MIE4 Holding 2 ApS

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

Annual Report for 1 July 2020 - 30 June 2021

CVR No 35 24 79 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 22/12 2021

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 2020 - 30 June 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020/21.

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

Copenhagen, 22 December 2021

Executive Board

Thomas Riis Executive Officer	Niels Retbøll 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 2021 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 2020 - 30 June 2021 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 2020 - 30 June 2021, 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.

Management’s responsibilities for the Financial Statements

Independent Auditor's Report

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, 22 December 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
statsautoriseret revisor
mne33262

Mads Blichfeldt Henriksen
statsautoriseret revisor
mne46065

Company Information

The Company	MIE4 Holding 2 ApS c/o Maj Invest, Gammeltorv 18 DK-1457 København K E-mail: kundenavn@kundenavn.dk CVR No: 35 24 79 55 Financial period: 1 July - 30 June Municipality of reg. office: København
Executive Board	Thomas Riis Niels Retbøll
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				
	2020/21	2019/20	2018/19	2017/18	2016/17
	kDKK	kDKK	kDKK	kDKK	kDKK
Key figures					
Profit/loss					
Revenue	503,177	484,979	99,951	0	0
Gross profit/loss	261,732	249,113	53,355	-50	-21
Profit/loss before financial income and expenses	12,605	-28,110	-101	-50	-21
Net financials	14	-5,100	56,081	-4	-1
Net profit/loss for the year	7,619	-29,843	55,547	-54	-22
Balance sheet					
Balance sheet total	390,932	383,254	368,013	59,908	59,957
Equity	198,829	189,173	185,641	59,822	59,876
Cash flows					
Cash flows from:					
- operating activities	48,116	18,002	22,068	-53	-17
- investing activities	-14,440	-21,586	-85,520	0	-64
including investment in property, plant and equipment	-17,792	-16,859	-4,540	0	0
- financing activities	-14,709	59,208	72,952	4	66
Change in cash and cash equivalents for the year	18,967	55,624	9,500	-49	-15
Number of employees	725	741	777	0	0
Ratios					
Gross margin	52.0%	51.4%	53.4%	0.0%	0.0%
Solvency ratio	50.9%	49.4%	50.4%	99.9%	99.9%
Return on equity	3.9%	-15.9%	45.3%	-0.1%	0.0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

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 2016/17 and 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 4 delivery kitchens in and around London and two in Berlin second restaurant in Berlin opened September 2021). 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 1.100 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.

In addition to the 23 restaurants the Group has a central kitchen at Rødovre, Copenhagen, with around 15 employees who support the Group’s restaurants with semi-finished products, sauces and desserts etc. 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.

Development in the year

The income statement of the Group for 2020/21 shows a profit of kDKK 7,619, and at 30 June 2021 the balance sheet of the Group shows equity of kDKK 198,829.

In total the revenue went up year-on-year by DKK 18 million or 4% to bring revenue to DKK 503 million for 2020/21 compared with DKK 485.0 million in the financial year 2019/20.

The Group EBITDA over performance compared to the forecasted EBITDA of DKK 35-45 million was from a strong performance and growth of 4 delivery kitchens in the UK.

Covid-19 restrictions in all markets continued making it another difficult year to operate with a few closed restaurants and in longer periods revenue only from take-away. Due to flexibility from the staff, the Group has however been operating in all countries throughout the whole year, ensuring no jobs have been lost while working with an extreme focus on health safety precautions.

Salary compensation received from the Danish Government in 2020/21 amounts to a total of 5,6 million which covers a part of the costs to retain the employees unable to work. The cost for the Group was significantly higher than compensation received.

Management's Review

Due to the positive performance, the Sticks 'n' Sushi Group expects to repay a significant part, if not all, of the approx.. DKK 2 million the Group has received in compensation to cover some of the fixed costs during lock down.

Profit before financial income and expenses amounting to 13 DKKm against a loss of DKK 28 million in 2019/20.

In 2020/21 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 725 compared with 741 in the financial year 2019/20.

Capital resources

Based on current bank agreement and the budget prepared for the financial year 2021/22 Management is confident that the capital resources of the Group are in place and accurate for the entire financial year 2021/22. The Consolidated Financial Statements is prepared based on these assumptions.

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 and usual increase in costs for raw material will provide pressure on the profitability. A challenge of Sticks'n'Sushi Group in the years on will be the task of finding new and improved alternatives on the raw material side.

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 2021/22 organic growth in our existing restaurants as well as operational excellence is the primary focus areas. The Group will invest further to strengthen the value chain into the restaurants, continue training our staff and implement uniform processes as well as investing into the brand.

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy.

Sticks 'n' Sushi A/S has applied for compensation under the economic stimulus packages introduced by the Danish Government.

Management in the Group is monitoring developments closely and will continue to make every effort to recapture any lost revenue from the entire pandemic period.

Management is anticipating continuing the positive recovery the company expects to deliver an EBITDA for the financial year 2021/22 in the range between DKK 55 – 60 million, slightly better than last year, pending the Covid-19 situation.

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.

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 our 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 Holding A/S covers Sticks 'n' Sushi A/S, Sticks 'n' Sushi UK Limited and Sticks'n'Sushi Germany GmbH. This portfolio covers the twenty-three Sticks 'n' Sushi restaurants internationally, twelve in Denmark, nine in the United Kingdom and two in Germany.

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

The Sticks 'n' Sushi Group is member of a sustainable restaurant association called the Restaurateur's Guarantee Association (REGA). As part of this membership, the Sticks 'n' Sushi Group partake in impact assessments aligned to the United Nations (UN) Global Compacts Guidelines for Responsible Business in the following three areas: The Environment, Anti-Corruption and Human Rights (including Workers Rights). These impact assessments identify factors that are perceived as high risk to our industry in the countries we operate.

The Sticks 'n' Sushi Group are also an active status member of the UN Global Compact Network, for which the Group conduct annual communication on the progress with relation to the UN Global Compacts Guiding Principles on Responsible Business. The Group is moreover member of the Sustainable Restaurant Association (SRA), a UK based sustainable business organisation, by whom the Group will also begin being audited. All of the membership organisations the Group is part of, require the identification of actual and potential risks and require the provision of remedies to diminish or prevent said risks.

Management's Review

Policies, activities and results

The Sticks 'n' Sushi Group wants to make a difference where the Group can and therefore, the Group wish to form sustainable partnerships that contribute to causes that go beyond the daily operations of Sticks 'n' Sushi. The Group believe that the restaurant industry plays an important role in making demands to suppliers and also havs an obligation to support local, sustainable producers that operate with the same level of responsibility as the Group does – both when it comes to the environment, people, and their financials.

The Sticks 'n' Sushi Group has a long- term focus when the Group goes into dialogue with potential suppliers and also focus on collaborating with networks of industry-colleagues, so communally the Group can influence the market on a larger scale, notably through our collaborations with REGA, the UN Global Compact and the SRA.

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

If you want to know more about our CSR work, you can read our Communication on Progress where the Sticks 'n' Sushi Group has included more detailed examples on the past years activities. Access the report on

https://www.unglobalcompact.org/what-is-gc/participants/8801-STICKS-N-SUSHI 11

The environment

As a business the Group has a responsibility to mitigate risks to the environment and promote greater environmental responsibility and being aware the environment is something Sticks'n'Sushi continuously work with. The Sticks 'n' Sushi Group is committed to act on areas related to our business in where the Group can contribute to a safer and greener environment.

The past year the Group has especially focused on four areas related to the environment. These are takeaway packaging, food waste and general waste, the menu and electricity. During the last two years the Group has been working on replacing the single-use plastic for takeaway for the more environmental friendly rPET, which is made from recycled plastic bottles. In 20/21 the Group managed to complete this journey and all takeaway packaging now consist of 100% rPET.

With COVID-19 takeaway became an even bigger part of the business and the Group focused more on nonplastic packaging alternatives. Therefore, the Group will be developing a takeaway strategy during 2021 to align the whole organisation. In order to minimize the use of plastics the Group has also reduced the size of our takeaway boxes. Going forward the Sticks 'n' Sushi Group will continue this journey and strive to find new and innovative sustainable solutions, which will reduce the impact on the environment even further.

Another key area has been preventing food waste. The Sticks 'n' Sushi Group has optimized the menu as well as recycling procedures. In that way, the Group make sure to use as much as possible of each product and thereby also create less food waste. Another focus point the past year has been the menu. In 2020, the Group repositioned the plant-based set dish options in the menu card to a more central position alongside the other dishes. At the start of 2021, the Group has also added an additional plant-based lunch special to the menu. Besides including our plant-based options to the same menu card as the other dishes the Group is exploring various new greener possibilities to add to the menu. Alongside this a part of a greener menu depends on our suppliers and the demands the Group put forward on this topic. In 2021 a key aim of the sustainability agenda will focus on a more formalised due diligence procedure for suppliers. The Group want to ensure that aforementioned suppliers are the norm.

The past year the Group has been tracking the volume of energy-saving lightbulbs across the Danish restaurants. In 2020 the Group developed a target to phase the usage of non-energy saving lightbulbs by 2022. The Group is committed to having a 30% proportion of energy-saving lightbulbs across the group by the end of the financial year 2020/21 and a 60% share by the end of the financial year 2021/22.

Employee conditions & Human Rights

The past year the Sticks 'n' Sushi Group has focused even more on Employment Conditions and Human Rights where especially news ways of communicating and training modules have been put in place. Moreover, the Group has developed policies to work against anti-discrimination.

The Sticks 'n' Sushi Group is committed to ensure that there are no modern-day slavery or human trafficking in the business and as a responsible business the Group recognize the responsibility to protect employees, guests, and those within the supply chains. One key area of this is the prevention of modern slavery which you can read even more about the Groups work related to this in the Groups yearly Modern Slavery Statement. Another highly important area regarding employee conditions and Human Rights considers antidiscrimination. In line with the UK legal requirements regarding gender pay gap reporting the Group will from April of 2021 annually conducts a gender pay gap analysis. Although it is only a requirement for the UK, the Group will conduct the same analysis for Denmark and Germany. In 2020 the Group developed a Key Performance Indicator to increase the proportion of females at board level over several years.

Everybody has a right to feel safe and comfortable coming to work and any action to prevent this will not be tolerated. Following the Groups internal guidelines and the #metoo movement, this year the Group sent communication material around to staff explaining what constitutes inappropriate behavior and how to react should you experience such an issue. The Group also developed a policy on the topic. Most importantly the Group developed a new training module designated specially to the topic of sexual harassment. The module provides examples of how to recognise if you are a victim or observe inappropriate behavior, how to action and report such behavior and how to behave appropriately yourself. In late 2020 the Group switched to a new online system for all staff and now have developed a wide range of new online training modules focused on additional elements such the modern slavery act, and personal well-being.

The Pandemic brought additional needs for the Groups employees. The Sticks 'n' Sushi Group developed and implemented new forms of channels that also helps the business to be even more flexible. The Group sent a range of information material out to the staff on the restrictions, health and safety in the restaurants and the status of the business. The Sticks 'n' Sushi Group developed a support Facebook group for staff and a Weekly unity call, whereby anybody could tune in for a business update and Q&A with the CEO.

The Sticks 'n' Sushi Group also developed clear procedures for identifying illness, notably a symptom checklist at the beginning of each workday, which all employees across the whole business complete. Moreover, the Group developed a wellbeing campaign focused on several aspects of information provision related to personal wellbeing and resources. In February 2021 the Group had a wellbeing seminar available for all staff to (virtually) attend. The Group also provided a system called Perk Box for the staff, which provides discounts and vouchers for various restaurants and events, but also has a provision element for free counselling services.

In this financial year the Sticks 'n' Sushi Group developed an Equal Pay for Equal Roles policy where the Group committed to having job descriptions for all employees with attached specified salary brackets. This reduces areas where discrimination in status and subsequently pay can occur. The Group are already in this process, with an aim of having full coverage for all employees and roles by the end of 2021 thus, relating to the end of financial year 2021/22.

Anti-discrimination

The Group believe a part of being a responsible business involves highlighting areas where corruption and bribery could occur and working to prevent these activities from happening. During the past year the Group therefore has introduced different procedures and policies addressing anti-corruption. The Group moreover intend to develop the procedures on the area to include a broader range of possible challenges the Group could meet.

The Sticks 'n' Sushi Group conduct risk assessments with REGA related to the Environment, Human Rights (Including workersrights) and Anti-Corruption. The Group then develop action plans based on identified risks. Without doubt, anti-corruption is the area where less risks are identified for Sticks'n'Sushi and the restaurant industry generally. However, it is always useful to gain an overview of potential risks. The Group are lucky that the Group has not experienced any incidents of formal corruption however, this is also not to suggest no potential risks could occur in our industry, so the Group still implement actions to prevent these incidents. The Group has in 2020 developed an anti-corruption policy, to assure that the Group across the business takes distance from corruption and know how to act in case of this occur. The policy provides guidance for all persons in the organisation on how to align their daily work with the zero tolerance on corruption and to assist us identify, prevent or mitigate any such risks. This Policy is further embedded in the procedures through the staff handbook, and other relevant documents.

Moreover, the Group has implemented an online system where employees can record business gifts given and received (over a very low 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.

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.

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 2021 and the results of the activities and cash flows of the Group for the Financial year for 2020/21 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 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Revenue	1	**503,177**	**484,979**	**0**	**0**
Other operating income	2	21,152	22,353	0	0
Expenses for raw materials and consumables		-151,582	-139,195	0	0
Other external expenses		-111,015	-119,024	-50	-95
Gross profit/loss		**261,732**	**249,113**	**-50**	**-95**
Staff expenses	3	-210,686	-237,501	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-38,441	-39,722	0	0
Profit/loss before financial income and expenses		**12,605**	**-28,110**	**-50**	**-95**
Financial income	5	2,805	302	717	664
Financial expenses	6	-2,791	-5,402	-572	-547
Profit/loss before tax		**12,619**	**-33,210**	**95**	**22**
Tax on profit/loss for the year	7	-5,000	3,367	-21	-41
Net profit/loss for the year		**7,619**	**-29,843**	**74**	**-19**

Balance Sheet 30 June

Assets

	Note	Group 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Completed development projects		1,990	4,609	0	0
Acquired trademarks		44,583	47,083	0	0
Goodwill		116,460	122,991	0	0
Intangible assets	8	**163,033**	**174,683**	**0**	**0**
Other fixtures and fittings, tools and equipment		15,103	18,653	0	0
Leasehold improvements		96,590	97,766	0	0
Property, plant and equipment	9	**111,693**	**116,419**	**0**	**0**
Investments in subsidiaries	10	0	0	169,125	169,638
Receivables from group enterprises	11	0	0	26,479	25,762
Deposits	11	7,761	10,871	0	0
Fixed asset investments		**7,761**	**10,871**	**195,604**	**195,400**
Fixed assets		**282,487**	**301,973**	**195,604**	**195,400**
Inventories		**8,272**	**6,950**	**0**	**0**
Trade receivables		10,629	5,154	0	0
Other receivables		1,427	2,337	0	0
Deferred tax asset	14	4,035	1,262	0	0
Corporation tax		0	486	0	0
Prepayments		760	737	0	0
Receivables		**16,851**	**9,976**	**0**	**0**
Cash at bank and in hand		**83,322**	**64,355**	**465**	**35**
Currents assets		**108,445**	**81,281**	**465**	**35**
Assets		**390,932**	**383,254**	**196,069**	**195,435**

Balance Sheet 30 June

Liabilities and equity

		Group		Parent	
	Note	2020/21	2019/20	2020/21	2019/20
		kDKK	kDKK	kDKK	kDKK
Share capital	12	120	120	120	120
Retained earnings		178,760	172,520	156,107	156,033
Equity attributable to shareholders of the Parent Company		**178,880**	**172,640**	**156,227**	**156,153**
Minority interests		19,949	16,533	0	0
Equity		**198,829**	**189,173**	**156,227**	**156,153**
Provision for deferred tax	14	2,817	2,190	2,392	2,392
Other provisions	15	0	6,450	0	0
Provisions		**2,817**	**8,640**	**2,392**	**2,392**
Credit institutions		20,000	25,000	0	0
Payables to group enterprises relating to corporation tax		0	0	2,404	1,918
Other payables		4,231	3,844	0	0
Long-term debt	16	**24,231**	**28,844**	**2,404**	**1,918**

Balance Sheet 30 June

Liabilities and equity

		Group		Parent	
	Note	2020/21	2019/20	2020/21	2019/20
		kDKK	kDKK	kDKK	kDKK
Credit institutions	16	52,904	63,223	32,797	25,322
Trade payables		14,603	33,536	49	156
Payables to group enterprises		2,179	2,094	2,179	2,094
Payables to owners and Management		7,244	6,899	0	0
Corporation tax		8,338	3,247	21	0
Other payables	16	74,354	44,629	0	7,400
Deferred income	17	5,433	2,969	0	0
Short-term debt		**165,055**	**156,597**	**35,046**	**34,972**
Debt		**189,286**	**185,441**	**37,450**	**36,890**
Liabilities and equity		**390,932**	**383,254**	**196,069**	**195,435**

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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	172,520	172,640	16,533	189,173
Exchange adjustments	0	1,135	1,135	301	1,436
Sale of treasury shares	0	373	373	151	524
Other equity movements	0	61	61	16	77
Net profit/loss for the year	0	4,671	4,671	2,948	7,619
Equity at 30 June	**120**	**178,760**	**178,880**	**19,949**	**198,829**

Parent

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 July	120	156,033	156,153	0	156,153
Net profit/loss for the year	0	74	74	0	74
Equity at 30 June	**120**	**156,107**	**156,227**	**0**	**156,227**

Cash Flow Statement 1 July - 30 June

	Note	Group 2020/21 kDKK	Group 2019/20 kDKK
Net profit/loss for the year		7,619	-29,843
Adjustments	18	41,396	41,362
Change in working capital	19	1,282	12,887
Cash flows from operating activities before financial income and expenses		**50,297**	**24,406**
Financial income		2,805	302
Financial expenses		-2,790	-5,389
Cash flows from ordinary activities		**50,312**	**19,319**
Corporation tax paid		-2,196	-1,317
Cash flows from operating activities		**48,116**	**18,002**
Purchase of intangible assets		-383	-2,691
Purchase of property, plant and equipment		-17,792	-16,859
Fixed asset investments made etc		0	-2,036
Sale of fixed asset investments etc		3,735	0
Cash flows from investing activities		**-14,440**	**-21,586**
Repayment of loans from credit institutions		-5,000	0
Repayment of payables to group enterprises		0	82
Installment of other payables		0	-3,600
Credit institutions		-10,319	3,808
Raising of loans from group enterprises		85	329
Raising of loans from credit institutions		0	25,000
Capital increase minority interests		0	5,089
Sale of treasury shares		525	0
Cash capital increase		0	28,500
Cash flows from financing activities		**-14,709**	**59,208**
Change in cash and cash equivalents		**18,967**	**55,624**
Cash and cash equivalents at 1 July		64,355	8,731
Cash and cash equivalents at 30 June		**83,322**	**64,355**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		83,322	64,355

Pengestrømsopgørelse 1. juli - 30. juni

	Note	2020/21	2019/20
		kDKK	kDKK
Cash and cash equivalents at 30 June		**83,322**	**64,355**

Notes to the Financial Statements

		Group		Parent	
		2020/21	2019/20	2020/21	2019/20
		kDKK	kDKK	kDKK	kDKK
1	**Revenue**				
	Geographical segments				
	Revenue, Denmark	268,737	273,191	0	0
	Revenue, United Kingdom	221,788	194,807	0	0
	Revenue, Germany	12,652	16,981	0	0
		503,177	**484,979**	**0**	**0**
	Business segments				
	Restaurants	503,177	484,979	0	0
		503,177	**484,979**	**0**	**0**

2 Special items

In 2020/21 the Group received compensation via the Covid-19 Government help packages of kDKK 21,152. For the financial year 2019/20 the Group received compensation via the Covid-19 Government help packages og kDKK 21,426. The compensation is recognised as other operating income in the profit and loss statement.

		Group		Parent	
		2020/21	2019/20	2020/21	2019/20
		kDKK	kDKK	kDKK	kDKK
3	**Staff expenses**				
	Wages and salaries	189,295	211,421	0	0
	Pensions	8,409	11,644	0	0
	Other social security expenses	6,692	7,630	0	0
	Other staff expenses	6,290	6,806	0	0
		210,686	**237,501**	**0**	**0**
	Average number of employees	**725**	**741**	**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 in Sticks 'n' Sushi Group includes the possibility to subscribe for nominal DKK 79,222 shares at a price calculated at the grant date plus 10% per annum. The subscription can take place in the period up to 30 December 2021.

The above-mentioned subscription of shares may only take place if more than 90% of the company's shares are sold to a thirs party, the company is listed, liquidated or terminated by merger and demerger or any other transactions regarding the Company having a cimilar effect as any of the mentioned transactions. If the beforementioned incidents has not taken place by 30 November 2021 at the latest the executives and senior managers holding warrant will be able to exercise the warrants in the period from 1 December 2021 to 31 December 2021. Incentive programmes are not recognised in the Financial Statements.

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

	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
Amortisation of intangible assets	12,033	13,121	0	0
Depreciation of property, plant and equipment	26,408	26,566	0	0
Impairment of property, plant and equipment	0	35	0	0
	38,441	**39,722**	**0**	**0**

Notes to the Financial Statements

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	kDKK	kDKK	kDKK	kDKK

5 Financial income

	Group 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Interest received from group enterprises	0	0	717	664
Other financial income	2,805	302	0	0
	2,805	**302**	**717**	**664**

6 Financial expenses

	Group 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Interest paid to group enterprises	85	108	85	108
Other financial expenses	2,706	4,052	487	439
Exchange loss	0	1,242	0	0
	2,791	**5,402**	**572**	**547**

7 Tax on profit/loss for the year

	Group 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Current tax for the year	7,773	-578	21	0
Deferred tax for the year	-2,146	-2,681	0	167
Adjustment of tax concerning previous years	-627	-126	0	-126
Adjustment of deferred tax concerning previous years	0	18	0	0
	5,000	**-3,367**	**21**	**41**

Notes to the Financial Statements

8 Intangible assets

Group

	Completed development projects	Acquired trade-marks	Goodwill
	kDKK	kDKK	kDKK
Cost at 1 July	19,407	50,040	146,726
Additions for the year	383	0	0
Disposals for the year	0	0	-16,116
Cost at 30 June	19,790	50,040	130,610
Impairment losses and amortisation at 1 July	14,798	2,957	23,735
Amortisation for the year	3,002	2,500	6,531
Reversal of amortisation of disposals for the year	0	0	-16,116
Impairment losses and amortisation at 30 June	17,800	5,457	14,150
Carrying amount at 30 June	**1,990**	**44,583**	**116,460**

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 ny Sticks 'n' Sushi.

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	kDKK	kDKK
Cost at 1 July	89,913	212,716
Exchange adjustment	1,661	5,430
Additions for the year	3,562	14,230
Cost at 30 June	95,136	232,376
Impairment losses and depreciation at 1 July	71,260	114,950
Exchange adjustment	1,172	2,098
Depreciation for the year	7,601	18,738
Impairment losses and depreciation at 30 June	80,033	135,786
Carrying amount at 30 June	**15,103**	**96,590**

10 Investments in subsidiaries

	Parent	
	2020/21	2019/20
	kDKK	kDKK
Cost at 1 July	172,407	147,507
Additions for the year	0	24,900
Disposals for the year	-513	0
Cost at 30 June	171,894	172,407
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**	**169,638**

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	Parent
	Deposits	Receivables from group enterprises
	kDKK	kDKK
Cost at 1 July	10,871	25,762
Exchange adjustment	337	0
Additions for the year	288	717
Disposals for the year	-3,735	0
Cost at 30 June	7,761	26,479
Carrying amount at 30 June	**7,761**	**26,479**

12 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:

	2020/21	2019/20	2018/19	2017/18	2016/17
	kDKK	kDKK	kDKK	kDKK	kDKK
Share capital at 1 July	120	110	90	90	90
Capital increase	0	10	20	0	0
Capital decrease	0	0	0	0	0
Share capital at 30 June	**120**	**120**	**110**	**90**	**90**

Notes to the Financial Statements

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	kDKK	kDKK	kDKK	kDKK

13 Distribution of profit

Minority interests' share of net profit/loss of subsidiaries	2,948	-4,833	0	0
Retained earnings	4,671	-25,010	74	-19
	7,619	**-29,843**	**74**	**-19**

14 Deferred tax asset

Provision for deferred tax at 1 July	-928	-4,819	-2,392	-3,268
Amounts recognised in the income statement for the year	2,146	2,848	0	-167
Amounts recognised in equity for the year	0	1,043	0	1,043
Deferred tax asset at 30 June	**1,218**	**-928**	**-2,392**	**-2,392**
Transferred to deferred tax asset	4,035	1,262	0	0
	2,817	**2,190**	**2,392**	**2,392**
Deferred tax asset				
Calculated tax asset	4,035	1,262	0	0
Carrying amount	**4,035**	**1,262**	**0**	**0**

Deferred tax assets mainly consists of tax losses to carry forward. The Group expefcts to utilize the tax losses within the next 3-5 years.

15 Other provisions

Other provisions consists of expected loss from onerous rent contracts.

Other provisions	0	6,450	0	0
	0	**6,450**	**0**	**0**

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	
	2020/21	2019/20	2020/21	2019/20
	kDKK	kDKK	kDKK	kDKK
Credit institutions				
After 5 years	0	5,000	0	0
Between 1 and 5 years	20,000	20,000	0	0
Long-term part	20,000	25,000	0	0
Other short-term debt to credit institutions	52,904	63,223	32,797	25,322
	72,904	**88,223**	**32,797**	**25,322**
Payables to group enterprises relating to corporation tax				
Between 1 and 5 years	0	0	2,404	1,918
Long-term part	0	0	2,404	1,918
Within 1 year	0	0	0	0
	0	**0**	**2,404**	**1,918**
Other payables				
Between 1 and 5 years	4,231	3,844	0	0
Long-term part	4,231	3,844	0	0
Other short-term payables	74,354	44,629	0	7,400
	78,585	**48,473**	**0**	**7,400**

17 Deferred income

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

Notes to the Financial Statements

	Group	
	2020/21	2019/20
	kDKK	kDKK

18 Cash flow statement - adjustments

	2020/21 kDKK	2019/20 kDKK
Financial income	-2,805	-302
Financial expenses	2,791	5,402
Depreciation, amortisation and impairment losses, including losses and gains on sales	38,441	39,722
Tax on profit/loss for the year	5,000	-3,367
Other adjustments	-2,031	-93
	41,396	**41,362**

19 Cash flow statement - change in working capital

	2020/21 kDKK	2019/20 kDKK
Change in inventories	-1,322	-862
Change in receivables	-4,588	24,132
Change in other provisions	-6,450	1,850
Change in trade payables, etc	13,642	-12,233
	1,282	**12,887**

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	kDKK	kDKK	kDKK	kDKK

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 the shares in Sticks 'n' Sushi Holding A/S as security for all debt 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 2021, the company charge comprises the following assets with the following carrying amounts:

	Group 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Goodwill and acquired trademarks	0	377	0	0
Property, plant and equipment	111,693	116,419	0	0
Inventories	8,272	6,950	0	0
Trade receivables	10,629	5,154	0	0

Rental and lease obligations

	Group 2020/21 kDKK	Group 2019/20 kDKK	Parent 2020/21 kDKK	Parent 2019/20 kDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	39,483	39,807	0	0
Between 1 and 5 years	135,219	137,042	0	0
After 5 years	230,652	230,981	0	0
	405,354	**407,830**	**0**	**0**

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	kDKK	kDKK	kDKK	kDKK

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 2021, which amounts to kDKK 5,906.

Other contingent liabilities

The Company Sticks 'n' Sushi A/S has contingent liabilities regarding partial outsourcing of inventories to third part of kDKK 7,933.

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

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

	Group	
	2020/21	2019/20
	kDKK	kDKK
22 Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	728	640
Other assurance engagements	22	40
Tax advisory services	377	104
Andre ydelser	601	205
	1,728	**989**

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 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Consolidated and Parent Company Financial Statements for 2020/21 are presented in kDKK.

Changes in accounting policies

In 2019/20 salary compensation and compensation for fixed costs received via the Covid-19 Government help packages was booked in P/L, which included and reduced staff expenses and operating expenses, respectively.

In 2019/20 staff expenses have increased by kDKK 19.533. Operating expenses have increased by kDKK 1,893. Correspondingly, other operating income has increased by kDKK 21,426.

The change has not afffected the Company's assets, liabilities or equity.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

Translation policies

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.

Revenue

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

Revenue

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.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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