ANNUAL REPORT 2021

LØGISMOSE MEYERS HOLDING APS

Dampfærgevej 10, 1. tv.

2100 København Ø

CVR-nr.: 36489901

Approved on the Annual General Meeting the 25th of May 2022.

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: 01.01.2021 – 31.12.2021

Board of Directors:
Per Harkjær, Chairman
Christopher Masek, Vice Chairman
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, 2021 and of the results of the Løgismose Meyers Group's and the parent company's operations and cash flow for the financial year 2021.

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, 25 May 2022

Executive Board

Jesper Uggerhøj CEO	Lizette Kjellerup CFO

Board of Directors

Per Harkjær Chairman	Cristopher Masek Vice Chairman	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 01.01.2021 – 31.12.2021, 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 31.12.2021, and of the results of their operations and cash flows for the financial year 01.01.2021 – 31.12.2021 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, 25 May 2022

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)	2021	2020	2019	2018	2017
Income statement					
Revenue	1.118.215	1.073.113	1.153.236	1.086.956	1.090.825
Gross profit	521.335	517.620	561.095	532.133	448.781
EBITDA	36.752	36.543	32.235	39.063	44.481
Operating profit (EBIT)	(14.749)	(246.549)	(12.176)	(2.366)	(37.602)
Net financials	(16.170)	(15.601)	(13.798)	(12.426)	(11.607)
Profit before tax	(30.919)	(262.233)	(25.974)	(14.957)	(49.209)
Net profit for the year	(23.245)	(203.121)	(22.098)	(13.285)	(42.106)
Statement of financial position					
Investment in intangible assets	9.344	6.711	15.482	8.974	10.950
Investments in property, plant and equipment	10.503	27.758	24.311	18.283	23.791
Total assets	1.044.353	1.025.600	1.254.219	1.271.748	1.165.834
Equity	404.831	429.124	632.488	606.004	588.842
Financial Ratios					
EBIT margin	-1,32%	-22,96%	-1,06%	-0,22%	-3,45%
ROI (return on investment)	-2,96%	-25,57%	-2,07%	-1,18%	-4,22%
Equity ratio	-5,57%	-38,27%	-3,57%	-2,22%	-6,93%
Return on equity	-7,64%	-61,11%	-4,11%	-2,47%	-8,36%
Receivables turnover ratio	7,66	7,35	6,60	6,76	6,47
Solvency ratio	38,76%	41,84%	50,43%	47,65%	50,51%

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, which 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 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, restaurants, 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 several 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 Nordre Toldbod in Copenhagen.

Development in activities and financial results

Revenue was DKK 1,118 million (DKK 1,073 million in 2020) an increase of 4.2%. The development can be traced to increased sales within categories such as wine, export, retail, online sales, gastronomic consultancy and a recently opened production kitchen in Aarhus.

Løgismose Meyers Holding experienced a strong momentum for Løgismose heading into 2021, but less so for Meyers' business areas seing as the second wave of COVID-19 countrywide lockdown just had started mid-December 2020 and lasted until mid-May 2021. Meyers Canteens, Catering, Restaurants, Food Service and Teambuilding Courses were among the hardest hit business units, as they were either forced to close completely or operate at significantly lower levels of activity.

Løgismose A/S, which is focused on retail, online sales, wholesale, and trade with business and the restaurant industry, experienced a growth in sales of 5.7% driven by the perennial partnership with Salling Group and the continued growth of the wine category. Løgismose has developed into one of the strongest multicategory food brands in Denmark, which a strong retail performance goes to show. Continued solid growth within areas such as wine and fine foods was driven by strategic investments in expanding Løgismose's product range and online presence, primarily focusing on marketing efforts, improving user experience, and increasing both our audience size and number of platforms.

Meyers A/S operates a range of business units spanning from catering and events to bakeries, retail, food courses, teambuilding, cookbooks, and food consultancy.

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 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.

The business area experienced solid growth quickly after the reopening mid-May seeing as the portfolio had expanded with more customers and the opening of a new production kitchen near the city of Aarhus in late 2020.

Meyers Bakeries experienced double digit growth in 2021 as the pandemic trend of visiting delicacy outlets such as bakeries seems to be continuing steadily.

Meyers Madhus, centrally located in Copenhagen's bustling Nørrebro district, facilitates cooking classes, hosts events, provides culinary counseling, develops recipes and products, and authors cookbooks. 2021 was a busy year which resulted in revenues 35% above 2020 levels. The corporate teambuilding events and private cooking courses were still negatively affected by COVID-19, but this was more than offset by growth in consultancy projects. The activities in 2021 included consulting for Copenhagen Municipality's 1,027 kitchens, development of cookbooks, and a digital recipe database of 750 climate-friendly recipes for use in public meal production (daycares etc). Social projects aimed at educating and creating job opportunities for vulnerable young people a as well as people with physical disabilities have also contributed. The food truck "Lille Meyer" operated in Frederiksberg Have during the winter months, at "Verdens Bedste Skovtur" in Rågeleje during the summer, at "Postnord rundt" and a number of other smaller events and street sales. Cooking courses and teambuilding at Meyers Madhus attracted more than 10,000 adults guests and more than 15,000 children.

Furthermore, the team at Meyers Madhus took lead on developing and publishing an ambitious Sustainability Strategy for Meyers as a whole, including a detail oriented Co2 measurement tools codeveloped with internationally renowed climate scientists. Lastly, the month of October saw the publishing of the newest Meyers cookbook: 568 pages centered around the culinary traditions of Christmas in Denmark and abroad.

Meyers Contract Catering A/S, operating under the two names and corresponding business areas Meyers Canteens and Meyers Restaurants. *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 with a positive outlook before the global COVID-19 struck first time mid-March 2020. During 1H 2021 large parts of our canteen operations was either closed or operated at lower levels of activity due to work being relocated from company premises to people's own homes. However, similarly to lunch and catering operations, the canteen business area quickly bounced back when COVID-19 restrictions ceased. Therefore, despite more weeks impacted by COVID-19 restrictions in 2021 than 2020, revenue for Meyers canteens landed only slightly below 2020 levels.

The latter part of the busines area, *Meyers Restaurants* consisting of several restaurants linked to renowned cultural institutions such as theatres and museums, usually attracts many tourists. The first 4.5 months of 2021 all restaurants were closed and afterwards impacted by social distancing restrictions and travel bans on foreign visitors. Ultimately, the year concluded with a revenue decrease of almost 10%. However, the result has been improved due to the business area's agile ability to reposition products and costs throughout the period.

Operating Profit (EBITDA) was DKK 36.8 million (DKK 36.5 million) an increase of 0.6%. This was driven by the increased activity. However, the performance is still impacted by restrictions related to the COVID-19 pandemic with Meyers being more severely affected by COVID-19 compared to Løgismose.

Profit for the year was DKK negative 23.2 million (negative DKK 203.1 million in 2020). In 2021 the company has discontinued activities at a central bakery located at Hammerholmen, which resulted in a write-down of DKK 2.5 million on property and equipment.

To recap, 2021 is thus to be considered another abnormal business year with regards to the COVID-19 situation. Retail activity, on-line sales, bakeries and culinary counseling experienced increasing activity during 2021, while canteens, catering and restaurants was negatively affected by lockdowns and restrictions. Nevertheless, government help aid packages and being more agile in ongoing repositioning measurements has offset the negative profit impact and 2021 ends with a slightly better operational performance compared to 2020.

Results compared to expected development

In the annual report for 2020, COVID-19 still entailed considerable uncertainty especially for Løgismose Meyers' businesses, but also predicted the company to be in in a better position to manage said challenges with regards to learnings from the first year of a global pandemic.

The company expected a revenue of DKK 1,100-1,200 million with an operating profit (EBITDA) of DKK 30-35 million. Despite the unexpected total approx. 5 months of COVID-19 lockdown and social distance restrictions, some business areas even managed to improve. Thus revenue ultimately concluded at DKK 1,118 million, which is within the expected range. The operating profit (EBITDA) concluded at DKK 36.5 million, which is above expected levels.

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 2021 the Group's intangible fixed assets activity in the order of DKK 552 million and net DKK 334 million; less deferred tax. Calculation of the original values has been made based on recognized models and is depreciated on an ongoing basis.

It is the company's belief that the book values reflect 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 2021 has not been materially affected by unusual circumstances.

Financial outlook

At the beginning of 2022, COVID-19 seems to loosen its grip. However, with three COVID-19 lock-down periods within the last two years behind us, there is still uncertainty as to what can potentially happen when we enter the fall and winter season of 2022.

The company expects a revenue in 2022 of DKK 1,100-1,200 million and an operating profit (EBITDA) of DKK 35-40 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 these trends 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 correspond 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, seeing 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 3rd outbreak and spread of COVID-19 in late 2021 have had a negative impact on the Group. The Group expects consequences such as decreased revenue from restaurants due to closures, as well as decreased activity in the canteen and lunch catering sectors as a result of the customer' sending home their employees. The same is the case for event catering due to COVID related cancellations and a decline in orders because of social restrictions.

The Group's revenue from retail and online reached index +100 compared to last year and therefore trended positively during the COVID-19 outbreak. Though - to a reasonable extent - the Group has managed to reduce effects of this revenue decline through cost savings.

Following 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 2022 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.

Data ethics

Data ethics is generally about good practice when collecting, using and sharing data.

The company do not currently have a data ethics handbook for users, but asks all employees to sign a declaration that in their employment they will comply with guidelines for the collection of personal data, and only use these data for what they are submitted for, in the IT systems apply to this handling.

In addition, employees is trained in data security, and the company monitors and limits the use of personal and purchased data to only be used and stored for what the company is required to, in order to ensure proper accounting procedures and/or data processing.

The company does not use advanced artificial intelligence or algorithms to classify or segment data, nor do we record data for social, ethnic, religious or political purposes.

Due to the major COVID-19 impact on the business, the number of in-house employees have been reduced thus requiring an increased focusing on maintenance, operations, and data security. The company now resumes education and training within the aera of data ethics, personal data use and IT security.

The company expects to form a policy for data ethics during 2022.

Corporate Social Responsibility

Social and labor aspects

Løgismose Meyers wants to be a 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 good work-life balance and a general sound way of working is promoted. Likewise, we strive to be a company with a large degree of freedom under responsibility - and good options for professional development and personal growth.

Related to our goal of zero accidents we have initiated an extra focus on registration all accidents including 'near-to' accidents as well as a complete onboarding of new colleagues. Thereby we want to avoid cutting accidents which counts for almost 50% of the accidents registered (9/20). In addition, we're updating our guidelines for the use of cutting gloves and work to ensure correct implementation by actively disseminating information about best practices via local work environment organizations and representatives.

As we insist on being a healthy place to work, focus has been on upgrading access to professional health care assistance (24/7 doctor; proactive efforts before/avoiding illness; alternative stress handling etc.). In late 2021 we invested in improved health insurance for our salary paid employees – and also how we can look into additional offerings for our union covered employees e.g. massage free of charge or at a low cost.

During 2021 an illness absence measurement system was developed and initially introduced at all canteens. Due to Covid-19 we did unfortunately not have the time to fully implement and train for an improvement. This is a focus for 2022 as well as complete rollout in the rest of our company.

Unfortunately, The COVID-19 crisis has continued to affect business - especially within catering, canteens and restaurant operations in Meyers. The pandemic continued to influence daily work life for most of our employees in the kitchens as well as managers and administrative personnel. From January to June and again from December 2021 business was affected by various degrees of social lockdown measures imposed by the Danish government, which in turn resulted in a total of six months' worth of ongoing support from the national Salary Compensation Scheme as a precondition for retaining employees in many areas.

In comparison to 2020, however, 2021 saw a larger share of the business units able to stay open, thus fewer people were sent home. Yet this was combined with more significant workforce fluctuations in relation to resignations.

Nevertheless, the continued COVID-19 crisis resulted in staff shortage due to a high general illness absence, attractive salary rates for COVID -19 related jobs at e.g., test centers - and the fact that based on experiences from the first COVID -19 lockdown phase, many people chose not to return to their previous jobs pursuing new areas of work instead.

The staff shortage has become an increasing challenge, which we have unfortunately not yet solved. Late 2021 we launched a recruitment campaign entitled 'part of the team', which we expect to be fully implemented by the beginning 2022.

One positive outcome by COVID -19 is the increased digitization of work routines. Online 'Teams' meetings have replaced many physical meetings and wasted time on transportation has been significantly reduced. Furthermore, we experienced that many administrative employees have embraced working from home, not compromising efficiency nor job satisfaction.

Yet again – due to the circumstances outlined above – 2021 didn't present the right timing for an employee satisfaction survey in the classical sense. We expect to be fully back on track from 2022.

Respect, diversity, and well-being

Løgismose Meyers has adopted a workforce policy stating that:

We view diversity as a strength. This means 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 2021, 48% of all employees are women, which is 1% more compared to 2020 and 3% more compared to 2019.

#Action

In relation to employee replacements or new appointments within Group and other Løgismose Meyers leadership posts, procedures are 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 candidate capabilities and the experience needed.

Gender balance

In 2021 the Group joined 'The Gender Diversity Pledge'; 16 principles for promoting gender diversity launched by national organization Danish Industry. By signing the pledge, we have committed ourselves to working together to ensure that the business community as a whole reaches a goal of a 40/60 gender distribution by 2030.

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.

The Executive Board of Løgismose Meyers Holding A/S still represents gender equality with a male CEO and female CFO. The board of Løgismose Meyers Holding consist of five members. During 2020 the company welcomed its first female member to the Board of Directors. However, in 2021 she left due to maternity leave and was replaced by a man, as no female with the required profile was available.

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.

The daily business leadership for Løgismose A/S currently comprises four women and six men, and for Meyers A/S four women and five men, which is considered not satisfactory, however acceptable for a short period of time.

Human rights

Løgismose Meyers respects 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 to adhere to regarding our different business activities – in addition to what is already expected from us by law.

The 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 2021.

The supplier is obliged to show social responsibility and comply with all applicable national and international legislation as well as the conventions of the United Nations on social, environmental and ethical challenges. All our suppliers sign our Code of Conduct when we enter into agreements.

All our employees are employed in Denmark, where there is strong regulation in all human rights related areas. The risk of violation of human rights is consequently considered to be very limited/none. In addition we are covered by collective agreements, which supplements with rules for additional insurance (pay, discrimination, child labor, etc.). In 2021, we have updated our anti-violation / anti-corruption policy and prepared mandatory training of existing and new managers related to our policy for rollout 2022. In this context, everybody is informed about the company's whistleblower scheme (Dec 2021).

We will continuously monitor potential risks related to human rights and take the necessary actions if we see any indications of violations hereof.

Anti-corruption

During 2021 we have updated our staff policy regarding anti-bribery and anti-corruption. We also launched a Group Whistleblower Scheme to live up to new directives from the EU. To provide extended professional and neutral evaluation, we have chosen to let the Whistleblower system be handled externally by Lundgren Law firm. 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.

Our plans for 2021 are postponed to 2022, where 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. During the financial year 2021, we did not identify any incidents of corruption or bribery at our company.

Sustainability

The world's food systems have an enormous environmental and climate footprint. For example, approximately 20% of our total climate footprint in Denmark stems from the food we consume. Therefore, as a food company, we have a special responsibility to carefully weigh all our choices from a sustainability perspective and take an active position.

In 2021 Meyers presented an ambitious sustainability strategy stating that the company will significantly reduce its climate footprint. The footprint of the raw ingredients we use must be reduced by 50% by 2030 and 30% by 2025 per kilo of food using 2018 as the starting point. Moreover, the operation of our kitchens, restaurants, bakeries, and other facilities must be CO_2-neutral by 2025. Additionally we have set goals concerning biodiversity, organic produce animal welfare, local food production and food culture as well as educational, social and research partnership projects.

The following examples are current sustainability initiatives at Meyers:

- We have established KPIs and salary bonusses for head chefs who manage to reduce the use of meat as long as it doesn't compromise guest satisfaction
- We have developed strict guidelines for the use of sustainable packaging
- 100% organic bread and pastry in our bakeries
- We collaborate with producers and farmers on the islands of Lolland and Bornholm to bring some of the most interesting old Nordic legumes back into the soil. The first few tons are harvested and will now be used in Meyers Canteens.
- We have ensured that all the electricity we use comes from renewable sources.
- We have implemented a CO_2 reporting system enabling a continuous and close collaboration with our customers to reduce their climate footprint.

In 2021, we have begun documenting our sustainability efforts to achieve B Corp certification, a global standard for the difference a company makes to society. As a certified B Corp, we will be committed to comply with high standards socially, environmentally and in terms of transparency, and to document the actions behind our words.

Reducing food waste results in a decreased climate footprint as well as an increased awareness of food scarcity and overconsumption. We work purposefully to reduce food waste, for example, through four annual measurements in Meyers Canteens, which are translated into efforts to reduce serving waste, plate waste and production waste. Other initiatives include participation in ‘Denmark against food waste’, a voluntary agreement whose goal is to cut food waste in the Danish food industry in half by 2030.

We are careful not to misrepresent our sustainability efforts and we participate in a working group on fair climate communication on food together with authorities, organizations, research institutions and businesses to mitigate potential greenwashing in the food and retail industry.

Food quality
– a special focus on organic produce, animal welfare and unique 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.
- In 2021 Løgismose launched a ‘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 ‘frontrunner’ suppliers such as Fiskerikajen (certified by new national sustainable fishing program) Livø (biodynamic free-range cattle) and Birkemosegaard (biodynamic produce)

Health and social change
– a special focus on children’s food education and social equilibrium

We know from many past and present initiatives that food and meals have a unique potential when it comes to releasing hidden resources in people who feel left out. We aim to contribute to positive social change through projects that centre on food, community and entrepreneurship and we see it as an exceptionally crucial task to give children a good start to their food life.

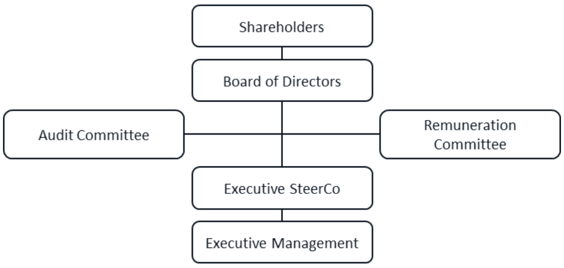
The following examples are all current projects from Meyers:

- Teaching materials for school children about sustainable food
- 30 vulnerable young people were helped to a job or education
- Food school for people with cognitive disabilities helping them into jobs in the hotel and restaurant industry
- Developing 750 climate friendly recipes for Copenhagen municipality
- Research collaborations with Rigshospitalet on kidney-friendly food and with Herlev Hospital on the importance of food for conditioning a healthy liver

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 Committee and a Remuneration Committee.

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 Løgismose Meyers Holding 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.

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 is currently working 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 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 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 relation to the presentation of the financial statements, management has a particular focus on business processes and internal controls within the following areas and corresponding 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 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.

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.

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.

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.

Employees

In the financial year 2021, the Group has had an average of 910 employees (2020: 968). All employees are employed with the Danish companies.

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.

Board of Directors

The Board at Løgismose Meyers Holding ApS consist of 5 members, which are all appointed by the General Meeting:

Name	**Per Harkjær**	**Christopher Masek**	**Jacob Grønlykke**	**Claus Meyer Nielsen**	**Mads Ryum Larsen**
Position	Chairman	Member	Member	Member	Member
Entry date	29-05-2018	26-05-2017	19-12-2018	15-01-2015	01-11-2020
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 Meyers Holding ApS - LM Group ApS - Løgismose Group ApS - Løgismose A/S - Meyers Group ApS - Meyers A/S - Meadow Foods Ltd			- Meyers Portefølje ApS - Meyers Lyngby ApS - Melting Pot Fonden - Kkm AF 27. JULI 2011 ApS	
Vice Chairman		- Løgismose Meyers Holding ApS - LM Group ApS - Løgismose Group Aps - Meyers Group ApS			
Board member		- Meyers A/S - Løgismose A/S - Mademoiselle Desserts International - Aspia AB, Aspia - Group AB, Aspia - 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	- Løgismose Meyers Holding ApS - Meyers Contract Catering A/S - Hotel Saxkjøbing A/S - Meyers Lyngby ApS - Claus Meyer Holding A/S - Great Dane OpCo LLC - Great Dane Management Group - Great Northern Orchard LLC - Ingrid Marie LLC	- Løgismose Meyers Holding ApS - LM Group ApS - Løgismose Group ApS - Løgismose A/S - Meyers Group ApS - Meyers A/S - IK Investment Partners 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/

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Notes

Statement of Comprehensive Income

(DKK'000)	Note	2021	2020
Revenue	2	1.118.215	1.073.113
Other operating income	3	148	5.853
Cost of sales	4	(597.029)	(561.346)
Gross profit/(loss)		**521.334**	**517.620**
Other external expenses	5, 20, 22	(71.850)	(76.881)
Staff costs	6	(412.732)	(404.196)
Operating profit/(loss) before amortisation and depreciation		**36.752**	**36.543**
Amortisation, impairment and depreciation	9, 10, 20	(51.501)	(283.092)
Operating profit/(loss) before tax		**(14.749)**	**(246.549)**
Share of profit/(loss) of associates	11	0	(83)
Financial income	7	105	177
Financial expenses	7	(16.275)	(15.778)
Profit/(loss) before tax		**(30.919)**	**(262.233)**
Tax on profit/(loss)	8	6.267	61.586
Other comprehensive income		1.106	(3.172)
Tax on other comprehensive income		301	698
Profit/(loss) and total comprehensive income for the financial year		**(23.245)**	**(203.121)**

Financial Statements

Balance Sheet

ASSETS

(DKK'000)	Note	2021	2020
Development projects, completed		20.445	22.278
Acquired intangible assets		17.201	23.583
Acquired trademarks		388.355	388.355
Acquired property rights		1.721	1.730
Goodwill		124.066	124.066
Development projects in progress		0	5
Total intangible assets	9	**551.788**	**560.017**
Land and buildings		11.695	10.226
Plant and machinery		16.389	19.715
Other plant, fixtures and operating equipment		7.446	8.370
Leasehold improvements		24.287	30.153
Assets under construction		48	3.157
Right-of-use assets	20	46.260	57.627
Total property, plants and equipment	10, 20	**106.125**	**129.248**
Investments in associates	11	0	0
Other financial securities		350	0
Deposit		3.886	3.910
Total financial assets		**4.236**	**3.910**
Total non-current assets		**662.149**	**693.175**
Inventories	12	99.810	87.219
Trade receivables	13	171.200	145.984
Contributed capital in arrears		38.068	38.068
Other receivables	14	24.157	24.948
Prepaid expenses	15	7.796	7.360
Cash and cash equivalents	21	41.173	28.846
Total current assets		**382.204**	**332.425**
Total assets		**1.044.353**	**1.025.600**

EQUITY AND LIABILITIES

(DKK'000)	Note	2021	2020
Share capital	16	7.684	7.684
Retained earnings		360.079	383.372
Reserve for non-paid contributed capital		38.068	38.068
Total equity		**405.831**	**429.124**
Deferred tax liabilities	8	77.584	83.495
Credit institutions	17	0	200.000
Deposit		3.513	3.399
Lease liabilities	20	35.797	46.202
Other payables	21	46.518	35.850
Total non-current liabilities		**163.412**	**368.946**
Credit institutions	17	198.853	5.729
Customer prepayments	2	2.335	4.848
Trade payables	18	130.689	102.235
Prepayments		1.623	0
Other payables	18, 20	141.610	114.718
Total current liabilities		**475.110**	**227.530**
Total equity and liabilities		**1.044.353**	**1.025.600**

Statement of Changes in Equity

(DKK'000)	Share capital	Retained earnings	Hedging reserve	Reserve own shares	**Total equity**
Equity at 1 January 2021	7.684	427.406	(2.474)	(3.492)	**429.124**
Net profit/(loss) for the year	-	(24.652)	-	-	**(24.652)**
Other comprehensive income	-	-	1.106	-	**1.106**
Tax on other comprehensive income	-	-	301	-	**301**
Acquisition of own shares	-	-	-	(48)	**(48)**
Balance at 31 December 2021	**7.684**	**402.754**	**(1.067)**	**(3.540)**	**405.831**

(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**

Retained earnings as of 31 December 2021 contains unpaid capital premium amounting to DKK 38.068 thousand.

Cash Flow Statement

(DKK'000)	Note	2021	2020
Operating profit (EBIT)		(14.749)	(246.549)
Other comprehensive income		1.106	(3.172)
Amortisation and depreciations	9, 10	45.711	283.092
Change in working capital	19	29.418	80.862
Cash flow from operating activities before financial income and expenses		**61.486**	**114.233**
Financial income, received		105	177
Financial expenses, paid		(16.275)	(15.778)
Income taxes, received/(paid)		657	703
Cash flow from ordinary activities		**45.973**	**99.355**
Purchase of intangible assets etc.	9	(9.342)	(6.711)
Sale of intangible assets etc.	9	3.419	0
Purchase of property, plant and equipment etc.	10	(10.503)	(27.758)
Sale of property, plant and equipment etc.	10	5.832	4.895
Purchase of financial assets		(100)	(162)
Sale of financial assets		24	0
Net cash flow from investing activities		**(10.669)**	**(29.736)**
Overdraft	21	(6.876)	(34.488)
Purchase of own shares		(48)	(238)
Repayment of lease liabilities	20	(16.053)	(16.409)
Cash flow from financing activities		**(22.977)**	**(51.135)**
Cash and cash equivalents, beginning of the year		28.846	10.362
Net cash flow for the year		12.327	18.485
Cash and cash equivalents, end of the year		**41.173**	**28.846**
Cash and cash equivalents in the cash flow statement comprise:			
Cash and cash equivalents	21	**41.173**	**28.846**

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 8
Deferred tax assets	Estimates regarding valuation and use of deferred tax assets	Note 8
Intangible assets	Estimated useful lives and impairment test	Note 9
Tangible assets	Impairment test	Note 10
Inventories	Estimates of valuation of inventories	Note 12
Trade receivables	Estimates of valuation of trade receivables	Note 13
Leases	Determining lease term	Note 20

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 2021 or 31 December 2020.

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)	**2021**	**2020**
Revenue by geographic region		
Denmark	1.090.713	1.054.711
Abroad	27.505	18.402
Total	**1.118.218**	**1.073.113**

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

(DKK'000)	**2021**	**2020**
Revenue by business activity		
Canteen services	411.618	421.540
Production	608.911	564.260
Retail	97.688	87.313
Total	**1.118.218**	**1.073.113**

Contract balances

The Group has prepayments from customers of DKK 2.335 thousand at 31 December 2021 (31 December 2020: DKK 4.848 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 2021 (2020: DKK 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 24.

(DKK'000)	**2021**	**2020**
Reversal of earn-out	0	5.000
Other operation income	148	853
Total	**148**	**5.853**

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 0 thousand (2020: DKK 514 thousand). 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 4.668 thousand (2020: DKK 307 thousand). 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)	**2021**	**2020**
Salaries and wages	354.142	343.986
Pension	29.480	30.569
Other social security costs	9.338	9.673
Other staff costs	19.772	19.968
Total	**412.732**	**404.196**
Weighted average number of full-time employees	**895**	**951**

Breakdown of remuneration is as follows:

(DKK'000)	**Short-term employee benefits**	**Post-employment benefits**	**Total**
2021:			
Executive board	6.870	660	7.530
Other key management personnel**	7.318	678	7.996
Board of Directors	1.200	0	1.200
Total	**15.388**	**1.338**	**16.726**
2020:			
Executive board	5.402	612	6.014
Other key management personnel**	10.597	990	11.587
Board of Directors	1.200	0	1.200
Total	**17.199**	**1.602**	**18.801**

**Other key management personnel includes expenses for 10 Key Managers in 2020 and 8 Key Managers in 2021.

Staff cost include government grants amounting to DKK 20.271 thousand (2020: DKK 27.828 thousand). 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)	2021	2020
Interest income	95	139
Exchange rate adjustments	10	38
Total	**105**	**177**

Financial expenses

(DKK'000)	2021	2020
Interest expenses	16.037	15.375
Exchange rate adjustments	29	81
Other financial expenses	209	323
Total	**16.275**	**15.778**

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)	**2021**	**2020**
Tax on profit for the year:		
Current tax for the year	-	-
Deferred tax	6.008	56.560
Tax adjustment relating to previous years	260	5.026
Total tax on profit for the year	**6.267**	**61.586**

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

Effective tax rate

(DKK'000)	**2021**	**2020**
Tax calculated on profit/(loss) for the year	22%	22%
Tax effect of:		
Adjustments related to prior year	0%	2%
Non-deductible income/expenses	-1%	-1%
Effective tax rate	21%	**23%**

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)	**2021**	**2020**
Deferred tax at 1 January	83.495	145.200
Deferred tax for the year	(5.651)	(56.679)
Tax adjustments relating to previous years	(260)	(5.026)
Deferred tax at 31 December	**77.584**	**83.495**
Deferred tax recognised in the balance sheet:		
Deferred tax assets	0	0
Deferred tax liabilities	77.584	83.495
Deferred tax at 31 December	**77.584**	**83.495**

Of the DKK 77.584 thousand (2020: DKK 83.495 thousand) recognised as deferred tax liabilities, DKK 65.955 thousand (2020: DKK 74.591 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.

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	Develop-ment projects in progress	**Total**
Cost at 1 January 2021	65.212	58.206	689.290	2.633	136.924	5	952.270
Transfers	5	0	0	0	0	(5)	0
Additions	9.342	0	0	0	0	0	9.342
Disposals	(3.419)	0	0	0	0	0	(3.419)
Cost at 31 December 2021	**71.140**	**58.206**	**689.290**	**2.633**	**136.924**	**0**	**958.193**
Amortisation and impairment at 1 January 2021	(42.934)	(34.634)	(300.935)	(903)	(12.858)	0	(392.264)
Disposals	2.551	0	0	0	0	0	2.551
Impairment	0	0	0	0	0	0	0
Amortisation and impairment at 31 December 2021	**(50.695)**	**(41.005)**	**(300.935)**	**(912)**	**(12.858)**	**0**	**(406.405)**
Carrying amount at 31 December 2021	**20.445**	**17.201**	**388.355**	**1.721**	**124.066**	**0**	**551.788**

(DKK'000)	Development projects, completed	Acquired intangible assets	Acquired trademarks	Acquired property rights	Goodwill	Develop-ment 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**

Depreciation of Intangible assets include government grants amounting to DKK 1.800 thousands (2020: DKK 1.307 thousands). 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 2021	22.868	76.115	34.234	69.122	3.157	205.496
Transfers	1.442	1.616	0	93	(3.151)	0
Additions	655	3.483	2.275	4.042	47	10.502
Disposals	0	(1.186)	(835)	(3.806)	(5)	-5.833
Cost at 31 January 2021	**24.965**	**80.028**	**35.674**	**69.451**	**48**	**210.166**
Depreciation and impairment at 1 January 2021	(12.642)	(56.400)	(25.864)	(38.969)	0	(133.875)
Depreciation for the year	(628)	(7.268)	(2.752)	(7.908)	0	(18.556)
Transfers	0	0	0	0	0	0
Impairment	0	(1.066)	(146)	(1.256)	0	(2.468)
Reversal related to disposals	0	1.097	534	2.969	0	4.600
Depreciation and impairment at 1 January 2021	**(13.270)**	**(63.637)**	**(28.228)**	**(45.164)**	**0**	**(150.301)**
Carrying amount at 31 January 2021	**11.695**	**16.389**	**7.446**	**24.287**	**48**	**59.865**

(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**

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)	**2021**	**2020**
Cost at beginning of the year	0	83
Additions	0	-
Disposals	0	(83)
Cost at the end of the year	**0**	**0**
Adjustments 1 January	**-**	**-**
Adjustments 31 December	**-**	**-**
Carrying amount at end of year	**0**	**0**

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 entities consist of shares in the Parent.

The Group has not had any transactions with the associated company in 2020 and 2021.

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)	2021	2020
Raw Materials and consumables	23.352	20.114
Finished goods and goods for resale	67.066	58.676
Prepayments for goods	9.392	8.429
Total inventories	**99.810**	**87.219**
Included in the income statement:		
Write-downs of inventories for the year	3.733	4.122
Cost of goods sold during the year	597.029	561.860

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)	**2021**	**2020**
Trade receivables	173.486	146.845
Write-downs	(2.286)	(861)
Total trade receivables	**171.200**	**145.984**

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 2021						
Expected credit loss rate	0,07%	0,03%	0,66%	3,64%	0,35%	
Trade receivables	131.408	29.587	3.736	1.153	7.602	**173.486**
Lifetime expected credit losses	92	8	25	42	27	**194**
31 December 2020						
Expected credit loss rate	0,17%	0,12%	0,28%	1,75%	3,4%	
Trade receivables	108.330	27.425	452	8.917	1.796	**146.920**
Lifetime expected credit losses	122	11	3	653	72	**861**

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)	**2021**	**2020**
Supplier bonus receivables	20.875	19.328
Other receivables	3.282	5.620
Total other receivables	**24.157**	**24.948**

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 (2020: 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 227.323 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 2021. Unpaid premium is recognised as equity and receivable with shareholders, respectively.

The is no dividend proposed for 2021 (2020: 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)	**2021**	**2020**
Bullet loans	200.000	200.000
Overdraft facility	0	5.729
Total financial liabilities	**200.000**	**205.729**
Included in the balance sheet:		
Non-current liabilities	0	200.000
Current liabilities	200.000	5.729
Total bank loans	**200.000**	**205.729**

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)	**2021**	**2020**
Trade payables	130.689	102.235
Various taxes, including VAT	20.276	20.505
Employee-related payables	66.335	59.651
Holiday accruals	7.263	4.774
Other payables	35.289	29.788
Total trade and other payables	**259.853**	**216.953**

Note 19 Working capital

(DKK'000)	2021	2020
Change in inventories	(12.591)	(17.771)
Change in receivables	(25.413)	42.792
Change in trade payables and other payables	67.072	55.841
Total change in working capital	**29.068**	**80.862**

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 1.393k in lease payments during the year.

(DKK'000) *Right-of-use assets*	Property	Equipment	Cars	Total
At January 2021	55.801	380	1.446	57.627
Depreciation	(14.212)	(185)	(736)	(15.113)
Disposals and adjustments	(8.053)	(124)	(396)	(8.573)
Additions during period	11.009	0	1.330	12.339
At 31 December 2021	**44.545**	**71**	**1.644**	**46.260**

Lease liabilities	Property	Equipment	Cars	Total
At January 2021	58.974	384	1.487	60.844
Lease payments	(15.081)	(190)	(782)	(16.053)
Disposals and adjustments	(9.365)	(124)	(415)	(9.904)
Interest	965	4	48	1.018
Additions during period	11.009	0	1.330	12.339
At 31 December 2021	**46.502**	**73**	**1.668**	**48.244**

Lease liabilities are due as follows	Property	Equipment	Cars	Total
Within one year	11.706	58	681	12.446
Between one and five years	30.473	15	987	31.475
Within more than five years	4.323	0	0	4.323
Total liabilities	**46.502**	**73**	**1.668**	**48.244**

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	(965)	(4)	(48)	(1.018)
Cash flow from operating activities	**(965)**	**(4)**	**(48)**	**(1.018)**
Repayment of lease liabilities	(15.080)	(191)	(782)	(16.053)
Cash flow from financing activities	**(15.080)**	**(191)**	**(782)**	**(16.053)**

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 2021 and 31 December 2020.

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 41.173 thousand as of 31 December 2021 (2020: DKK 28.846 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**
2021:				
Bank loans	198.853	0	0	198.853
Customer prepayments	2.335	0	0	2.335
Deposit	0	3.513	0	3.513
Trade payables	130.689	0	0	130.689
Prepayments	1.623	0	0	1.623
Other payables	141.609	31.271	51.045	223.925
Total	**475.109**	**34.784**	**51.045**	**560.938**
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**

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 (1.067) thousand at 31 December 2021 (2020: DKK (3.172) thousand). The interest rate swap has a nominal amount of DKK 160.000 thousand at 31 December 2021 compared to DKK 160,000 thousand at 31 December 2020.

Categories of financial assets and liabilities

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

(DKK'000)	**2021**	**2020**
Financial assets measured at amortised cost:		
Other receivables	24.157	24.948
Cash and cash equivalents	41.173	28.846
Total cash and cash equivalents	**65.330**	**53.794**
Financial liabilities measured at amortised cost:		
Trade payables	130.689	102.235
Other payables	188.128	150.568
Bank loans	198.853	205.729
Total financial liabilities	**517.670**	**458.532**

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 2020	Transfers	Proceeds from borrowings	Repayments of borrowings	Other non-cash items*	Borrowings 31 December 2021
Banks and other credit institutions	204.582	0	(21.766)	0	16.037	198.853
Of which:						
Classified as non-current	198.853	(198.853)	0	0	0	0
Classified as current	5.729	198.853	(21.766)	0	16.037	198.853

*Other non-cash items comprises interest accrual.

Note 22 Audit fees

Fees to auditors appointed at the Annual General Meeting:

(DKK'000)	2021	2020
Statutory audit	935	793
Tax advisory services	142	317
Other services	2.679	4.308
Total audit fees	**3.756**	**5.418**

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 1.044.353 thousand (2020: DKK 1.025.600 thousand).

Note 24 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)	**2021**	**2020**
Provisions, January 1	0	5.000
Provisions made during the year	0	0
Reversal of provision made	0	(5.000)
Total provisions, December 31	**0**	**0**

Provisions are presented in the balance sheet as:	**2021**	**2020**
Non-current liabilities	0	0
Current liabilities	0	0
Total	**0**	**0**

Note 25 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	
	2021	2020
Cost-related parties	48	(243)

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 26 Going concern

Loans from credit institutions have been classified as a current liability as of 31 December 2021 as the original agreement expires as of 31 December 2022. The Group's continued operations after 31 December 2022 is conditional of the loan being obtained. Management sees no risk in relation to the negotiations with the Group's credit institutions. Further, 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.

Management does not expect the Covid-19 outbreak to affect the Group's performance in 2022 to a significant extent. However, Management noted that the unease on the world markets and the war in Ukraine – which is a subsequent event – could affect the Group's performance in 2022 in relation to higher production costs and labour shortage. However, it is not possible for Management at the time of financial reporting to further quantify such potential effect.

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 2022 is assessed to be limited.

Note 27 Events after the balance sheet date

The war in Ukraine which started at the end of February 2022 has not had and is not expected to have a significant impact on the Group's financial position and development, as the Group has no significant sales or significant suppliers in the countries concerned. As mentioned in note 26 Management do however noted an unease on the markets could affect the Group's performance in 2022 in relation to higher production costs and labour shortage. It is not possible for Management at the time of financial reporting to further quantify such potential effect.

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

Note 28 Group companies
The list below shows the Group's subsidiaries at 31 December 2021.

Company	Country	Equity interest
Løgismose Meyers Holding ApS	Denmark	100%
LM Group ApS	Denmark	100%
Meyers Group ApS*	Denmark	100%
Løgismose 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%

*Meyers Group ApS was founded 5 January 2022 and is therefore not recognized as a subsidiary at 31 December 2021.

Financial Statements Parent Company

INCOME STATEMENT

(DKK'000)	Note	**2021**	**2020**
Other external expenses		(1.702)	(1.311)
Operating loss		**(1.702)**	**(1.311)**
Income from investments in group enterprises		(64.657)	(187.625)
Other financial expenses	1	(70)	(72)
Profit/(loss) before tax		**(66.429)**	**(189.008)**
Tax on profit/(loss)	2	347	(103)
Profit/(loss) and total comprehensive income for the financial year		**(66.082)**	**(189.111)**
Proposed distribution of loss			
Retained earnings		**(66.082)**	**(189.111)**

Balance sheet

ASSETS

(DKK'000)	Note	2021	2020
Investments in group enterprises		228.750	292.000
Investments in associates		3.242	3.242
Other investments		550	250
Deferred tax		0	280
Total fixed asset investments	3	**232.542**	**295.772**
Total fixed assets		**232.542**	**295.772**
Receivables from group enterprises		11.129	11.317
Other receivables		386	37.717
Income tax receivable		37.730	0
Joint taxation contribution receivable		279	248
Prepayments		0	4
Receivables		**49.524**	**49.286**
Cash		**8.824**	**9.144**
Total current assets		**58.348**	**58.430**
Total assets		**290.890**	**354.202**

EQUITY AND LIABILITIES

(DKK'000)	Note	2021	2020
Contributed capital		7.684	7.684
Reserve for non-paid contributed capital		37.540	37.540
Retained earnings		237.785	302.458
Equity		**283.009**	**347.682**
Trade payables		468	199
Payables to group enterprises		7.338	6.285
Other payables		75	36
Current liabilities other than provisions		**7.881**	**6.520**
Liabilities other than provisions		**7.881**	**6.520**
Total equity and liabilities		**290.890**	**354.202**

Contingent liabilities	4
Assets charged and collateral	5
Related parties with controlling interest	6

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	37.540	302.458	347.682
Dissolution of reserves	0	0	1.408	1.408
Loss for the year	0	0	(66.082)	(66.082)
Equity end of year	**7.684**	**37.540**	**237.785**	**283.009**

Note 1 Other financial expenses

(DKK'000)	**2021**	**2020**
Other interest expenses	62	65
Other financial expenses	8	7
Total	**70**	**72**

Note 2 Tax on loss for the year

(DKK'000)	**2021**	**2020**
Change in deferred tax	(105)	(56)
Adjustment concerning previous years	37	407
Refund in joint taxation arrangement	(279)	(248)
Total	**(347)**	**103**

Note 3 Financial assets

(DKK'000)	Investments in group enterprises	Inverstments in associates	Other investments	Deferred tax
Cost at 1 January 2021	664.129	3.242	250	280
Additions	0	0	300	0
Disposals	0	0	0	(280)
Cost at 31 December 2021	**664.129**	**3.242**	**550**	**0**
Adjustments on equity	1.408	0	0	0
Impairment losses beginning of year	(372.129)	0	0	0
Amortisation of goodwill	(8.179)	0	0	0
Share of loss for the year	(56.478)	0	0	0
Impairment losses end of year	**(435.378)**	**0**	**0**	**0**
Carrying amount at 31 December 2021	**228.751**	**3.242**	**550**	**0**

Note 4 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 5 Assets charged and collateral

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

Note 6 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 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 goodwill 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.