Massive Catering A/S

Jernholmen 49
2650 Hvidovre
CVR No. 40640924

Annual report 2020

The Annual General Meeting adopted the annual report on 28.06.2021

Lizette Kjellerup
Chairman of the General Meeting

Contents

Entity details

Entity

Massive Catering A/S

Jernholmen 49

2650 Hvidovre

CVR No.: 40640924

Date of foundation: 04.07.2019

Registered office: Hvidovre

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Lizette Kjellerup, Chairman

Jesper Uggerhøj

Jesper Lykke Vacherhausen

Executive Board

Bo Sand Hersoug

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Massive Catering A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 26.05.2021

Executive Board

Bo Sand Hersoug

Board of Directors

Lizette Kjellerup
Chairman

Jesper Uggerhøj

Jesper Lykke Vacherhausen

Independent auditor's report

To the shareholders of Massive Catering A/S

Opinion

We have audited the financial statements of Massive Catering A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control.

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

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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 commentary.

Copenhagen, 26.05.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen
State Authorised Public Accountant
Identification No (MNE) mne30131

Hans Tauby
State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities
The company's activities consist of delivering canteen operations and catering.

Development in activities and finances
The loss for the year amounts to DKK 819,892. Management considers the result to be as expected.
Equity amounts to DKK 35,014,832 at 31 December 2020.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss	2	**17,774,976**	**7,806,268**
Staff costs	3	(11,610,431)	(3,850,122)
Depreciation, amortisation and impairment losses	4	(7,222,181)	(2,300,664)
Operating profit/loss		**(1,057,636)**	**1,655,482**
Other financial expenses		(128,204)	(4,368)
Profit/loss before tax		**(1,185,840)**	**1,651,114**
Tax on profit/loss for the year	5	365,948	(363,000)
Profit/loss for the year		**(819,892)**	**1,288,114**
Proposed distribution of profit and loss			
Retained earnings		(819,892)	1,288,114
Proposed distribution of profit and loss		**(819,892)**	**1,288,114**

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired rights		721,757	2,741,488
Goodwill		26,978,267	30,542,570
Intangible assets	6	**27,700,024**	**33,284,058**
Other fixtures and fittings, tools and equipment		1,427,927	1,356,360
Leasehold improvements		2,183,060	2,529,418
Leased assets		5,689,990	0
Property, plant and equipment	7	**9,300,977**	**3,885,778**
Deposits		517,500	517,500
Financial assets	8	**517,500**	**517,500**
Fixed assets		**37,518,501**	**37,687,336**
Manufactured goods and goods for resale		100,000	100,000
Inventories		**100,000**	**100,000**
Trade receivables		2,461,566	6,388,909
Receivables from group enterprises	9	6,212,599	646,071
Other receivables		0	975,148
Joint taxation contribution receivable		171,766	408,000
Prepayments		72,508	358,984
Receivables		**8,918,439**	**8,777,112**
Current assets		**9,018,439**	**8,877,112**
Assets		**46,536,940**	**46,564,448**

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		400,000	400,000
Retained earnings		34,614,832	35,888,114
Equity		**35,014,832**	**36,288,114**
Deferred tax		576,818	771,000
Provisions		**576,818**	**771,000**
Lease liabilities		4,712,198	0
Non-current liabilities other than provisions	10	**4,712,198**	**0**
Lease liabilities		1,091,565	0
Trade payables		1,181,879	1,530,144
Payables to group enterprises		497,570	907,516
Other payables	11	3,462,078	7,067,674
Current liabilities other than provisions		**6,233,092**	**9,505,334**
Liabilities other than provisions		**10,945,290**	**9,505,334**
Equity and liabilities		**46,536,940**	**46,564,448**
Events after the balance sheet date	1		
Contingent liabilities	12		
Assets charged and collateral	13		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	35,888,114	36,288,114
Other entries on equity	0	(453,390)	(453,390)
Profit/loss for the year	0	(819,892)	(819,892)
Equity end of year	**400,000**	**34,614,832**	**35,014,832**

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Gross profit/loss

Gross profit/loss contains received wage compensation of DKK 1,833,984 (2019: 0) and received compensation regarding fixed costs of DKK 1,513,960 (2019: 0)

3 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	8,378,320	3,630,666
Pension costs	244,015	115,041
Other social security costs	132,225	35,314
Other staff costs	2,855,871	69,101
	11,610,431	**3,850,122**

Average number of full-time employees	**22**	**20**

4 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	5,130,644	1,947,369
Depreciation of property, plant and equipment	2,025,203	314,128
Profit/loss from sale of intangible assets and property, plant and equipment	66,334	39,167
	7,222,181	**2,300,664**

5 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	(89,119)	771,000
Adjustment concerning previous years	(105,063)	0
Refund in joint taxation arrangement	(171,766)	(408,000)
	(365,948)	**363,000**

6 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	3,498,887	31,732,540
Disposals	0	(453,390)
Cost end of year	**3,498,887**	**31,279,150**
Amortisation and impairment losses beginning of year	(757,399)	(1,189,970)
Amortisation for the year	(2,019,731)	(3,173,254)
Reversal regarding disposals	0	62,341
Amortisation and impairment losses end of year	**(2,777,130)**	**(4,300,883)**
Carrying amount end of year	**721,757**	**26,978,267**

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Leased assets DKK
Cost beginning of year	1,504,567	2,734,506	0
Changes in accounting policies	0	0	6,850,745
Additions	453,123	214,868	0
Disposals	(100,000)	0	0
Cost end of year	**1,857,690**	**2,949,374**	**6,850,745**
Depreciation and impairment losses beginning of year	(148,207)	(205,088)	0
Depreciation for the year	(303,222)	(561,226)	(1,160,755)
Reversal regarding disposals	21,666	0	0
Depreciation and impairment losses end of year	**(429,763)**	**(766,314)**	**(1,160,755)**
Carrying amount end of year	**1,427,927**	**2,183,060**	**5,689,990**

As of 1 January 2020 IFRS 16 'Leases is applied for the first time. The Company has implemented IFRS 16 'leases' using the modified retrospective approach, see accounting policies. Leases comprises properties and cars. Carrying amount end of year includes properties (DKK 5,070k) and cars (DKK 57k).

The Company applies the recognition exemptions for short-term leases, which are leases with a leaseterm less than one year. Contracts covered by this exemption amounts to DKK 28k. Furthermore, The Company applies the recognition exemption for underlying assets of low value. Expenses related to the exemption is also included in the short-term leases.

8 Financial assets

	Deposits DKK
Cost beginning of year	517,500
Cost end of year	**517,500**
Carrying amount end of year	**517,500**

9 Receivables from group enterprises

The Company participates in a cash pool scheme with other companies within the Løgismose Meyers Group. Consequently, DKK 5,800 thousand of the Company's bank deposits is included in receivables from group enterprises. Massive Catering A/S is jointly and serverally liable with other participating Group entities for the total debt of DKK 198,851 thousand within the cash pool scheme.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Lease liabilities	4,712,198
	4,712,198

11 Other payables

	2020 DKK	2019 DKK
VAT and duties	1,302,641	1,169,018
Wages and salaries, personal income taxes, social security costs, etc payable	1,648,917	450,204
Other costs payable	510,520	5,448,452
	3,462,078	**7,067,674**

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Løgismose Meyers Holding ApS serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Assets charged and collateral

The Group’s bank has pledge in all assets.

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.

Changes in accounting policies
The Entity has changed its accounting policies with regard to implementing IFRS standards.

Leases
As of 1 January 2020 IFRS 16 'Leases' is applied for the first time. The Company has implemented IFRS 16 'Leases' using the modified retrospective approach.

Under this method, the cumulative effect of initially applying the standard is recognised at 1 January 2020. Lease assets and lease liabilities have been recognized for those leases previously classified as operating leases, except for short-term leases and leases of low value assets. The right-of-use assets have been recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities are recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate as of 1 January 2020. The comparative information has not been restated.

The net profit and loss effect from implementing IFRS 16 'Leases' comprises to DKK 170k in loss.

Revenue
As of 1 January 2020 IFRS 15 'Revenue from Contracts with Customers' is applied for the first time. The primary change deriving from the implementation of the new standard is that revenue going forward has to be recognized when control of the products has been transferred to the customer instead of earlier where transfer of risk has been the key principle in determining revenue recognition. The standard is introducing a five-step-model for recognizing revenue, which includes the following steps:

1. Identification of customer agreements (including assessment of whether a number of agreements has to be treated as one overall agreement)
2. Identification of different delivery terms in agreements and separation of agreement into partial deliveries
3. Determine the transaction price, including variable remuneration treatment
4. Allocate the transaction price to the performance obligations in the customer agreements
5. Recognition of the revenue when the buyer gain control, which may be over a period of time or at a certain point in time IFRS 15 is applicable for all agreements with customers that are not regulated by other standards and also contains certain rules regarding recognition of costs in relation to customer agreements.

Massive Catering has assessed that the effect of IFRS 15 is limited as sales is generally based on straight-forward customer agreements with buyer gaining control at a certain point in time.

Apart from the areas mentioned above, the annual report has 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.

Non-comparability

2019 was the Company's first financial year and contained 180 days. 2020 is the Company's first full financial year and contains 365 days. Thus, there is no fully comparability between the two financial periods.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including help aid packages and earn outs.

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial expenses
Other financial expenses comprise interest expenses.

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

Goodwill
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 one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other 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 resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used is 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Leases
The Company leases includes properties and cars. Lease 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 straightline 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. Lease liabilities are measured using the incremental borrowing rate, rather than the interest rate implicit in the leases, since these cannot easily be determined in the contracts. The incremental borrowing rate comprises of three parts:

- Reference rate
- Financing spread adjustment
- Lease specific adjustment

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

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

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.

Exemptions in application of IFRS 16
The Company applies the recognition exemptions for short-term leases, which are leases with a term less than one year. Contracts covered by this exemption amounts to DKK 28k. The Company applies the recognition exemption for underlying assets of low value. Expenses related to the exemption is also included in the short-term leases.

Key accounting estimates
For property leases, lease terms are estimated taking the size of the building and its strategic importance into consideration. The Company entered into property 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.

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

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.

Deferred tax
Deferred tax is recognised 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 recognised for amortisation 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 recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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