

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 2020

Approved at the Company's annual general meeting on 31 May 2021

Chair of the meeting:

Katrin Bamler





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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 2020.

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

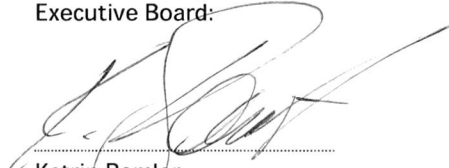
In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

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 2021

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 2020, 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 2020 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2020 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jan C. Olsen
State Authorised Public Accountant
mnr33717

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	2020	2019	2018	2017	2016
Key figures					
Revenue	263,313	1,043,484	1,031,177	1,041,292	1,017,822
Gross profit	64,128	130,527	116,968	117,232	470,804
Net financials	-393	252	-270	-103	97
Profit/loss before tax	-25,301	33,704	15,710	7,203	367,242
Profit/loss for the year	-19,890	26,145	14,967	3,770	368,542
Balance sheet					
Total assets	185,611	238,699	216,932	202,271	195,871
Investment in property, plant and equipment	-15	-6,307	-48,008	-12,560	-956
Equity	146,979	166,869	140,724	125,757	121,987
Financial ratios					
Operating margin	-9.5%	3.2%	1.5%	0.7 %	36.1 %
Gross margin	24.4%	12.5%	11.3%	11.3%	46.3%
Return on assets	-45.9%	5.2%	-2.0%	-6.4%	199.4%
Equity ratio	79.2%	69.9%	64.9%	62.2%	62.3%
Other metrics					
Average number of employees	248	280	317	308	295

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 have been 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 2020 shows a loss of DKK 19,890 thousand against a profit of DKK 26,145 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 146,979 thousand. The decrease in profit is due to low activity i CPH Airport and the situation of COVID-19.

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 brand values - Surprising - Service oriented and Personal - and thereby 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

The Company does not have a Board of Directors.

In the financial year 2020, the uppermost leadership level in Gebr. Heinemann Retail Denmark consisted of one person.

The Company has a non-discriminating equality policy with a focus on personal skills required for each job profile at all levels of other management levels. Women and men have equal opportunities within the Company. However, we will work to improve and counterbalance the underrepresented gender. In doing this, we will always strive to ensure that there is at least one of each gender among the final three candidates for promotion and recruitment for other management positions.

Management's review

Events after the balance sheet date

As a consequence of COVID 19 the companies activity level very low because the shops has been closed in 2021 due to the restrictions outlined by the Danish Government. Based on the forecasts for 2021 for profit, current cash flow, financial support from state aid of payroll compensation and fixed costs management asses that there is no doubt on the entity's ability to continue as a going concern for the next 12 months as a minimum.

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

Reference is made to note 2 for more details.

Outlook

2021 is highly effected by COVID 19, and net profit are expected to be negative with 7 mio. DKK, if we take the current border and travel situation for 2021 into consideration. Travel behaviour is not forecasted back to normal before year 2022-2023. We are adjusting and improving our business to accommodate the new COVID 19 situation, and are preparing the business for the COVID 19 effects, and 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	2020	2019
	Revenue	263,313	1,043,484
	Cost of sales	-120,717	-469,820
4	Other operating income	72,470	21,648
	Other external expenses	-150,938	-464,785
	Gross profit	64,128	130,527
5	Staff costs	-74,930	-84,196
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-14,106	-12,879
	Profit/loss before net financials	-24,908	33,452
6	Financial income	1,422	1,105
7	Financial expenses	-1,815	-853
	Profit/loss before tax	-25,301	33,704
8	Tax for the year	5,411	-7,559
	Profit/loss for the year	-19,890	26,145

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Acquired intangible assets	7	13
	Goodwill	594	0
		<u>601</u>	<u>13</u>
10	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	28,337	42,278
	Leasehold improvements	718	1,103
		<u>29,055</u>	<u>43,381</u>
	Total fixed assets	<u>29,656</u>	<u>43,394</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	8,717	24,919
		<u>8,717</u>	<u>24,919</u>
	Receivables		
	Receivables from group entities	19,679	36,983
13	Deferred tax assets	6,000	859
	Other receivables	22,415	10,237
11	Prepayments	41,788	60,996
		<u>89,882</u>	<u>109,075</u>
	Cash	<u>57,356</u>	<u>61,311</u>
	Total non-fixed assets	<u>155,955</u>	<u>195,305</u>
	TOTAL ASSETS	<u><u>185,611</u></u>	<u><u>238,699</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	31,000	31,000
	Retained earnings	115,979	135,869
	Total equity	<u>146,979</u>	<u>166,869</u>
	Provisions		
	Other provisions	3,684	3,684
14	Total provisions	<u>3,684</u>	<u>3,684</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	7,543	42,862
	Income taxes payable	0	493
	Joint taxation contribution payable	0	47
	Other payables	27,405	24,744
		<u>34,948</u>	<u>68,146</u>
		<u>34,948</u>	<u>68,146</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>185,611</u></u>	<u><u>238,699</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 3 Special items
- 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 2020	31,000	135,869	166,869
19	Transfer, see "Appropriation of profit/loss"	0	-19,890	-19,890
	Equity at 31 December 2020	31,000	115,979	146,979

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2020	2019
	Profit/loss for the year	-19,890	26,145
20	Adjustments	27,484	32,582
	Cash generated from operations (operating activities)	7,594	58,727
21	Changes in working capital	-28,555	8,372
	Cash generated from operations (operating activities)	-20,961	67,099
	Interest received, etc.	0	252
	Interest paid, etc.	393	0
	Cash flows from operating activities	-20,568	67,351
	Additions of intangible assets	-677	0
	Additions of property, plant and equipment	-15	-6,307
	Cash flows to investing activities	-692	-6,307
	Proceeds of debt, group entities	17,305	-24,937
	Cash flows from financing activities	17,305	-24,937
	Net cash flow	-3,955	36,107
	Cash and cash equivalents at 1 January	61,311	25,204
22	Cash and cash equivalents at 31 December	57,356	61,311

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Gebr. Heinemann Retail ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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
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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	5 years
Leasehold improvements	5 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

The Company is covered by the Danish rules on compulsory joint taxation of the Heinemann Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the management company for the joint taxation and, consequently, settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

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 4 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

Other liabilities are measured at net realisable value.

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

Segment information has not been disclosed pursuant to section 96(1) of the Danish Financial Statements Act as Management is of the opinion that such disclosure is of significant interest to its competitors and, therefore, could be highly detrimental to the Company.

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

2 Events after the balance sheet date

As a consequence of COVID-19 the companies activity level very low because the shops has been closed in 2021 due to the restrictions outlined by the Danish Government. Based on the forecasts for 2021 for profit, current cash-flow, financial support from state aid of payroll compensation and fixed costs.

Management asses that there is no doubt on the entity's ability to continue as a going concern for the next 12 months as a minimum.

Beginning of 2021 the contract with CPH Airport have been 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.

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

3 Special items

Special items for 2020 contain significant income from State Aid. The company have received State Aid during 2020 due to the significant decrease in travel activity, and caused by the travel restrictions outlined by the Danish Government and other countries.

Special items contain State Aid for fixed costs and payroll and amounts total of DKK 65,359 thousand, reference made to note 4. Other income from fixed costs amounts to DKK 49,927 thousand and other income from payroll amounts to DKK 17,232 thousand.

DKK'000	2020	2019
4 Other operating income		
Advertising income	4,339	20,333
Other operating income	3,096	1,128
State aid	65,359	0
Gain on the sale of property, plant and equipment	-324	187
	72,470	21,648
5 Staff costs		
Wages/salaries	64,848	71,095
Pensions	7,710	8,788
Other social security costs	1,523	2,297
Other staff costs	849	2,016
	74,930	84,196
Average number of full-time employees	248	280

Total remuneration to Management in 2020 amounted to DKK 1,410 thousand. Pursuant to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed in 2019.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019	
6 Financial income			
Exchange gain	1,422	1,105	
	<u>1,422</u>	<u>1,105</u>	
7 Financial expenses			
Interest expenses, group entities	320	266	
Exchange losses	1,495	587	
	<u>1,815</u>	<u>853</u>	
8 Tax for the year			
Estimated tax charge for the year	0	7,000	
Deferred tax adjustments in the year	-5,141	601	
Tax adjustments, prior years	-270	-42	
	<u>-5,411</u>	<u>7,559</u>	
9 Intangible assets			
DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2020	709	0	709
Additions on merger / corporate acquisition	0	677	677
Disposals in the year	-5	0	-5
Cost at 31 December 2020	<u>704</u>	<u>677</u>	<u>1,381</u>
Impairment losses and amortisation at 1 January 2020	696	0	696
Amortisation/depreciation in the year	4	83	87
Reversal of amortisation/depreciation and impairment of disposals	-3	0	-3
Impairment losses and amortisation at 31 December 2020	<u>697</u>	<u>83</u>	<u>780</u>
Carrying amount at 31 December 2020	<u>7</u>	<u>594</u>	<u>601</u>

Financial statements 1 January - 31 December

Notes to the financial statements

10 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	95,617	13,845	109,462
Additions in the year	15	0	15
Disposals in the year	-1,539	-200	-1,739
Cost at 31 December 2020	<u>94,093</u>	<u>13,645</u>	<u>107,738</u>
Impairment losses and depreciation at 1 January 2020	53,339	12,742	66,081
Amortisation/depreciation in the year	13,676	344	14,020
Reversal of amortisation/depreciation and impairment of disposals	-1,259	-159	-1,418
Impairment losses and depreciation at 31 December 2020	<u>65,756</u>	<u>12,927</u>	<u>78,683</u>
Carrying amount at 31 December 2020	<u><u>28,337</u></u>	<u><u>718</u></u>	<u><u>29,055</u></u>

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. After the extension 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	<u>2020</u>	<u>2019</u>
13 Deferred tax		
Deferred tax at 1 January	-859	-1,460
Adjustments to profit/loss for the year	<u>-5,141</u>	<u>601</u>
Deferred tax at 31 December	<u><u>-6,000</u></u>	<u><u>-859</u></u>

Deferred tax recognised in 2020 is expected to be utilised within 3-5 years. This is based on the budget earnings for the years 2021-2025.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2020	2019
Other contingent liabilities	1,438,250	1,156,821
	<u>1,438,250</u>	<u>1,156,821</u>

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.

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2020	2019
Rent and lease liabilities	4,318	9,877
	<u>4,318</u>	<u>9,877</u>

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 2020.

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

Financial statements 1 January - 31 December

Notes to the financial statements

17 Related parties (continued)

Related party transactions

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

DKK'000	2020	2019
Purchase of goods from Parent Company	87,732	408,588
Management fee to Parent Company	7,536	8,421
Income from parent company	41,453	93,409
Receivables from Parent Company	22,387	36,589

Information on the remuneration to management

Information on the remuneration to Management appears from note 5, "Staff costs".

DKK'000	2020	2019
18 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	242	257
Assurance engagements	68	68
Tax assistance	175	334
Other assistance	512	187
	<u>997</u>	<u>846</u>
19 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-19,890	26,145
	<u>-19,890</u>	<u>26,145</u>
20 Adjustments		
Amortisation/depreciation and impairment losses	14,106	12,879
Gain/loss on the sale of non-fixed assets	0	-85
Financial income	0	252
Financial expenses	393	0
Tax for the year	-5,411	1,001
Adjustment of prepayment	18,596	18,596
Other adjustments	-200	-61
	<u>27,484</u>	<u>32,582</u>

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DKK'000	2020	2019
21 Changes in working capital		
Change in inventories	16,202	-2,602
Change in receivables	-11,558	15,237
Change in trade and other payables	-33,199	-4,263
	-28,555	8,372
22 Cash and cash equivalents at year-end		
Cash according to the balance sheet	57,356	61,311
	57,356	61,311

Gebr. Heinemann Retail Denmark

Corporate Responsibility Report 2020

Dear Reader,

We are Gebr. Heinemann Retail ApS. At the end of 2020, our team consisted of 124 employees. Our main business consists of six Tax Free Shops at Copenhagen Airport, but we also support the retail operations on around 21 ferries with everything to do with 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 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 170 border shops and around 100 airlines. In total, the retail operation serves around 60 million customers every year. Gebr. Heinemann has more than 8,000 employees around the world.

https://www.gebr-heinemann.de/heu/en/company_page

The COVID-19 crisis in 2020 has had a massively negative impact on the whole travel industry. With travel restrictions, closed borders and lockdowns during the year in almost all countries, the flight traffic at Copenhagen Airport 2020 was limited in total to 24.9% of the 2019 level. In March, we had to close our shops at the airport; the reopening date was the 3rd July. The number of flights and passengers were still at a very low level. Due to this, we had to make very hard decisions including losing employees and cutting costs. However, our aim is to emerge stronger from this crisis.

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 first UNGC progress report was published with the latest Corporate Responsibility (CR) Report entitled 'Think and Rethink' (<https://www.gebr-heinemann.de/de/Philosophie#csr>). It highlights the initiatives of the globally-active family-owned company in the areas of the commercial environment, social, and the natural environment. The report was written and audited in accordance with the standards of the Global Reporting Initiative – GRI). The framework provides transparency and comparability in the company's sustainability-related challenges in the relevant fields of action.

In combination with Gebr. Heinemann's values, the UNGC principles form the basis for the code of ethics, which the company started to implement in January 2021. The global implementation process will last throughout the year.

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 - thereby creating 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

The effects of the coronavirus disease

In 2020, and like the rest of the world, Denmark was affected by the Corona Crisis.

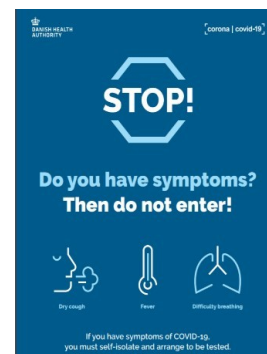
In March 2020, the World Health Organisation (WHO) declared COVID-19 to be a pandemic. Throughout 2020, the worldwide corona pandemic affected all travel activity, especially through airports, and it therefore had a huge impact on our operations and activity at Gebr. Heinemann Retail Denmark.

Our ferry and cruise business operates between Denmark, Norway, Sweden, Germany, the UK, France, Holland and Iceland. Due to the varying travel restrictions and no-sailing orders, the business level is at approx. 30% of the previous year's level.

As regards European aviation, Eurocontrol claims the following for 2020: a loss of 6.1 million flights, 1.7 billion fewer passengers and 191,000 announced direct job losses.

Specific for Copenhagen Airport: 'Worst year since 1970: CPH lost 22.7 million passengers'. This is a loss of 75.1%, the number of departures and arrivals fell by 79%. The pandemic has led to having to reduce our number of employees to, today, 124 employees, who have to handle all the operations of our stores at Copenhagen Airport on a daily basis. Through two lockdown periods within the past year, we have, at all times, followed the Danish authorities' directions, as well as the restrictions set by the government and Copenhagen Airport.

GH Retail Denmark has used the corona help packages adopted by the Danish Government to retain as many employees in their jobs as possible. Throughout the year in which the Corona Crisis has played such a major part, we have, through collaboration with, local unions, the Danish authorities and specially-established job centres at Copenhagen Airport, helped former employees to further their skills development, training, job clarification processes and, to a large extent, new jobs. Our aim was to make this process as transparent and fair as possible. Throughout 2020 and into 2021, the health and safety of our employees has been the most important thing for us. Permanent employees are kept continuously updated on the situation and the initiatives and the re-opening plan which the management of GH Retail Denmark is working hard towards. For business-critical employees, who have handled tasks throughout the year, we have worked in teams to reduce the number of people who were at the workplace at the same time. Employees who work with business-critical tasks have, in accordance with the Danish regulations, been asked to work from home as much as possible, in order to reduce contact and the risk of infection.



Our business model and corporate responsibility

At Gebr. Heinemann Retail, we take corporate responsibility seriously. In the figure below, we have very briefly illustrated the value chain¹. It shows that our core business happens 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, Heinemann dedicates airtime 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.

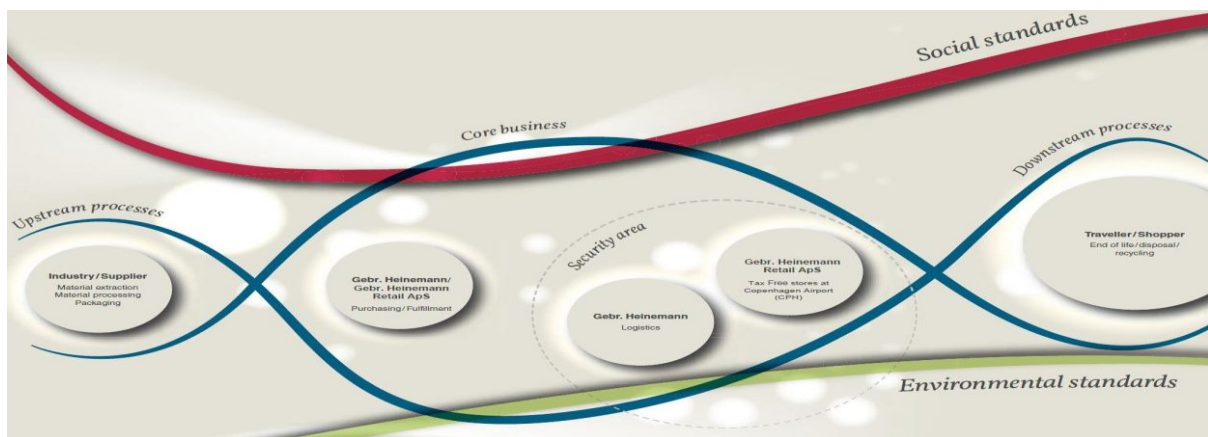
In addition to dialogues, it is also important to be aware of any human-rights risks in the supply chain. In order to manage this, Gebr. Heinemann Retail conducted various risk assessments. On average, less than five percent of our products were classified as being of high-risk.

Gebr. Heinemann Retail'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 must adopt similar measures, too.

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

Our corporate responsibility strategy and the reporting focus at Gebr. Heinemann Retail is, but not limited to, our tax free stores at Copenhagen Airport (CPH), as that is our direct responsibility and thus where our ability to impact positively is greatest.

Any business which hopes to delight its stakeholders and customers 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.



¹ Figure: GH Retail Value Chain

Our vision, mission and values

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

Our Vision: *The Heinemann Family. First Choice in Travel Retail. Worldwide.*²

Our Mission: *We live and breathe service, and we create value in an inspiring and emotional way.*



Our strategic approach to corporate responsibility

In Gebr. Heinemann Retail, 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, environment and climate, as well as anti-corruption. A risk related to social and employee conditions is the lack of engagement of our employees.

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.

² Figure: Solid Values

The Gebr. Heinemann code of ethics

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

The Gebr. Heinemann's 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 ethics³ 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.

partners in dealing with other ecological, legal and social risks in their day-to-day business.

Anti-corruption

⁴We 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 GUIDELINE' agreed with our headquarters.



A risk related to anti-corruption is the exchange of gifts between suppliers and employees. In 2019, we therefore implemented a gift policy in GH Retail Denmark. It contains an internal approval process regarding the receiving of gifts from suppliers and, to protect our employees, we have introduced documentation requirements, too.

The service, provided by a third-party, must be in reasonable proportion to the consideration. 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 the public official or to obtain an improper favour or benefit in exchange. In 2020, we have not registered any instances of corruption nor violations of the gift policy

³ Figure: Code of Ethics

⁴ Figure: Anti-corruption

We prevent GH Retail Denmark employees from being able to directly or indirectly offer, promise, 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. 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 employees and business partners in the management of legal and social risks in their daily business.

Our employees

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

OUR EMPLOYEES

SUMMARY OF RESULTS 2020 VERSUS 2019

Absence due to illness 2020 3.68%

Absence due to illness 2019 4.48%

EMPLOYEE TURNOVER:

Employee turnover 2020 65%
(Due to collective redundancy – corona)

Employee turnover 2020 3%
(Disregarded collective redundancy – corona)

Employee turnover 2019 22%

At Gebr. Heinemann Retail, 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 giving them: Pride, success, development, security, long-term prospects, family a team spirit together with a common identity through our values as a company.

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

We at Gebr. Heinemann Retail Denmark continuously work on updating and specifying our national guidelines relating to business ethics.⁵

Absence due to illness is registered in our staffing system, from which statistics are drawn every month for use in following up on sickness in line with our written down absence policy. Sick leave has decreased by approx. 1 % from 2019 to 2020 and is attributed to increased focus on employee well-being and training of managers in handling employee interviews and efforts in the area of motivation. This is a satisfactory development in our goal towards max. 4 % sick leave in total for the company.

With this goal, we can reduce costs and allocate resources for efforts to increase focus on employees well-being, health and motivation. This can strengthen the company in a declining employee turnover measured by the percentage of employees who leave the company completely, and not including employees who simply change department for development reasons. At the most recent employee engagement survey in 2019, the proportion of employees who are generally engaged or very committed was 80 %. In 2021, the goal of a new survey is that the total commitment in the company is 85 %. 86 % of the employees participated in the survey. In 2021, there will be a strong focus on sick leave, employee commitment and not least an increase in employee well-being in the wake of a year with several lock downs due to the Corona crisis.

⁵ Figure: Our employees, result 2020 versus 2019

What have we done?

We have always placed great focus on the development of our employees and leaders/managers.

Creating the right setting for our employees to grow and develop is not only in the interest of our employees, but also of GH Retail Denmark.

In 2019, we started the Leadership Pipeline for all leaders/managers. We will continue this in 2021. Leadership Pipeline Management, with a focus on delegation and empowerment.

Gebr. Heinemann Retail 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 an ongoing development of our teams competencies and make them more involved in the future of GH Retail Denmark.

More than a job

Working at Gebr. Heinemann Retail is more than a job. It is an opportunity to become part of a global family of 8,000 employees.

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

We provide the Management Team with specific guidelines and procedures to control movement of the company and personal property in and out of the Tax Free stores by employees, vendors and contractors, and to ensure these checking procedures are within the limits of the relevant laws.

Diversity and equal opportunities

At Gebr. Heinemann Retail, 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 focuses on diversity among the employees in the company including that there is an equal distribution between men and women. Gebr. Heinemann Retail believes that this partly ensures a good working environment, and partly helps to sharpen the company's competitiveness. 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 the business needs into consideration.

There is no board of directors in the company and there is only one director.

Responsible products for our costumers

We prepared our future strategy in 2019, and maintained that strategy during 2020. Many of our customers are becoming increasingly aware of the products and sustainability. We support an increasing demand for skin care products free of parabens, as well as more eco-labelled, environmentally-tested cosmetics. We also aim to have local brands and products in our shops.

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

We sell spirits and tobacco in our stores. We are committed to supporting a culture of responsible consumption of spirits and tobacco. We apply the Alcohol Code of Conduct for Duty-Free and Travel Retail Sales of alcohol from the ETRC - The European Travel Retail Confederation.

One example; we are creating awareness for responsible products, like high-quality products which 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 with certified organic products.

Energy efficiency

Copenhagen Airport collects data regarding energy consumption at the airport. Due to our collaboration with Copenhagen Airport, we continuously monitor our energy consumption in order to identify potential savings. We therefore collect data at Heinemann in respect of the energy use in our stores.

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 – it can, however, be looked up in the Gebr. Heinemann CR report entitled 'Think and Rethink'.

<https://www.gebr-heinemann.de/heu/en/responsibility>

Waste management

When selling large quantities of products, it is inevitable that a vast amount of waste is produced. In a continuous dialog with Copenhagen Airport, we seek to optimise our waste management by strategically placing waste-stations around the airport, making waste-separation much more effective.

One of our most relevant impacts related to the environment stems from plastic bags in our shops.

In the first six months of 2020, we donated our profit gained from selling plastic bags to Ocean Care. The donation totalled DKK 203,172.00. Ocean Care has been dedicated to working with marine wildlife since 1989.

In the last six months of 2020, we chose the NGO Plastic Change for our compensation donations. 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 plastics, and hopefully contribute to creating positive purchasing patterns with our customers in the future.

In 2020, we managed to reduce our use of plastic bags, and we aim to reduce this even more in 2021. In 2019, we had already managed to reduce the sale of our plastic bags by nearly 60%, and kept it at that level, and even reduced it in 2020 by another 0.75%.

We also managed to reduce our use of print-paper due to new printers and a paper-reduction 'Follow Me' system, where our users need to reapprove the paper-printing at the printer.

The company fully sorts its waste: where waste is mainly composed of plastic and cardboard, this is sorted and thrown into the waste system operated by Copenhagen Airport.

Our social and local commitment

Social and local commitment is an important focus area for Gebr. Heinemann Retail. We recognise that we have an impact on Danish society. We are involved locally and we contribute to society in terms of job creation and tax payments.

We have identified the material risks of negatively affecting human-rights as being the increasing marginalisation of vulnerable groups of people in society.

For a number of years, we have, in collaboration with Spaniel Displays, raised money for the work of the Danish Children's Cancer Foundation. In front of our main shop, we have two collection boxes, where the customers can donate. One, as mentioned, is for The Danish Children's Cancer Foundation, and one for the volunteer organisation, 'Girl talk'. 'Girl talk' is a non-profit organisation for girls aged between 12-24 years who need someone to talk to, when everything seems difficult.

With these collection boxes, our customers donated DKK. 108.215,54,- uncut for The Danish Children's Cancer Foundation and nearly DKK. 90.000,- uncut for 'Girl talk' in 2020.

We contribute to the society of which we are a part, and pay our taxes according to national legislation. We have internal procedures in place to ensure that we do this in line with national legislation.

Thank you for reading the CR report. We respectfully emphasise that the CR report only represents the initiatives and thoughts of Gebr. Heinemann Retail management group in Copenhagen, Denmark.