ANNUAL REPORT 2020

LØGISMOSE MEYERS HOLDING APS

Dampfærgevej 10, 1. tv.

2100 København Ø

CVR-nr.: 36489901






Approved on the Annual General Meeting the 28th of June 2021.

Chairman of the Meeting
Henrik Rossing Lønberg

Financial Statements

Company Details

Company
Løgismose Meyers Holding ApS
Dampfærgevej 10, 1. tv.
2100 København Ø

Business Registration No.: 36 48 99 01
Registered office: Copenhagen

Date of incorporation: 15.01.2015
Financial year: 01.01.2020 – 31.12.2020

Board of Directors:
Per Harkjær, Chairman
Christopher Masek, Vice Chairman
Nina Kristine Hoffmann von Holten
Jacob Grønlykke
Claus Meyer Nielsen
Mads Ryum Larsen

Executive Board
Jesper Uggerhøj, CEO
Lizette Kjellerup, CFO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and Executive Board have today discussed and approved the Annual Report for of Løgismose Meyers Holding Apes for the financial year.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, which have been adopted by the EU. The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act applying to large enterprises in reporting class C.

Further, the consolidated financial statements have been prepared in accordance with additional requirements under the Danish Financial Statements Act.

In our opinion the consolidated financial statements and the financial statements for the parent company give a true and fair view of the Løgismose Meyers Group's and the parent company's assets, liabilities and financial position at December 31, 2020 and of the results of the Løgismose Meyers Group's and the parent company's operations and cash flow for the financial year 2020.

The management review contains in our opinion a true and fair review of the development in the Løgismose Meyers Holding Group's and the parent company's operations, financial circumstances and results for the year, and of the parent company's financial position, and describes the material risks and uncertainties affecting the Løgismose Meyers Group and the parent company.

We recommend that the Annual Report be approved at the Annual General Meeting.
Copenhagen, 26 May 2021

Executive Board

Jesper Uggerhøj CEO	Lizette Kjellerup CFO

Board of Directors

Per Harkjær Chairman	Cristopher Masek Vice Chairman	Nina Kristine Hoffmann von Holten
Mads Ryum Larsen	Claus Meyer Nielsen	Jacob Grønlykke

Independent Auditor's Report

To the shareholders of Løgismose Meyers Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Løgismose Meyers Holding ApS for the financial year 01.01.2020 – 31.12.2020, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020, and of the results of their operations and cash flows for the financial year 01.01.2020 – 31.12.2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Statement on the management's review

Management is responsible for the management's review.

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

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

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

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group’s and the Parent’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 consolidated financial statements and the parent 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 Parent’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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Copenhagen, 26 May 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 36 48 99 01

Bill Haudal Pedersen
State-Authorized Public Accountant
MNE no. mne30131

Hans Tauby
State-Authorized Public Accountant
MNE no. mne44339

Management's Review

Five-year summary

(DKK'000)	2020	2019	2018	2017	2016
Income statement					
Revenue	1.073.113	1.153.236	1.086.956	1.090.825	1.082.295
Gross profit	517.620	561.095	532.133	448.781	432.069
EBITDA	36.543	32.235	39.063	44.481	40.371
Operating profit (EBIT)	(246.549)	(12.176)	(2.366)	(37.602)	(35.785)
Net financials	(15.601)	(13.798)	(12.426)	(11.607)	(8.297)
Profit before tax	(262.233)	(25.974)	(14.957)	(49.209)	(44.084)
Net profit for the year	(203.121)	(22.098)	(13.285)	(42.106)	(39.396)
Statement of financial position					
Investment in intangible assets	6.711	15.482	8.974	10.950	23.387
Investments in property, plant and equipment	27.758	24.311	18.283	23.791	10.456
Total assets	1.025.600	1.254.219	1.271.748	1.165.834	1.259.371
Equity	429.124	632.488	606.004	588.842	626.820
Financial Ratios					
EBIT margin	-22,98%	-1,06%	-0,22%	-3,45%	-3,31%
ROI (return on investment)	-25,57%	-2,07%	-1,18%	-4,22%	-3,50%
Equity ratio	-38,27%	-3,57%	-2,22%	-6,93%	-6,09%
Return on equity	-61,11%	-4,11%	-2,47%	-8,36%	-7,03%
Receivables turnover ratio	7,35	6,60	6,76	6,47	6,28
Solvency ratio	41,84%	50,43%	47,65%	50,51%	49,77%

Comments

See definitions of key figures and ratios in note 1 of the consolidated financial statements.

For periods up to and including the year ended 31 December 2018, the Group prepared its Consolidated Financial Statements in accordance with the Danish Financial Statement Act.

Management's review

Primary activities

Løgismose Meyers is a Danish food company working to contribute to the elevation of Danish food culture. Rooted in the two companies Løgismose and Meyers, Løgismose Meyers is an active producer of quality foods who also facilitates gastronomic courses, counseling, and education alongside offering customers tasteful experiences through wholesome and healthy meals ranging from ready-mades to catering, canteens, restaurants and own shops.

Business areas

Løgismose Meyers operates within a broad spectrum of activities, all centred around the joy of a good meal. Activities include retail sales, wholesale, restaurant and canteen operations, workplace lunch delivery and catering for special occasions to private consumers and companies alike. Furthermore, the company operates a range of craft bakeries, a Deli concept and the Løgismose Gourmet Supermarket on Nordre Toldbod in Copenhagen. Finally, Madhuset in the bustling capital district of Nørrebro offers cooking classes and gastronomic teambuilding sessions, while also publishing cookbooks and handling food consultancy services for a number of public and private partners.

Head office

The head office is located at Dampfærgevej in Copenhagen and is supplemented by key divisions in Broby on the island of Funen and at Kattegatvej in Copenhagen's North Harbor district.

Development in activities and financial results

Revenue was DKK 1,073 million (DKK 1,153 million in 2019) a decrease of 7.0%. The development can be traced to the COVID-19 pandemic, which forced a countrywide lockdown from mid-March 2020.

Løgismose Meyers Holding experienced strong momentum heading into 2020 with growing revenue and results. Meyers in particular was negatively affected by the government enforced lockdown in the wake of the COVID-19 pandemic. Meyers Canteens, Catering, Venues and Madhus were among the hardest hit business units, as they were either forced to close completely or operate at significantly lower levels of activity. On the other hand, the lockdown had a positive impact on Meyers Retail and online sales, seeing as leisure spending was largely funneled into grocery stores, online shopping of wine, gifts and delicacies with consumers not been able to visit restaurants nor travel abroad.

To safeguard earnings and our cash position, management pulled several cost savings levers throughout the year including employee dismissals as well as applying for the government's COVID-19 support packages in the form of reimbursements and loans.

A legal demerger of Løgismose Meyers A/S into Løgismose A/S and Meyers A/S was legally carried out on November 1st 2020 with financial effect from January 1st 2020. The demerger into two companies was a natural consequence of Løgismose Meyers' 2022 strategy built upon a wish to focus more intensely on the uniqueness of Løgismose and Meyers as stand-alone organizations.

Løgismose A/S, which is focused on retail, online sales, wholesale, and trade with the restaurant industry, experienced a growth in sales of 12.8% driven by the perennial partnership with Salling Group. Løgismose also increased its online presence and launched several new products. Løgismose has developed into one of the strongest multicategory food brands in Denmark, which a strong retail performance goes to show. Solid growth within areas such as wine and fine foods was driven by strategic investments in Løgismose's online presence, primarily focusing on marketing efforts, improving user experience, and increasing both our audience and number of platforms.

Meyers A/S, as a newly established stand-alone company, operates a range of business units spanning from catering and events to bakeries, retail and Meyers Madhus. Meyers Catering and Events is focused on delivering lunch solutions to smaller B2B customers as well as the direct delivery of meals to private consumers in relation to e.g. parties, Christmas and New Year's Eve. The business experienced a solid growth in the beginning of the year seeing as the portfolio had expanded with more customers and the acquisition of former competitor Massive Catering in late 2019. The COVID-19 pandemic affected this area severely with lockdown and social distancing restrictions either forcing complete, periodic close-downs or significantly lower levels of activity. Retail sales of Meyers' products as well as sales at Meyers bakeries acted as a counterweight throughout the year as leisure spending was funneled into grocery stores and delicacy outlets such as bakeries with customers not been able to frequent restaurants nor travel abroad.

Meyers Madhus, centrally located in Copenhagens buzzing Nørrebro district, facilitates cooking classes, hosts events, provides culinary counseling, develops recipes and products and authors cookbooks. 2020 was both a busy and difficult year. Substantial parts of the revenue based on cooking classes and teambuilding activities was affected by COVID-19. However, 2020 also saw numerous new projects added to our project portfolio. Among these new projects, we succeeded with securing 4 more years as gastronomic consultants to the Municipality of Copenhagen with a specific focus on improving the climate footprint of meals served at public institutions and facilities. COVID-19 also lead to a number of innovations, e.g. development of online cooking classes and teambuilding formats as well as 'The World's Best Picnic': a 5 week long culinary and cultural event in the coastal town of Rågeleje. Internally, Meyers Madhus has supported the canteens and catering units with shifting from buffet service to portion-based service focusing on both food quality and packaging. Finally, Meyers Madhus published a new cookbook called 'Meyers Green Proteins', focusing mainly on the culinary qualities of legumes, which undoubtedly will serve as a key ingredient in transitioning our food culture towards a more sustainable, climate-friendly, and plant-based focus.

Meyers Contract Catering A/S, operating under the two names and corresponding business areas Meyers Canteens and Meyers Venues, also experienced strong momentum going into 2020. Meyers Canteens is our award-winning, gastronomic B2B pioneer division, which operates lunch solutions within some of the most innovative and renowned companies in Denmark. The business has been growing year by year and now consists of more than 100 canteens and integrated company cafés. With the acquisition of former competitor Hahnemanns Canteens in late 2019 and further expansions of our portfolio of canteen customers and restaurants, 2020 year had a positive outlook until COVID-19 hit. Ultimately, the year concluded with a revenue decrease of 23.8%, which almost cut the final result in half. Large parts of our canteens was either closed or operated on lower levels of activity due to work being relocated from offices to people's own homes. The latter part of the company, Meyers Venues, consisting of several restaurants linked to renowned cultural institutions such as theatres and museums, usually attracts many tourists. During the COVID-19 pandemic all restaurants have been periodically closed or significantly impacted by lockdowns, social distancing restrictions and travel bans of foreign visitors. Several mitigating steps were taken to minimize the impact of revenue losses related to COVID-19 such as establishing a pop-up drive-in cinema in Copenhagen's North Harbor district in cooperation with the Danish Film Institute as well as launching COVID proof greenhouses for private dining in front the Royal Playhouse and Meyers Deli in Frederiksberg.

Operating Profit (EBITDA) increased to DKK 36.5 million (DKK 32.2 in 2019). This was driven by a reduced activity level due to COVID-19, which was subsequently more than offset by government help aid packages, IFRS 16 adjustments and reversal of provision for an earn-out regarding the acquisition of the activities in Massive Catering.

Profit for the year decreased to negative DKK 203.1 million (negative DKK 22.1 million in 2019). An assessment following the separation of the two companies into stand-alone organizations resulted in an impairment of Meyers' trademarks with a subsequent adverse impact on the Group's annual result of DKK 233 million.

To recap, the year 2020 is thus to be considered an abnormal year. While the COVID-19 pandemic had a positive impact on retail activity, on-line sales and bakeries, adverse effects presented themselves in the form of decreased revenue. However, the negative impact on profit was more than offset by government help aid packages, IFRS 16 adjustments and reversal for provision for an earn-out, but severely impaired by the write-down of Meyers' trademark.

Results compared to expected development

In the annual report for 2019, revenue was expected to decrease due to the looming COVID-19 pandemic. Despite a strong beginning to the year and some business areas improving both activity and revenue, the revenue ultimately concludes with a decrease of DKK 80.1 million equaling a 7% decrease compared to 2019.

Uncertainty relating to recognition and measurement

In connection with the demerger of Løgismose and Meyers and the acquisition of the majority shareholding through IK investments Partners, the value of the company's trademarks and other intangible assets has become more visible in the accounts. In this context, in 2020 the Group's intangible fixed assets activity in the order of DKK 560 million and net DKK 303 million; less deferred tax. Calculation of the original values has been made on the basis of recognized models and is depreciated on an ongoing basis.

With the demerger of the two business Løgismose and Meyers an assessment of the trademarks resulted in impairment of Meyers trademarks of DKK 233 million.

Calculation of the values has been made on the basis of recognized models and is depreciated on an ongoing basis. It is the company's belief that the book values reflect the actual conditions. In the absence of a functioning market for these assets, valuation remains linked to a certain level of subjectivity.

The Group's assets, liabilities and financial position per. 31 December 2020 has not been materially affected by unusual circumstances.

Financial outlook

At the beginning of 2021, COVID-19 still entails considerable uncertainty in relation to the speed of recovery of Meyers' businesses - especially when it comes to restaurants, canteens, catering and events. However, due to the restructuring of the company, Meyers is now in a better position to manage said challenge.

The company expects a revenue in 2021 of DKK 1,100-1,200 million and an operating profit (EBITDA) of DKK 30-35 million.

Special risks

The company is not prone to special risks other than those that are to be expected of a business of this kind. The company has a large and diverse customer portfolio and – in alignment with the general market structure – large singular customers within the Danish retail industry. Should partnerships with these customers terminate, it would pose a significant risk to the company. Likewise, the company's trademarks, products, and services are concurrent with an increasing demand for quality and specific preferences among Danish consumers. Should this trend expire, it would also represent a challenge for the business model as a whole. The most significant business-related risks for the Løgismose

Meyers Group corresponds with the company's ability to secure continued development of its concepts and product range.

Regarding operations, the company is prone to few risks. No large investments or binding of assets exist, thus eliminating any risks of the company's ability to adapt to variations in volume or revenue levels. The company is prone to fluctuations in commodity prices though, especially within large goods categories such as grain and milk, with milk being especially exposed due to a large volume need, a direct correlation with commodity prices and a challenging market structure. This situation is sought to be compensated through active development and direct partnerships with suppliers. Credit risks are thought to be limited due to a diverse customer base with larger customers representing a high creditworthiness, which is also reflected in insignificant debtor losses.

Likewise, financial risks are limited. The company expects no notable currency risks, as trade primarily takes place in DKK and EUR. Interest risks are primarily linked to credit institute debt. The majority of debt is recouped through a variable short-term interest structure (CIBOR) and a secure margin. Interest costs represent a limited share of the company's total revenue and cash flow. Thus, no further assessments are made into these exposures.

Events after balance sheet date

The continued outbreak and spread of COVID-19 in early 2021 have had a negative impact on the Group.

Due to these circumstances the Group expects a decline in revenues from canteen and restaurant activities, due to closure of all restaurants, the closure of a significant proportion of the Entity's operations of canteens as a result of the customers' sending home of their employees and the cancellation of and decline in orders in the catering branch of the Group.

The Group's revenue from retail and online have been index +100 compared to last year and are therefore trending positively during the current COVID-19 outbreak. In addition, the Group has to a reasonable extent managed to reduce the effects of this decline in revenue by cost savings.

After the balance sheet date, the majority of trade receivables have been settled, and therefore Management has not made an updated assessment of collectability. The need for write-down on new receivables in 2021 is assessed to be limited.

Management has assessed, that with the use of the extended time for payment of VAT, withholding tax, social security contributions and salary compensation received, the Group is not facing challenges with its cash flow. Management's assessment is that the Group is guaranteed liquidity for the remainder of the financial year.

Apart from this, no events have occurred after the balance sheet date, which would change the evaluation of the annual report.

Corporate Social Responsibility

Social responsibility is a core element in our business strategy, and we aim to operate a business reflecting our position on sustainability, public health, local accountability and animal welfare. Being fully aware of the particular and increased responsibility demands associated with operating a food business, sustainability is a key focal point in our efforts to minimize negative impacts on both people and planet. There is no denying that the production and consumption of food has a significant impact on the environment. But by making thoughtful choices across the entire value chain from sourcing ingredients to kitchen procedures, quality requirements, and supply management, we can minimize our climate footprint and lead the way for a more sustainable and climate-friendly food production.

At Løgismose Meyers we embrace social responsibility in the widest sense of the concept; we have clear policies regarding both production, sourcing, and consumption. However, it is also our aspiration to support the general agenda regarding human health, well-being, and a sense of community by strengthening food culture as a whole. We consider it our duty to contribute to the conversation about a shared food culture – both locally and globally - from a consumer-oriented as well as a political perspective. The aim is to remain a strong and helpful voice in the shaping and development of the meals of tomorrow.

Social and labor aspects

Løgismose Meyers wants to be an attractive workplace with an ability to attract, retain and develop the talents and passionate souls needed to accomplish the company's vision and mission. We insist on being a safe place to work with a goal of zero accidents; at healthy place to work, where work life balance and a general sound way of working is motivated - and a great place to work with a large degree of freedom with responsibility - and good conditions for personal development.

The COVID-19 crisis has changed the recruitment situation in our industry dramatically. The usual shortage of skilled chefs has not posed a problem. On the contrary, in fact. Even though we have been able to retain many good colleagues due to the salary compensation system implemented by the Danish government, unfortunately we have had to say goodbye to many skilled colleagues. In approximate numbers, we total at about 915 employees by the end of 2020, which is 135 employees fewer than at the beginning of the year.

Since March our administrative employees have - due to COVID-19 - been working from home during shorter and longer periods. This and the crisis in general have naturally affected workplace culture and job satisfaction, thus resulting in a sense of increased job insecurity and a substantial need for ongoing information. Top management and other management levels have therefore focused on providing up to date and essential information via news videos, our employee app, and frequent virtual meetings.

In 2021, we will focus on alleviating the aftermath of the COVID-19 pandemic. We want to restore a safe and healthy work environment for our employees with a profound sense of daily well-being.

We are aware that job security in particular is challenged during these times, which can in turn lead to increased sickness absence, stress, reduced motivation etc.

We have developed an improved tool for monitoring and working with sick leave. It has been rolled out from Q1 2020 and we expect it to provide us with significantly improved opportunity to take targeted action early and proactively.

Respect, diversity and well-being

Løgismose Meyers has adopted a staff policy stating that:

We view diversity as a strength. This means that we aim to have an equal balance between men and women in our organization, and in all other areas, we want to have equal opportunities for current and future employees regardless of ethnic background, religion, sexual orientation, or possible disabilities.

Our target is a 50:50 gender balance at any time, although never at the expense of skills. In 2020, 47% of all employees are women, which is 2% more compared to 2019.

#Action

In relation to employee replacements or new appointments within Group and other Løgismose Meyers leadership posts, procedures are being established to ensure that candidate proposals will include relevant female candidates to achieve the goal of equal gender representation. However, this ambition may never overshadow the candidate capabilities and experience needed.

The top management ended 2020 at target with a 50:50 balance.

It is Group policy that members of the Board of Directors are appointed based on qualifications, which provides equal opportunities for both men and women.

During 2020 Løgismose Meyers Holding ApS has welcomed its first fulltime female member to the Board of Directors, thus delivering on the target set out in the 2019 annual report of adding more female board members. The Executive Board of Løgismose Meyers Holding A/S still represents gender equality with a male CEO and female CFO. In 2020, the legal demerger between the companies Løgismose A/S and Meyers A/S was finalized, thus calling for two separate Board of Directors. On both boards we currently have four men and one woman. We aim for gender equality in the general composition of both boards by 2030 at the latest - in time to meet the UN Sustainable Development Goal nr. 5.

In connection with the establishment of the two independent boards, it was decided - based on a practical and temporal consideration in phase one - to start from the same board members.

During 2021, it will be assessed in more detail which new competencies the respective boards of directors must have acquired.

The business leadership level across Løgismose A/S and Meyers A/S also became gender balanced in late 2020 with the addition of a new female business unit director for Meyers Retail. The business leadership group currently comprises three women and three men, which is considered satisfactory by Group Management.

Human rights

Løgismose Meyers respects the internationally recognized human rights, and we aim not to violate them. Inspired by the UN Guidelines for Human Rights and Business, we regularly monitor which human rights Løgismose Meyers might struggle with regarding our different business activities – in addition to what is already expected from us by law.

During 2020 we have updated our staff policy about bullying, sexual harassment and our attitude and handling of abusive acts. This policy update has been launched. However, due to COVID-19, the real training related to the update has been postponed and changed to webinar sessions. The Løgismose Meyers Group's code of conduct for suppliers and business partners establishes that, as a business, we work according to and support the UN Global Compact Principles for Human Rights and that we expect our business partners to do the same and to demonstrate the same level of honesty and integrity as we do. We have not identified any violation of human rights by our company in the financial year of 2020. We will continue to focus our human rights efforts in 2021.

In 2020, we maintain our focus on minimizing risks of breaching the new rules governing personal data, which became effective on 25 May 2019. Consequently, we have made a targeted effort to offer policies and guidelines regarding customers, suppliers and employees and implemented these in our different systems.

Environmental and climate impact

At Løgismose Meyers we are aware that the production and consumption of food has a significant impact on our global climate. In fact, 25% of the greenhouse gases emitted in Denmark is caused by the production and consumption of food. Being a food business operator, this imposes an increased responsibility on us as a company, just as it opens up the potential for making a difference.

As a food business operator, we naturally generate risks particularly in the transport area because we are dependent on frequent supplies of goods, and we often arrange transport of food and goods around the country ourselves. Therefore we aim to cooperate with professional transport operators who themselves aim for efficient and sustainable transportation.

In the area of environmental and climate impact, we are aware of the potential risks involved in the production of foods. Be it in the areas of food waste, food waste management, use of red meats, or the share of organic ingredients in our kitchens. To minimize these risks, most of our canteen kitchens have implemented food waste targets. And at Group level we aspire to increase the amount of organic goods sourced for production needs. The company has also been working actively to develop green alternatives with a lower environmental impact, alongside initiatives to reduce the use of red meats. In addition, we estimate, that by using the seasons as a guiding principle in menu development and sourcing, we can reduce transportation and avoid growing ingredients in greenhouses, which has a negative impact on the environment.

Løgismose Meyers generally wants to help inspire and excite people to let the green element play a larger role on the plate. As a result, 2020 has seen our company work across the entire organization to celebrate plant-based ingredients - be it on the lunch buffet, in catering menus, for cooking classes or in retail product development.

Our green focus is merely one example of our passion and ambition towards continually being able to inspire and develop our food culture, to experiment with ingredients, and to make new products available to consumers while still contributing to a sustainable food conversation.

We will continue our focus to reduce our climate footprint in 2021.

Sustainability

- special focus on minimizing Co2 footprint and food waste while developing and promoting plant-based alternatives.

From 2018 to 2019 - the first two years with full mapping of our climate footprint - we have implemented a 10% reduction per kg of food. It is a result of more plant-based meals across our business and not least the launch of our green lunch kitchen. In 2020 we also launched a new 400-page cookbook named 'green proteins' rediscovering the cultural, climate and nutritional properties of legumes

Finally, a current initiative in 2020 is an ongoing analysis of plastic consumption across the company aiming to replace conventional plastic packaging with more environmentally friendly alternatives.

Food quality

– special focus on organic produce, animal welfare and 'lighthouse' products

We continually work to improve the levels of e.g. organic produce, locally sourced goods and animal welfare. We aim to develop and promote new products and concepts with enough impact and innovation to inspire not only our own employees but consumers and retail partners alike. Current efforts encompass the following examples:

- Maintaining and strengthening ambitious minimum levels for organic produce and animal welfare.
- All canteens and production kitchens operate at levels of organic procurement corresponding with national labeling standards = 50.000 daily meals served with organic certification. At Løgismose Meyers we are proud of having 91 Organic Cuisine Labels in total. (3 gold, 17 silver and 71 bronze)
- Løgismose launching 'best in class' milk product sourced solely from Danish farms with the highest certifications within climate action, environmental preservation and animal welfare
- Partnership with WWF focusing on sustainable fishing
- Partnership with 'lighthouse' suppliers such as Fiskerikajen (certified by new national sustainable fishing program) Livø (biodynamic free-range cattle) and Birkemosegaard (biodynamic produce)

Health

– special focus on children's food education and social equilibrium

At Løgismose Meyers we see health and the joy of food as closely interconnected properties. We want to promote both – especially within the field of food education for children and youth as well as using food as a mean for social change.

The following examples are all current projects from Meyers:

- ‘Youth School Without Walls’: Successful kitchen training and general strengthening of social capabilities for struggling youth in Copenhagen and Ringsted municipalities
- ‘Better Meals’: Building the foundation for a national food strategy aimed at social welfare authorities across Denmark
- ‘Food time, Free time, Future time’: Project partner in Aarhus and Odense municipalities aiming to create job opportunities for socially struggling youths
- Primary food consultant for Copenhagen municipality: Tender rewon October 2020
- ‘Food Bravery’: Kitchen classes for 50.000+ children in Copenhagen each year hosted by Meyers Madhus

Anti-corruption

The company’s risks related to combatting corruption primarily centers around our supply chain, which we estimate to contain a potential risk of corruption – particularly in our cooperation with foreign suppliers. One could also point to potential anti-competitive activities in connection with our public procurement procedures. In 2021 we aspire to train relevant employees within the anti-corruption field to increase the transparency of our activities and improve our anti-corruption and anti-bribery efforts. All employees of Løgismose Meyers are required to comply with our company policy.

The purpose of the policy is:

1) To protect our employees and Løgismose Meyers’ reputation by having a clear common understanding of what our code of conduct requires of us; and

2) To comply with the laws applicable at any time.

We want our business operations to be conducted in a transparent and credible manner without adding to the risk of corruption in the world.

We will therefore fundamentally seek to ensure:

- That all of our activities are carried out in accordance with the law and the highest ethical standards. Any cases of corruption must be avoided. This also includes an ambition to always compete on legal and fair terms.
- Continuous efforts to combat corruption within our company. Internal rules for sound corporate governance to guide Løgismose Meyers towards minimizing the risk of corruption are in the process of being developed and are expected to be completed and implemented by the summer of 2020. These rules will include a ban on accepting any kind of bribery.
- That we have a supplier management program focused on determining requirements for and develop our suppliers’ and business partners’ obligations in a number of areas. Also, requirements are imposed on our suppliers with respect to anti-corruption. The requirements on our supply chain are laid down in “Løgismose Meyers-koncernens adfærdskodeks for leverandører & samarbejdspartnere” (the Løgismose Meyers Group’s code of conduct for suppliers and business partners).
- During the financial year 2020, we did not identify any incidents of corruption or bribery in our company.

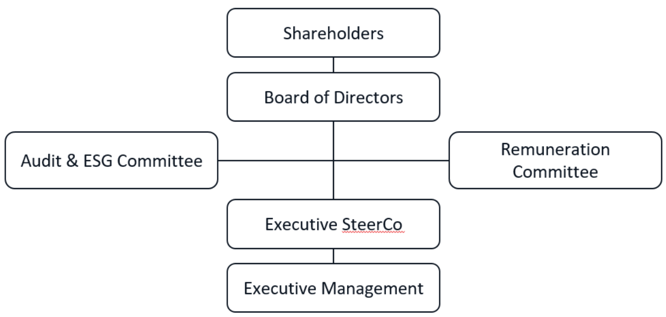
We regularly follow up on the different policies and communicate any challenges in the annual CSR report. Currently, we have noted that we have one unresolved issue with respect to “Internal rules for corporate governance” and an elaboration of diversity at management levels and on the Board of Directors.

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Governance

The Board of Directors and the Executive Board of LM Holding continuously aim at ensuring that the Group's management structure and control systems are appropriate and well-functioning. The foundation for organizing Management's tasks includes the Danish Companies Act, the Danish Financial Statements Act, the Company's Articles of Association, policies approved by the Board of Directors as well as good practice for enterprises of the same size as Løgismose Meyers Holding ApS.

Governance structure



The Board of Directors has appointed a separate Audit & ESG Committee and a Remuneration Committee. The Audit & ESG Committee consist of Per Harkjær, Christopher Masek and Nina Kristine Hoffmann von Holten.

As a company owned by a private equity fund, the group must also follow the Active Owners (formerly known as DVCA) recommendations and guidelines for responsible ownership and corporate governance. It is Management's assessment that the recommendations are followed. Please refer to www.aktiveejere.dk for further information on the guidelines. The Board of Directors ensures that the Executive Board observes the objectives, strategies and business processes laid down by the Board of Directors.

Løgismose Meyers Holding ApS has established a formal group reporting process comprising a monthly reporting process, which includes budget follow-up, performance assessment and achievement of adopted goals etc. The reporting is assessed at directors' and chairman's meetings. The Board of Directors of the LM Holding Group convenes at least 4 times a year based on a fixed meeting schedule. Furthermore, the Chairman and the CEO have meetings at least once every month. Extraordinary meetings will be convened if necessary.

The share capital of Løgismose Meyers Holding ApS is not divided into classes of shares. Management regularly assesses whether the Group has a sufficient capital structure in accordance with the interests of the Group and its stakeholders. The overall objective is to ensure a capital structure that supports long term profitable growth while minimizing financial risks. The Group has a balanced composition of floating and fixed interest-bearing debt. The Group has implemented policies to minimize credit risks. For more information on the composition of the capital structure, see the balance sheet.

Risk management, internal control and Active Owners

The Board of Directors and the Executive Board have the general responsibility for the Group's risk management and internal controls in connection with the presentation of the financial statements.

The organisational structure and the internal guidelines form the control environment together with laws and other regulations applicable for the Group. The Company works on a current basis on developing the Group's general policies, procedures and controls related to the daily operations of the process of presenting the financial statements.

The Company has set up an audit & ESG committee which holds meetings on a regular basis and whose job it is to monitor whether the internal control system of the Company, any internal audit and risk management systems function effectively. The Audit & ESG Committee monitors the company's risk management processes and regularly discusses relevant ESG topics. Furthermore, The Audit & ESG Committee assesses the need for an internal audit function on an annual basis. If it is determined that an internal audit function is required, the Audit Committee will also monitor whether this is being followed up by management.

The committee is also responsible for the supervision of the statutory audit of the financial statements and for monitoring and controlling the independence of the auditors.

In presenting the annual report, the Audit & ESG Committee examines the following points:

1. Accounting policies in the most important areas

2. Significant accounting estimates

3. Transactions with related parties

4. Uncertainties and risks, including related to future expectations

5. Going concern

This is reported to those charged with governance before the adoption of the annual report.

In relation to the presentation of the financial statements, Management has particular focus on business processes and internal controls within the following areas and items that support an adequate presentation of the financial statements.

- Revenue and trade receivables
- Inventory, including assessment of impairment
- Portfolio of receivables, including assessment of impairment
- Assessments of impairment of construction funds
- Trade payables and other external liabilities

The Group has established a formal group reporting process comprising a monthly reporting, which, among other matters, includes follow-up on budgets, assessment of performance and accomplishment of approved objectives.

Based on this reporting, monthly preparational meetings are held at which the received reporting is examined and discussed. Key employees from the Company participate at these meetings at which they account for risks and controls within their areas of responsibility.

The Board of Directors reviews and approves the business procedures for Management each year. This includes various policies and processes that the Board of Directors has entrusted to Management to ensure that Management performs the work required to meet the company's strategic goals and ensure the long term value creation.

Prospectively, Management performs an assessment of the business risks as part of the annual update and adoption of the strategic plan. In connection with this risk assessment, Management will, as required, also consider the necessary finance, hedging and insurance policies for the group. Management continuously monitors the development of the identified risks and reports the development to the Board of Directors. This helps the Board of Directors to follow Management's work and make the necessary choices to manage risks.

The Group expects to implement a Whistleblower scheme in 2021.

Active Owners guidelines

Reference is made to the fact that the controlling interest of the Group is owned by a private equity fund, which is a member of DVCA, and that the Group is thus covered by the DVCA guidelines. As a company owned by a private equity fund, the Company is of the opinion that the DVCA guidelines are complied with. For additional information on the guidelines, see www.aktiveejere.dk.

This annual report is published at www.datacvr.virk.dk/data

Ownership information

Løgismose Meyers Holding ApS is the parent of Løgismose Meyers Group ApS with underlying subsidiaries, see specification in note 28.

Løgismose Meyers Group ApS is fully owned by Løgismose Meyers Holding ApS.

The majority owner of LM Holding ApS is L+M International S.à.r.l..

Employees

In the financial year 2020, the Group has had an average of 915 employees (2019: 946). All employees are employed with the Danish companies.

Board of Directors

The Board at Løgismose Meyers Holding ApS consist of 6 members, which are all appointed by the General Meeting:

Name	**Per Harkjær**	**Christopher Masek**	**Jacob Grønlykke**	**Claus Meyer Nielsen**	**Mads Ryum Larsen**	**Nina Kristine Hoffmann von Holten**
Position	Chairman	Member	Member	Member	Member	Member
Entry date	29-05-2018	26-05-2017	19-12-2018	15-01-2015	01-11-2020	15-01-2015
Owner Ship						
Management director	-L+M ManCo 1 ApS -L+M ManCo Holding ApS -L+M ManCo 2 ApS -L+M ManCo 2 Holding ApS -Executive ManCo 1 ApS -Executive ManCo 2 ApS -Executive ManCo 3 ApS -Executive ManCo 1 Holding ApS -Executive ManCo 2 Holding ApS -Executive ManCo 3 Holding ApS	- IK Investment Partners Limited	- JACOB GRØNLYKKE HOLDING ApS - Falsled Kro Holding A/S	- Meyers Portefølje ApS - Meyers Lyngby ApS - The Little Apple ApS - Hotel Saxkjøbing A/S - Claus Meyer Holding A/S - Claus Meyer US Holding ApS - Public Lemonade ApS	- IK Investment Partners ApS - Kkl Invest ApS	
Chairman	- Løgismose A/S - Meyers A/S - Løgismose Meyers Group ApS - Løgismose Meyers Holding ApS - Scandi Standard			- Meyers Portefølje ApS - Meyers Lyngby ApS - Melting Pot Fonden - Kkm AF 27. JULI 2011 ApS		
Vice Chairman	- Caffitaly, Milan					
Board member		- Løgismose A/S - Meyers A/S - Løgismose Meyers Holding ApS - Mademoiselle Desserts International - Aspia AB, Aspia - Group AB, Aspia - Group Holding AB - Netel Group Holding AB	- Løgismose Meyers Holding ApS - Falsled Kro A/S - Falsled Kro Holding A/S - PGP Invest ApS - Blue Lobster App ApS - SOS Børnebyerne	- Meyers Contract Catering A/S - Hotel Saxkjøbing A/S - Meyers Lyngby ApS - Løgismose Meyers Holding ApS - Claus Meyer Holding A/S - Great Dane OpCo LLC - Great Dane Management Group - Great Northern Orchard LLC - Ingrid Marie LLC	- Løgismose A/S - Meyers A/S - Løgismose Meyers Holding ApS - IK Investment Partners ApS	- Løgismose A/S - Meyers A/S - Løgismose Meyers Holding Aps - Løgismose Meyers Group ApS

Executive Management

The Executive Management at Løgismose Meyers Holding ApS consists of CEO Jesper Uggerhøj and CFO Lizette Kjellerup. Please see further information at www.loegismosemeyers.dk/moed-ledelsen/

Consolidated Financial Statements

Financial Statements

Notes

Statement of Comprehensive Income

(DKK'000)	Note	2020	2019
Revenue	2	1.073.113	1.153.236
Other operating income	3	5.853	583
Cost of sales	4	(561.346)	(592.724)
Gross profit/(loss)		**517.620**	**561.095**
Other external expenses	5, 20, 22	(76.881)	(82.911)
Staff costs	6	(404.196)	(445.949)
Operating profit/(loss) before amortisation and depreciation		**36.543**	**32.235**
Amortisation, impairment and depreciation	9, 10, 20	(283.092)	(44.411)
Operating profit/(loss) before tax		**(246.549)**	**(12.176)**
Share of profit/(loss) of associates	11	(83)	0
Financial income	7	177	167
Financial expenses	7	(15.778)	(13.965)
Profit/(loss) before tax		**(262.233)**	**(25.974)**
Tax on profit/(loss)	8	61.586	(3.876)
Other comprehensive income		(3.172)	0
Tax on other comprehensive income		698	0
Profit/(loss) and total comprehensive income for the financial year		**(203.121)**	**(22.098)**

Financial Statements

Balance Sheet

ASSETS

(DKK'000)	Note	2020	2019
Development projects, completed		22.278	26.303
Acquired intangible assets		23.583	31.336
Acquired trademarks		388.355	620.864
Acquired property rights		1.730	1.747
Goodwill		124.066	124.457
Development projects in progress		5	781
Total intangible assets	9	**560.017**	**805.488**
Land and buildings		10.226	11.558
Plant and machinery		19.715	20.149
Other plant, fixtures and operating equipment		8.370	6.233
Leasehold improvements		30.153	24.022
Assets under construction		3.157	2.140
Right-of-use assets	20	57.627	40.823
Total property, plants and equipment	10, 20	**129.248**	**104.925**
Investments in associates	11	0	83
Deposit		3.910	3.748
Total financial assets		**3.910**	**3.831**
Total non-current assets		**693.175**	**914.244**
Inventories	12	87.219	69.448
Trade receivables	13	145.984	174.714
Contributed capital in arrears		38.068	49.326
Other receivables	14	24.948	28.587
Tax receivables		0	144
Prepaid expenses	15	7.360	7.394
Cash and cash equivalents	21	28.846	10.362
Total current assets		**332.425**	**339.975**
Total assets		**1.025.600**	**1.254.219**

EQUITY AND LIABILITIES

(DKK'000)	Note	2020	2019
Share capital	16	7.684	7.684
Retained earnings		383.372	575.478
Reserve for non-paid contributed capital		38.068	49.326
Total equity		**429.124**	**632.488**
Deferred tax liabilities	8	83.495	145.200
Credit institutions	17	200.000	200.000
Deposit		3.399	3.439
Lease liabilities	20	46.202	35.032
Provisions	25	0	5.000
Other payables	21	35.850	2.476
Total non-current liabilities		**368.946**	**391.147**
Credit institutions	17	5.729	40.217
Customer prepayments	2	4.848	1.274
Trade payables	18	102.235	99.531
Other payables	18, 20	114.718	89.562
Total current liabilities		**227.530**	**230.584**
Total equity and liabilities		**1.025.600**	**1.254.219**

Statement of Changes in Equity

(DKK'000)	Share capital	Retained earnings	Hedging reserve	Reserve own shares	**Total equity**
Equity at 1 January 2020	7.684	628.053	**0**	**(3.249)**	**632.488**
Net profit/(loss) for the year	-	(200.647)	**-**	**-**	**(200.647)**
Other comprehensive income	-	-	**(3.172)**	**-**	**(3.172)**
Tax on other comprehensive income	-	-	**698**	**-**	**698**
Acquisition of own shares	-	-	**-**	**(250)**	**(250)**
Share divestment	-	-	**-**	**7**	**7**
Balance at 31 December 2020	**7.684**	**427.406**	**(2.474)**	**(3.492)**	**429.124**

(DKK'000)	Share capital	Retained earnings	Reserve own shares	**Total equity**
Equity at 1 January 2019	6.956	600.825	**(1.777)**	**606.004**
Net profit/(loss) for the year	-	(22.098)	**-**	**(22.098)**
Acquisition of own shares	-	-	**(2.472)**	**(2.472)**
Share divestment	-	-	**1.000**	**-**
Capital increase at	728	-	**-**	**728**
Unpaid capital premium	-	49.326	**-**	**49.326**
Balance at 31 December 2019	**7.684**	**628.053**	**(3.249)**	**632.488**

Retained earnings as of 31 December 2020 contains unpaid capital premium amounting to DKK 38.068 thousand.

The Group has during 2020 divested own shared equivalent to DKK 7 thousand in L+M ManCo 2 ApS.

The Group has in 2020 acquired equivalent to 16,4% ownership in Executive ManCo 2 ApS, which assets consist of 1% ownership in Løgismose Meyers Holding ApS. The acquisition price amounts to DKK 250 thousand which has been recognised as own shares.

Cash Flow Statement

(DKK'000)	Note	2020	2019
Operating profit (EBIT)		(249.721)	(12.176)
Amortisation and depreciations	9, 10	283.092	44.411
Change in working capital	19	80.862	(2.373)
Cash flow from operating activities before financial income and expenses		**114.233**	**29.862**
Financial income, received		177	0
Financial expenses, paid		(15.778)	(12.648)
Income taxes, received/(paid)		703	488
Cash flow from ordinary activities		**99.355**	**17.662**
Purchase of intangible assets etc.	9	(6.711)	(11.983)
Purchase of property, plant and equipment etc.	10	(27.758)	(8.085)
Sale of property, plant and equipment etc.		4.895	0
Purchase of financial assets		(162)	(1.274)
Sale of financial assets		0	544
Acquisition of subsidiaries and activities		0	(52.000)
Net cash flow from investing activities		**(29.736)**	**(73.798)**
Overdraft	21	(34.488)	38.309
Purchase of own shares		(238)	(2.472)
Repayment of lease liabilities	20	(16.409)	(10.169)
Cash flow from financing activities		**(51.135)**	**25.668**
Cash and cash equivalents, beginning of the year		10.362	39.830
Net cash flow for the year		18.485	(29.468)
Cash and cash equivalents, end of the year		**28.846**	**10.362**
Cash and cash equivalents in the cash flow statement comprise:			
Cash and cash equivalents	21	**28.846**	**10.362**

The figures in the cash flow statement cannot be directly derived from the figures in the balance sheet.

Notes

Note 1 Basis of reporting

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and additional requirements of the Danish Financial Statements Act for class C large. The Consolidated Financial Statements have been presented applying the accounting policies consistent with last year, except for reclassifications which have not had an effect on profit and equity but are reclassifications.

The Consolidated Financial Statements and separate Financial Statements are presented in Danish kroner (DKK) which is the functional currency of the Løgismose Meyers Group.

The Group's general accounting policies are described below. In addition to this, specific accounting policies are described in each of the individual notes to the Consolidated Financial Statements. The accounting policies set out below and in each note have been used consistently in respect of the financial year and the comparative figures.

Implementation of new accounting standards amendments and interpretations

The following accounting standards, amendments (IAS and IFRS) and interpretations have been implemented at 1 January 2020:

- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 3 "Business Combination"
- Amendment to "References to the Conceptual Framework in IFRS Standards"
- Interest rate benchmark reform (Amendment to IFRS 9, IAS 39 and IFRS 7)

The implementation has not had a significant impact on recognition, measurement or disclosures in the Annual Report 2020 and is not expected to have significant impact on the financial reporting for future periods.

New standards and interpretations, not yet adopted

IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2020. Løgismose expects to adopt the accounting standards and interpretations when they become mandatory.

None of the new or amended standards or interpretations are expected to have an impact on the consolidated financial statements.

Materiality in financial reporting

In the preparation of the Consolidated Financial Statements, Management aims to focus on the information considered to be material and relevant for the understanding of the Group's performance in the reporting period.

The Consolidated Financial Statements are a result of aggregating large numbers of transactions into classes of similar items according to their nature or function in the Consolidated Financial Statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the Consolidated Financial Statements or in the notes.

Management provides specific disclosures required by IFRS unless the information is not applicable or considered immaterial to the economic decision-making of the users of these Consolidated Financial Statements.

Key account estimates and judgements

As part of the preparation of the Consolidated Financial Statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Company's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

Specific accounting estimates and judgements are described in each of the following individual notes to the Consolidated Financial Statements:

Note	Key account estimate or judgement	Section
Tax on profit for the year	Estimates regarding provisions for uncertain tax positions	Note 7
Deferred tax assets	Estimates regarding valuation and use of deferred tax assets	Note 7
Intangible assets	Estimated useful lives and impairment test	Note 8
Tangible assets	Impairment test	Note 9
Inventories	Estimates of valuation of inventories	Note 11
Trade receivables	Estimates of valuation of trade receivables	Note 12
Leases	Determining lease term	Note 19

Basis of consolidation

The Consolidated Financial Statement comprises the Financial Statements of Løgismose Meyers Holding ApS (the Parent) and subsidiaries which are entities controlled by Løgismose Meyers Holding ApS. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence. Companies, in which the Group directly or indirectly holds between 20% and 50% of the voting rights and exercise a significant but non-controlling influence, are considered associates. Associated companies are listed in note 10.

Principles of consolidation

The Consolidated Financial Statements are prepared on the basis of the Financial Statements of the Parent and its subsidiaries.

The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The Financial Statements used for consolidation are prepared in accordance with the Group's accounting policies.

The accounting items of subsidiaries are recognised 100% in the Consolidated Financial Statements. Non-controlling interest's share of subsidiaries' profit or loss for the year and net assets is included in the Group's profit or loss and balance sheet, but are disclosed separately.

Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Cash flow statement

The cash flow statement shows cash flow from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flow from investing activities includes payments in connection with the acquisition and disposal of enterprises and activities and of non-current intangible assets, tangible assets and investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, repayment of interest-bearing debt, acquisition and disposal of treasury shares and payment of dividends to shareholders. Payment of lease liabilities is included under financing activities and the related interest is included as a financial item under operating activities.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.

Government grants

Grants are recognized when it is virtually certain that the conditions underlying the grants have been met and that the grant will be received. Government help aid packages are recognized as income as and when the conditions have been fulfilled. The income from government help aid packages offsets the corresponding cost and are consequently recognized under relevant accounting items. The following accounting items contains government help aid packages: Cost of sales, other external expenses, staff cost and intangible assets (depreciation).

Definition of key figures

Operating margin	$\frac{\text{Operating profit}}{\text{Revenue}} \times 100$
Gross margin	$\frac{\text{Gross profit}}{\text{Revenue}} \times 100$
Return on equity (ROE)	$\frac{\text{Profit before tax}}{\text{Average equity}} \times 100$
Solvency ratio	$\frac{\text{Equity}}{\text{Total assets}} \times 100$

Key figures and financial ratios are defined and computed in accordance with "Recommendations & Ratios" published by CFA Society Denmark.

Note 2 Revenue

Accounting policies

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when control has been transferred – generally, this is when delivery and transfer of risk have taken place.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring the goods. Revenue is recognised exclusive of VAT and net of sales deductions.

No contract assets and liabilities or right-of-return assets and refund liabilities are recognised at 31 December 2020 or 31 December 2019.

The Group's revenue is split into 3 main activities:

- Canteen services,
- Production, and
- Retail.

The canteen services consist of three services, canteens at customers, company lunch programmes and catering. Canteens at customers are operated as fully integrated kitchens at the customers' venues. The second service is company lunch programmes, in which the lunch is prepared in the Group's own kitchens and delivered at the customers' own canteen facilities. The third service is catering for special arrangements.

The second activity is production and sale of goods (dairy, meals and other retail products), which is business to business. The goods sold are produced by the Group itself, and they are sold to clients in retail and in the restaurant business.

The last activity is sale of goods and retail, which is trade of the Group's own products in own stores. This final category also comprise food consultancy, cooking courses, sale of books among others.

Discounts include unit price reductions as well as contribution to product promotion based on volumes or value of client purchases.

Revenue is recognised in the income statement concurrently with goods delivered and services performed. All revenue is measured exclusive of VAT and net of any given discounts.

(DKK'000)	**2020**	**2019**
Revenue by geographic region		
Denmark	1.054.711	1.138.564
Abroad	18.402	14.672
Total	**1.073.113**	**1.153.236**

Consolidated revenue mainly derives from canteen services and sales of goods.

(DKK'000)	**2020**	**2019**
Revenue by business activity		
Canteen services	421.540	524.164
Production	564.260	553.902
Retail	87.313	75.170
Total	**1.073.113**	**1.153.236**

Contract balances

The Group has prepayments from customers of DKK 4.848 thousand at 31 December 2020 (31 December 2019: DKK 1.274 thousand).

The Group’s unsatisfied performance obligations relate to the contract liabilities that have not yet been recognised as revenue, as well as contracts where the Group has an obligation to deliver goods, which has not yet been satisfied.

There are no remaining performance obligations to be recognised as of 31 December 2020 (2019: 0).

Note 3 Other operating income

Accounting policies

Other operating income comprises income of secondary nature as viewed in relation to the Company's primary activities. Other operating income consists of reversals of earn-outs and income not related to primary activities. For a description of the reversal of earn-out, see note 25.

(DKK'000)	**2020**	**2019**
Reversal of earn-out	5.000	0
Other operation income	853	583
Total	**5.853**	**583**

Note 4 Cost of sales

Accounting policies

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Cost of sales include government grants amounting to DKK 514 thousand (2019: 0). Refer to note 1 for accounting policies regarding government grants.

Note 5 Other external expenses

Accounting policies

Other external expenses include expenses relating to primary activities, including office premises, selling costs and administrative expenses etc. Other external expenses also include write-downs of receivables recognised in current assets.

Other external expenses include government grants amounting to DKK 307 thousand (2019: 0). Refer to note 3 for accounting policies regarding government grants.

Note 6 Staff costs

Accounting policies

Staff costs include salaries and wages, bonuses, pensions, social security costs and other staff costs for salaried employees.

An incentive scheme for certain members of the Executive Board and other key management personnel is established. The incentive scheme is based on individual goals and the Group's overall result. The incentive scheme allows the members to acquire shares in the Group through ManCo Companies, at market price at the time of acquisition of the shares.

(DKK'000)	2020	2019
Salaries and wages	343.986	384.571
Pension	30.569	33.079
Other social security costs	9.673	9.463
Other staff costs	19.968	18.836
Total	**404.196**	**445.949**
Weighted average number of full-time employees	**951**	**985**

Breakdown of remuneration is as follows:

(DKK'000)	Salary and pension	Bonus	Benefits and other related expenses	Total
2020:				
Executive board	6.014	0	0	6.014
Other key management personnel**	11.078	292	217	11.587
Board of Directors	1.200	0	0	1.200
Total	**18.292**	**292**	**217**	**18.801**
2019:				
Executive board*	6.848	91	7	6.946
Other key management personnel**	10.304	1.007	267	11.578
Board of Directors	1.200	0	0	1.200
Total	**18.352**	**1.098**	**274**	**19.724**

* Remuneration for the Executive board in 2019 includes expenses for two CFOs. Salary and pension includes severance fees.

**Other key management personnel includes expenses for 8 Key Managers in 2019 and 10 Key Managers in 2020.

Staff cost include government grants amounting to DKK 27.828 thousand (2019: 0). Refer to note 3 for accounting policies regarding government grants.

Note 7 Financial income and expenses

Accounting policies

Financial income and expenses include interest income and expenses, interest income and expenses from receivables at associated companies, net gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and financial liabilities, and allowances under the tax advance scheme.

The Group uses an interest swap for fluctuations on their debt to financial institutions. It is treated as a fair value hedge, with fluctuations in its fair value being recognised as either interest income or interest expense.

Financial income

(DKK'000)	**2020**	**2019**
Interest income	139	14
Exchange rate adjustments	38	16
Other financial income	0	137
Total	**177**	**167**

Financial expenses

(DKK'000)	**2020**	**2019**
Interest expenses	15.375	8.661
Exchange rate adjustments	81	0
Other financial expenses	323	5.304
Total	**15.778**	**13.965**

Note 8 Tax on result for the year

Accounting policies

Tax for the year includes current tax for the year and changes in deferred tax less the part of the tax for the year relating to other comprehensive income and changes in equity. Current tax and deferred tax relating to other comprehensive income and changes in equity are recognised in other comprehensive income or directly in equity, respectively.

Current tax for the year is calculated based on the income tax rates and rules applicable at the balance sheet date.

Key account estimates

Valuation of deferred tax assets

Executive Board's estimate of future income according to budgets, forecasts, business plans and initiatives scheduled for the coming years supports the utilisation of the deferred tax assets within the foreseeable future. A forecast period of 5 years is applied for estimated utilisation of deferred tax assets. In this assessment, the continuous utilisation of existing deferred tax assets and creation of new deferred tax assets is considered.

Tax for the year

(DKK'000)	**2020**	**2019**
Tax on profit for the year:		
Current tax for the year	-	-
Deferred tax	56.560	(2.356)
Tax adjustment relating to previous years	5.026	(1.520)
Total tax on profit for the year	**61.586**	**(3.876)**

For details of tax on other comprehensive income, refer to the statement of comprehensive income.

Effective tax rate

(DKK'000)	**2020**	**2019**
Tax calculated on profit/(loss) for the year	22%	22%
Tax effect of:		
Adjustments related to prior year	2%	-3%
Non-deductible income/expenses	-1%	0%
Effective tax rate	**23%**	**19%**

Deferred tax assets and liabilities

Deferred tax in recognised on all temporary differences between the carrying amounts of assets and liabilities and their tax bases, except from temporary differences arising on initial recognition of a transaction that is not a business combination and with the temporary difference ascertained at the time of initial recognition affecting neither the financial result nor the taxable income.

Deferred tax is measured on the basis of the income tax rates and tax rules in force in the respective countries on the balance sheet date. Change in deferred tax as a result of changed income tax rates or tax rules is recognised in the income statement.

Executive Board's estimate of future income according to budgets, forecasts, business plans and initiatives scheduled for the coming years supports the utilisation of the deferred tax assets within the foreseeable future.

Deferred tax assets and liabilities (DKK'000)	**2020**	**2019**
Deferred tax at 1 January	145.200	147.556
Deferred tax for the year	(56.679)	(3.876)
Tax adjustments relating to previous years	(5.026)	1.520
Tax on changes in equity		0
Deferred tax at 31 December	**83.495**	**145.200**
Deferred tax recognised in the balance sheet:		
Deferred tax assets	0	0
Deferred tax liabilities	83.495	145.200
Deferred tax at 31 December	**83.495**	**145.200**

Of the DKK 83.495 thousand (2019: DKK 145.200 thousand) recognised as deferred tax liabilities, DKK 74.591 (2019: DKK 118.433 thousand) relates to deferred tax on Trademarks. The remaining net deferred tax liability is related to operating equipment and deferred tax losses carry forward.

Note 9 Intangible assets

Accounting policies

Intangible assets comprise completed development projects, acquired trademarks, acquired property rights and goodwill.

Development projects, *completed*

Development projects are recognised as intangible assets if the recognition criteria are met. Development projects regarding defined and identifiable products and processes, where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company can be demonstrated, and where it is intended to manufacture, market or use the product or the process, are recognised as intangible assets.

The costs if development projects include direct salaries, materials and other direct costs attributable to the development project. Completed development projects have commenced depreciation over the income statement.

Acquired trademarks and property rights

Acquired trademarks and property rights are measured initially at cost.

Trademarks with an indefinite useful life are not amortised as they are established, profitable and sustainable and there is no foreseeable point at which the cash inflows will cease, meaning that the potential to renew indefinitely is taken into account. Customers are expected to continue to demand the products sold under the Groups' trademarks due to the positive associations with the trademarks, and the Group is not planning to stop selling and marketing the products carrying the trademarks. Trademarks with indefinite useful lives are not amortised but are tested annually for impairment. It is the Group's strategy to maintain the value as well as the trademarks.

Goodwill

On initial recognition, goodwill is recognised and measured at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, but is tested for impairment at least annually or more frequently when there is an indication that the CGU to which the goodwill is allocated is impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) expected to benefit from synergies of the business combination, and that represent the lowest level at which the goodwill is monitored for internal management purposes.

Amortisation periods

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Development projects, completed	10 years
Acquired property rights	20 years

Acquired trademark	Not amortised
Goodwill	Not amortised

Key account estimates

Estimated useful lives

Useful life is estimated individually in each case and is initially assessed when the assets are acquired. Executive Board assesses intangible assets for changes in useful lives and impairment on an annual basis.

Impairment test and valuation

Irrespective of whether there is an indication of impairment, intangible assets not yet available for use and goodwill are tested for impairment annually. Intangible assets in use with finite useful lives are tested for impairment if there is any indication of impairment.

To determine the value in use, the discounted cash flow approach is applied. The expected future cash flows are based on budget and target plans. The budgets and target plans are based on Executive Board's expectations of current market conditions and future growth expectations. The key factors used in calculating the value are revenue, costs of goods sold (COGS), operating expenses (OPEX), EBITDA, working capital, capital expenditures (CAPEX) and discount rate.

Based on the discounted cash flow impairment test performed on group level, there is no indications of impairment. As part of the demerger of Løgismose Meyers A/S into Løgismose A/S and Meyers A/S the management has reassessed cash generating units (CGU's) and therefore a separate impairment test on each entity has been performed. To determine the value in use of the trademarks, the royalty method is applied. The impairment test indicates that Løgismose A/S has not suffered an impairment loss. The impairment test of Meyers A/S shows that the recoverable amount of the trademarks is lower than the carrying amount. Consequently, an impairment loss of DKK 232.509 thousand has been booked.

Impairment

At the end of each reporting period, Løgismose Meyers reviews the carrying amounts of the intangible assets to determine whether there is any indication that they have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For goodwill specifically, each component is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Determination of useful lives

Useful lives are initially assessed when the assets are acquired. Management assesses intangible assets for changes in useful lives and impairment on an annual basis. The assessment of the value may be based on management estimates and inherent uncertainties.

(DKK'000)	Development projects, completed	Acquired intangible assets	Acquired trademarks	Acquired property rights	Goodwill	Development projects in progress	**Total**
Cost at 1 January 2020	57.869	58.062	689.290	2.633	137.377	781	946.012
Transfers	781	0	0	0	0	(781)	0
Additions	6.562	144	0	0	0	5	6.711
Disposals	0	0	0	0	(453)	0	(453)
Cost at 31 December 2020	**65.212**	**58.206**	**689.290**	**2.633**	**136.924**	**5**	**952.270**
Amortisation and impairment at 1 January 2020	(31.566)	(26.726)	(68.426)	(886)	(12.920)	0	(140.524)
Disposals	0	0	0	0	0	0	0
Impairment	0	0	(232.509)	0	0	0	(232.509)
Amortisation and impairment at 31 December 2020	**(42.934)**	**(34.634)**	**(300.935)**	**(903)**	**(12.858)**	**0**	**(392.253)**
Carrying amount at 31 December 2020	**22.278**	**23.583**	**388.355**	**1.730**	**124.066**	**5**	**560.017**

(DKK'000)	Development projects, completed	Acquired intangible assets	Acquired trademarks	Acquired property rights	Goodwill	Develop-ment projects in progress	**Total**
Cost at 1 January 2019	**48.807**	**51.642**	**684.190**	**2.633**	**93.696**	**782**	**881.750**
Transfers	0	0	0	0	(1.601)	(1)	(1.602)
Additions	9.062	6.420	0	0	0	0	15.482
Additions from acquisitions	0	0	5.100	0	45.282	0	50.382
Cost at 31 December 2019	**57.869**	**58.062**	**689.290**	**2.633**	**137.377**	**781**	**946.012**
Amortisation and impairment at 1 January 2019	(21.766)	(20.559)	(68.426)	(766)	(14.521)	-	(126.038)
Transfers	0	0	0	0	1.601		
Amortisation and impairment at 31 January 2019	**(31.566)**	**(26.726)**	**(68.426)**	**(886)**	**(12.920)**	**-**	**(140.524)**
Carrying amount at 31 December 2019	**26.303**	**31.336**	**620.864**	**1.747**	**124.457**	**781**	**805.488**

Depreciation of Intangible assets include government grants amounting to DKK 1.307 thousands (2019: 0). Refer to note 3 for accounting policies regarding government grants.

Note 10 Property, plant and equipment

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost comprises the acquisition price and other directly attributable costs until the date on which the asset is available for use. The total costs of an asset are broken down into components that are depreciated separately if the expected useful lives of the individual components are not the same.

Depreciation is recognised on a straight-line basis from the time of acquisition, or when the asset is available for use, over the expected useful life. A reassessment is made once a year to ascertain that the depreciation basis reflects the expected useful lives and future residual values of the assets. Land is not depreciated.

The expected useful lives are as follows:

Buildings	25-50 years
Leasehold improvements	Up to 10 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-10 years

See note 19 for estimates on right of use assets.

Impairment testing

The carrying amount of property, plant and equipment is reviewed to determine whether there is any indication of impairment loss. If the recoverable amount of an asset is estimated to be less than the carrying amount, an impairment loss is recognised.

(DKK'000)	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipm-ent	Leasehold improvements	Property, plant and equipment under construc-tion	**Total**
Cost at 1 January 2020	23.642	70.194	29.784	56.420	2.140	182.180
Transfers	0	3.841	983	10.824	(15.648)	0
Additions	95	2.168	3.858	2.184	19.453	27.758
Disposals	(869)	(88)	(391)	(306)	(2.788)	(4.442)
Cost at 31 January 2020	**22.868**	**76.115**	**34.234**	**69.122**	**3.157**	**205.496**
Depreciation and impairment at 1 January 2020	(12.084)	(50.045)	(23.551)	(32.398)	0	(118.078)
Depreciation for the year	(558)	(6.355)	(2.335)	(6.601)	0	(15.849)
Transfers	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Reversal related to disposals	0	0	22	30	0	52
Depreciation and impairment at 1 January 2020	**(12.642)**	**(56.400)**	**(-25.864)**	**(38.969)**	**0**	**(133.875)**
Carrying amount at 31 January 2020	**10.226**	**19.715**	**8.370**	**30.153**	**3.157**	**71.621**

(DKK'000)	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipm-ent	Leasehold improvements	Property, plant and equipment under construc-tion	**Total**
Cost at 1 January 2019	23.347	61.891	30.526	54.007	6.818	**176.589**
Additions	295	8.404	5.052	4.747	5.813	24.311
Disposals	0	(101)	(5.794)	(2.334)	(10.491)	(18.720)
Cost at 31 January 2019	**23.642**	**70.194**	**29.784**	**56.420**	**2.140**	**182.180**
Depreciation and impairment at 1 January 2019	(11.531)	(43.941)	(25.776)	(27.143)	-	(108.391)
Depreciation for the year	(553)	(6.103)	(1.996)	(6.099)	-	(14.751)
Transfers	0	(1)	(904)	0	-	(904)
Impairment	0	0	(5)	0	-	(5)
Reversal related to disposals	0	0	5.130	844	-	5.976
Depreciation and impairment at 1 January 2019	**(12.084)**	**(50.045)**	**(23.551)**	**(32.398)**	**-**	**(118.075)**
Carrying amount at 31 January 2019	**11.558**	**20.149**	**6.233**	**24.022**	**2.140**	**64.102**

Note 11 Investments in associates

Accounting policies

Investments in associates are measured using the equity method. Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

(DKK'000)	**2020**	**2019**
Cost at beginning of the year	83	-
Additions	-	83
Disposals	(83)	-
Cost at the end of the year	**0**	**83**
Adjustments 1 January	-	-
Adjustments 31 December	**-**	**-**
Carrying amount at end of year	**0**	**83**

The Group has ownership in the following associate:

	Registered office	Ownership
L+M ManCo 2 ApS	Copenhagen	47.2%
L+M ManCo 1 ApS	Copenhagen	24.9%

The shares in the associated company are treated as own shares, as the assets in L+M ManCo 2 ApS and L+M ManCo 2 ApS consist of shares in the Parent.

The Group has not had any transactions with the associated company in 2019 and 2020.

Note 12 Inventories

Accounting policies

Inventories are measured at cost under the FIFO method and net realisable value where this is lower.

Finished goods comprise costs of raw materials, consumables, direct labour and indirect production costs. Indirect production costs comprise indirect consumables and labour, as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management.

The net realisable value of inventories is calculated as the selling price less completion costs and costs incurred to execute the sale, and is determined allowing for marketability, obsolescence and development in expected selling price.

Obsolete goods, including slow-moving goods, are written off to net realisation value if lower than carrying amount.

Indirect production overheads are calculated on the basis of relevant assumptions as to capacity utilisation, production time and other relevant factors, and allocated based on the normal production capacity.

(DKK'000)	2020	2019
Raw Materials and consumables	20.114	22.641
Finished goods and goods for resale	58.676	40.784
Prepayments for goods	8.429	6.023
Total inventories	**87.219**	**69.448**
Included in the income statement:		
Write-downs of inventories for the year	4.122	4.620
Cost of goods sold during the year	561.860	592.724

Note 13 Trade receivables

Accounting policies

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

(DKK'000)	**2020**	**2019**	**2018**
Trade receivables	146.845	175.177	160.925
Write-downs	(861)	(463)	(89)
Total trade receivables	**145.984**	**174.714**	**160.836**

Expected credit loss

The following table details the risk profile of trade receivables based on the Group's expected loss on trade receivables.

(DKK'000)	Not past due	Overdue by 1 month	Overdue by 1-2 months	Overdue by 2-3 months	Overdue by more than 3 months	**Total**
31 December 2020						
Expected credit loss rate	0,11%	0,04%	0,71%	7,32%	4,00%	
Trade receivables	108.330	27.425	452	8.917	1.796	**146.920**
Lifetime expected credit losses	122	11	3	653	72	**861**
31 December 2019						
Expected credit loss rate	0,17%	0,12%	0,28%	1,75%	3,4%	
Trade receivables	122.199	45.075	1.057	1.150	5.233	**174.714**
Lifetime expected credit losses	209	54	3	20	177	**463**

Note 14 Other receivables

Accounting policies

Other receivables are measured on initial recognition at fair value and subsequently at amortised cost less impairments, if any.

(DKK'000)	**2020**	**2019**
Supplier bonus receivables	19.328	21.286
Deposit accounts for customers	0	773
Other receivables	5.620	6.528
Total other receivables	**24.948**	**28.587**

Note 15 Prepaid expenses

Accounting policies

Prepaid expenses comprise amounts paid in respect of goods or services to be received in subsequent financial periods.

Note 16 Share capital

Accounting policies

The share capital comprises 7.684.001 shares of DKK 1 each (2019: 7.684.001). No shares carry any additional special rights. The Group continuously assesses the need for adjustment of the capital structure to offset the increasing demand for return on equity against increased uncertainty related to borrowed capital. The Group has ownership of 198.429 own shares, through ownership in related parties, see the Statement of Changes in Equity and note 10 on investments in associate.

Share capital was in 2019 increased by nominal DKK 728 thousand, with a premium of DKK 49,325 thousand. During 2020 a premium of DKK 11,258 has been paid, resulting in an unpaid premium of DKK 38,067 as of December 31 2020. Unpaid premium is recognised as equity and receivable with shareholders, respectively.

The is no dividend proposed for 2020 (2019: 0).

Note 17 Credit institutions

Accounting policies

Bank loans are initially recognised at fair value net of transaction expenses and subsequently measured at amortised cost using the effective interest method.

The Group’s long-term liabilities comprise one loan of DKK 200 million which is obtained in DKK, and the risk of currency fluctuations is non-existing.

(DKK'000)	**2020**	**2019**
Bullet loans	200.000	200.000
Overdraft facility	5.729	40.217
Total financial liabilities	**205.729**	**240.217**
Included in the balance sheet:		
Non-current liabilities	200.000	200.000
Current liabilities	5.729	40.217
Total bank loans	**205.729**	**240.217**

Note 18 Trade and other payables

Accounting policies

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are classified as current liabilities if payment is due in one year or less. If payment is due at a later date, they are presented as non-current liabilities.

(DKK'000)	**2020**	**2019**
Trade payables	102.235	99.531
Various taxes, including VAT	20.505	16.044
Employee-related payables	59.651	26.496
Holiday accruals	4.774	19.324
Other payables	29.788	27.698
Total trade and other payables	**216.953**	**189.093**

Note 19 Working capital

(DKK'000)	2020	2019
Change in inventories	(17.771)	(12.964)
Change in receivables	42.792	(20.802)
Change in trade payables and other payables	55.841	31.939
Total change in working capital	**80.862**	**(2.373)**

Note 20 Leases

Accounting policies

The Company leases various properties and cars. Contracts are identified as leases if the contract conveys the right to use a specified asset over a period of time in exchange for consideration. The leases are negotiated individually and contain a range of different terms, conditions and clauses.

Lease assets are 'right-of-use assets' from lease agreements. If, at inception, it is assessed that a contract contains a lease, a lease asset is recognized. Lease assets are initially measured at the present value of future lease payments, plus the cost of obligations to refurbish the asset. Payments include fixed payments, variable lease payments depending on an index or a rate, and the exercise price of purchase options that are reasonably certain to be exercised. The lease assets are depreciated using the straight-line method over the shorter of the expected lease term and the useful life of the underlying asset. The lease assets are tested for impairment whenever there is an indication that the assets may be impaired.

Lease liabilities are initially recognized at the present value of future lease payments, including payments from extension or purchase options that are considered reasonably certain to be exercised. The lease liability is measured using the implicit borrowing rate in the contracts. If a lease contract is modified, the lease liability is remeasured.

The discount rate used is derived from the Group's incremental borrowing rate, which is adjusted for the individual asset classes.

Lease term

The lease term is defined as the non-cancellable period of a lease. The non-cancellable period of a lease extends from contract start to contract end date extended by periods covered by possible extension options which are reasonably certain to be exercised or by periods covered by termination options which are not exercised with reasonable certainty. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

Key account judgments

For building leases, lease terms are estimated taking the size of the building and its strategic importance into consideration. The Group entered into building leases with extension options. The lease terms of such agreements are estimated based on the strategic importance of the buildings and the estimated time frame necessary to vacate the premises. The estimated lease term is reassessed at each reporting date.

Exemptions in application of IFRS 16

The Company applies the recognition exemption for short-term leases, which are leases with a term less than one year and the recognition exemption for underlying assets of low value. Contracts covered by the exemptions amounts to DKK 894k in lease payments during the year.

(DKK'000) *Right-of-use assets*	Property	Equipment	Cars	Total
At January 2020	39.620	0	1.203	40.823
Depreciation	(15.110)	(314)	(1.054)	(16.478)
Disposals and adjustments	14.782	0	284	15.066
Additions during period	16.542	694	979	18.215
At 31 December 2020	**57.596**	**380**	**1.431**	**57.627**

Lease liabilities	Property	Equipment	Cars	Total
At January 2020	41.390	0	1.496	42.886
Lease payments	(14.995)	(321)	(1.094)	(16.410)
Disposals and adjustments	14.828	0	43	14.872
Interest	1.297	12	62	1.371
Additions during period	16.444	693	979	18.126
At 31 December 2020	**58.974**	**384**	**1.487**	**60.844**

Lease liabilities are due as follows	Property	Equipment	Cars	Total
Within one year	13.631	311	701	14.643
Between one and five years	41.196	73	786	42.055
Within more than five years	4.146	0	0	4.146
Total liabilities	**58.973**	**384**	**1.487**	**60.844**

Depreciation and interest costs related to leases are recognised in the income statement under the items “amortisation, impairment and depreciation”, and “financial expenses”, respectively.

The amounts recognised impact the cash flow from operating activities as well as cash flow from financing activities as presented in the below table. The figures in the cash flow statement cannot be directly derived as they are presented combined with other cash movements.

(DKK’000) *Cash flow impact*	Property	Equipment	Cars	Total
Interest paid	(1.297)	(12)	(62)	(1.371)
Cash flow from operating activities	**(1.297)**	**(12)**	**(62)**	**(1.371)**
Repayment of lease liabilities	(14.995)	(321)	(1.094)	(16.410)
Cash flow from financing activities	**(14.995)**	**(321)**	**(1.094)**	**(16.410)**

Note 21 Financial risks and financial instruments

Accounting policies

Derivative financial instruments

The Group uses a derivative financial instrument to reduce the impact of volatility on interest rates. The derivative financial instrument used is an interest rate swap on the bullet loan obtained, which holds a variable interest rate maturing on 30 December 2022. The index interest rate is following CIBOR.

The derivative financial instrument is recognised initially and subsequently at fair value. Any attributable transaction costs are recognised in the income statement in other financial income, net as incurred.

Hedge accounting is not applied for the derivative financial instrument.

Risk management policy

Løgismose Meyers undertakes transactions denominated in foreign currencies. These transactions are related to operating activities. These transactions are only performed in EUR and with the DKK pegged to the EUR, the foreign exchange rates pose a limited risk.

Financial risks are managed by Executive Board under the relevant company policies. The financial risks are presented to the Board of Directors on an annual basis.

Commodity price risk

The Group is exposed to commodity risks related to both production and distribution of dairy products.

Increased commodity prices will negatively impact costs of production and distribution.

The Group has chosen not to enter into any derivative financial instruments to mitigate the commodity price risk exposure related to dairy products.

Credit risk

Credit risk is defined as an unexpected loss in cash and earnings if the customer is unable to pay its obligations in due time. The Group may incur losses if the credit quality of its customers deteriorates or if they default on their payment obligations to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. The maximum credit risk attached to financial assets corresponds to the values recognised in the balance sheet.

The Group products are primarily sold to wholesalers. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. This includes the review of customer creditworthiness and credit rating of important customers. The Group has no material credit risk as of 31 December 2020 and 31 December 2019.

Cash and cash equivalents are primarily held with financial institutions through which the Group conducts its day-to-day banking transactions.

Liquidity risk

The purpose of the Group's cash management policy is to maintain adequate cash resources to meet financial liabilities. The Group's cash resources consist of cash and cash equivalents, and undrawn credit facilities. The Group continuously monitors the cash flows in order manage the liquidity risk.

The Group has cash and other liquid funds of DKK 28.846 thousand as of 31 December 2020 (2019: DKK 10,362 thousand).

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities.

Maturity of the Group's financial liabilities

(DKK'000)	**Less than 1 year**	**Between 1-5 years**	**More than 5 years**	**Total**
2020:				
Bank loans	5.729	200.000	0	205.729
Customer prepayments	4.848	0	0	4.848
Deposit	0	0	3.999	3.999
Trade payables	102.235	0	0	102.235
Other payables	114.718	0	35.850	150.568
Total	**227.530**	**200.000**	**39.249**	**466.779**
2019:				
Bank loans	156.903	200.000	0	356.903
Customer prepayments	1.274	0	0	1.274
Trade payables	99.531	0	0	99.531
Other payables	89.562	5.915	0	95.477
Total	**347.270**	**205.915**	**0**	**553.185**

Foreign exchange risk

The Group is only insignificantly affected by exchange rate fluctuations. The Group has in all material aspects only transactions in EUR and DKK, which are pegged to each other.

The sensitivity analysis for foreign currency risk has not been performed. The activities in foreign currency amount to approximately 2% of the entire revenue, meaning a +/- 5% fluctuation in this percentage will be an insignificant fluctuation.

Interest rate risk

Interest rate risks refer to the influence of changes in market interest rates on future cash flows concerning the Group's interest-bearing assets and liabilities.

The Group's interest rate rights relate to interest on loan and overdraft facility. The Group has through an interest rate swap addressed the interest rate risk on the bank loan.

Interest rate swap on bank loan.

The Group has entered into an interest rate swap to reduce the exposure of interest rate risk on floating-rate loans with a fair value that amounts to DKK -3.172 thousand at 31 December 2020 (2019: DKK -68 thousand). The interest rate swap has a nominal amount of DKK 160,000 thousand at 31 December 2020 compared to DKK 132,000 thousand at 31 December 2019.

Categories of financial assets and liabilities

The fair value of financial assets and liabilities does not differ significantly from the carrying amount.

(DKK'000)	**2020**	**2019**
Financial assets measured at amortised cost:		
Other receivables	24.948	28.587
Cash and cash equivalents	28.846	10.362
Total cash and cash equivalents	**53.794**	**38.949**
Financial liabilities measured at amortised cost:		
Trade payables	102.235	99.531
Other payables	150.568	95.477
Bank loans	205.729	240.217
Total financial liabilities	**458.532**	**435.225**

The interest rate swap is measured at fair value (level 2). The fair value of the interest rate swap is measured using valuation techniques, which employ the use of market observable inputs, modeled by the financial institute. The models incorporate various inputs such as forward rates and yields curves.

Changes in liabilities arising from financing activities

(DKK'000)	Borrowings 31 December 2019	Proceeds from borrowings	Repayments of borrowings	Other non-cash items*	Borrowings 31 December 2020
Banks and other credit institutions	240.217	(49.863)	0	15.375	205.729
Of which:					
Classified as non-current	200.000	0	0	0	200.000
Classified as current	40.217	(49.863)	0	15.375	5.729

*Other non-cash items comprises interest accrual.

Note 22 Audit fees

Fees to auditors appointed at the Annual General Meeting:

(DKK'000)	**2020**	**2019**
Statutory audit	793	602
Tax advisory services	317	74
Other services	4.308	823
Total audit fees	**5.418**	**1.499**

Note 23 Contingent liabilities and security for debt

Accounting policies

Contingent liabilities include possible obligations that are uncertain and not yet held. If the obligation is more likely to be in effect, a provision must then be recognised.

Contingent liabilities

The existence of contingent liabilities is assessed on an ongoing basis whether the criteria for recognising a provision are met.

Security for debt

The Group’s bank has pledge in all assets. The carrying amount of debt secured by pledges amounted to DKK 1.025.600 thousand (2019: DKK 1.254.219 thousand).

Note 24 Acquisition of entities

During the year, no acquisition of entities has occurred. The information in this note below consequently regards 2019.

Last year, the Group acquired two entities, in two separate business combinations. Each business combination has been described below.

Accounting policies

Business combinations are recognised using the acquisition method in accordance with IFRS 3. The date of acquisition is the date on which the Group obtains control of the acquiree.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at the date of acquisition by applying relevant valuation methods. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax is recognised for identifiable tax benefits existing at the date of acquisition and from the perspective of the new combined Group in compliance with local tax legislation.

The acquiree are recognized in the Consolidated Financial Statements from the date of acquisition.

The fair value of intangible assets is determined using an income approach where they are valued at present value based on the expected cash flow they can generate. Inventory is valuated at estimated sales price less cost of sales. The fair values of property, plant and equipment and other assets and liabilities are valued using the approach we find most relevant for the individual item, which can be either a comparative market approach or a cost approach.

Key accounting judgments

Assessment of type of transaction. In connection with an acquisition, the Group uses judgments to determine whether the transaction is a business combination by applying the definition in IFRS 3 Business combinations. A transaction is determined as a business combination when the assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. If the assets acquired do not constitute a business, the transaction is recognised as a purchase of individual assets.

Key accounting estimates

Purchase price allocations. When the Group applies the acquisition method to business combinations, by its nature this involves customer relationships, trademarks and other assets is based on a number of estimates regarding expected cash flows and WACC which have a significant impact on the fair value, as well as arrangements for contingent payments (earn-out) to employees or selling shareholders.

Massive Catering

On 5 July 2019, Løgismose Meyers A/S acquired all assets in Massive Catering, thereby obtaining control hereof. Massive Catering is a company which operated within canteen services. Massive Catering was acquired as part of the Group’s growth strategy within the canteen services, and to offer customers with another product. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table on the following page:

(DKK'000) Fair value at the date of acquisition	2020	2019
Customer relationship	0	2.560
Corporate trademark	0	939
Intangible assets	**0**	**3.499**
Cars	0	524
Plant and machinery	0	893
Leasehold Improvements	0	2.735
Inventory	0	100
Deposits	0	518
Tangible assets	**0**	**4.769**
Net assets acquired	0	8.267
Goodwill	0	31.733
Purchase price (Enterprise value)	**0**	**40.000**
Satisfied by:		
Cash	0	34.000
Own shares	0	1.000
Earn-out	0	5.000
Total consideration transferred	**0**	**40.000**
Net cash outflow arising on acquisition:		
Cash consideration	**0**	**34.000**

The goodwill of DKK 31.733 thousand arising from the acquisition consists of synergies within the Group and know-how. None of the goodwill is expected to be deductible for income tax purposes. The fair value of the assets and liabilities acquired are not considered final until 12 months after acquisition.

The fair value of own shares used as payment, was determined on the basis of a valuation of the Group using a DCF model based on non-marketable inputs. The fair value of the earn-out was determined on the basis of forecasted net revenue over three years. Acquisition-related costs (included in administrative expenses) amount to DKK 976 thousand.

Massive Catering contributed DKK 14.668 thousand revenue and DKK 2.126 thousand to the Group's result for the period between the date of acquisition and the reporting date. If the acquisition of Massive Catering had been completed on the first day of the financial year, Group revenues for the year 2019 would have been DKK 1.191.747 thousand and Group profit would have been DKK 62.074 thousand.

Hahnemanns Køkken

On 19 September 2019, Meyers Contract Catering acquired all assets in Hahnemanns Køkken ApS, thereby obtaining control hereof. Hahnemanns Køkken is a company which operated within canteen services. Hahnemanns Køkken was acquired as part of the Group's growth strategy within the canteen services, and to offer customers with another product. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

(DKK'000) **Fair value at the date of acquisition**	**2020**	**2019**
Customer relationship	0	5.118
Intangible assets	**0**	**5.118**
Inventory	0	383
Trade receivables	0	5.663
Other receivables	0	27
Cash	0	87
Tangible assets	**0**	**6.159**
Bank debt	0	3
Trade payables	0	2.414
Other payables	0	8.232
Deferred tax liabilities	0	1.658
Total liabilities	**0**	**12.307**
Net assets acquired	0	(1.030)
Goodwill	0	13.530
Purchase price (Enterprise value)	**0**	**12.500**
Satisfied by:		
Cash	0	12.500
Total consideration transferred	**0**	**12.500**
Net cash outflow arising on acquisition:		
Cash consideration	0	12.500
Repayment of other payables	0	5.500
Total cash outflow arising on acquisition:	**0**	**18.000**

The goodwill of DKK 13.530 thousand arising from the acquisition consists of synergies within the Group and know-how. None of the goodwill is expected to be deductible for income tax purposes. The fair value of the assets and liabilities acquired are not considered final until 12 months after acquisition.

Acquisition-related costs (included in administrative expenses) amount to DKK 357 thousand.

Hahnemanns Køkken contributed DKK 10.934 thousand revenue and DKK 402 thousand to the Group's result for the period between the date of acquisition and the reporting date. If the acquisition of Hahnemanns Køkken had been completed on the first day of the financial year, Group revenues for the year 2019 would have been DKK 1.194.865 thousand and Group profit would have been DKK 52.004 thousand.

Note 25 Provisions

Accounting policies

Provisions are recognized when, as a result of events arising before or at the balance sheet date, the Group has a legal or a constructive obligation, and it is likely that there may be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognized as a provision is the Executive Board's best estimate of the amount required to settle the obligation.

When measuring provisions, the costs required to settle the obligation are discounted if this significantly affects the measurement of the liability.

Provisions for acquisition-related earn outs are recognized based on the Executive Board's best estimate of future financial performance in the acquired businesses.

Provisions

Provisions comprise acquisition-related earn outs. The potential earn out relates to the acquisition of Massive Catering and the contingent consideration arrangement was based on financial performance related to sales and profits however was not met.

(DKK'000)	**2020**	**2019**
Provisions, January 1	5.000	0
Provisions made during the year	0	5.000
Reversal of provision made	(5.000)	0
Total provisions, December 31	**0**	**5.000**

Provisions are presented in the balance sheet as:	**2020**	**2019**
Non-current liabilities	0	5.000
Current liabilities	0	0
Total	**0**	**5.000**

Note 26 Related parties

Transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed below. Transactions to related parties could be loans, interest expenses on these loans, general payables and receivables and tax settlements.

(DKK'000)	Related Parties	
	2020	**2019**
Cost-related parties	(243)	(206)

There has during the year been transactions using own shares, for further see Statement of Changes in Equity.

There were no transactions with the Board of Directors or the Executive Board, besides remuneration. For information on remuneration, please refer to note 5.

Note 27 Going concern

The continued outbreak and spread of COVID-19 from the end of 2020 into 2021 have had a negative impact on the Group.

Due to these circumstances the Group expects a decline in revenues from canteen and restaurant activities, due to closure of all restaurants, the closure of a significant proportion of the Entity's operations of canteens as a result of the customers' sending home of their employees and the cancellation of and decline in orders in the catering branch of the Group.

The Group's revenue from retail and online have been index +100 compared to last year and are therefore trending positively during the current COVID-19 outbreak. In addition, the Group has to a reasonable extent managed to reduce the effects of this decline in revenue by cost savings.

After the balance sheet date, the majority of trade receivables have been settled, and therefore Management has not made an updated assessment of collectability. The need for write-down on new receivables in 2021 is assessed to be limited.

Management has assessed, that with the use of the extended time for payment of VAT, withholding tax, social security contributions and salary compensation received, the Group is not facing challenges with its cash flow. Management's assessment is that the Group is guaranteed liquidity for the remainder of the financial year.

Apart from this, no events have occurred after the balance sheet date, which would change the evaluation of the annual report.

Note 28 Events after the balance sheet date

The Group has been negatively impacted by the COVID-19 outbreak, which took affect after the balance sheet date of 31 December 2020. An assessment has been made regarding the impact of the COVID-19 outbreak and affects on the going concern assessment, reference is made to note 26.

Apart from this, no events have occurred after the balance sheet date, which would change the evaluation of the annual report.

Note 29 Group companies

The list below shows the Group's subsidiaries at 31 December 2020.

Company	Country	Equity interest
Løgismose Meyers Holding ApS	Denmark	100%
Løgismose Meyers Group ApS	Denmark	100%
Løgismose A/S	Denmark	100%
Meyers A/S	Denmark	100%
Meyers Contract Catering A/S	Denmark	100%
Massive Catering A/S	Denmark	100%
Hahnemanns Køkken ApS	Denmark	100%

Financial Statements Parent Company

INCOME STATEMENT

(DKK'000)	Note	**2020**	**2019**
Other external expenses		(1.311)	(1.580)
Operating loss		**(1.311)**	**(1.580)**
Income from investments in group enterprises		(187.625)	(53.251)
Other financial expenses		(72)	(136)
Profit/(loss) before tax		**(189.008)**	**(54.967)**
Tax on profit/(loss)	2	(103)	(347)
Profit/(loss) and total comprehensive income for the financial year		**(189.111)**	**(54.620)**
Proposed distribution of loss			
Retained earnings		**(189.111)**	**(54.620)**

Balance sheet

ASSETS

(DKK'000)	Note	2020	2019
Investments in group enterprises		292.000	482.100
Investments in associates		3.242	3.249
Other investments		250	0
Deferred tax		280	224
Total fixed asset investments	3	**295.772**	**485.573**
Total fixed assets		**295.772**	**485.573**
Receivables from group enterprises		11.317	5.000
Other receivables	4	37.717	48.958
Income tax receivable		0	419
Joint taxation contribution receivable		248	0
Prepayments		4	2
Receivables		**49.286**	**54.379**
Cash		**9.144**	**53**
Total current assets		**58.430**	**54.432**
Total assets		**354.202**	**540.005**

EQUITY AND LIABILITIES

(DKK'000)	Note	2020	2019
Contributed capital		7.684	7.684
Reserve for non-paid contributed capital		37.540	48.798
Retained earnings		302.458	482.786
Equity		**347.682**	**539.268**
Trade payables		199	212
Payables to group enterprises		6.285	150
Other payables		36	375
Current liabilities other than provisions		**6.520**	**737**
Liabilities other than provisions		**6.520**	**737**
Total equity and liabilities		**354.202**	**540.005**

Events after the balance sheet date	1
Contingent liabilities	5
Assets charged and collateral	6
Related parties with controlling interest	7

STATEMENT OF CHANGES IN EQUITY

(DKK'000)	Share capital	Reserve for non-paid contributed capital	Retained earnings	**Total equity**
Equity beginning of year	7.684	48.798	482.786	**539.268**
Dissolution of reserves	0	(11.258)	11.258	**0**
Loss for the year	0	0	(189.111)	**(189.111)**
Equity end of year	**7.684**	**37.540**	**302.458**	**347.682**

Note 1 Events after the balance sheet date

The Group has been negatively impacted by the COVID-19 outbreak, which took affect after the balance sheet date of 31 December 2020. An assessment has been made regarding the impact of the COVID-19 outbreak and affects on the going concern assessment, reference is made to note 26 (consolidated financial statements).

Apart from this, no events have occurred after the balance sheet date, which would change the evaluation of the annual report.

Note 2 Tax on loss for the year

(DKK'000)	**2020**	**2019**
Current tax	0	(275)
Change in deferred tax	(56)	(103)
Adjustment concerning previous years	407	31
Refund in joint taxation arrangement	(248)	0
Total	**103**	**(347)**

Note 3 Fixed asset investments

(DKK'000)	Investments in group enterprises	Inverstments in associates	Other investments	Deferred tax
Cost at 1 January 2020	664.129	3.249	0	224
Additions	0	993	250	(142)
Disposals	0	(1.000)	0	0
Cost at 31 December 2020	**664.129**	**3.242**	**250**	**82**
Adjustments on equity	(2.475)			
Impairment losses beginning of year	(182.029)	0	0	0
Amortisation of goodwill	(8.179)	0	0	0
Share of loss for the year	(179.446)	0	0	0
Impairment losses end of year	**(372.129)**	**0**	**0**	**0**
Carrying amount at 31 December 2020	**292.000**	**3.242**	**250**	**82**

Note 4 Other receivables

Other receivables contains receivable from shareholders amounting to DKK 37.540 thousand (2019: DKK 48.798 thousand).

Note 5 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity 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 these entities.

Note 6 Assets charged and collateral

All assets are pledged to the company's bank liaison.

Note 7 Related parties with controlling interest

L+M International S.á r.l. as well as the executive board and the board of directors are related parties. L+M International S.á r.l. owns majority of the shares in the Company and thereby has a controlling interest of the Company.

Only non arm's-length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made on an arm's length bases.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised good-will and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible re-sources of a temporary nature that cannot be separated and recognized as separate assets. Useful lives are reassessed annually. The amortization period is 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realizable value.

Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognized for amortization of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.