MIE4 Holding 2 ApS

c/o Maj Invest, Gammeltorv 18, DK-1457 København K

Annual Report for 1 July 2021 - 30 June 2022

CVR No 35 24 79 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16/1 2023

Jakob Vestergaard Jensen
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board has today considered and adopted the Annual Report of MIE4 Holding 2 ApS for the financial year 1 July 2021 - 30 June 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021/22.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 16 January 2023

Executive Board

Thomas Riis Executive Officer	Jens Aaløse Executive Officer

Independent Auditor's Report

To the Shareholder of MIE4 Holding 2 ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2021 - 30 June 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of MIE4 Holding 2 ApS for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 about 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 these Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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 and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 16 January 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild	Mads Blichfeldt Fjord
State Authorised Public Accountant	State Authorised Public Accountant
mne33262	mne46065

Company Information

The Company	MIE4 Holding 2 ApS c/o Maj Invest, Gammeltorv 18 DK-1457 København K CVR No: 35 24 79 55 Financial period: 1 July - 30 June Incorporated: 27 May 2013 Financial year: 9th financial year Municipality of reg. office: København
Executive Board	Thomas Riis Jens Aaløse
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2021/22	2020/21	2019/20	2018/19	2017/18
	kDKK	kDKK	kDKK	kDKK	kDKK
Key figures					
Profit/loss					
Revenue	732,008	503,177	484,979	99,951	0
Gross profit/loss	374,150	261,732	249,113	53,355	-50
Profit/loss before financial income and expenses	49,932	12,605	-28,110	-101	-50
Net financials	-2,380	14	-5,100	56,081	-4
Net profit/loss for the year	36,776	7,619	-29,843	55,547	-54
Balance sheet					
Balance sheet total	436,064	398,341	383,254	368,013	59,908
Equity	234,926	198,829	189,173	185,641	59,822
Cash flows					
Cash flows from:					
- operating activities	71,907	48,116	18,002	22,068	-53
- investing activities	-34,621	-14,440	-21,586	-85,520	0
including investment in property, plant and equipment	-28,853	-17,792	-16,859	-4,540	0
- financing activities	-16,407	-14,709	59,208	72,952	4
Change in cash and cash equivalents for the year	20,879	18,967	55,624	9,500	-49
Number of employees	914	725	741	777	0
Ratios					
Gross margin	51.1%	52.0%	51.4%	53.4%	0.0%
Solvency ratio	53.9%	49.9%	49.4%	50.4%	99.9%
Return on equity	17.0%	3.9%	-15.9%	45.3%	-0.1%

MIE4 Holding 2 ApS acquired the majority of Sticks 'n' Sushi Holding A/S as of 7 May 2019. From this date the Group was established. The comparison figures for 2017/18 contains only figures for MIE4 Holding 2 ApS.

Management's Review

Primary activities

Sticks'n'Sushi produces and serves healthy high-quality food of the "affordable luxury" category based on a unique combination of traditional sushi and yakitori sticks rooted in Japanese as well as Danish gastronomical traditions. In the later years, a more "green line" has been introduced with salads, starters and more vegetarian menus also including bioorganic wines and soft drinks.

The first Sticks'n'Sushi restaurant was opened in March 1994 at Nansensgade 59 in Copenhagen and has since been followed by 11 more restaurants in the Greater Copenhagen Area, 9 restaurants as well as 34 delivery kitchens in and around London and two in Berlin (second restaurant in Berlin opened September 2021). In addition to the 23 restaurants Sticks'n'Sushi Holding A/S has a central kitchen at Rødovre, Copenhagen, with around 20 employees who support the Group's restaurants with semi-finished products, sauces and desserts ect. Every one of these restaurants, each having its own individual design and interior, forms a natural part of the local area environment which invites comfort and togetherness.

The Sticks'n'Sushi Group served guests in the 23 restaurants or as takeaway. This requires high quality and hygiene standards, rigorous training of the staff and uniform processes. The more than 1.400 employees have all been through extensive introductory and product training courses to secure the continuous execution of high standards of quality and ensuring the best possible guest experience possible.

At "Baghuset" in Nansensgade 49, Copenhagen Sticks 'n' Sushi Group has its office that covers managerial and administrative support functions as well as R&D functions. Seven administrative employees are based in the UK, working from the office in central London as well as out of the restaurants and partly from home.

Development in the year

The income statement of the Group for 2021/22 shows a profit of kDKK 36,776, and at 30 June 2022 the balance sheet of the Group shows equity of kDKK 234,926.

In total the revenue went up year-on-year by DKK 229 million or 45% to bring revenue to DKK 732 million for 2021/22 compared with DKK 503 million in the financial year 2020/21.

The financial year ended with an EBIDTA of DKK 88 million equal to 12% of net sales against the comparable DKK 51 million or 10% of revenue in 2020/21.

The Group EBITDA over performance compared to the forecasted EBITDA of DKK 55-60 million was from a strong performance and growth of 3 delivery kitchens in the UK.

Profit before financial income and expenses amounting to 50 DKKm against 13 DKKm in 2020/21.

Management's Review

In 2021/22 the Group has continued its long-term digital investment program to enhance the guest's digital experience with even more convenience and smoothness to meet the growing expectations from our guests in relation to online ordering of TakeAway and delivery food. Using a data-driven approach the Group will continue to invest in the digital platforms in the years to come.

The number of full-time employees in the Group was 914 compared with 725 in the financial year 2020/21.

Capital resources

Based on current bank agreement and the budget prepared for the financial year 2022/23 Management is confident that the capital resources of the Group are in place and accurate for the entire financial year 2022/23. The Consolidated Financial Statements is prepared based on these assumption.

Business related risks

Sticks'n'Sushi Group is of course subject to the usual risks of the restaurant industry such as changing economic trends, consumer preference changes and demand, food security and raw material supplies, etc. The desire for more organic and local produced products and improved sustainability in combination with resource shortages, usual increase in costs for raw material the soring utility cots and declining consumer confidence due to high inflation will provide pressure on the profitability. The post Covid period and the war in Ukraine have consequently added further pressure of food costs, soring utility costs, recruitment, current staff and further complexity with logistics of goods into the UK. Despite the ongoing challenge of Sticks'n'Sushi Group have so far been able to mitigate the business in pact, but believe the current situation will continue well into 22/23.

Given a high exposure in UK, the Sticks 'n' Sushi Group must accept the risks derived from the Brexit and the subsequent lack of clarity it has created. The post Covid period has consequently added further pressure of food costs, recruitment, current staff and further complexity with logistics of good into the UK. Despite the ongoing challenges the Group has so far been able to mitigate the business impact, but believe the current situation will continues well into 21/22.

Beside from normal financial risk operating in the hospitality sector Sticks'n'Sushi is subject to usual financial risks from operating in three different markets and its related exchange rate risk.

Management's Review

Targets and expectations for the year ahead

In 2022/23 Sticks'n'Sushi Group will continue the focus on organic growth in the existing restaurants, operational excellence and ensuring the dining experience in the restaurants are best-in-class leading to a high and always improving guest satisfaction. Two further restaurants are opened, one in Berlin in October and one in November in London. Sticks'n'Sushi will invest further to strengthen the value chain into the restaurants, continue training our staff and implement uniform processes as well as investing into our brand.

Management in the Group is monitoring developments closely and will continue to make every effort to mitigate the negative impact this have to the business.

Despite the ongoing challenge, Management is anticipating the positive trajectory and the company expects to deliver an EBITDA for the financial year 2022/23 in the range between DKK 55 – 60 million, in the same level as last year pending the inflation and impact from the war in Ukraine.

Research and development

The Sticks 'n' sushi Group is continuing its investments into improving our guests' digital journey with the best online ordering experience for take-away and at the same time improving efficiency and scalability in our operation.

Environmental performance

Sustainability has always been a central part of Sticks'n'Sushi values and business model from food procurement of raw materials, waste management, efficient energy use and the daily operations in the kitchens right to the food which the Group serve for the guests.

Sticks'n'Sushi have a no-waste policy and aim to produce as little waste as possible. This goes both for our menu card engineering and in the daily operations.

The post COVID-19 implications followed by the Ukraine war have continued causing further challenge in supply chain, soring food and utility costs.

Management's Review

Intellectual capital resources

Hospitality businesses around the world are facing significant challenges when it comes to finding new staff. The impact of covid on personal situations, immigration changes and much higher business levels is felt by all. Sticks N Sushi seems to have coped well with a high stability level of the core team (circa 75% over a year's experience) - in particular in the kitchen's teams.

The continued focus on individual wellbeing, higher than average rewards, structured training and development forms the foundation of a strong culture and family/team ethos. This is appreciated by the diverse colleagues from around the world and ensures the Group continues to operationally deliver exceptional service and food quality.

Statement of corporate social responsibility

Business model

Sticks 'n' Sushi has a holistic approach to Corporate Social Responsibility (CSR) and take pride in being a business that acts responsibly and prioritises decency. The work with sustainability is an endless journey and the Group does not want to pretend to be perfect. The truth is that a company can always improve. And the Sticks 'n' Sushi Group is working on it. One step at a time.

Risk evaluation

Sticks'n'Sushi Group's UN Global Compact membership assists in aligning strategies and operations with universal principles on human rights, labor rights, environment, and anti-corruption, as well as taking actions that advance societal goals.

In addition to begin part of the world's largest corporate sustainability initiative, Sticks'n'Sushi Group's is member of two industry associations: The restaurateurs' Guarantee Association (REGA) and the Sustainable Restaurant Association (SRA), a UK-based association.

Through these memberships Sticks'n'Sushi is committed to comply with the procedural requirements set forth by the UN and OECD's minimum standards for responsible business conduct (the UN Guiding Principles on Business and Human Rights (hereafter UNGPs) and the OECD Guidelines for Multinational Enterprises (hereafter OECD)).

Thus, Sticks'n'Sushi Group does not only ensure good corporate citizenship. The Group also work together with the peers to create a solid foundation of working systematically with international principles on sustainability within the restaurant industry.

With these frameworks, Sticks'n'Sushi Group apply a management system which ensures that the work with ESG is anchored in all aspects of the business and an approach that addresses potential adverse and positive impacts on social, environmental, and economic sustainability.

Management's Review

This is done by:
•Published policy commitment
•Due diligence process
•Identification, prevention, and mitigation of adverse impacts
•Access to remedy
•Transparent communication

Part of being a responsible business is to keep track on the progress and outcomes. Sticks'n'Sushi work with different methods to understand the progress. Next year Sticks'n'Sushi Group will enhance the focus on retrieving data to improve the performance. From 2023, the UN Global Compact's requirements of a written report will change into a data-driven questionnaire. The questionnaire will be used as a base and guideline for the performance tracking.

In June Sticks'n'Sushi Group had the opportunity to review all the corporate responsibility projects, commitments, and requirements. It was clear from the assessment that Sticks'n'Sushi Group needs a new governance structure for the work with ESG to ensure anchoring in the business operations to reap the full benefits of the efforts.

Therefore, Sticks'n'Sushi has decided to form a ESG council that will set the group strategic direction for the work with corporate responsibility. Top-level commitment is essential to create impact and mitigate risks. Thus, the council will constitute carefully selected members of the group management to ensure decision-making ability. The ESG Manager will in turn act as council facilitator and ESG expert. Finally, the ESG council will be supported with inputs from local ESG spokespersons throughout the organizations. This will ensure a transparent governance structure.

Thus, ESG becomes a full circle within the organization with a mandate and direction from the top, fed with relevant inputs from the drivers and facilitator, and finally lifted and carried out by all.

Policies, activities and results

The policy commitment to ESG governs the actions on responsible business conduct. Sticks'n'Sushi Groups commitment is publicly available and communicated both internally and externally. Every year, this policy is reviewed and, if necessary, revised for updates.

Access the policy here: https://sticksnsushi.com/media/3286/sushistainable-policy-commitment-2022.pdf

In January 2022, the Sticks'n'Sushi Group passed the first audit on the ESG processes required through our REGA commitment. The audit entailed ed an assessment on whether we meet the first steps to implement adequate management processes in alignment with the UNGPs and OECD. The audit was executed by Global CSR and constituted verification of required documentation and a visit to Sticks'n'Sushi Groups headquarters in Copenhagen.

Management’s Review

The auditors highlighted a few required changes to the processes established, which should be addressed. However, the nature of these issues was assessed "minor" and "few". These will be addressed before the second audit. Scheduling of the coming audit is still to be determined.

In addition, Stick’n’Sushi Group want to make a difference where it is possible, and therefore, Stick’n’Sushi also work proactively in forming partnerships that contribute to causes beyond the daily operations. Stick’n’Sushi Group believe that working together can increase our capacity to create positive change through sharing of knowledge, resources, and expertise.

A key aim for 2021 was a more formalized due diligence procedure for suppliers. Therefore, Stick’n’Sushi Group has formulated a new code of conduct covering all our business relationships. The purpose of the new Code of Conduct for Business Relationships (hereafter CoCBR) is to ensure that all our third parties demonstrate responsible business conduct in relation to managing risks in alignment with the UNGPs and OECD. The CoCBR provides the foundation for continuous engagement with business partners and dialogue in good faith on performance regarding human rights, the environment, and anti-corruption. Furthermore, it includes compliance with all legal and regulatory requirements.

We believe that partnering with the business relations to understand their challenges, identify solutions, and develop shared commitments has a long-lasting positive impact. This approach also goes beyond audits and seeks to engage our third parties through dialogue, strengthening management systems, and driving greater transparency. This allows for better understanding of systemic issues or plans for ongoing partner engagement.

In 2020, Stick’n’Sushi Group formulated 6 specific goals on environmental, social, and governance factors relevant for the business. This is an obligation to the owners, Maj Invest Equity 4 K/S, which in line with the mission, wishes to advance sustainability integration in their company portfolio. Using the Sustainable Development Goals SDGs) as a framework, Stick’n’Sushi Group has defined key performance indicators (KPis) which we monitor, improve on, and set targets for. You can read more about our approach, progress and results in the Communication on Progress report.

Access the report here: https://www.unglobalcompact.org/participation/report/cop/create-andsubmit/active/473851

Below the intentions, actions and results in the following areas: The Environment, Employee Conditions and Human Rights and Anti-Corruption are outlined.

The environment

As a business Sticks’n’Sushi Group has a responsibility to mitigate risks to the environment as well as to promote a stronger environmental responsibility. Environmental awareness is thus a continuous focus area at Sticks'n'Sushi. Every company is constantly faced with both risks and opportunities. It is part of the game to be able to make the right choices at the right time to ensure growth. However, every choice has consequences; not just for the company and its employees, but potentially also for the environment. Therefor, Sticks’n’Sushi Group will conduct an environmental impact assessment again this year and evaluate the processes, gaps, and goals as well as consequences of the actions.

This Year Sticks'n'Sushi Group has been collaborating with a third party, Klimato, on conducting life cycle analysis (LCA) for the food items on the new menu. Klimato provides an application that enables restaurants to calculate, label, and report CO_2 values for food served at restaurants. The collaboration is based on exploring how to minimize food-related emissions and raise awareness of how the eating habits affect our climate. Thus, by knowing the LCA of the menu, we are better equipped to make informed choices. Going forward, we will discuss how to best use the calculations as well as assess the need for further calculations on our greenhouse gas emissions.

This autumn Sticks'n'Sushi Group will launch a new menu. Again this year, focuse is on how to make full use of every food item and thus minimise waste. Furthermore, it is decided to minimise some of the elements that have a high CO_2e impact, such as avocados. Sticks'n'Sushi Group continuously work with the product range in the strive to offer the guests the most tasty, nutritious, and responsible product.

Another environmental focus is the takeaway packaging. Creating a circular solution for packaging is one of the biggest challenges in the industry. The coming years approaching the 2030 Agenda for the Sustainable Development Goals, we will experience an enhanced focus from authorities setting guidelines to deal with the increasing quantities of packaging waste, which cause environmental problems. Sticks'n'Sushi Group will continue the diligent work in sourcing or developing the best possible take-away packaging with a minimum impact on the environment – both before, during and after production.

Even though Sticks'n'Sushi Group has introduced several initiatives over the past years, the Group is committed to go even further. It is recognized that the business community plays a crucial role in enabling us to implement a positive transition and in how well the Group succeed in the fight against global climate change.

Employee conditions & Human Rights

Sticks'n'Sushi recognize that the group has a responsibility to respect human rights and the importance of being transparent about how to take the necessary steps to fulfil our obligation. The Group seek to operate responsibly along our entire supply chain by safeguarding the rights of the employees and those of the people who supply the products. Finally, we use our influence on driving positive change where we can. We respect human rights and employee conditions as defined by the UN Guiding Principles on Business and Human Rights. The framework also helps us to comply with relevant legislation such as, but not limited to, the UK Modern Slavery Act. In addition, we follow the implementation of these principles by the Danish government and the European Union.

Due diligence according to the standards UNGPs and OECD consists of regular operational level impact assessments. In 2021, Sticks'n'Sushi Group conducted the first assessment of all 48 rights defined in the International Bill of Human Rights. The assessment was completed using a tool developed by the Danish consultancy GLOBAL CSR, which assists the REGA initiative in the implementation of global sustainability standards. The assessment was based on one of the restaurants in Denmark and completed in collaboration with the General Manager. The initial results of the assessment prevailed potential adverse human rights impacts on 31 of 54 indicators. We have created an action plan on how to minimise these risks, to be completed before the next assessment.

Furthermore, Sticks'n'Sushi want to be a workplace where everybody enjoys going to work. Therefore, the Group spends much energy in ensuring the right conditions so that everyone thrives. The People team dedicates an extensive amount of time and resources in ensuring that we are a company with takes work satisfaction and social responsibility seriously. This year, to monitor the wellbeing of the employees, pulse surveys will be introduced – a short series of questions designed to track the employee responses to an issue. By making the surveys quick and easy to read and offering the choice of answering questions either on computer or phone, Sticks'n'Sushi aims to have strong and reliable results

Anti-discrimination

Sticks'n'Sushi Groups commitment to responsible business conduct rests on the natural premise that Sticks'n'Sushi Group and the business relationships comply with all applicable laws in all the jurisdictions in which we operate, including any regulation countering bribery and corruption.

Sticks'n'Sushi Group believe that part of being a responsible business involves highlighting areas where corruption could occur and working to prevent such activities from taking place. Therefore, the Group have introduced several procedures and policies addressing anti-corruption during the past year. We also intend to develop our procedures in this area to include a broader range of potential challenges we could meet. This will be a focus the coming year where we wish to streamline our policies and procedures to ensure relevancy and a rigorous format.

Last year Sticks'n'Sushi Group implemented an online System where all employees can record business gifts, given and received, (over a minimum threshold). For gifts over a certain value, there is a mechanism in the online system to notify the chief financial officer that the gift needs approval. This is to enhance recording, transparency, and integrity in recording procedures. Both receiving and giving gifts can be considered as bribe if given with the expectation of improperly receiving benefits in return. So, generally, no employees should give or receive gifts.

Since the implementation of the system, registration, gifts has been below expectations. Therefore, Sticks'n'Sushi Group are currently investigating whether this is because of a minimal flow of gifts or a lack of adequate training and communications. Awareness will be strengthened over the coming year to ensure that all employees are familiar with the procedure.

Finally, in alignment with the management system as described by the UNGPs and with the expectations of the OECD, Sticks'n'Sushi Group continuously work to identify and address risks of corrupt practices that could emerge in the business or with the business relations. The Group identify risks against, as a minimum, the principles of the UN Convention against Corruption (UNCC). In the autumn the Group conducted a new impact assessment to understand the risks regarding corruption. Based og this assessment Sticks'n'Sushi Group will develop action plans to ensure mitigating the impact.

Management's Review

Statement on gender composition

It is the policy to continuously aim for the highest competency levels for the employees and the Group strive to recruit the best qualified candidates regardless of gender, age, religious beliefs, ethnicity, nationality, and/or sexual orientation. Sticks 'n' Sushi wants to be an attractive workplace for both women and men with equal opportunities for career advancement and management promotions. It is also important that the right competencies are present, and it is thus the company's policy to ensure development and training opportunities – internal as well as external – in order to give aspiring men and women the best possible opportunities within the company.

At all levels of the organisation the Group has internal classes and individual training programs for those who wish to advance their careers. The Group offer leadership courses from both internal and external teachers to all aspiring leaders and encourage everyone, including the underrepresented gender, to attend. The Group aim to achieve a fair and representative balance with regards to the composition of gender, age and seniority, recognising that the restaurant industry is an industry with a relatively high level of job rotation.

At the end of the financial year 2020/21 the gender composition at board level was as follows: Executive Board: 100% men

Since the Executive Board consists of only 2 members, there is no obligation to report on target figures. MIE4 Holding 2 ApS has below 50 employees and is therefore not obligated to establish and account for a policy to increase the underrepresented gender of other management levels.

Statement on data ethics

Data ethics has become an important topic in line with the digital development and thus the need for corporate accountability has grown. Privacy and data protection is part of the fundamental rights defined in the International Bill of Human Rights, which Sticks'n'Sushi Group has committed to respect as defined by the UN Guiding Principles on Business and Human Rights. One way to live up to this commitment is to ensure that the data is kept protected and safe. All data which is used and shared, whether personal, business or customer data, is protected through Sticks'n'Sushi Group's security procedures and connecting IT applications. This way Sticks'n'Sushi Group protect the data of all the stakeholders from the increasing risk of careless or intentional damaging conduct.

Data ethics are the guidelines that govern how to handle data. The Data Ethics Policy stipulates best practices that should be followed to ensure that privacy, security, and transparency standards are met. The scope of the policy covers the whole Sticks'n'Sushi Group, customers, guests, website visitors and business relationships. The commitment is publicly available and communicated both internally and externally. Every year, this policy will be reviewed and, if necessary, revised for updates.

Data can be related to website, guest inquiries, dinner reservations and collaborations with business relationships. Sticks'n'Sushi Group do not sell data to third parties. Furthermore, the group has relevant data protection standards in place to ensure to comply with growing requirements across our markets.

Management's Review

Moreover, that all personal data used in Sticks'n'Sushi Group's operations must be handled with respect and in strict accordance with the global standards described in the policies.

Fair and limited handling of employee data is part of the commitment to the employees about respect at the workplace, which stipulates a dignified, safe, and non-discriminatory environment. When collecting and keeping data on other stakeholders, such as customers, Sticks'n'Sushi Group ensure to do it in a manner that privacy is cherished and respected. Finally, if the Group use machine learning, artificial intelligence and / or algorithms, the Group will strive to ensure no biased or discriminatory results. Sticks'n'Sushi Group strive for transparency about errors and problems to ensure continuously improved use of data and enabled potential grievances through the anonymous whistleblower channel.

Policies and procedures

The internal publication, Policies and Procedures, describes the commitments, ethical behavior and expectations. Thus, whenever in doubt or facing a dilemma, all employees can consult this document. Living up to the values expressed in the policies supports the overall strategy. Furthermore, it mitigates risks in the operations and supply chain as well as protect the brand. All policies are approved by Executive Management.

Furthermore, Sticks'n'Sushi Group has Privacy Policy describing when, how, and why the company collect, use, and share information about suppliers or people who visit the restaurants, use the websites, apps, booking solutions, or communicate with us. Finally, the Privacy Policy describes the whistle-blower mechanism, where all stakeholders can report concerns through a safe and confidential channel. The reported incidents will be handled in an anonymous and professional manner without fear of retaliation for reporting.

This year we are working on strengthening the policies and procedures to ensure upholding the ethical standards and that all employees are aware of, and trained in, the internal policies and procedures. The new policy work includes new guidelines on data treatment and protection. Moreover, Sticks'n'Sushi Group is also working on enhancing the training site to an academy platform, which will enable us to target training to the specific employee.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 30 June 2022 and the results of the activities and cash flows of the Group for the Financial year for 2021/22 have been affected negatively by Covid-19 restrictions during several weeks with closed restaurants and only revenue from take-away.

Income Statement 1 July - 30 June

	Note	Group		Parent	
		2021/22	2020/21	2021/22	2020/21
		kDKK	kDKK	kDKK	kDKK
Restaurants and take-away	1	**732,008**	**503,177**	**0**	**0**
Other operating income	2	2,565	21,152	0	0
Expenses for raw materials and consumables		-215,995	-151,582	0	0
Other external expenses		-144,428	-111,015	-81	-50
Gross profit/loss		**374,150**	**261,732**	**-81**	**-50**
Staff expenses	3	-286,457	-210,686	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-37,761	-38,441	0	0
Profit/loss before financial income and expenses		**49,932**	**12,605**	**-81**	**-50**
Financial income	5	262	2,805	946	717
Financial expenses	6	-2,642	-2,791	-740	-572
Profit/loss before tax		**47,552**	**12,619**	**125**	**95**
Tax on profit/loss for the year	7	-10,776	-5,000	-42	-21
Net profit/loss for the year		**36,776**	**7,619**	**83**	**74**

Balance Sheet 30 June

Assets

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
		kDKK	kDKK	kDKK	kDKK
Completed development projects		3,167	1,990	0	0
Acquired trademarks		42,133	44,583	0	0
Goodwill		109,929	116,460	0	0
Intangible assets	8	**155,229**	**163,033**	**0**	**0**
Other fixtures and fittings, tools and equipment		11,974	15,103	0	0
Leasehold improvements		96,809	96,590	0	0
Prepayments for property, plant and equipment		2,019	0	0	0
Property, plant and equipment	9	**110,802**	**111,693**	**0**	**0**
Investments in subsidiaries	10	0	0	169,125	169,125
Receivables from group enterprises	11	0	0	0	26,479
Deposits	11	10,482	7,761	0	0
Fixed asset investments		**10,482**	**7,761**	**169,125**	**195,604**
Fixed assets		**276,513**	**282,487**	**169,125**	**195,604**
Inventories		**10,976**	**8,272**	**0**	**0**
Trade receivables		17,984	10,629	0	0
Other receivables		8,574	8,836	0	0
Deferred tax asset	12	8,491	4,035	0	0
Prepayments	13	9,325	760	0	0
Receivables		**44,374**	**24,260**	**0**	**0**
Cash at bank and in hand		**104,201**	**83,322**	**375**	**465**
Currents assets		**159,551**	**115,854**	**375**	**465**
Assets		**436,064**	**398,341**	**169,500**	**196,069**

Balance Sheet 30 June

Liabilities and equity

		Group		Parent	
	Note	2022	2021	2022	2021
		kDKK	kDKK	kDKK	kDKK
Share capital	14	120	120	120	120
Retained earnings		205,944	178,760	156,190	156,107
Equity attributable to shareholders of the Parent Company		**206,064**	**178,880**	**156,310**	**156,227**
Minority interests		28,862	19,949	0	0
Equity		**234,926**	**198,829**	**156,310**	**156,227**
Provision for deferred tax	12	5,210	2,817	2,392	2,392
Provisions		**5,210**	**2,817**	**2,392**	**2,392**
Credit institutions		15,000	20,000	0	0
Payables to group enterprises relating to corporation tax		0	0	2,446	2,404
Other payables		4,279	4,231	0	0
Long-term debt	16	**19,279**	**24,231**	**2,446**	**2,404**

Balance Sheet 30 June

Liabilities and equity

		Group		Parent	
	Note	2022	2021	2022	2021
		kDKK	kDKK	kDKK	kDKK
Credit institutions	16	48,653	52,904	5,949	32,797
Trade payables		36,614	22,012	50	49
Payables to group enterprises		2,267	2,179	2,267	2,179
Payables to owners and Management		0	7,244	0	0
Corporation tax		11,244	8,338	21	21
Other payables	16	72,361	74,354	65	0
Deferred income	17	5,510	5,433	0	0
Short-term debt		**176,649**	**172,464**	**8,352**	**35,046**
Debt		**195,928**	**196,695**	**10,798**	**37,450**
Liabilities and equity		**436,064**	**398,341**	**169,500**	**196,069**

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Statement of Changes in Equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	kDKK	kDKK	kDKK	kDKK	kDKK
Equity at 1 July	120	178,760	178,880	19,949	198,829
Exchange adjustments	0	-536	-536	-142	-678
Other equity movements	0	-4	-4	3	-1
Net profit/loss for the year	0	27,724	27,724	9,052	36,776
Equity at 30 June	**120**	**205,944**	**206,064**	**28,862**	**234,926**

Parent

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 July	120	156,107	156,227	0	156,227
Net profit/loss for the year	0	83	83	0	83
Equity at 30 June	**120**	**156,190**	**156,310**	**0**	**156,310**

Cash Flow Statement 1 July - 30 June

	Note	Group 2021/22 kDKK	Group 2020/21 kDKK
Net profit/loss for the year		36,776	7,619
Adjustments	18	53,007	41,396
Change in working capital	19	-5,628	1,282
Cash flows from operating activities before financial income and expenses		**84,155**	**50,297**
Financial income		262	2,805
Financial expenses		-2,577	-2,790
Cash flows from ordinary activities		**81,840**	**50,312**
Corporation tax paid		-9,933	-2,196
Cash flows from operating activities		**71,907**	**48,116**
Purchase of intangible assets		-3,049	-383
Purchase of property, plant and equipment		-28,853	-17,792
Fixed asset investments made etc		-2,719	0
Sale of fixed asset investments etc		0	3,735
Cash flows from investing activities		**-34,621**	**-14,440**
Repayment of loans from credit institutions		-5,000	-5,000
Credit institutions		-4,251	-10,319
Raising of loans from group enterprises		88	85
Repayment of loans from owners and Management		-7,244	0
Sale of treasury shares		0	525
Cash flows from financing activities		**-16,407**	**-14,709**
Change in cash and cash equivalents		**20,879**	**18,967**
Cash and cash equivalents at 1 July		83,322	64,355
Cash and cash equivalents at 30 June		**104,201**	**83,322**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		104,201	83,322
Cash and cash equivalents at 30 June		**104,201**	**83,322**

Notes to the Financial Statements

		Group		Parent	
		2021/22	2020/21	2021/22	2020/21
		kDKK	kDKK	kDKK	kDKK
1	**Restaurants and take-away**				
	Geographical segments				
	Revenue, Denmark	311,420	268,737	0	0
	Revenue, United Kingdom	386,529	221,788	0	0
	Revenue, Germany	34,059	12,652	0	0
		732,008	**503,177**	**0**	**0**
	Business segments				
	Restaurants and take-away	732,008	503,177	0	0
		732,008	**503,177**	**0**	**0**

2 Special items

In 2021/22 the Group received compensation via the Covid-19 Government help packages of kDKK 891. For the financial year 2020/21 the Group received compensation via the Covid-19 Government help packages of kDKK 21,152. The compensation is recognized as other operating income in the profit and loss statement.

Notes to the Financial Statements

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	kDKK	kDKK	kDKK	kDKK
3 Staff expenses				
Wages and salaries	262,337	189,295	0	0
Pensions	9,424	8,409	0	0
Other social security expenses	6,976	6,692	0	0
Other staff expenses	7,720	6,290	0	0
	286,457	**210,686**	**0**	**0**
Average number of employees	**914**	**725**	**0**	**0**

The Parent company had no employees in the financial year. There has been no salaries or renumerations for the Executive Board.

The incentives programme for the executives and senior managers includes the possibility to subscribe for nominal DKK 44,308.2 shares at a subscription price that increases by 10% per annum. The subscription can take place in the period up to the earlier of (i) 30. December 2024 and (ii) the date where more than 90% of the company's shares are sold to a third party, the company is listed, liquidated or terminated by merger and demerger or any other transactions regarding the Company having a similar effect as any of the mentioned transactions. Incentive programmes are not recognised in the Financial Statements. Incentive programmes are not recognised in the Financial Statements.

4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2021/22 kDKK	Group 2020/21 kDKK	Parent 2021/22 kDKK	Parent 2020/21 kDKK
Amortisation of intangible assets	10,853	12,033	0	0
Depreciation of property, plant and equipment	26,908	26,408	0	0
	37,761	**38,441**	**0**	**0**

Notes to the Financial Statements

		Group		Parent	
		2021/22	2020/21	2021/22	2020/21
		kDKK	kDKK	kDKK	kDKK
5	**Financial income**				
	Interest received from group enterprises	0	0	946	717
	Other financial income	20	2,805	0	0
	Exchange gains	242	0	0	0
		262	**2,805**	**946**	**717**
6	**Financial expenses**				
	Interest paid to group enterprises	88	85	88	85
	Other financial expenses	2,217	2,706	652	487
	Exchange adjustments, expenses	337	0	0	0
		2,642	**2,791**	**740**	**572**
7	**Tax on profit/loss for the year**				
	Current tax for the year	12,840	7,773	42	21
	Deferred tax for the year	-2,064	-2,146	0	0
	Adjustment of tax concerning previous years	0	-627	0	0
		10,776	**5,000**	**42**	**21**

Notes to the Financial Statements

8 Intangible assets

Group

	Completed development projects	Acquired trade-marks	Goodwill
	kDKK	kDKK	kDKK
Cost at 1 July	19,790	50,040	130,610
Additions for the year	2,995	54	0
Cost at 30 June	22,785	50,094	130,610
Impairment losses and amortisation at 1 July	17,800	5,457	14,150
Amortisation for the year	1,818	2,504	6,531
Impairment losses and amortisation at 30 June	19,618	7,961	20,681
Carrying amount at 30 June	**3,167**	**42,133**	**109,929**

Development projects consists of an app to secure a better uptime as well as a new platform to drive traffic to our take away. The project includes a product database hosted outside of the current one and owned by Sticks'n'Sushi.

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment
	kDKK	kDKK	kDKK
Cost at 1 July	95,136	232,376	0
Exchange adjustment	-721	-983	0
Additions for the year	1,003	7,270	20,580
Transfers for the year	3,379	15,182	-18,561
Cost at 30 June	98,797	253,845	2,019
Impairment losses and depreciation at 1 July	80,033	135,786	0
Exchange adjustment	375	936	0
Depreciation for the year	6,415	20,314	0
Impairment losses and depreciation at 30 June	86,823	157,036	0
Carrying amount at 30 June	**11,974**	**96,809**	**2,019**

10 Investments in subsidiaries

	Parent	
	2022	2021
	kDKK	kDKK
Cost at 1 July	171,894	172,407
Disposals for the year	0	-513
Cost at 30 June	171,894	171,894
Value adjustments at 1 July	-2,769	-2,769
Value adjustments at 30 June	-2,769	-2,769
Carrying amount at 30 June	**169,125**	**169,125**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Sticks 'n' Sushi Holding A/S	Copenhagen	DKK 5,132,000	79%

Notes to the Financial Statements

11 Other fixed asset investments

	Group
	Deposits
	kDKK
Cost at 1 July	7,761
Additions for the year	2,721
Cost at 30 June	10,482
Carrying amount at 30 June	**10,482**

12 Deferred tax asset

	Group		Parent	
	2022	2021	2022	2021
	kDKK	kDKK	kDKK	kDKK
Provision for deferred tax at 1 July	1,218	-928	-2,392	-2,392
Amounts recognised in the income statement for the year	2,063	2,146	0	0
Deferred tax asset at 30 June	**3,281**	**1,218**	**-2,392**	**-2,392**
Transferred to deferred tax asset	8,491	4,035	0	0
	5,210	**2,817**	**2,392**	**2,392**
Deferred tax asset				
Calculated tax asset	8,491	4,035	0	0
Carrying amount	**8,491**	**4,035**	**0**	**0**

The deferred tax asset amounts to DKK 8,491k and is related to the Danish entity. The deferred tax asset partially consists of timing differences between the tax value and accounting value of fixed asset investments and partially of tax losses to carry forward.

The deferred tax asset is recognised under the assumption that the profitability of Sticks ’n’ Sushi’s operations will be realized as expected.

Notes to the Financial Statements

13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

14 Share capital

The share capital consists of 120,000 shares of a nominal value of kDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2021/22	2020/21	2019/20	2018/19	2017/18
	kDKK	kDKK	kDKK	kDKK	kDKK
Share capital at 1 July	120	120	110	90	90
Capital increase	0	0	10	20	0
Capital decrease	0	0	0	0	0
Share capital at 30 June	**120**	**120**	**120**	**110**	**90**

15 Distribution of profit

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	kDKK	kDKK	kDKK	kDKK
Minority interests' share of net profit/loss of subsidiaries	9,052	2,948	0	0
Retained earnings	27,724	4,671	83	74
	36,776	**7,619**	**83**	**74**

Notes to the Financial Statements

16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2022	2021	2022	2021
	kDKK	kDKK	kDKK	kDKK
Credit institutions				
Between 1 and 5 years	15,000	20,000	0	0
Long-term part	15,000	20,000	0	0
Other short-term debt to credit institutions	48,653	52,904	5,949	32,797
	63,653	**72,904**	**5,949**	**32,797**
Payables to group enterprises relating to corporation tax				
Between 1 and 5 years	0	0	2,446	2,404
Long-term part	0	0	2,446	2,404
Within 1 year	0	0	0	0
	0	**0**	**2,446**	**2,404**
Other payables				
Between 1 and 5 years	4,279	4,231	0	0
Long-term part	4,279	4,231	0	0
Other short-term payables	72,359	74,354	65	0
	76,638	**78,585**	**65**	**0**

17 Deferred income

Deferred income related to payments received in respect of income in subsequent years, including gift cards etc.

	Group 2021/22 kDKK	Group 2020/21 kDKK
18 Cash flow statement - adjustments		
Financial income	-262	-2,805
Financial expenses	2,642	2,791
Depreciation, amortisation and impairment losses, including losses and gains on sales	37,761	38,441
Tax on profit/loss for the year	10,776	5,000
Other adjustments	2,090	-2,031
	53,007	**41,396**

19 Cash flow statement - change in working capital

	2021/22	2020/21
Change in inventories	-2,704	-1,322
Change in receivables	-15,658	-11,997
Change in other provisions	0	-6,450
Change in trade payables, etc	12,734	21,051
	-5,628	**1,282**

Notes to the Financial Statements

20 Contingent assets, liabilities and other financial obligations

Charges and security

The Parent Company, MIE4 Holding 2 ApS, has, as security for all debt that Sticks 'n' Sushi Holding A/S has to the bank, issued a letter of subordination stating that MIE4 Holding 2 ApS will subordinate their receivables from Sticks 'n' Sushi Holding A/S in favour of the subsidiary's debt to the bank.

The Parent Company, MIE4 Holding 2 ApS, has placed 3,546,231 shares of the total issued share capital consisting of 5,132,080 shares in Sticks 'n' Sushi Holding A/S as a security to the bank for all debt that MIE4 Holding 2 ApS has to the bank.

As collateral for bank debt a bill of sale has been issued, nominal value of TDKK 5,000.

The Group has pledged a company charge of TDKK 10,000 as collateral for debt. At 30 June 2022, the company charge comprises the following assets with the following carrying amounts:

	Group		Parent	
	2022	2021	2022	2021
	kDKK	kDKK	kDKK	kDKK
Property, plant and equipment	110,802	111,693	0	0
Inventories	10,976	8,272	0	0
Trade receivables	17,984	10,629	0	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	43,240	40,768	0	0
Between 1 and 5 years	137,609	133,146	0	0
After 5 years	217,424	218,778	0	0
	398,273	**392,692**	**0**	**0**

Notes to the Financial Statements

20 Contingent assets, liabilities and other financial obligations (continued)

Guarantee obligations

The Group has issued guarantee of payment against all companies of the Group.

The Group has provided guarantees in respect of landlords at 30 June 2022, which amounts to kDKK 4,861.

Other contingent liabilities

The Company Sticks 'n' Sushi A/S has contingent liabilities regarding partial outsourcing of inventories to third part of kDKK 13,171.

MIE4 Holding 2 ApS participated in an international joint taxation in which Sticks 'n' Sushi Holding A/S served as administration company until 30 April 2019 and MIE4 Holding 2 ApS served as administration company from 1 May 2019 and until 1 July 2021.

From 1 July 2021, MIE4 Holding 2 ApS serves as administration company in joint taxation with the Danish companies in the Sticks 'n' Sushi Group.

MIE4 Holding 2 ApS is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements as at 30 June 2022.

21 Related parties

	Basis
Controlling interest	
Maj Invest Equity 4 K/S Gammeltorv 18, Copenhagen	Legal owner

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There are no related party transactions that have not been carried through on market terms.

Notes to the Financial Statements

22 Fee to auditors appointed at the general meeting

	Group	
	2021/22	2020/21
	kDKK	kDKK
PricewaterhouseCoopers		
Audit fee	946	728
Other assurance engagements	52	22
Tax advisory services	874	377
Andre ydelser	754	601
	2,626	**1,728**

23 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

24 Accounting Policies

The Annual Report of MIE4 Holding 2 ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

With regards to the true and fair view of the financial statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021/22 are presented in kDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, MIE4 Holding 2 ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company’s investments in the consolidated subsidiaries are set off against the Parent Company’s share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

24 Accounting Policies (continued)

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

24 Accounting Policies (continued)

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Restaurants and take-away

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income Statement

Restaurants and take-away

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

24 Accounting Policies (continued)

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment and government support packages.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years. The useful life on goodwill is determined on the basis of management's estimates and experience for the type of business. The useful life is assessed at 20 year, due to the fact that investments in subsidiaries are strategically acquired companies with a strong market position and a long earnings profile

Notes to the Financial Statements

24 Accounting Policies (continued)

Acquired trademarks are measured at the lower of cost less accumulated amortisation and recoverable amount. Acquired trademarks are amortised over 20 years.

Development projects, completed and in progress, on clearly defined and identifiable products and processes, for which the technical rate for utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount of costs incurred is recognised in equity under "Reserve for development costs" that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 to 10 years.

Development projects and trademarks are meassured at cost less accumulated amortisation.

Development projects and trademarks are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

24 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits paid on rented premises.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Notes to the Financial Statements

24 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

24 Accounting Policies (continued)

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$