

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 2023

Approved at the Company's annual general meeting on 23 May 2024

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 2023.

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 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

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

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

Kastrup, 23 May 2024
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 2023, 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 2023 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Copenhagen, 23 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pedersen
State Authorised Public Accountant
mne35456

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	2023	2022	2021	2020	2019
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Key figures

Revenue	899,634	760,583	299,141	263,313	1,043,484
Gross profit	95,515	93,486	70,381	64,128	130,527
Net financials	2,317	-827	-635	-393	252
Profit before tax	30,857	35,959	22,747	-25,301	33,704
Profit for the year	24,823	27,182	18,175	-19,890	26,145

Total assets	450,293	281,269	224,115	185,611	238,699
Investments in property, plant and equipment	7,327	405	731	15	6,307
Equity	218,550	193,727	165,155	146,979	166,869

Financial ratios

Operating margin	3.2%	4.8%	7.8%	-9.5 %	3.2 %
Gross margin	10.6%	12.3%	23.5%	24.4%	12.5%
Return on assets	-0.1%	8.3%	-21.6%	-45.9%	5.2%
Equity ratio	48.5%	68.9%	73.7%	79.2%	69.9%

Average number of full-time employees	196	167	131	248	280
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Financial ratios are calculated in accordance with the terms and conditions as described in accounting policies.

Management's review

Business review

Since 1 March 2007, Gebr. Heinemann Retail ApS 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 in 2023, a 10-year contract prolongation was signed in July 2023 effective from 1 March 2023 to 28 February 2033.

In 2023, Gebr. Heinemann Retail ApS merged with Gatezero Aps, and the shop in Copenhagen Airport is now run by Gebr. Heinemann Retail ApS. The Gatezero concept was a result of a cooperation between Heinemann Group and Highsnobiety, that is targeting the younger customer segment, with focus on premium products with trends of tomorrow in fashion, sneakers and accessories. Effective accounting merger date was 1. January 2023.

Financial review

The income statement for 2023 shows a profit of DKK 24,823 thousand against a profit of DKK 27,182 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 218,550 thousand. The result is better compared to the previously announcement outlook for 2023. This is mainly due to the merger of Gatezero ApS, a fully owned subsidiary. Gatezero was a loss making company, and their debt to another Gebr. Heinemann entity was written off as a part of the merger, which has resulted in a profit of DKK 9,896 thousand in extraordinary income in 2023.

The merger of Gatezero ApS has the effect, that Gatezero financial statements of 2022 is integrated into Gebr. Heinemann Retail ApS in the comparable figures for the financial statements 2023.

Scaling up the business after years with Covid 19

As with the rest of the world, Gebr. Heinemann Retail ApS were negatively affected by the Covid 19 pandemic for years. It had a huge impact on the operations and activity at Gebr. Heinemann Retail ApS. As a consequence of the Corona pandemic and travel restrictions, the company had to close several of its stores in Copenhagen Airport on/off in longer periods the years from 2020 to 2022, with the last store re-opening in early 2022. Passenger levels in that period compared to 2019 was index 24 in 2020, and index 31 in 2021. In 2022 passenger development returned to an upward trend with a passenger index of 73 of 2019. In 2023 the activities increased a little more, in total index of 89 of 2019.

Compared to 2019 net sales were at the lowest in years 2020 and 2021 at index 25 and index 29 of 2019. As Corona restrictions were lifted in Denmark and around the world, travel activity has increased over the past two years. Gebr. Heinemann Retail ApS faced a large ramp-up in 2022, with a net sales index of 73 compared to 2019. The business is not yet at pre Covid-19 level, as 2023 resulted in net sales index of 86 compared to 2019.

In 2023 Gebr. Heinemann Retail ApS invested in a Self-Scanning cash till in the main shop. The very positive feedback from customers resulted in a higher investment to expand the area. This is supported by the company's value proposition to be a valuable travel companion and enabling a high convenience when shopping in our stores.

Furthermore, Gebr. Heinemann Retail ApS established an experience area in 2023, where the focus is on interactions with customers, and with floors and walls being interactive to give an unforgettable experience. The experience area is supported by products and promotions that supports the current themes.

Management's review

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.

Events after the balance sheet date

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

Outlook

Even two years after the last Covid-19 related restrictions have been lifted passenger numbers are still not back at the level of 2019, but show a positive outlook, even though also geopolitical events have a negative impact on travel activities. The passenger level of 2019 is forecasted back at the end of year 2024. For 2024, the expectations are a positive net profit of 24 mill. DKK, if the current travel situation for 2024 is taken into consideration.

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

Gebr. Heinemann Retail ApS have a high focus on ensuring a good balance of employees to give our customers an unforgettable experience. The company's full-time employee level during the Covid-19 pandemic was at the lowest in 2021 with 131 FTE. Gebr. Heinemann Retail ApS expects to double our headcount by the end of 2024, compared to 2021, with a total FTE level just below the level of 2019.

The 10-year prolongation of the contract with Copenhagen Airport has given the possibility to invest even more in the shops, both in long term and short-term projects. The expansion of T3 in Copenhagen Airport requires high investments by Gebr. Heinemann Retail ApS, to ensure an engaging shopping experience in the shops. The main rebuild period are planned in 2026.

Management's review

Statutory CSR report

Corporate Responsibility Report 2023

At the end of 2023, Gebr. Heinemann Retail ApS consisted of 242 employees. Our main business consists of six duty-free shops and a fashion boutique Gatezero at Copenhagen Airport, but we also support the retail operations on ferries for everything connected to the sale of perfumes and cosmetics.

We are part of the globally active Gebr. Heinemann group, headquartered in Hamburg, Germany and founded in 1879. Gebr. Heinemann is one of the top players in the international travel retail market and the leader in the European market. It is the only family-run business among the global players in the travel retail industry. In the retail sector, the company is active in over 90 countries, operating almost 500 of its own shops as a retailer at airports, on cruise ships and at border crossings. In addition, it not only supplies or operates shops at around 125 international airports, but also supplies or operates shops on around 230 ferries and cruise ships, around 200 border shops and around 50 airlines.

Gebr. Heinemann has 9,110 employees around the world.

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 Retail business model, a positive contribution can especially be made to four UN SDGs: #8 Decent work and economic growth, #12 Responsible consumption and production, #13 Climate action and #17 Partnerships for the goals.

These are translated into the Gebr. Heinemann Sustainable Development Goals (GH SDGs) 2030, for which ambitious measures are planned. Energy and emissions: we will be carbon-neutral by avoiding CO2 emissions primarily through the reduction of energy consumption at our headquarters and logistics centres (UN SDG 13). Waste and packaging: preventive measures such as reduction, circularity and recycling will apply for every part of our value chain (UN SDG 12, 13). Product portfolio: we will generate more than 50% of our sales with sustainable products and responsible suppliers (UN SDG 12, 13). People: we will guarantee a fair, safe and non-discriminatory working environment through global health and diversity standards (UN SDG 8, 12). In addition the report constitutes to the statutory statement of corporate responsibility and gender distribution in management, cf. section 99a of the Danish Financial Statements Act (FSA).

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

Gebr. Heinemann Retail ApS profits from Gebr. Heinemann's global Corporate Sustainability 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 sustainability and strive to meet its demands.

Our corporate sustainability activities help us 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 ApS and our focus on corporate sustainability.

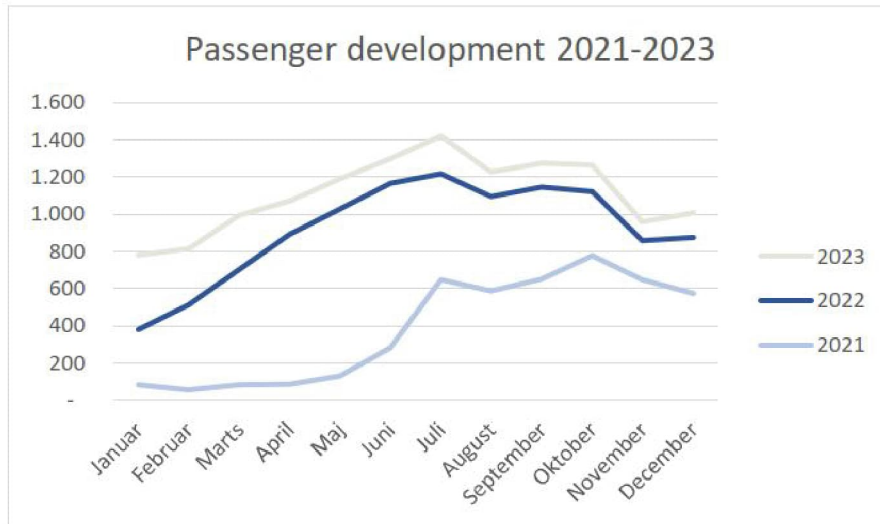
Management's review

Growing our business

In 2023 passenger development continued with an upward trend, and this naturally had a positive impact on our business.

We are almost back to the level of our business before the pandemic and we expect growing passenger numbers in Copenhagen Airport in the years to come.

In 2023, and going forward we therefore scale up our business –both rebuilding and expanding our shops while focusing on securing and growing an organization in balance.



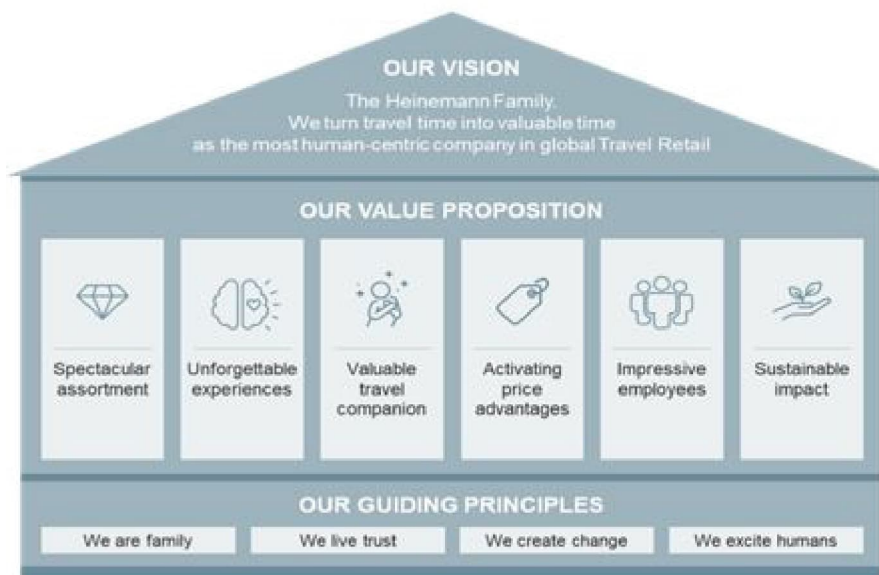
Our mission statement, including our values and principles

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

Our vision: The Heinemann family.

We turn travel time into valuable time as the most human-centric company in global travel retail.

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



Management's review

Gebr. Heinemann Retail ApS is a family-run company that stands for human experiences in the travel trade.

Through our vision and principles, a basis is formed for everything the company does and believes.

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

A new era of travel, and thus travel retail, has begun. The market places different demands on the travel industry than before. Digitalization, sustainability goals and the consequences of the Covid-19 pandemic have heralded these changes.

Gebr. Heinemann Retail ApS plays a leading role in the global travel retail 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 vision: "We turn travel time into valuable time as the most human-centric company in global travel retail".

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

Our other great asset is our complete focus on the travellers' needs, and our willingness and dedication to fully understand what shoppers want and expect from us as a travel retailer. This will enable us to offer travellers across the globe even more entertaining, inspiring and sustainable shopping experiences in the future.



Management's review

Introduction to our business model and corporate sustainability

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

Gebr. Heinemann Retail ApS 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 logistic centre in Hamburg Allermoehe is certified with ISO 14001 (environmental management) and ISO 45001 (health and safety management).

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

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



Management's review

Our strategic approach to corporate sustainability

At Gebr. Heinemann Retail ApS, we have adopted a strategic approach to corporate sustainability. The strategy focuses on enhancing the business potential of our retail business and minimising risks. The purpose of the strategy is to create a strong link between corporate sustainability and our core business. We have developed our corporate sustainability strategy 2030 on the basis of a materiality and risk assessment. We have, inter alia, assessed risks related to social and labour conditions, human rights, the environment and climate, as well as anti-corruption. We identified a risk related to social and employee conditions in our employees' lack of engagement. Our materiality and risk assessment has helped us to focus our efforts on the issues most material to our core business and our key stakeholders. Going forward, we will continue our risk assessments on an annual basis, as well as communicate our guidelines and expectations regarding human rights to employees and business partners through our company guidelines.

During 2023, all new employees have been trained in human rights. Our comprehensive training programs in 2023 led to a notable increase in employee awareness and understanding of human rights, fostering a more inclusive and respectful workplace culture.

Moving forward, our goal is to ensure that all new employees undergo comprehensive training in human rights upon joining the company.

There is a risk of supply chain disruption and increased costs due to the volatility in the availability and prices of raw materials caused by climate-related events, such as extreme weather conditions or natural disasters.

Presentation of our code of ethics

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

The Gebr. Heinemann Retail ApS 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 Retail ApS 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 Retail ApS. 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 Retail ApS employees and business.

Management's review

Anti-corruption

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



A risk related to anti-corruption is the exchange of gifts between suppliers and employees. We have therefore implemented a gift policy at Gebr. Heinemann Retail ApS. The policy contains an internal approval process regarding the receiving of gifts from suppliers and, to protect our employees, we have also in 2023 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 2023, we did not register any instances of corruption or violations of the gift policy.

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

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

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

Management's review

Data ethics

We are continuously working on updating our policies, and in 2023 we still base our work with data ethics on the "Dataetiske Kompas" from the Danish "Dataetisk Råd", in the following areas: Self-determination, Dignity, Responsibility, Equality and Justice, Progressivity and Diversity.

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

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

New technologies, such as artificial intelligence, we used in 2023 to a limited extent, and use of these technologies will only be to optimize the delivery of our products and services in accordance with the above mentioned "Dataetiske Kompas".

The employees of Gebr. Heinemann Retail ApS contribute to an ethical and responsible use of data, both personally identifiable and other data. To ensure that all employees are well informed about data ethics, data safety and correct use of data that is personally identifiable and other data, we work continuously with training and education. In 2023, the training of managers and employees, as well as data processes, remained areas of focus.

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

**"Fostering a Great
Place to Work"**

The focus on human centricity and the global nature of Gebr. Heinemann entails a heightened focus on its employees and the company culture.

Management's review

Our most valuable asset - our impressive employees

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

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

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

Absence due to illness is registered in our staffing system, from which statistics are compiled every month as a follow-up to illness in accordance with our established absence policy.

In 2023, we increased our focus on employee well-being and trained managers to handle conversations and motivate employees. We are still working towards our goal of 6% overall sickness absence across the company. This we successfully achieved in 2023.

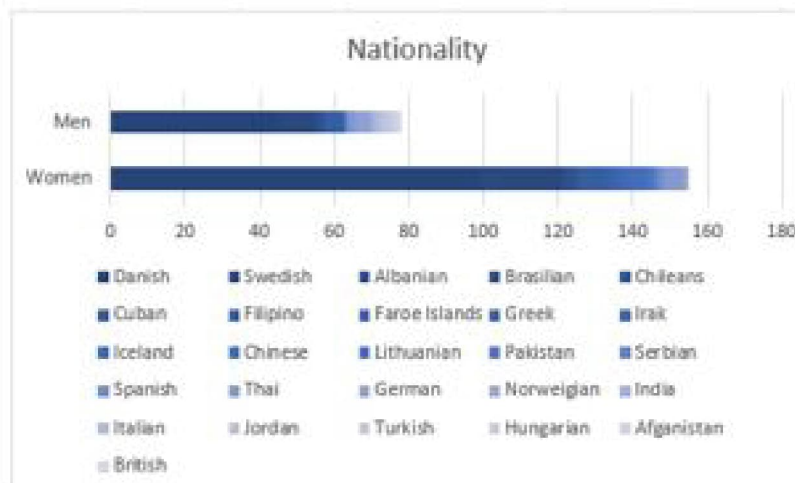
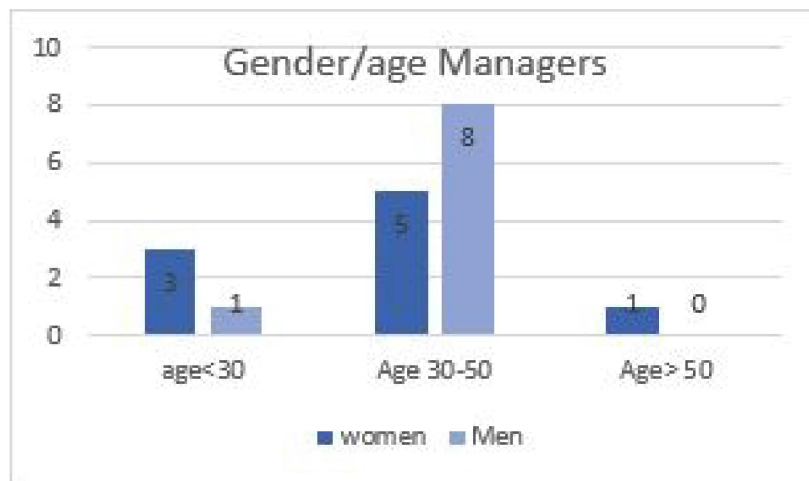
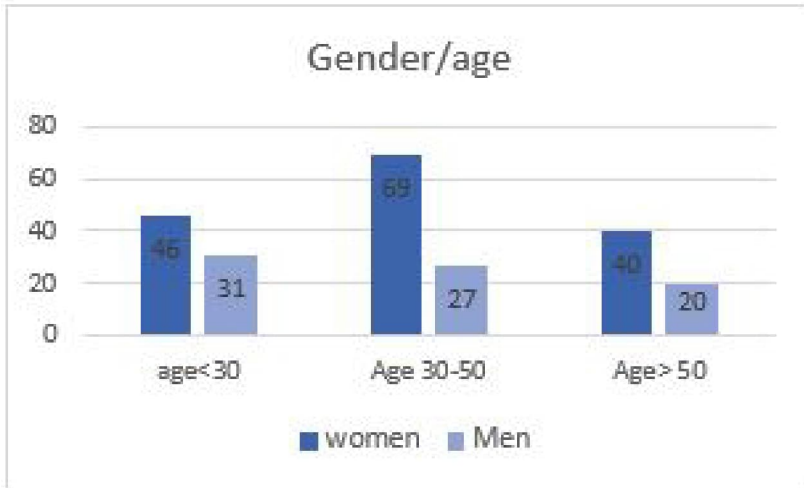
With this goal, we can reduce costs and direct resources towards efforts to increase the focus on employee well-being, health and motivation. This would strengthen the company by reducing employee turnover, as measured by the percentage of employees who have left the company entirely (i.e., excluding employees who simply changed departments for developmental reasons).

Our KPIs are calculated monthly via our People & Culture employee systems, which include all employees in the company. These are held up against the financial targets and indicate which direction management must focus on in order to influence the KPIs and increase our employees' well-being and social responsibility.

OUR EMPLOYEES	
SUMMARY OF RESULTS 2023 VERSUS 2022	
Absence due to illness 2023	5,31%
Absence due to illness 2022	4,75 %
EMPLOYEE TURNOVER:	
Employee turnover 2023	29%
Employee turnover 2022	30%
KPI's re based on total headcounts.	

Management's review

Gebr. Heinemann Retail ApS 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. Maintaining gender balance in management positions will remain a focus topic. To this end, all are offered equal opportunities in relevant training and development.



Management's review

Work environment:

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

In February 2023, we conducted our APV (work environment survey WES). The aim was to assess the business performance and employee satisfaction in regard to work culture, working conditions, and responsibilities. The survey was conducted anonymously with the results reviewed by the work environment committee and the People & Culture department.

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

The survey was answered by 92% of employees and showed that Gebr. Heinemann Retail ApS employees in Denmark overall are satisfied with their employment. Even so, we discovered areas for improvement focused on work environment, company communications and leadership training. Based on the last APV, we have in 2023 worked on several relevant actions across the company and departments.

We will continue to work with the findings in the latest report. Furthermore we will in 2024 conduct an additional survey/tool (Winningtemp) to measure the working environment on a regular basis and to initiate relevant actions to improve even further.

Going forward it will be with a more "real time" based approach and with the use of AI to support us in choosing the right actions to grow the engagement level and secure the best working environment.

Training and development:

Working at Gebr. Heinemann Retail ApS is more than just a job. It is an opportunity to become part of a global family of 9,000 employees.

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

With our exchange program, Global Career Pool, all employees are offered the opportunity to go out into the world and work in different outlets of the Heinemann group for shorter or longer periods of time. This creates unique development opportunities professionally and personally.

The survey mentioned above showed that there was a need for staff and management development. This in combination with the fact that we are growing our numbers in employees defines some of our development initiatives. Therefore, in 2023 we had an increasing focus on securing a good onboarding to our company and to the job. In addition we highly prioritize and offer additional relevant training and education.

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

Good leadership:

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

By means of staff and leadership training, we are able to secure the ongoing development of our team's competencies.

In 2023 we have maintained our focus from the leadership training programme Start-up! for all shop managers.

The Leadership programme is based on four basic approaches:

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

For all four approaches, Start-up! provides a framework for creating a common understanding of what management involves and how organisations can work to 'generate' management. Some key assumptions in the leadership programme are:

Management's review

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



Diversity, Equity and Inclusion (DE&I) - more than a job:

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

In 2022, we entered the Diversity Pact. The Diversity Pact is initiated by the Confederation of Danish Enterprise and Above and Beyond group. This work has been continued in 2023.

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

Global and Local Diversity, Equity, and Inclusion Targets



Management's review

Diversity, inclusion and Equality:

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

Gender distribution

Male	70
Female	139
Neuter	13

Seniority

> 1 year	59
1-5 years	106
5-10 years	26
10-20 years	34
< 20	17

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

In 2023 we will increase our focus on equal representation in all departments.

Despite our distinction between "men" and "women" in the distribution of gender, in 2023 we increased our focus on people who do not feel represented within binary definitions of gender.

Amongst other things, we have provided the option not to disclose gender in our recruitment process. This is a focus we will retain in 2024. Gebr. Heinemann Retail ApS believes that this partly ensures a good working environment and partly helps to make the company more competitive.

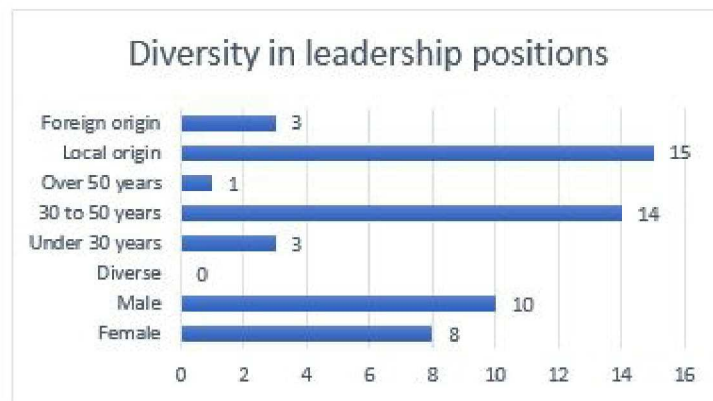
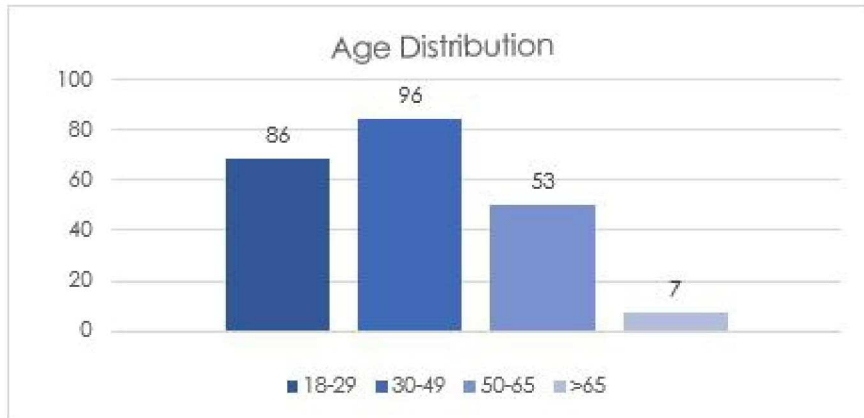
We have a very diverse team, including employees from many different backgrounds and nationalities. We strive to ensure that gender has no impact on personal development opportunities within the company.

Management's review

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

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

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



*Leadership/management is defined as persons with personnel responsibility

Management's review

Responsible products

In 2023, we continued our journey towards success, building upon the achievements of the previous year. Our commitment to improvement remains steadfast, and we strive to surpass our ambitions annually. In the year 2023 we have continued our significant progress in achieving our sustainability goals.

A notable shift occurred as we placed greater emphasis on local purchasing compared to previous years, steering us towards the path of a more responsible supply chain. Through the establishment of innovative shopping areas for all categories and steadfast support for local brands, we inched closer to realizing our responsibilities.

At Gebr. Heinemann Retail Denmark, our approach involves closely monitoring market trends to stay well-prepared to meet the evolving demands of our customers. Our focus extends to creating awareness for responsible products, including high-quality items that benefit both the body and the environment, as part of our Clean Beauty concept. This initiative serves as a platform for companies to showcase their sophisticated products on the global stage, encompassing certified organic products as well.

Responsible consumption:

Despite encountering challenges and a lack of success in customer adoption, we remain steadfast in our commitment to promoting responsible consumption. Our focus centres on a noteworthy trend in alcohol-free spirits (NoLo), witnessing a growing preference for non-alcoholic options such as wine, premixed drinks, spirits, and beer. To actively support this shift, we have designated a dedicated section within our stores. Our offerings align with the evolving consumer demand for non-alcoholic alternatives. While our stores also retail traditional spirits and tobacco products, we emphasize our dedication to fostering a culture of responsible consumption. To uphold this commitment, we adhere to the Alcohol Code of Conduct for Duty-Free and Travel Retail Sales, as outlined by the European Travel Retail Confederation (ETRC).

At the same time, international suppliers are delivering on their sustainability goals. More suppliers are choosing to change their packaging from conventional to biodegradable or recycled packaging. Baileys ALU is the latest innovation. Baileys is a high volume product, and testing a more environmentally friendly packing in aluminium is something we of course support. "At Baileys, we believe business can be a force for positive change. Together with our partners and consumers we will co-conspire to drive leading edge initiatives across the supply chain from grass to glass."



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

Management's review

Standards for socially responsible and environmentally friendly Point-of-Sale (PoS) Materials in marketing:



Management's review

Gebr. Heinemann Retail ApS is committed to sustainability in response to consumer demands and global environmental initiatives. The company emphasizes waste prevention, recycling, and responsible production practices and therefore our marketing will support Gebr. Heinemann in reducing Pos waste.

General requirements for point-of-sale activities:

- Prevent and avoid waste through collaborative planning and forecasting
- Reduce and reuse point-of-sale material by focusing on a long-term duration
- Focus on reusable instead of one-time products which means do not use single-use plastics like balloons, plastic bags etc.
- Avoid batteries and electronic components
- Reduction of packaging, especially of secondary packaging and processing materials
- Reduction of plastics and micro-plastics especially in decoration elements
- Increasing the use of recycled and recyclable materials e.g. of shopping bags
- Use FSC-certified paper for print mailing or small print advertising materials (flyers, showcards, etc.)
- Use uncoated paper, bamboo paper, recycled material
- Recognized certifications: e.g. amfori BEPI, ISO14001, EMAS

Standards for social responsibility

- Prohibition of any form of child or forced labour
- Working conditions (e.g. working hours, written working contracts)
- Occupational health and safety
- Prohibition of discrimination
- Fair wages and compensation
- Freedom of association and collective bargaining
- Recognized certifications: e.g. SA8000, ISO 45.001, amfori BSCI certificate or membership recommendations for promotions
- Focus on environmentally friendly and socially responsible messages in promotional activities
- If possible, use recycled material for foliation and try to extend its service life.
- Implement pilot projects regarding sustainability innovations
- Offer gifts with purchase in virtual form (donations / downloads / apps etc.)



Management's review

We strive to do better every year. Again in 2023 we delivered on many of our sustainability goals.

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

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

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

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

Local heroes:

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

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

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

Responsible consumption:

We see more people choosing the non-alcoholic option – such as non-alcoholic wine, premixed drinks, spirits, beer, etc. – and we are supporting this in a dedicated area in our stores and display products of the NoLo (no/low alcohol) spirits.

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

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

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

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

Sustainable products from responsible suppliers:

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 critical ingredients. Danish brands like Moms in Love, Woods and Bodyologist, together with REN from the UK, are among the brands we are going to be presenting in this area.

Management's review

Energy efficiency

Copenhagen Airport collects data on energy usage within the airport, and we at Gebr. Heinemann Retail ApS work closely with them to monitor our own energy consumption and identify opportunities for savings. In light of the ongoing energy crisis in Europe, we remain highly focused on reducing our energy usage.

Some of our initiatives include:

Replacing 30% of our oldest sales coolers in 2023, resulting in a reduction of 26,000 kWh.

Opting for models with environmentally friendly refrigerants (R290, known as CARE® 40), which reduce CO₂ emissions and exhibit excellent thermodynamic properties.

Continuously replacing outdated lighting technology with LED and implementing light controls, further reducing our energy consumption by an additional 17,500 kWh.

Implementing natural lighting controls in areas such as storage rooms and warehouses to reduce unnecessary lighting usage.

In 2023, we eliminated 43,500 kWh of consumption and saved 5.8 tons in CO₂-emissions. Our goal is to continue this effort and work on replacing mercury-containing light sources with more environmentally friendly alternatives in 2024.

Our long-term objective is to reduce our overall CO₂ emissions by 50% by 2030.

Copenhagen Airport collects data on energy consumption within the airport. Thanks to our collaboration with them, we can continuously monitor our energy usage to identify potential savings. At Gebr. Heinemann Retail ApS, we also gather data related to energy consumption in our stores.

With the energy crisis in Europe, we are particularly attentive to reducing our energy usage. We work closely with Copenhagen airport to explore all possible improvements to ensure there is sufficient energy available throughout the day.

Logistics:

Approximately 95% of our products are distributed by Gebr. Heinemann's global distribution center in Hamburg. Our logistics are based on the "just-in-time-principle". The logistics are thereby optimized to fewer deliveries and better packaging of the products. Gebr. Heinemann Group takes care of the transportation from our distribution center to our shops at Copenhagen Airport.

Transportation from our local suppliers to our local warehouse is optimized through bigger deliveries.

We have also concentrated our warehouse in one place and where there is already a lot of transport to avoid empty trucks.

Our commitment to sustainable logistics includes a strategic focus on expanding partnerships with Danish local suppliers. Over the past year, we've successfully increased our collaboration with local businesses, adding 23 new suppliers to our portfolio of 53.

This growth not only fosters economic development within the community but also strengthens the diversity and resilience of our supply chain. The benefits extend beyond reduced transportation emissions to include shorter lead times, enhanced local relationships, and a positive socio-economic impact. We take pride in contributing to the prosperity of our local partners while building a more sustainable and responsive supply chain ecosystem.

Management's review

Waste Management:

Today, there is a significant effort being made to sort paper and plastic packaging and an amount of waste is generated. In 2023 we have secured to set up waste stations in all offices, the cafeteria, and staff rooms.

We are in ongoing dialogue with Copenhagen Airport, actively seeking to optimize our waste management by strategically placing waste stations throughout the airport to significantly enhance waste sorting efficiency.

Hazardous waste:

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

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

Reduction of single-use plastics:

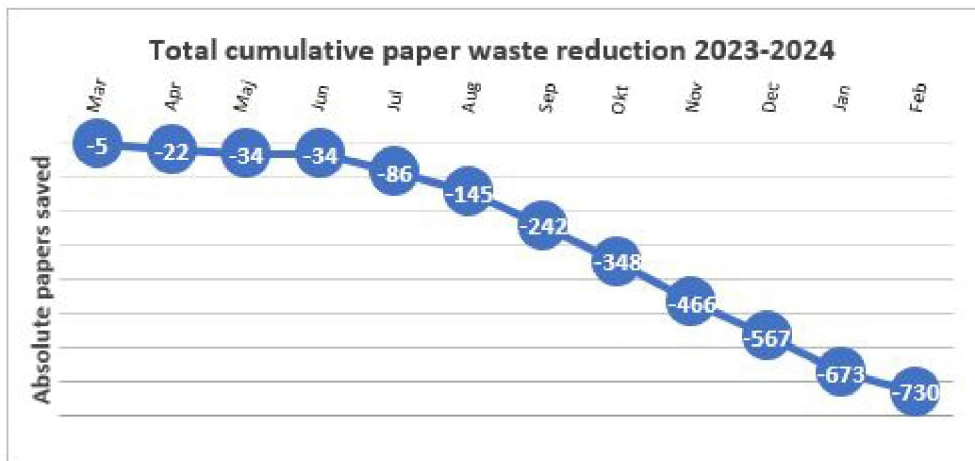
To reduce plastic consumption as much as possible in the company, we have removed plastic coffee cups from our canteen and replaced them with mugs, meaning a reduction in the plastic load of 80,000 plastic cups annually.

Paper saving and environmental impact:

Our dedication to sustainability is evident through the adoption of digital software for local supplier management and daily tasks.

The environmental impact achieved during this time is remarkable, and the potential for further positive outcomes is high as we continue to optimize and fully integrate our digital practices.

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



Management's review

Fairtrade:

We are actively working on phasing out or replacing products that are harmful to the environment.

In 2023, we continued the agreement with our coffee supplier for a more sustainable concept.

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

The Rainforest Alliance is an international non-profit organization focused on protecting the world's forests. They play a crucial role in ensuring sustainable coffee production, and we want to support their efforts. When you purchase coffee with the Rainforest Alliance label, you contribute to sustainable development.

Cleaning:

To uphold our commitment to sustainability, we have also chosen to implement the use of sustainable cleaning materials in our company.

We have transitioned to cleaning products that are manufactured with environmental and human health considerations in mind. These products are biodegradable and free from harmful chemicals, reducing our environmental footprint and ensuring a healthier work environment for our employees.

By opting for sustainable cleaning materials, we demonstrate our dedication to minimizing our impact on the environment and contributing to a more sustainable future.

Plastic bags

One of our most relevant impacts on the environment is still the use of plastic bags in our shops. In 2023 we phased out the traditional plastic bags and started using a much more sustainable option.

Our social and local commitment:

Social and local commitment is an important area of focus for Gebr. Heinemann Retail ApS. We have a positive impact on Danish society. We are involved locally and we contribute to society in terms of job creation and tax payments. We have internal procedures in place to ensure that we pay our taxes according to national legislation.

For a number of years, we have been raising money for the work done by the Danish Children's Cancer Foundation in collaboration with Spaniel Display. In front of our main shop, we have two collection boxes where the customers can make a donation. One, as mentioned, is for the Danish Children's Cancer Foundation and the other is for the volunteer organisation Girl Talk, which is a non-profit organisation for girls aged between 12 and 24 years who need someone to talk to when they don't know who to turn to.

Going forward we will in different ways focus on both our social and local commitment.

Thank you for reading our CSR report. This CSR report represents the initiatives and thoughts of the management team for Heinemann Retail Denmark in Copenhagen.

Management's review

Report on the gender composition of Management

Overview

Supreme governing body

We have reached an equal gender distribution in the supreme governing body cf. §99b, the executive management. Thus Gebr. Heinemann Retail ApS' s goal has been to get the underrepresented gender equal at the Executive Management and we expect to reach 50%in 2024 when we become 6 Executive Management team members, 3 woman and 3 men.

Other levels of management

The other levels of management for Gebr. Heinemann Retail ApS consist of the individuals with personnel responsibility who report directly to the executive management. The other management consist of 18 members, whereas the underrepresented gender is 45% In other management we have achieved an equal gender distribution, cf. §99b.

Top managerial position (Executive Management)		2023
	Total numbers of members	5
	Underrepresented gender in pct.	40
	Target figure in pct.	40
Other Managerial positions (1 and 2)	Year for fulfilment of target figure	2024
	Total number of members	18
	Underrepresented gender in pct.	45
	Target figure in pct.	45
	Year for fulfilment of target figure	2024

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
2	Revenue	899,634	760,583
	Cost of sales	-380,175	-321,959
4	Other operating income	28,944	15,830
3	Other external expenses	-452,888	-360,968
	Gross profit	95,515	93,486
5	Staff costs	-60,824	-49,006
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-6,151	-7,694
	Profit before net financials	28,540	36,786
6	Financial income	2,856	862
7	Financial expenses	-539	-1,689
	Profit before tax	30,857	35,959
8	Tax for the year	-6,034	-8,777
	Profit for the year	24,823	27,182

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Acquired intangible assets	459	1
	Goodwill	146	219
		<u>605</u>	<u>220</u>
11	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	14,367	13,647
	Leasehold improvements	1,741	2,107
		<u>16,108</u>	<u>15,754</u>
12	Investments		
	Other receivables	131,167	0
	Deposits, investments	0	1,000
		<u>131,167</u>	<u>1,000</u>
	Total fixed assets	<u>147,880</u>	<u>16,974</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	25,377	24,734
		<u>25,377</u>	<u>24,734</u>
	Receivables		
	Receivables from group entities	38,515	22,816
16	Deferred tax assets	1,563	2,016
13	Other receivables	196,270	14,481
14	Prepayments	15,844	22,558
		<u>252,192</u>	<u>61,871</u>
	Cash	<u>24,844</u>	<u>177,690</u>
	Total non-fixed assets	<u>302,413</u>	<u>264,295</u>
	TOTAL ASSETS	<u><u>450,293</u></u>	<u><u>281,269</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	31,000	31,000
	Retained earnings	77,550	162,727
	Dividend proposed for the year	110,000	0
	Total equity	218,550	193,727
	Provisions		
	Other provisions	4,702	4,419
18	Total provisions	4,702	4,419
	Liabilities other than provisions		
17	Non-current liabilities other than provisions		
	Trade payables	130,000	0
	Prepayments	32,667	0
		162,667	0
	Current liabilities other than provisions		
	Trade payables	44,837	41,994
	Payables to group entities	0	6,900
	Income taxes payable	185	2,582
	Other payables	15,352	13,052
	Prepayments	4,000	18,595
		64,374	83,123
	Total liabilities other than provisions	227,041	83,123
	TOTAL EQUITY AND LIABILITIES	450,293	281,269

- 1 Accounting policies
- 9 Appropriation of profit
- 19 Contractual obligations and contingencies, etc.
- 20 Security and collateral
- 21 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2022	31,000	134,155	0	165,155
9	Transfer, see "Appropriation of profit"	0	27,182	0	27,182
	Transfer from merger	0	1,390	0	1,390
	Equity at 1 January 2023	31,000	162,727	0	193,727
9	Transfer, see "Appropriation of profit"	0	-85,177	110,000	24,823
	Equity at 31 December 2023	31,000	77,550	110,000	218,550

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2023	2022
	Profit for the year	24,823	27,182
22	Adjustments	31,919	17,815
	Cash generated from operations (operating activities)	56,742	44,997
23	Changes in working capital	-204,578	27,996
	Cash generated from operations (operating activities)	-147,836	72,993
	Interest received, etc.	2,856	862
	Interest paid, etc.	-539	-1,689
	Cash flows from operating activities	-145,519	72,166
	Additions of intangible assets	-535	0
	Additions of property, plant and equipment	-6,792	-405
	Cash flows to investing activities	-7,327	-405
	Net cash flow	-152,846	71,761
	Cash and cash equivalents at 1 January	177,690	105,929
24	Cash and cash equivalents at 31 December	24,844	177,690

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Gebr. Heinemann Retail ApS for 2023 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).

Intra-group business combinations

With effect on 1 January 2023 the Company has merged with the subsidiary Gatezero ApS.

The merger is measured according to the consolidation method, and the net asset value on 1 January 2023 amounts to DKK -2,578 thousand.

As a result of the merger, the comparative figures for 2022 have been adjusted, which has affected the result by DKK -3,968 thousand, equity by DKK -2,578 thousand and the balance sheet has increased by DKK 6,439 thousand in 2022.

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
Goodwill	5 years

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

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

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

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

Financial income and expenses

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

Tax

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

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

Other intangible assets include other acquired intangible assets.

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

Property, plant and equipment

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

Leases

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

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

Deposits, investments

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for 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

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

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
2 Segment information		
Breakdown of revenue by business segment:		
Retail	899,634	760,583
	<u>899,634</u>	<u>760,583</u>
Breakdown of revenue by geographical segment:		
Denmark	899,634	760,583
	<u>899,634</u>	<u>760,583</u>
<p>The Company only has one geographical segment which is sale of products from Copenhagen Airport (only Retail) why no further segment information is disclosed.</p>		
DKK'000	2023	2022
3 Fee to the auditors appointed in general meeting		
Statutory audit	488	615
Assurance engagements	117	159
Tax assistance	346	249
Other assistance	613	202
	<u>1,564</u>	<u>1,225</u>
4 Other operating income		
Advertising income	13,579	9,883
Other operating income	5,469	3,201
State aid	0	2,746
Debt forgiveness	9,896	0
	<u>28,944</u>	<u>15,830</u>
5 Staff costs		
Wages/ salaries	51,964	42,052
Pensions	7,149	5,445
Other social security costs	1,335	1,278
Other staff costs	376	231
	<u>60,824</u>	<u>49,006</u>
Average number of full-time employees	<u>196</u>	<u>167</u>

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

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022	
6 Financial income			
Other interest income	1,577	0	
Exchange gain	1,279	862	
	<u>2,856</u>	<u>862</u>	
7 Financial expenses			
Interest expenses, group entities	8	51	
Exchange losses	531	479	
Other financial expenses	0	1,159	
	<u>539</u>	<u>1,689</u>	
8 Tax for the year			
Estimated tax charge for the year	5,553	8,101	
Deferred tax adjustments in the year	453	676	
Tax adjustments, prior years	28	0	
	<u>6,034</u>	<u>8,777</u>	
9 Appropriation of profit			
Recommended appropriation of profit			
Proposed dividend recognised under equity	110,000	0	
Retained earnings/accumulated loss	-85,177	27,182	
	<u>24,823</u>	<u>27,182</u>	
10 Intangible assets			
DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2023	704	677	1,381
Additions in the year	535	0	535
Disposals in the year	-689	0	-689
Cost at 31 December 2023	<u>550</u>	<u>677</u>	<u>1,227</u>
Impairment losses and amortisation at 1 January 2023	703	458	1,161
Amortisation/depreciation in the year	77	73	150
Reversal of amortisation/depreciation and impairment of disposals	-689	0	-689
Impairment losses and amortisation at 31 December 2023	<u>91</u>	<u>531</u>	<u>622</u>
Carrying amount at 31 December 2023	<u>459</u>	<u>146</u>	<u>605</u>

Financial statements 1 January - 31 December

Notes to the financial statements

11 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	94,872	15,675	110,547
Additions in the year	6,649	143	6,792
Disposals in the year	-4,609	-232	-4,841
Cost at 31 December 2023	96,912	15,586	112,498
Impairment losses and depreciation at 1 January 2023	81,225	13,568	94,793
Amortisation/depreciation in the year	5,502	499	6,001
Reversal of prior-year impairment losses	-4,182	-222	-4,404
Impairment losses and depreciation at 31 December 2023	82,545	13,845	96,390
Carrying amount at 31 December 2023	14,367	1,741	16,108

12 Investments

Other receivables include prepayment for concession contract of DKK 106,167 thousand and a vendor agreement discount of DKK 25,000 thousand.

13 Other receivables

Other receivables include restricted cash totalling DKK 164,009 thousand that is not readily available until May 2024 and a discount from a vendor agreement of DKK 15,000 thousand.

14 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 2023. The concession contract terminates on 28 February 2033.

15 Share capital

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

DKK'000	2023	2022
16 Deferred tax		
Deferred tax at 1 January	-2,016	-2,692
Adjustments to profit/loss for the year	453	676
Deferred tax at 31 December	-1,563	-2,016

Deferred tax as of 31 December 2023 consist of temporary differences.

Financial statements 1 January - 31 December

Notes to the financial statements

17 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Trade payables	130,000	0	130,000	0
Prepayments	32,667	0	32,667	0
	<u>162,667</u>	<u>0</u>	<u>162,667</u>	<u>0</u>

Prepayments include amortization of vendor agreement.

18 Provisions

Other provisions consist of provisions for re-establishment obligations, totalling DKK 4,702 thousand, which are due at the termination of the existing concession contract on 28 February 2033.

19 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2023	2022
Other contingent liabilities	5,143,803	705,224
	<u>5,143,803</u>	<u>705,224</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 2033.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2023	2022
Rent and lease liabilities	2,813	3,198
	<u>2,813</u>	<u>3,198</u>

Rent payments concern a contract which is non-cancellable until 28 February 2033.

20 Security and collateral

No assets were pledged as collateral or otherwise charged at 31 December 2023.

Financial statements 1 January - 31 December

Notes to the financial statements

21 Related parties

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

Parties exercising control

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

Information about consolidated financial statements

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

Related party transactions

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

DKK'000	2023	2022
Purchase of goods from Parent Company	318,764	268,622
Management fee to Parent Company	6,340	8,417
Income from parent company	62,300	53,257
Receivables from Parent Company	0	28,391
22 Adjustments		
Amortisation/depreciation and impairment losses	6,151	7,694
Financial income	-2,856	-862
Financial expenses	539	1,689
Changes in deferred tax	453	676
Adjustment of prepayment	27,195	9,090
Other adjustments	437	-472
	<u>31,919</u>	<u>17,815</u>
23 Changes in working capital		
Change in inventories	-643	-9,949
Change in receivables	-165,770	26,413
Change in trade and other payables	-15,566	21,681
Change in working capital from group entities	-22,599	-10,149
	<u>-204,578</u>	<u>27,996</u>
24 Cash and cash equivalents at year-end		
Cash according to the balance sheet	24,844	177,690
	<u>24,844</u>	<u>177,690</u>

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Katrin Bamler

GEBR. HEINEMANN RETAIL ApS CVR: 29605556

CEO

På vegne af: Gebr. Heinemann Retail ApS

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Katrin Bamler

GEBR. HEINEMANN RETAIL ApS CVR: 29605556

Chair of the meeting

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IP: 165.225.xxx.xxx

2024-05-24 17:15:51 UTC



Henrik West Rohden Pedersen

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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