Company's operations as well as the cash flows 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 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' 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 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne33717

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	2021	2020	2019	2018	2017
Key figures					
Revenue	299,141	263,313	1,043,484	1,031,177	1,041,292
Gross profit	70,381	64,128	130,527	116,968	117,232
Net financials	-635	-393	252	-270	-103
Profit/loss before tax	22,747	-25,301	33,704	15,710	7,203
Profit/loss for the year	18,175	-19,890	26,145	14,967	3,770
Balance sheet					
Total assets	223,150	185,611	238,699	216,932	202,271
Investment in property, plant and equipment	-731	-15	-6,307	-48,008	-12,560
Equity	165,154	146,979	166,869	140,724	125,757
Financial ratios					
Operating margin	7.8%	-9.5%	3.2%	1.5 %	0.7 %
Gross margin	23.5%	24.4%	12.5%	11.3%	11.3%
Return on assets	-21.7%	-45.9%	5.2%	-2.0%	-6.4%
Equity ratio	74.0%	79.2%	69.9%	64.9%	62.2%
Average number of full-time employees					
	131	248	280	317	308

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 2021 shows a profit of DKK 18,175 thousand against a loss of DKK 19,890 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 165,154 thousand. The increase in profit is due to a slightly higher activity and decrease in staff costs.

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 has a CSR policy which describes the principles and values which the Company follows. For the statutory CSR report, please refer to Appendix 1.

Account of the gender composition of Management, cf. §99b

The Company does not have a Board of Directors.

In the financial year 2021, the uppermost leadership level in Gebr. Heinemann Retail Denmark consisted of one person.

Management's review

Data ethics

We are continuously working on updating our politics, and in 2021 we have 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 Data ethical behaviour, is at any time, to have a responsible usage of data and create transparency in the way we collect data, handle data and exchange data. Our data ethical behaviour must contribute positively to the safety of the costumer, and that the data they provide to Gebr. Heinemann APS, is the costumers own data and is handled in accordance to the legal framework.

The data used can be both personally identifiable and not personally identifiable. The data is primarily related to our deliverance of FMCG products and home delivery services. We will only use data that is collected; i) Directly from the costumer ii) Valid sources, which the costumer has been informed about iii) Publicly available data. Collected data is primarily used to statistics, analysis and development in order to optimize our delivery of products and services.

New technologies such as artificial intelligence etc., will only be used to limited extend, and usage of these technologies will only be to optimize our deliverance of products and services in accordance to the above mentioned "Dataetiske Kompas".

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

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

Events after the balance sheet date

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

Outlook

2022 is still highly effected by COVID 19, but we are seeing an increasing passenger level. We therefore expect a positive Net profit of 8 mio. DKK, if we take the current border and travel situation for 2022 into consideration. Travel behaviour is not forecasted back to normal before year 2023 2024. We are constantly adjusting and improving our business to accommodate the new COVID 19 situation, and are preparing the business for the COVID 19 effects, and in the years following. The expected improvements of the overall business are 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	2021	2020
2	Revenue	299,141	263,313
	Cost of sales	-135,808	-120,717
3	Other operating income	67,704	72,470
	Other external expenses	-160,656	-150,938
	Gross profit	70,381	64,128
4	Staff costs	-38,011	-74,930
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-8,988	-14,106
	Profit/ loss before net financials	23,382	-24,908
5	Financial income	252	1,422
6	Financial expenses	-887	-1,815
	Profit/ loss before tax	22,747	-25,301
7	Tax for the year	-4,572	5,411
	Profit/ loss for the year	18,175	-19,890

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Acquired intangible assets	4	7
	Goodwill	407	594
		<u>411</u>	<u>601</u>
9	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	20,484	28,337
	Leasehold improvements	505	718
		<u>20,989</u>	<u>29,055</u>
	Total fixed assets	<u>21,400</u>	<u>29,656</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	14,785	8,717
		<u>14,785</u>	<u>8,717</u>
	Receivables		
	Receivables from group entities	5,767	19,679
12	Deferred tax assets	2,692	6,000
	Other receivables	41,800	22,415
10	Prepayments	30,777	41,788
		<u>81,036</u>	<u>89,882</u>
	Cash	105,929	57,356
	Total non-fixed assets	<u>201,750</u>	<u>155,955</u>
	TOTAL ASSETS	<u><u>223,150</u></u>	<u><u>185,611</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	31,000	31,000
	Retained earnings	134,154	115,979
	Total equity	<u>165,154</u>	<u>146,979</u>
	Provisions		
	Other provisions	3,684	3,684
14	Total provisions	<u>3,684</u>	<u>3,684</u>
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Prepayments	18,595	0
		<u>18,595</u>	<u>0</u>
	Current liabilities other than provisions		
	Trade payables	25,280	7,543
	Income taxes payable	964	0
	Other payables	9,473	27,405
		<u>35,717</u>	<u>34,948</u>
	Total liabilities other than provisions	<u>54,312</u>	<u>34,948</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>223,150</u></u>	<u><u>185,611</u></u>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting
- 19 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2021	31,000	115,979	146,979
19	Transfer, see "Appropriation of profit/loss"	0	18,175	18,175
	Equity at 31 December 2021	31,000	134,154	165,154

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2021	2020
	Profit/loss for the year	18,175	-19,890
20	Adjustments	24,427	27,484
	Cash generated from operations (operating activities)	42,602	7,594
21	Changes in working capital	-11,268	-11,250
	Cash generated from operations (operating activities)	31,334	-3,656
	Interest paid, etc.	-625	393
	Cash flows from operating activities	30,709	-3,263
	Additions of intangible assets	0	-677
	Additions of property, plant and equipment	-731	-15
	Cash flows to investing activities	-731	-692
	Proceeds of long-term liabilities	18,595	0
	Cash flows from financing activities	18,595	0
	Net cash flow	48,573	-3,955
	Cash and cash equivalents at 1 January	57,356	61,311
22	Cash and cash equivalents at 31 December	105,929	57,356

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Gebr. Heinemann Retail ApS for 2021 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

The item comprises amortisation/depreciation 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	7 years
Leasehold improvements	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	2021	2020
2 Segment information		
Breakdown of revenue by business segment:		
Retail	299,141	263,313
	<u>299,141</u>	<u>263,313</u>
Breakdown of revenue by geographical segment:		
Denmark	299,141	263,313
	<u>299,141</u>	<u>263,313</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>		
3 Other operating income		
Advertising income	4,108	4,339
Other operating income	2,332	3,096
State aid	61,258	65,359
Gain on the sale of property, plant and equipment	6	-324
	<u>67,704</u>	<u>72,470</u>
4 Staff costs		
Wages/salaries	32,197	61,349
Pensions	4,535	7,710
Other social security costs	1,014	1,523
Other staff costs	265	4,348
	<u>38,011</u>	<u>74,930</u>
Average number of full-time employees	<u>131</u>	<u>248</u>
<p>Pursuant to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed in 2021. Total remuneration to Management in 2020 amounted to DKK 1,410 thousand.</p>		
DKK'000	2021	2020
5 Financial income		
Exchange gain	252	1,422
	<u>252</u>	<u>1,422</u>
6 Financial expenses		
Interest expenses, group entities	70	320
Exchange losses	817	1,495
	<u>887</u>	<u>1,815</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2021	2020
7 Tax for the year		
Estimated tax charge for the year	1,264	0
Deferred tax adjustments in the year	3,308	-5,141
Tax adjustments, prior years	0	-270
	<u>4,572</u>	<u>-5,411</u>

8 Intangible assets

DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2021	704	677	1,381
Cost at 31 December 2021	704	677	1,381
Impairment losses and amortisation at 1 January 2021	697	83	780
Amortisation/depreciation in the year	3	187	190
Impairment losses and amortisation at 31 December 2021	700	270	970
Carrying amount at 31 December 2021	<u>4</u>	<u>407</u>	<u>411</u>

9 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	94,093	13,645	107,738
Additions in the year	731	0	731
Disposals in the year	-148	0	-148
Cost at 31 December 2021	94,676	13,645	108,321
Impairment losses and depreciation at 1 January 2021	65,756	12,927	78,683
Amortisation/depreciation in the year	8,584	213	8,797
Amortisation/depreciation and impairment of disposals in the year	-148	0	-148
Impairment losses and depreciation at 31 December 2021	74,192	13,140	87,332
Carrying amount at 31 December 2021	<u>20,484</u>	<u>505</u>	<u>20,989</u>

10 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.

11 Share capital

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

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2021	2020
12 Deferred tax		
Deferred tax at 1 January	-6,000	-859
Adjustments to profit/loss for the year	3,308	-5,141
Deferred tax at 31 December	-2,692	-6,000

Deferred tax recognised in 2021 is expected to be utilised within 3-5 years. This is based on the budget earnings for the years 2022-2025.

13 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Prepayments	18,595	0	18,595	0
	18,595	0	18,595	0

14 Provisions

Other provisions consist of provisions for re-establishment obligations, totalling DKK 3,684 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	2021	2020
Other contingent liabilities	953,375	1,438,250
	953,375	1,438,250

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	2021	2020
Rent and lease liabilities	3,026	4,318

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 2021.

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

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

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
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:

<u>DKK'000</u>	<u>2021</u>	<u>2020</u>
Purchase of goods from Parent Company	121,857	87,732
Management fee to Parent Company	6,792	7,536
Income from parent company	22,807	41,453
Receivables from Parent Company	5,767	22,387

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

<u>DKK'000</u>	<u>2021</u>	<u>2020</u>
18 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	312	242
Assurance engagements	77	68
Tax assistance	190	175
Other assistance	508	512
	<u>1,087</u>	<u>997</u>
19 Appropriation of profit/ loss		
Recommended appropriation of profit/ loss		
Retained earnings/ accumulated loss	18,175	-19,890
	<u>18,175</u>	<u>-19,890</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2021	2020
20 Adjustments		
Amortisation/depreciation and impairment losses	8,988	14,106
Financial expenses	625	393
Tax for the year	3,308	-5,411
Adjustment of prepayment	11,500	18,596
Other adjustments	6	-200
	<u>24,427</u>	<u>27,484</u>
21 Changes in working capital		
Change in inventories	-6,068	16,202
Change in receivables	-19,882	-11,558
Change in trade and other payables	770	-33,199
Change in working capital from group entities	13,912	17,305
	<u>-11,268</u>	<u>-11,250</u>
22 Cash and cash equivalents at year-end		
Cash according to the balance sheet	105,929	57,356
	<u>105,929</u>	<u>57,356</u>

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Katrin Bamler

Executive Board

På vegne af: Gebr. Heinemann Retail ApS
Serienummer: CVR:29605556-RID:31006792
IP: 165.225.xxx.xxx
2022-05-31 09:05:31 UTC

NEM ID 

Katrin Bamler

Chair of the meeting

På vegne af: Gebr. Heinemann Retail ApS
Serienummer: CVR:29605556-RID:31006792
IP: 165.225.xxx.xxx
2022-05-31 09:05:31 UTC

NEM ID 

Jan C Olsen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:28761615
IP: 165.225.xxx.xxx
2022-05-31 10:01:38 UTC

NEM ID 

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Gebr. Heinemann Retail Denmark

Corporate Responsibility Report 2021

Dear Readers,

We are Gebr. Heinemann Retail ApS. At the end of 2021, our team consisted of 152 employees. Our main business consists of six duty-free shops at Copenhagen Airport, but we also support the retail operations on around 21 ferries with everything connected to the sale of perfumes and cosmetics. We are part of the globally active Gebr. Heinemann group, headquartered in Hamburg, Germany. 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 100 countries, operating almost 600 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 200 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 7,400 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 has had a massively negative impact on the whole travel industry. With travel restrictions, closed borders and lockdowns during the years in almost all countries, the 2021 flight traffic at Copenhagen Airport was limited in total to 24.9% of the 2019 level. We had to close our shops on 25 December 2020 and reopened on 1 June 2021. We had very much hoped to get back on our feet again in 2021 after the tough year of 2020; we did see a temporary recovery in the summer, due to the EU Covid Certificate, vaccinations and eased restrictions, but unfortunately the end of 2021 was negatively affected by the Omicron variant. You will be able to read more about the impact of the crisis on 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 the achievement of 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 in our 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).

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 to do business responsibly, while focusing on our vision and mission. In the process, we create value for our customers and business.

I hope you enjoy reading through this report to learn more about Gebr. Heinemann Retail Denmark and our focus on corporate responsibility.
Katrin Bamler, Managing Director

Impact of the coronavirus

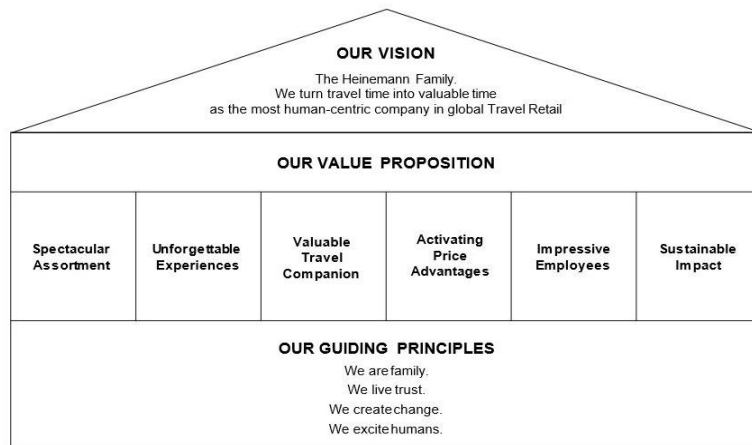
In 2020, like the rest of the world, Denmark was affected by the coronavirus crisis. In March 2020, the World Health Organisation (WHO) declared Covid-19 a pandemic. Throughout 2020, the worldwide coronavirus pandemic affected all travel activity, especially through airports, and it therefore had a huge impact on our operations and activity at Gebr. Heinemann Retail Denmark. Unfortunately this continued into 2021.

The year 2021 was still affected by Covid-19, and we had a five-month complete lockdown at the beginning of the year. In 2021, Copenhagen Airport had 18% more passengers compared to 2020. Despite the increase in 2021, passenger numbers were still 73% lower compared to 2019.

Our ferry and cruise business operated between Denmark, Norway, Sweden, Germany, the UK, France, Holland and Iceland. Scanlines sailed more or less as before the Covid-19 restrictions in 2021, but the ferry business level was only at approximately 60% of the 2019 level in total.

By the end of 2021, we succeeded in retaining 152 employees to handle the sales in four operating stores out of our total of six duty-free stores at Copenhagen Airport. We managed to re-employ about 20% of the employees that we had to let go in 2020. From reopening on 1 June 2021 until the end of the year 2021, we operated at a business level of approximately 45% compared to the 2019 level. For the whole of 2021, our turnover level was around 28% compared to 2019.

Through two lockdown periods within the past years, we followed the Danish authorities' directions, as well as the restrictions set by the government and Copenhagen Airport, at all times. Ending 2020 at the beginning of a new lockdown period, which lasted until 1 June 2021, we again used the coronavirus aid packages adopted by the Danish Government to retain as many employees in their jobs as possible. Throughout 2020 and into 2021, the health and safety of our employees was of utmost importance to us. Our employees have been continuously updated on the situation and were onboarded for the reopening plan on 1 June 2021. For employees critical for the running of the business, who handled tasks throughout the year, we took all possible precautions to reduce the risk of infection, including regular tests for Covid-19 infection and solutions making it possible for them to work remotely.



Our mission statement including our values and principles

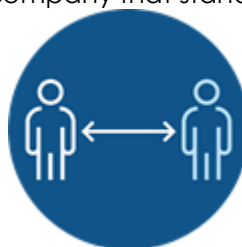
Our strong service-minded culture cares for our employees and our customers, both going hand in hand. This is also clearly portrayed in our company's mission statement.

Our vision¹: 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 the company does and The principles reflect the which spans more than 140 employees across the globe Family, trust, creating change values upon which Gebr.



principles, a basis is formed for everything believes.

company's values ingrained in its history, years. This provides information to all and guides their actions. and exciting people are among the core Heinemann builds its business.

¹ Gebr. Heinemann: our mission statement

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 make sure 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 annual basis as well as communicate our guidelines and expectations regarding human rights to employees and business relations through of our company guidelines.

Introduction to our business model and corporate responsibility

At Gebr. Heinemann Retail Denmark, we take corporate responsibility seriously. In the figure below, we have very briefly illustrated the value chain.² 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 are, at the same time, 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 the industry associations, such as the Nordic Travel Retail Association, the European Travel Retail Confederation or the Travel Retail World Association.

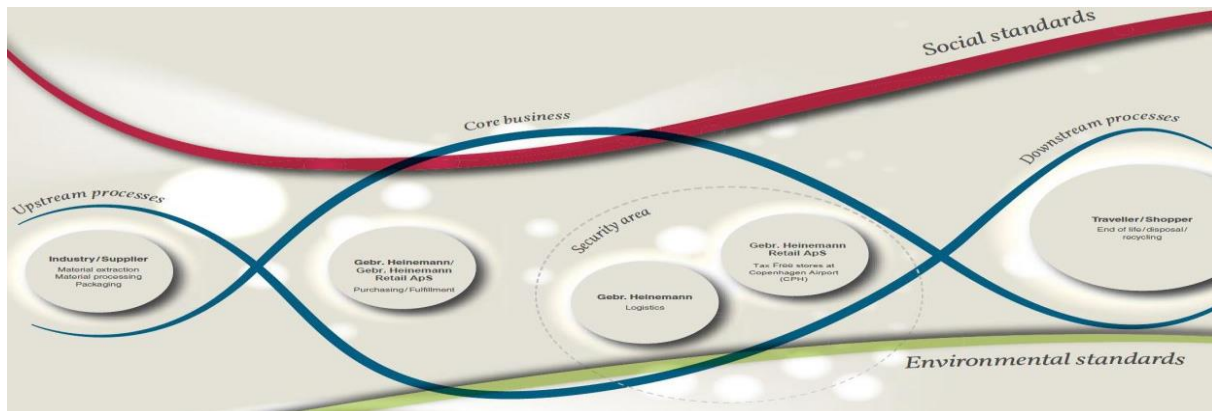
In addition to dialogues, it is also important to be aware of any human-rights risks in the supply chain. In order to manage this, Gebr. Heinemann Retail Denmark has conducted various risk assessments. On average, less than 5% of our products were classified as being of high risk.

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.²



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. A risk related to social and employee conditions is 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 adapt 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.

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. It 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 2021, we did not register any instances of corruption or violations of the gift policy.

In 2021 we prevent Gebr. Heinemann Retail Denmark employees from being able to directly or indirectly offer, promise or grant money or anything of value directly or indirectly 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.

Overview of our people and the environment

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

OUR EMPLOYEES

SUMMARY OF RESULTS 2021 VERSUS 2020

Absence due to illness 2021 6.59%

Absence due to illness 2020 3.68%

EMPLOYEE TURNOVER:

Employee turnover 2020 65%
(Due to collective redundancy – Covid-19)

Employee turnover 2020 3%
(Disregarded collective redundancy – Covid-19)

Employee turnover 2021 31%

KPIs are based on total headcounts

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

We wish 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, a team spirit together with a common identity through our company values.

Furthermore, we strive to have a low employee turnover and low absence due to illness.

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.

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. In this way, all are offered equal opportunities in relevant training and development.

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.

During 2021, we increased the focus on employee well-being and training of managers to be able to handle interviews and employee motivation. We are still working towards our goal of a total of 4% sick leave across the company.

With this goal, we can reduce costs and allocate resources for efforts to increase the focus on employee well-being, health and motivation. This can strengthen the company in a declining employee turnover measured by the percentage of employees who have left the company completely, and not including employees who simply changed department for development reasons. In 2021, we had a strong focus on sick leave, employee commitment and an increase in employee well-being in the wake of a year comprising several lockdowns due to the Covid-19 crisis.

We have always focused intensively on the development of our employees and leaders/managers. All employees are included in our calculations. Both in terms of our KPIs as measures in social and development areas.

In 2019, we started the Leadership Pipeline for all leaders/managers. We resumed the focus and work with the Leadership Pipeline after reopening in the last half of 2021 and this will continue into 2022.

The Leadership Pipeline is based on the three basic approaches: rings in the water, strategy implementation and total implementation.

For all three approaches, the Leadership Pipeline provides a framework for working to create common images of how the management task can be understood and how organisations can work to 'generate' management. In addition, they are all based on the three key assumptions in the Leadership Pipeline:

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

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

By means of 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.

More than a job

Working at Gebr. Heinemann Retail Denmark is more than a job. It is an opportunity to become part of a global family of 7,400 employees.

Gebr. Heinemann Retail Denmark seeks to create a sense of a family spirit. 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.

Diversity and equal opportunities

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

Gebr. Heinemann Retail Denmark focuses on diversity among the employees in the company and ensuring there is an equal distribution of men and women. 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.

Responsible products

We strive to do it better every year. The year 2021 was the year in which we delivered on many of our sustainability goals.

We implemented even more focus on local buying than in the previous years, and it has taken us in the right direction when it comes to a more responsible supply chain.

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

We at Gebr. Heinemann Retail Denmark follow the 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.

Especially in our local market, we place great emphasis on sustainability. 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 are 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 all 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 as the 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.

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, Bodyologist as well as REN from 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. We at Gebr. Heinemann therefore collect data linked to the energy use in our stores.

Future initiatives are to adapt the energy monitoring, so that it is specifically built for Gebr. Heinemann and with the possibility of being able to control smaller zones in our stores and thus make greater demands on our partners.

This type of monitoring has already resulted in a downward adjustment of energy consumption of 15,000 kW annually. At the same time, we have been able to reduce our cooling demand by replacing outdated technology with more energy-efficient options. Lighting in particular, but also our refrigerators/freezers, are taken into account when selecting A+++ products. This will be realised in the course of planned renovations.

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

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 where 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 of the plastic load of 80,000 plastic cups annually.

Printing paper

In 2021, we succeeded in reducing our use of printing paper as a result of 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 are working on changing this in 2022, as it will create a huge reduction in paper consumption.

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

Fair-trade and organic coffee in offices/canteens

In 2021, we entered into an agreement with our coffee supplier on a more sustainable concept. Our coffee and cocoa were replaced with organic and fair-trade products.

Sustainable cleaning consumables

In 2021, we reviewed the total of cleaning consumables in the company.

All the products we use are now either eco-labelled or replaced with a more environmentally friendly product.

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 in Q2 2022.

Subsequently, there must be several different alternatives made from different sustainable materials.

In 2021, we chose to donate our profit of DKK 571,357 made 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 2021, we again succeeded in reducing the use of plastic bags. For 2022, we will not only strive to reduce the use of plastic bags, but also the overall number of bags used.

Our social and local commitment

Social and local commitment is an important focus area 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 pay our taxes according to national

legislation. We have internal procedures in place to ensure that we do this in line with 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 one for the volunteer organisation GirlTalk, 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 CR report. We respectfully emphasise that our CR report only represents the initiatives and thoughts of Gebr. Heinemann Retail Denmark management group in Copenhagen, Denmark.