Food Folk Danmark ApS

Falkoner Alle 20
2000 Frederiksberg

CVR no. 24 21 40 87

Annual report 2024

The financial statements were presented and adopted at the Company's annual general meeting

on 4 April 2025

Mads Friis

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chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Food Folk Danmark ApS for the financial year 1 January – 31 December 2024.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend the annual report to be approved at the annual general meeting.

Copenhagen, 4 April 2025

Mads Friis	Anders Torbjörn Hägg
Managing Director and Board member	Board member

Independent auditor's report

To the shareholders of Food Folk Danmark ApS

Opinion
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Audited financial statements
Food Folk Danmark ApS' financial statements for the financial year 1 January – 31 December 2024 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of material accounting policy information (the financial statements). The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in 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 financial statements" section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Statement on the Management's review
Management is responsible for the Management's review.
Our opinion on the 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 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 financial statements or our knowledge obtained during 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 by relevant law and regulations.
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to 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 may 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

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, 4 April 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

Management's review

Company details

General

Food Folk Danmark ApS
Falkoner Alle 20
2000 Frederiksberg

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Website:	www.mcdonalds.dk
E-mail:	reception@dk.mcd.com
CVR no.	24 21 40 87
Established:	30 December 1982
Registered office:	Falkoner Alle 20, DK-2000 Frederiksberg
Financial year:	From 1 January to 31 December

Board of Directors
Mads Friis
Anders Torbjörn Hägg

Managing Director
Mads Friis

Auditor

KPMG
Statsautororiseret revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 4 April 2025.

Financial highlights

DKK'000	2024	2023	2022	2021	2020
Key figures					
Revenue	711 533	690 718	628 032	564 948	482 417
Operating profit	273 633	286 897	261 658	227 012	186 986
Net financials	(64 090)	(76 581)	(39 394)	(20 946)	(40 233)
Profit for the year	162 718	164 120	170 997	160 553	114 350
Balance sheet total	2 388 438	2 113 447	1 977 102	1 897 542	1 946 791
Investments in property, plant and equipment	277 739	228 877	197 256	175 405	85 819
Equity	334 917	242 199	578 079	481 447	570 894
Financial ratios					
Return on assets	12,2	14,0	13,5	11,8	9,8
Equity ratio	14,0	11,5	29,2	25,4	29,3
Return on equity	56,4	40,0	32,3	30,5	22,3
Average number of full-time employees	93	83	76	69	62

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios". The financial ratios have been calculated as follows:

Return on assets

$$\frac{Profit/\ loss\ from\ ordinary\ activities\ x\ 100}{Average\ assets}$$

Equity ratio

$$\frac{Closing\ equity\ x\ 100}{Equity\ \&\ liabilities\ at\ year-end}$$

Return on equity

$$\frac{Profit/\ loss\ for\ the\ year\ x\ 100}{Average\ equity}$$

Operating review

Principal activities

The main activity of the company is to acquire real estate by leasing or buying it, renovating and fitting it for the purpose of operating a McDonald's restaurant under a master franchise agreement made with McDonald's Corporation, the holder of the McDonald's global trademark. Food Folk Danmark ApS (former name McDonald's Danmark ApS) was previously 100% owned by McD Europe Ltd, a wholly owned subsidy of McDonald's Corporation, but was acquired by Food Folk Danmark Holdings ApS on 31/3-2017.

By the end of 2024, Food Folk had 113 licensed McDonald's restaurants in Denmark, 112 operated by 24 independent franchisees on contract for the operation of the individual restaurants for a period of up to 20 years and one directly owned. That is a net increase of 6 restaurants (8 opening/2 closures) compared to 2023.

Unusual circumstances

To the management's knowledge, no unusual circumstances occurred during 2024.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the financial position of the Company at 31 December 2024.

Development in activities and financial position

Profit/loss for the year

During 2024, the McDonald's restaurants in Denmark increased system wide sales * by 0.8% (2023: +8.5%).
The Company realized a revenue increase of DKK 20,815 thousand, which corresponds to +3.0% compared to the previous year (2023: +10.0%). Majority of it is driven by new stores that have opened during the year, thereby franchised income from franchised restaurants. From 2024 a residual quota is attributable to revenues of the new owned and directly operated restaurant opened in December 2024 in Nørrebro (sales DDK 2,482 thousand).
Operating profit for the year decreased by DKK 13,264 thousand to DKK 273,633 thousand (2023: DKK 286,897 thousand) which corresponds to a decrease of 4.6%. The decrease in operating profit is driven by the costs associated with implementing the newly owned restaurant and higher staff expenses due to additional office positions.
Net financial expenses decreased by DKK 12,491 thousand mainly as a net effect of lower expenses on derivatives (DKK 16,712 thousand) and higher interest on lease liabilities (DKK 4,448 thousand).
Consequently, the result of the year decreased by DKK 1,402 thousand to a total of DKK 162,178 thousand (2023: DKK 164,120 thousand), which corresponds to a decrease of 0.9%.
Management finds the result of the year satisfying.

**= system wide sales reflect the accumulated turnover in all McDonald's restaurants in Denmark.*

Outlook

In 2025, the Company expects an increase in the sales and operating profit in the range of 5-10%, including the opening of another owned restaurant in February.

Particular risks

The Company does not have any significant risk apart from what is common from the industry since the majority of transactions are denominated in Danish Kroner, long-term financing is secured with fixed interests or through derivatives agreement and outstanding receivables are of short-term nature. For further details on the Company's risk profile, we refer to note 18.

Food Folk Corporate Social Responsibility

Our mission in Food Folk is to provide our customers in Denmark with the most friendly, convenient, and consistently excellent McDonald's experience in the world. Having a positive impact in communities, while maintaining the growth and success of the McDonald's System, is fundamental to how we operate. We achieve this by living our values as we serve our guests via our 113 restaurants.

Our values:
- Serve: We put our customers and people first
- Inclusion: We open our doors to everyone
- Community: We are good neighbours
- Integrity: We do the right thing
- Family: We Get Better Together

As one of Denmark and the Nordics' largest restaurant companies, we believe we have a responsibility to ensure long-term, sustainable value creation while taking action on some of the world's most pressing social and environmental challenges that are important to our employees and the communities in which we operate.

To manage our impact carefully and hold ourselves accountable across a range of ESG issues, in 2024 and beyond, we will continue do our part for sustainability, for example on climate action, packaging and waste, youth employability, and taking action as a part of the community.

Our role in the community
As one of the largest youth employers in Denmark, we provide invaluable learning experiences for young people across the country from all backgrounds. In 2024, young people aged under 18 accounted for roughly 33% of our staff and through their employment - which is often the first steppingstone into the workforce – we provide them with opportunities to grow and gain experience that can be used for the rest of their working lives, providing them with continuous learning opportunities.
As part of the community in Denmark, we work with values-aligned organizations to make a difference. Examples of community-based organizations we work with include Ren Natur, Danmark Mod Madspild and others.

Impact

a) Our planet (environment and climate)
As we continue to grow as a business, our efforts are increasingly focused on managing our carbon footprint. In 2024, we conducted a full review of our carbon emissions, paving the way for the introduction of strategies across our business to reduce emissions further.
We take a holistic approach to sustainability, which includes exploring ways to help our customers reduce their own environmental impact. For instance, we are transitioning to sustainable Happy Meal toys made from recycled, renewable or certified materials. We continue to test and deploy new packaging solutions in our restaurants, to learn how we can reduce packaging and switch to more sustainable materials while still delivering a great experience for our customers.
Food Folk has begun transitioning to more efficient buildings and kitchen equipment. Together with our Franchisees, we are investing in our restaurants to be more innovative and energy efficient.
We have taken measures to reduce food waste via our "*Made for You*" platform and are actively converting food waste by transforming it to bio waste. In 2024 the cooking oil from our restaurants was converted to biogas.
Ultimately, this recycling leads to a smaller carbon footprint for the Danish society by displacing fossil fuels and recycling important nutrients.
Our partnership with Ren Natur is making a difference when it comes to littering. We support the project '*Clean Nature*' (Ren Natur) which organized 491 routes of litter collection in 2024. A total of 58 municipalities participated along with 7542 volunteers. Of these 45 routes were nearby a McDonald's. We are proud of their success and monitor the project closely.
We continue our '*one-block policy*', requiring employees to collect litter in each restaurant's immediate area. The one-block policy results in McDonald's staff continuously helping the local area keep the streets clean not only from McDonald's own litter but also from society's general littering.
The majority of our environmental impacts occur in *Scope III* within our supply chain, and so McDonald's journey toward sustainable sourcing begins with our suppliers. Among other activities, we focus on collaborative action and investment to address climate-related risks associated with our agriculture value chain to help protect our planet for communities today and in the future. We believe we have an important role to play in responsible sourcing.
Today, on a Nordic-level, approximately 72% of our food and packaging suppliers have commitments in place to Science Based Targets. We expect this to grow significantly up to 2025 and our objective is to have 100% of our food and beverage suppliers with climate targets in place.

b) Human rights

At Food Folk, we conduct our activities in a manner that respects human rights as set out in the Universal Declaration of Human Rights. Our commitment to respect human rights is defined in our Human Rights. Our expectations of our suppliers are outlined in the McDonald's Supplier Code of Conduct.
In order to provide goods and services to the McDonald's System, suppliers must meet our high standards, and direct suppliers are required to commit to upholding the standards contained in the Code. We expect and provide guidance to assist our suppliers to meet the standards for human rights, workplace environment, business integrity and environmental management contained in the Code. We also expect suppliers to implement their own management systems in these areas.
We expect that suppliers treat their employees with fairness, respect and dignity, and follow practices that protect the health and safety of people working in their facilities, in compliance with national and local laws. We also require our suppliers to hold their own suppliers to the same standards as outlined in our Code, and to create internal mechanisms and programs for handling reports of workplace grievances, including anonymous reporting.
McDonald's has a comprehensive *Supplier Workplace Accountability* (SWA) program, which supports compliance with the standards and expectations outlined in our Code. The SWA program aims to help suppliers understand our expectations, verify compliance and work toward continuous improvement. The SWA program provides suppliers and McDonald's Global Supply Chain Team with training to understand human rights issues and our SWA program requirements. Built on a model of continuous improvement and education, SWA includes an online training platform where suppliers can access optional tools and resources that provide guidance on human rights issues.
All new suppliers, within their contracts with Food Folk, must also agree to adhere to the Food Folk Code of Conduct.
Following our efforts in 2023, in 2024, we continued our focus on human as well as ESG efforts across the value chain. To increase our readiness for emerging ESG disclosures, we conducted a double materiality assessment. The assessment confirmed the areas already covered in our sustainability strategy and that we are focusing on the material sustainability impacts. As an additional outcome of this work, we are working to strengthen our overall data management to support adequate analysis and progress reporting. In addition:

- A DEI (Diversity, Equity, Inclusion) Specialist is in place to further accelerate our DEI ambitions across the value chain;
- An ESG Strategy Alignment role is deployed to strengthen our ESG strategy implementation, governance, and growing reporting obligations;
- Following the in-dept assessment related to human rights in the workplaces (offices and restaurants) conducted in 2023, in 2024 we developed a data driven tool for analysis of the employee experience based on selected DEI indicators, to be implemented in 2025;
- In line with our ambition of a value chain perspective on human rights, we initiated a human rights review of the business segment Delivery, to be finalized in 2025.

c) Governance

Food Folk has developed specific internal policies covering anti-fraud, anti-corruption, and has an established Code of Conduct. Food Folk staff are trained annually on governance related issues. Furthermore, McDonald's in Denmark follows the McDonald's Global anti-corruption policy. Mandatory, annual anti corruption training is in place.

d) Anti-corruption and bribery

Food Folk has policies on fraud, anti-corruption, and a Code of Conduct. Furthermore, a Speak Up Policy ensures the protection of any employee who wishes to bring any suspicious case forward. To make sure we maintain an ongoing focus on these policies, we have had a compliance walk through with all Food Folk headquartered employees. There have been no known breaches of these policies during the year and we have a zero tolerance policy.

e) Our people (social and employees)

In Food Folk we utilize the provider Peakon/MyVoice which serves as a pivotal tool for measuring and enhancing employee engagement. It operates by soliciting, gathering, and analysing employee feedback through regular, anonymous surveys. This continuous feedback loop enables us to understand the workforce's sentiment in real-time, identify trends, and address concerns proactively. By utilizing "MyVoice," we can make informed decisions to improve workplace culture, boost morale, and ultimately increase productivity. The platform's analytics and insights guide our strategic initiatives, helping us to foster a more engaged and satisfied team.

Business Code of Conduct

Food Folk Group believes in the value of treating people with equality and respect. Our non-acceptance of harassment, intimidation, discrimination and other forms of inappropriate behaviour is manifested in the Food Folk Code of Conduct. Each year employees sign the Code of Conduct and attend online digital certification training on the "Standards of business conduct" (anti-corruption and bribery).

Speak-Up Policy – Integrity Line
The Food Folk Speak-Up Policy and Integrity Line facilitate the possibility for our employees to report unaccepted behaviour. Employees are offered the possibility to report anonymously and the Speak Up policy manifests a guarantee of non-retaliation. The Integrity Line is furthermore available also to external parties such as suppliers and contractors.
In order to avoid a culture of silent acceptance and leniency towards unaccepted behaviours, the Speak-Up Policy encourages our employees to act and report misconduct and unethical behaviour, including but not limited to fraud and violations of laws and regulations.

Diversity and equal opportunity
Diversity and inclusion are cornerstones of our people strategy. We believe that a dynamic mix of people is instrumental to a sustainable and healthy working environment. Our ethical guidelines and policies make clear zero tolerance for inappropriate behaviour such as bullying, harassment and any kind of discrimination based on e.g. gender, sexual orientation, age, ethnicity, or religious beliefs. Each year employees attend online digital certification training on "Building a safe, respectful and inclusive workplace" (human rights).

Annual harassment survey
In 2024, monthly surveys were dispatched to Food Folk employees, achieving an average engagement score of 7,8 out of 10. We actively monitor comments for any risks, with no harassment issues reported so far. In addition, an engagement survey is conducted on an annual basis at restaurant level.

Learning
An environment of continuous learning is offered via McDonald's online educational courses. Further optional education programs are provided in collaboration with external academies in Denmark. Thus, we offer our employees a unique opportunity to combine work and education. In 2024, 197 employees were enrolled in one of our external education programs.

Food Folk is collaborating closely with 'KLAPjob', which is part of LEV, an organization for people with cognitive disabilities. To-date, McDonald's has hired 148 people with cognitive disabilities.

Data ethics
Food Folk operates in a digital and connected environment where significant amounts of data may be processed. Thus, proper and compliant management of personal data is crucial for our operations. Food Folk stives to improve and strengthen our data processing routines regularly to properly reflect the development within the digital areas of business. In recent years the Group initiated the process of implementing additional software systems aiming to provide even stronger and more secure processes for managing and monitoring process data flows. Furthermore, the Food Folk Code of Conduct, along with relevant data protection policies and notices, strives to raise awareness of proper data management within the entire Food Folk Group.

Gender diversity
Food Folk Danmark ApS has formed a gender equality policy. The policy ratifies McDonald's position on gender equality by emphasizing that Food Folk will strive for a balance between the genders in the management teams.
At the management level, 48% of the positions are held by women and 52% by males (in 2023 35% were held by women and 65% by men). This change is driven by a new organizational structure and two large-scale reorganizations in 2024, during which the Company transitioned from market-based functions to group functions across four markets, resulting in shifts in leadership distribution
We continue to monitor and take targeted and appropriate actions to ensure we align to the targets for balanced representation of genders at management level.
The board consisted of two male directors in 2024 (same as in 2023).

	2024	2023
Top management body		
Total number of members	2	2
Percentage of the underrepresented gender	0%	0%
Other management levels		
Total number of members	21	23
Percentage of the underrepresented gender	48%	35%

Statement of profit or loss and other comprehensive income

DKK'000	Note	2024	2023
Revenue	1	**711 533**	**690 718**
Raw materials and consumables		(732)	0
Other external expenses	2	(312 814)	(292 027)
Depreciation, amortisation and impairment	8,9	(100 858)	(88 981)
Staff cost	3	(75 290)	(66 390)
Other operating income, net	4	51 794	43 577
Total expenses		**(437 900)**	**(403 821)**
Operating profit or loss		**273 633**	**286 897**
Financial income	5	3 186	4 260
Financial expense	6	(67 276)	(80 841)
Net finance expenses		**(64 090)**	**(76 581)**
Share of profit of equity accounted investees, net of tax	10	15	9
Profit or loss before tax		**209 558**	**210 325**
Tax for the year	7	(46 840)	(46 205)
Profit or loss		**162 718**	**164 120**
Attributable to			
Dividend to shareholders	14	40 000	70 000
Retained earnings		122 718	94 120
Profit or loss		**162 718**	**164 120**
Statement of comprehensive income			
Profit or loss		162 718	164 120
Other comprehensive income for the year, net of income tax		**0**	**0**
Comprehensive income for the year		**162 718**	**164 120**

The notes form an integral part of these financial statements

Statement of financial position at 31 December

DKK'000	Note	2024	2023
Assets			
Non current assets			
Property, plant and equipment	8	2 125 584	1 951 334
Intangible assets	9	11 259	7 671
Investments	10	97	83
		2 136 940	**1 959 088**
Current assets			
Inventories		2 887	449
Trade and other receivables	12	120 166	134 087
Derivative assets	18	4	33
Receivables from related parties	21	125 257	18 310
Tax receivable		2 886	1 480
Cash and cash equivalents	13	298	0
		251 498	**154 359**
Total Assets		**2 388 438**	**2 113 447**
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	14	30 000	30 000
Proposed dividends	14	40 000	70 000
Retained earnings		264 917	142 199
Total equity		**334 917**	**242 199**
Non current liabilities			
Loans and borrowings	15	1 586 099	1 457 273
Other payables	17	10 211	9 473
Provisions	16	40 728	32 986
Deferred tax liabilities	11	133 804	142 496
Non current liabilities		**1 770 842**	**1 642 228**
Current liabilities			
Loans and borrowings	15	116 881	102 984
Trade and other payables	17	120 751	100 249
Derivative liabilities	18	18 576	17 675
Payables to related parties	21	26 471	7 436
Tax payable		0	0
Provisions	16	0	676
Current liabilities		**282 679**	**229 020**
Total liabilities		**2 053 521**	**1 871 248**
Total equity and liabilities		**2 388 438**	**2 113 447**

Statement of changes in equity

(See Note 14)

DKK'000	Share capital	Proposed dividends	Retained earnings	Total equity
Balance at 1 January 2023	30 000	500 000	48 079	578 079
Profit or loss	0	70 000	94 120	164 120
Total comprehensive income for the period	**0**	**70 000**	**94 120**	**164 120**
Transactions with owners, recorded directly in equity:				
Dividends	0	(500 000)	0	(500 000)
Total contributions by and distributions to owners	**0**	**(500 000)**	**0**	**(500 000)**
Balance at 31 December 2023	**30 000**	**70 000**	**142 199**	**242 199**

DKK'000	Share capital	Proposed dividends	Retained earnings	Total equity
Balance at 1 January 2024	30 000	70 000	142 199	242 199
Profit or loss	0	40 000	122 718	162 718
Total comprehensive income for the period	**0**	**40 000**	**122 718**	**162 718**
Transactions with owners, recorded directly in equity:				
Dividends	0	(70 000)	0	(70 000)
Total contributions by and distributions to owners	**0**	**(70 000)**	**0**	**(70 000)**
Balance at 31 December 2024	**30 000**	**40 000**	**264 917**	**334 917**

Statement of cash flows

DKK'000	Note	2024	2023
Cash flow from operating activities			
Profit for the year		162 718	164 120
Adjustments for:			
Depreciation, amortisation and impairment	8,9	100 858	88 981
Financial income	5	(3 186)	(4 260)
Financial expense	6	67 276	80 841
Share of profit of equity accounted investees, net of tax	10	(15)	(9)
Other income/expense non-monetary		2 150	2 932
(Gain)/loss on sale of property, plant and equipment	4	263	66
Taxation	7	46 840	46 205
		214 186	**214 756**
Decrease/increase in trade and other receivables	12	29 126	(33 185)
Decrease/increase in inventories		(2 438)	567
Decrease/increase in trade and other payables	17	(18 608)	2 787
Decrease/increase in related parties balances	21	(2 634)	6 771
Decrease/increase in provisions	16	(79)	0
		5 367	**(23 060)**
Tax paid		(57 111)	(58 740)
		(57 111)	**(58 740)**
Net cash from operating activities		**325 160**	**297 076**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	4	795	0
Change in cash-pooling (positive balances)	21	(85 278)	22 245
Acquisition of property, plant and equipment	8	(97 979)	(87 151)
Acquisition of intangible assets	9	(5 725)	(4 623)
Net cash from investing activities		**(188 187)**	**(69 529)**
Cash flows from financing activities			
Proceeds from new loan	23	110 341	444 074
Interest paid		(33 044)	(29 134)
Financing transaction cost	23	(1 374)	(14 309)
Repayment of borrowings	23	(86 687)	(80 398)
Payment of lease liabilities (interest portion)	23	(15 527)	(15 327)
Payment of lease liabilities (principal portion)	23	(40 384)	(32 453)
Dividends paid	14	(70 000)	(500 000)
Net cash from financing activities		**(136 675)**	**(227 547)**
Net increase/decrease in cash and cash equivalents		298	0
Cash and cash equivalents at 1 January		0	0
Effect of exchange fluctuations on cash held		0	0
Cash and cash equivalents at 31 December	13	**298**	**0**

Basis of preparation

Reporting entity
Food Folk Danmark ApS is a limited liability company domiciled in Denmark.
The financial statements for the years ended 31 December 2023 and 31 December 2024 comprise the financial statements for Food Folk Danmark ApS.

The Company's main activity consists of acquiring real estate by renting or buying it, renovating and fitting it for the purpose of operating a McDonald's restaurant under a master franchise agreement made with McDonald's Corporation (hereafter referred to as McDonald's), the holder of the McDonald's global trademark.

Accounting policies
The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Functional and presentation currency
The financial statements are presented in DKK rounded to the nearest DKK 1,000.

Basis of accounting
The financial statements for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and additional requirements in the Danish Financial Statements Act, including those provisions which apply to reporting class C large entities.

Changes and details of the accounting policies are included further.

Changes in significant accounting policies
A number of new standards and interpretations are effective from 1 January 2024:

Newly effective EU-endorsed standards for 01 Jan 2024 to 31 Dec 2024

Effective date	New standards or amendments
1 January 2024	Non-current Liabilities with Covenants (Amendments to IAS 1) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

It has been assessed that they do not have a material effect on the Company's financial statements.

Standards issued but not yet effective
The IASB has issued a number of new or amended accounting standards and interpretations, effective for annual periods beginning after 1 January 2025. The approved, though not yet effective, standards and IFRICs will be applied as they become mandatory for the Company.

Standards not / not yet endorsed by the EU

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability (Amendments to IAS 21)
1 January 2026	Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company has assessed that these new standards will not have a material effect on the Company's financial statements.

Use of judgements and estimates

In preparing the financial statements, Management has made judgements, estimates and assumptions that affect how the Company's accounting policies are applied and the amount of assets, liabilities, income and expenses reported. The actual results may deviate from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the financial statements:

- ***Gross vs. net recognition of royalty income and out-of-pocket expenses***

Food Folk both receives royalty income from the sub-franchisees and pays royalty income to McDonald's. These amounts represent the fees for using the McDonald's brand and intellectual property.
McDonald's has stipulated that Food Folk is required to charge its sub-franchisee a fixed percentage of system-wide sales as a royalty expense. Based on the indicators in IFRS 15 management has assessed that Food Folk is acting as a principal (requiring royalty payments to be recognised gross). This is substantiated by the fact that Food Folk is responsible and bears the risk that the sub-franchisees do not perform in accordance with the license granted by McDonald's, being also primarily responsible for providing the services to the franchisees.
Costs and fees (out-of-pocket expenses) related to leaseholds that are used by sub-franchisees are invoiced with no mark-up to the sub-franchisee, and recognised net of payments received from franchisees. Based on the indicators in IFRS 15 management has assessed that Food Folk is acting as an agent (requiring out-of-pocket costs to be recognised net). This is substantiated by the fact that other parties are primarily responsible for providing the services related to the out-of-pocket costs and that the prices for the services related to the out-of-pocket costs are not determined by Food Folk.

- ***Investment incentives***

Food Folk grants investment incentives to franchisees, by reducing the franchise fee for a certain period after investment. The incentive is recognised as a reduction of revenue as the discount is provided to the franchisee. Historical data shows that the incentives offered are generally around 1% of system-wide sales.

- ***Minimum lease term***

The lease term has an impact on the accounting for:
- right-of-use assets
- lease liabilities
- restoration provisions

According to IFRS 16 the lease term includes the non-cancellable period of the contract and any further periods for which the lessee has an option to continue to lease the asset and for which, at the time of inception of the lease, it is judged reasonably certain that the lessee will exercise that option.
Food Folk has a 20-year agreement with McDonald's (expiring in 2037) requiring Food Folk to ensure that there is a certain number of restaurants in the market, and restaurants can only be closed if permission is granted by McDonald's. Management has assessed that renewable leases expiring before 2037 will be in general extended, unless otherwise agreed with McDonald's.

Assumptions and estimation uncertainties

When preparing the financial statements of the Company, Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Company's assets and liabilities are based.
The following provides information about assumptions and estimation uncertainties with a significant risk of resulting in a material adjustment in the year ending 31 December 2024:

- ***Impairment test intangible assets and property, plant and equipment***

When there is an indication of impairment, an estimate is made of how the Company's individual cash generating units will be able to generate sufficient positive net cash flows to support the value of the tangible and intangible assets of the unit. Estimates of future cash flows may span many years in the future and will be subject to uncertainty. The key assumptions supporting recoverable amounts mainly comprise discount rate (WACC) and expectations regarding future system-wide sales in restaurants.

- ***Provisions***

The restoration provision is determined based on the net present value of expected future cash flows.
Estimates of future cash flows will be subject to uncertainty. The key assumptions supporting the provisions are expectations regarding future system-wide sales in restaurants, cost per square meter for restoring leaseholds and the discount rate used to calculate the present value of the future cash flows. Please refer to note 16 for more details related to the provisions.

Material accounting policies

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

Foreign currency

Transactions in currencies other than the functional currency are foreign currency transactions.
On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the transaction date. Foreign currency translation adjustments made when such transactions are settled or as a result of translation of monetary items denominated in foreign currencies at year-end exchange rates are recognised in profit or loss under financial income or financial expenses.
Foreign currency differences arising from the translation of certain items (such as cash flow hedges) are recognised in OCI.

Statement of profit or loss

Revenues

Revenue consists of fees from franchised restaurants recognized over time, as the customer simultaneously consumes and receives benefit from the service as the service is performed.
Franchise fees from franchised restaurants are based on a percent of sales realised by the franchised restaurant if they exceed a minimum monthly amount and are recognised in the period they are earned.
Incentives granted to franchisees are calculated and recognized as part of the variable revenue for the period.
Revenue is presented net of discounts, rebates and incentives granted. Also, revenue is also presented net of VAT and other indirect taxes charged on behalf of third parties.

Other external expenses

Other external expenses include expenses relating to the entity's core activities, including expenses relating to advertising, administration, premises, bad debts, royalties paid to McDonald's, etc.
Costs and fees related to leaseholds that are used by sub-franchisees are invoiced with no mark-up to the sub-franchisee, and recognised net of payments received from franchisees. According to the Franchise agreements, the franchisees are required to cover all costs related to the premises used as restaurants, such as common costs, marketing contributions, municipality fees and property taxes. As Food Folk does not obtain control of the goods or the right to the services, more than momentarily, in advance of transferring those goods or services to the franchisee, Food Folk acts as an agent rather than as a principal in rendering the services.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's employees. Staff costs are net of refunds made by public authorities.
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled fully within 12 months of the reporting date, then they are discounted.

Other operating (expense)/income, net

Other operating (expense)/income, net are secondary to the principal activities of the Company and include ntercompany recharge of services provided, gains and losses on disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Positive changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.
Financial expenses comprise interest, losses on transactions denominated in foreign currencies, amortisation of financial liabilities, including finance lease commitments, and surcharges under the Danish tax prepayment scheme,

etc. Negative changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.

Share of profit of equity accounted investees, net of tax
The item includes the Company's proportionate share of the profit/loss for the year in equity accounted investees after elimination of intra group gains or losses, impairment of goodwill and amortisation/depreciation of other excess values at the time of acquisition.

Tax for the year
Income tax expense comprises current and deferred tax. It is recognised in profit except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.
Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Statement of financial position

Property, plant and equipment
Items of property, plant and equipment are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment losses.
The cost of certain items of property, plant and equipment at 1 January 2016, the Company's date of transition to IFRS, was determined with reference to its fair value at that date.
Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries. The present value of estimated liabilities related to restoring leaseholds is added to the cost of leasehold improvements or buildings if the liabilities are provided for.
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.
Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.
The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	40 years
Leasehold improvements	length of lease + options but maximized to 30 years
Fixtures, fittings, and equipment	3-10 years

Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.
The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year.
In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.
Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the statement of profit or loss as other operating (expense)/income net.

Intangible assets
Other intangible assets, including rights (key money), software licences that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or as incurred.
Since the period of amortisation is based on the assets expected useful life, no salvage value has been taken into account. Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.
The estimated useful lives for current and comparative periods are as follows:

Contractual rights	2-20 years
Software licenses	3-5 years

Useful lives are reviewed at each reporting date and adjusted if appropriate.
Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating (expense)/income, net.

Investments
Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.
Interests in subsidiaries and associates are accounted for using the equity method. The investments are initially recognised at cost, which includes transaction costs. The equity value consists of the parent company's proportionate share of the entities' equity, adjusted for distributions plus goodwill and intra-group losses and less intra group gains and gain on bargain purchase, if any.
Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognized under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.
Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss of equity accounted investees, until the date on which significant influence or control ceases.
Investment in entities in which the Company has no control or significant influence are categorized as "Other investments" and recognised at cost.

Impairment of non-financial assets
At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss under 'Depreciation, amortization and impairment'. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.
The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired.
An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Derivative financial instruments and hedge accounting
The Company holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.
Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit. If the hedge no longer meets the criteria for hedge accounting, the

hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.
When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.
For additional details, see note 18.

Prepayments
Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents
Cash comprises cash balances and bank balances.
Due to the nature of the scheme, balances in the Company's cash pool scheme are not considered cash but are recognised under 'Receivables from/Payables to related parties'.

Income tax
Income tax expense comprises current and deferred tax.
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.
Provisions for deferred tax are calculated of all temporary differences between carrying amounts and tax values, with the exception of temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and taxable temporary differences arising on the initial recognition of goodwill.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets are recognised at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set off against deferred tax liabilities within the same jurisdiction.

Liabilities
Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan. Other liabilities are measured at net realisable value.

Provisions
Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.
When the Company has a legal obligation to restore a leasehold/leased land, a provision is recognised corresponding to the present value of expected future costs.

Deferred income
Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Leases
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index/rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities in 'Loans and borrowings' in the statement of financial position.

Presentation of cash flow statement

The cash flow statement shows the Company's cash flows from operating, investment and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning of the year.

Cash flows from operating activities are determined using the indirect method and stated as the profit for the year adjusted for non-cash operating items, including depreciations and amortisations, gain on sale of property, plant and equipment, provisions and changes in working capital, interest received and income tax paid.

Cash flows from investing activities comprise payments connected with the purchase and sale of non-current assets, including property, plant and equipment.

Cash flows from financing activities include proceeds from loans and repayments on borrowings, interest and financing cost payments, capital reductions and dividends.

Cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less and an insignificant risk of changing value.

Notes

1 Revenue

In the following table, revenue from contracts with customers is disaggregated by nature:

DKK'000	2024	2023
Sale of goods	2 482	0
Sub-franchisee income (fixed)	183 024	174 048
Sub-franchisee income (variable)	526 027	516 670
Total revenues by nature	**711 533**	**690 718**

Independent sub franchisees have under franchise agreements the right to use McDonald's restaurants.
The Franchise agreements have been granted for a period of up to 20 years from the date of issue.
The franchise agreements include the following future minimum payments:

DKK'000	2024	2023
Less than one year	185 619	179 088
Between one and five years	736 282	686 842
More than five years	1 415 907	1 358 177
Total leases as lessor	**2 337 808**	**2 224 107**

2 Other external expenses

DKK'000	2024	2023
Royalties and other fees	228 554	220 943
Lease expense	4 844	4 340
Other expenses	79 416	66 744
Total other external expenses	**312 814**	**292 027**

Fees to auditors
Pursuant to section 96(3) of the Danish Financial Statements Act, fee paid to the Company's auditor appointed at the general meeting has not been disclosed.

3 Staff cost

DKK'000	2024	2023
Wages and salaries	68 268	60 125
Social security costs	682	627
Contributions to defined contribution plans	6 340	5 638
Total staff cost	**75 290**	**66 390**
Average number of full time employees	93	83

Remuneration of key management personnel

DKK'000	2024	2023
Wages and salaries	3 668	4 719
Social security costs	361	729
Contributions to defined contribution plans	433	421
Total remuneration of key management personnel	**4 462**	**5 869**
Average number of key management personnel	1,2	1,2

Key management personnel is defined as the managing director of the company, plus the allocation of the Nordic CFO and CEO to the Danish market.

4 Other operating (expense)/income, net

DKK'000	2024	2023
Net gain/(loss) on disposal of property, plant and equipment	(263)	(66)
Income from intercompany recharges/mark-up	48 846	43 448
Other income/(expense)	3 211	195
Total other operating income, net	**51 794**	**43 577**

Caption "Other income/(expense)" includes the true-up adjustment on the dilapidation provision (see Note 16) and income from the electric vehicle charging stations annexed to our restaurants.

5 Financial income

DKK'000	2024	2023
Net foreign exchange gain	266	0
Interests on related parties assets	2 918	4 260
Other interest income	2	0
Total finance income	**3 186**	**4 260**

6 Financial expense

DKK'000		2024	2023
Net foreign exchange loss		0	815
Interest on financial liabilities		45 309	45 306
Negative change in fair value of derivatives		930	17 642
Interest on lease liabilities	(see note 22)	19 775	15 327
Interests on related parties liabilities		8	674
Unwinding of discounts	(see note 16)	691	625
Other interest expense		563	452
Total financial expense		**67 276**	**80 841**

7 Tax for the year

Recognised in the income statement

DKK'000	2024	2023
Current year	55 115	58 180
Current tax - Adjustments for prior years	417	(952)
Total current tax expense	**55 532**	**57 228**
Origination and reversal of temporary differences	(8 686)	(9 614)
Deferred tax - Adjustments for prior years	(6)	(1 409)
Total deferred tax expense	**(8 692)**	**(11 023)**
Total tax expense	**46 840**	**46 205**

Reconciliation of effective tax rate

DKK'000	2024	2023
Profit or loss before tax	**209 558**	**210 325**
Tax using the corporation tax rate	46 103	46 272
Non-deductible expenses	326	237
Tax exempt revenues	0	0
Other	0	2 057
Under / (over) provided in prior years	411	(2 361)
Total tax expense	**46 840**	**46 205**

The tax rate applied to the Company is 22%.

8 Property, plant and equipment

DKK'000	Land and buildings	Leasehold improvements	Right-of-use asset (see note 22)	Fixtures, fittings and equipment	Under construction	Total
Cost						
Balance at 1 January 2023	1 474 546	92 829	620 293	11 412	29 357	2 228 437
Other acquisitions	29 981	44 272	132 790	123	21 711	228 877
Transfer	11 152	14 230	0	0	(25 382)	0
Disposals/Other movements	0	(1 406)	(13 797)	(66)	(1 266)	(16 535)
Balance at 31 December 2023	**1 515 679**	**149 925**	**739 286**	**11 469**	**24 420**	**2 440 779**
Balance at 1 January 2024	1 515 679	149 925	739 286	11 469	24 420	2 440 779
Other acquisitions	0	0	125 914	38	151 787	277 739
Transfer	54 264	39 001	0	8 273	(103 909)	(2 371)
Disposals/Other movements	0	(5 387)	(27 393)	(6 335)	(177)	(39 292)
Balance at 31 December 2024	**1 569 943**	**183 539**	**837 807**	**13 445**	**72 121**	**2 676 855**
Depreciation and impairment						
Balance at 1 January 2023	242 547	28 683	127 133	9 090	0	407 453
Depreciation charge for the year	38 329	5 785	41 497	353	0	85 964
Impairment losses / (reversal)	(667)	0	0	0	0	(667)
Disposals / other movements	0	(1 406)	(1 899)	0	0	(3 305)
Balance at 31 December 2023	**280 209**	**33 062**	**166 731**	**9 443**	**0**	**489 445**
Balance at 1 January 2024	280 209	33 062	166 731	9 443	0	489 445
Depreciation charge for the year	38 859	9 457	46 544	871	0	95 731
Impairment losses / (reversal)	(27)	0	646	0	0	619
Disposals / other movements	0	(5 172)	(23 640)	(5 712)	0	(34 524)
Balance at 31 December 2024	**319 041**	**37 347**	**190 281**	**4 602**	**0**	**551 271**
Net book value						
At 31 December 2023	**1 235 470**	**116 863**	**572 555**	**2 026**	**24 420**	**1 951 334**
At 31 December 2024	**1 250 902**	**146 192**	**647 526**	**8 843**	**72 121**	**2 125 584**

Impairment loss and subsequent reversal
In 2024, the Company has identified that there are impairment indicators related to a number of CGUs (restaurants). Management has estimated the recoverable amount of the restaurants with impairment triggers based on its value in use. Based on the calculated value in use of restaurants the Company has recognised impairment loss on Tangible Assets of DKK 619 thousand. The estimate of value in use was calculated using a pre-tax discount rate of 11.7%.

Security
At 31 December 2024, properties with a carrying amount of DKK 1,159 million (2023: DKK 1,059 million) were subject to registered real estate mortgage notes that form security for bank loans. As security for mortgage loans, the Company has registered mortgage security on the Company's properties of DKK 1,263 million (2023: DKK 1,162.5 million).

9 Intangible assets

DKK'000	Contractual rights	Other	Total
Cost			
Balance at 1 January 2023	4 658	17 694	22 352
Other acquisitions – externally purchased	0	4 623	4 623
Transfers	0	0	0
Disposals	0	0	0
Balance at 31 December 2023	**4 658**	**22 317**	**26 975**
Balance at 1 January 2024	4 658	22 317	26 975
Other acquisitions – externally purchased	0	5 725	5 725
Transfers	0	2 371	2 371
Disposals	0	0	0
Balance at 31 December 2024	**4 658**	**30 413**	**35 071**
Amortisation and impairment			
Balance at 1 January 2023	3 542	12 078	15 620
Amortisation for the year	658	3 026	3 684
Impairment losses/(reversal)	0	0	0
Disposals	0	0	0
Balance at 31 December 2023	**4 200**	**15 104**	**19 304**
Balance at 1 January 2024	4 200	15 104	19 304
Amortisation for the year	50	4 458	4 508
Impairment losses/(reversal)	0	0	0
Disposals	0	0	0
Balance at 31 December 2024	**4 250**	**19 562**	**23 812**
Net book value			
At 31 December 2023	**458**	**7 213**	**7 671**
At 31 December 2024	**408**	**10 851**	**11 259**

10 Investments

a) Associates

DKK'000	Profit after tax	Other comprehensive income	Total comprehensive income	Investment in associates
2024	15	0	15	87
2023	9	0	9	73

	Domicile	Shares (%)	Equity	Net result
I/S Fællesskiltning	Denmark	41.5	208	36

The Company operates signage in proximity to one of the Company's real estate investments.

b) Other

DKK'000	Domicile	Interest %	Carrying value 2024	Carrying value 2023
Marketing Coop DK A/S	Denmark	1%	10	10

The entity handles the marketing agreements of the restaurants in the Danish market.

11 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
DKK'000	**2024**	**2023**	**2024**	**2023**
Property, plant and equipment	0	0	291 309	273 620
Intangible assets	0	0	2 477	1 606
Interest-bearing loans and borrowings	(152 571)	(126 306)	0	0
Provisions	(7 411)	(6 424)	0	0
Tax (assets) / liabilities	**(159 982)**	**(132 730)**	**293 786**	**275 226**
Net of tax liabilities/(assets)	159 982	132 730	(159 982)	(132 730)
Net tax (assets) / liabilities	**0**	**0**	**133 804**	**142 496**

Movement in net deferred tax during the year

DKK'000	**2024**	**2023**
Opening balance	142 496	153 519
Recognised in profit or loss	(8 692)	(11 023)
Recognised in equity	0	0
Closing balance	133 804	142 496
Total movement	**(8 692)**	**(11 023)**

12 Trade and other receivables

DKK'000	**2024**	**2023**
Trade receivables	100 171	102 486
Deposits	12 844	12 232
Prepayments	2 744	6 420
Other receivables	4 407	12 949
Total trade and other receivables	**120 166**	**134 087**

Changes in trade and other receivables

DKK'000	**Opening balance for period**	**Cash flows**	**Non-cash transactions**	**Closing balance for period**
2023	100 276	33 185	626	**134 087**
2024	134 087	(29 126)	15 205	**120 166**

13 Cash and cash equivalents

DKK'000	2024	2023
Cash and cash equivalents	298	0
Total cash and cash equivalents	**298**	**0**

14 Share capital

	Ordinary shares	
DKK'000	**2024**	**2023**
Share issued (thousands)	60	60
On issue at 1 January	30 000	30 000
Capital reduction	0	0
On issue at 31 December - fully paid	**30 000**	**30 000**

	Ordinary shares	
DKK'000	**2024**	**2023**
Allotted, called up and fully paid		
Ordinary shares of DKK 500 each	30 000	30 000
Total	**30 000**	**30 000**
Shares classified as liabilities	0	0
Shares classified in shareholders' funds	30 000	30 000
Total	**30 000**	**30 000**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.
There were no changes to the Company's share capital composition during the year. No shareholder holds special rights.

Dividends

The following dividends were recognised during the period:

DKK'000	2024	2023
1,166 (2023: 8,333) per qualifying ordinary share	70 000	500 000

A dividend of DKK 666 per qualifying ordinary share (total of DKK 40,000 thousand) was proposed by the directors.

15 Loans and borrowings

Loans and borrowings are measured at amortised cost and secured against the Company's portfolio of owned land and buildings.

DKK'000		2024	2023
Non-current loans and borrowings			
Secured bank loans		906 222	883 473
Lease liabilities	(see Note 23)	679 877	573 800
Total non-current loans and borrowings		**1 586 099**	**1 457 273**
Current loans and borrowings			
Secured bank loans		74 401	65 645
Lease liabilities	(see Note 23)	42 480	37 339
Total current loans and borrowings		**116 881**	**102 984**

Terms and debt repayment schedule

DKK'000	Currency	Nominal interest rate	Year of maturity	Face value 2024	Carrying amount 2024
Danske Bank A/S - Facility A4 - DKK	DKK	Variable	2028	8 010	7 829
Realkredit Danmark - Facility B1 - DKK	DKK	0.3088%	2036	396 724	359 530
Realkredit Danmark - Facility B2 - DKK	DKK	0.3088%	2036	103 689	97 681
Realkredit Danmark - Facility B3 - DKK	DKK	0.9404%/Var	2036/37	150 932	148 457
Realkredit Danmark - Facility B4 - DKK	DKK	Variable	2037	375 066	367 126
Total				**1 034 421**	**980 623**

DKK'000	Currency	Nominal interest rate	Year of maturity	Face value 2023	Carrying amount 2023
Danske Bank A/S - Facility A4 - DKK	DKK	Variable	2028	21 220	20 632
Realkredit Danmark - Facility B1 - DKK	DKK	0.3088%	2036	431 335	387 868
Realkredit Danmark - Facility B2 - DKK	DKK	0.3088%	2036	112 735	105 698
Realkredit Danmark - Facility B3 - DKK	DKK	0.9404%	2036	47 216	46 055
Realkredit Danmark - Facility B4 - DKK	DKK	Variable	2037	398 261	388 865
Total				**1 010 767**	**949 118**

On June 2024, the Company signed two amendments to the current loan agreement with Danske Bank AS/RealKredit Danmark. The impact on the Company is below described:

- the A4 facility has been partially repaid (DKK 9,814 thousand as principal) and substituted by a new B3 facility amounting to DKK 10,937 thousand, expiring in May 2037 at quarterly variable rates (Cibor) plus 1.6% margin.
- a further new B3 facility of DKK 99,404 thousand expiring in March 2037 has been added to the existing ones, at the same interest conditions as the one above.

No hedging has been stipulated for these new loans.

Direct transaction costs (such as bond premium, stamp duties, registration fees and legal fees) incurred total DKK 1,374 thousand.

16 Provisions

DKK'000	Dilapidation	Other	Total
Balance at 1 January 2024	29 199	4 463	33 662
Provisions made during the year	4 481	2 579	7 060
Provisions used during the year	(79)	0	(79)
Provisions reversed/adjusted during the year	(606)	0	(606)
Unwinding of discounted amount	691	0	691
Balance at 31 December 2024	**33 686**	**7 042**	**40 728**
Non-current	33 686	7 042	40 728
Current	0	0	0
Balance at 31 December 2024	**33 686**	**7 042**	**40 728**

The dilapidation provision relates to the expected cost of restoring leased premises to the condition specified in the lease documents on termination of these leases. These costs will be incurred on exit from the properties, and the amount that will be payable is primarily dependent on negotiations with the individual landlords on exit.

17 Trade and other payables

DKK'000	2024	2023
Trade payables	79 409	49 682
Interest payable	0	0
Deposits received	12 328	11 839
VAT & duties	7 505	11 843
Payroll related	6 602	9 481
Prepaid base rent	14 519	13 979
Other payables and accrued expenses	388	3 425
Total trade and other payables (current)	**120 751**	**100 249**
Payroll related	10 211	9 473
Total other payables (non current)	**10 211**	**9 473**

18 Financial instruments

The Company uses various financial instruments. These include loans, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. In order to manage the Company's exposure to those risks, in particular the Company's exposure to interest rate risk, the Company enters into a number of derivative transactions including, but not limited to, variable to fixed rate interest rate swaps. All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign exchange risk, and interest rate risk. The policies for managing each of these risks are summarised below.

18 (a) Fair values of financial instruments

The fair value of all financial assets and liabilities by class together with their carrying amounts shown in the balance are as follows:

DKK'000	2024	2023
Cash and cash equivalents	298	0
Restricted cash	0	0
Receivables from related parties	125 257	18 310
Trade and other receivables	120 166	134 087
Total financial assets at amortised cost	**245 721**	**152 397**
Financial assets designated as fair value through profit or loss	4	33
Total financial assets	**245 725**	**152 430**
Loans and borrowings	1 702 980	1 560 257
Trade and other payables	130 962	109 722
Payables to related parties	26 471	7 436
Provisions	40 728	33 662
Total financial liabilities at amortised cost	**1 901 141**	**1 711 077**
Financial liabilities designated as fair value through profit or loss	18 576	17 675
Total financial liabilities	**1 919 717**	**1 728 752**
Total net financial instruments	**(1 673 992)**	**(1 576 322)**

The fair value of financial instruments is deemed to be materially equivalent to the carrying value, except for loans and borrowings. The fair value of loans and borrowings for the Company is DKK 1,245,729 thousand.

Fair value hierarchy
All financial instruments measured at fair value use quoted prices (unadjusted) in active markets for identical assets or liabilities. As a result, no fair value hierarchy table is presented. If a table was presented, all financial instruments measured at fair value would be classed as Level 2 of the fair value hierarchy.

Effect of change of inputs used in fair value measurement
As the possibility of quoted prices (unadjusted) in active markets for identical assets not being available for these assets is remote, no analysis of the effect of changing one or more of the inputs used in fair value measurement to another reasonably possible assumption has been prepared.

18 (b) Credit risk

Credit risk is the risk of financial loss to the Company if a franchisee or counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are bank balances and trade receivables and the maximum exposure to credit risk at the balance sheet date is represented by the carrying value of these assets.
The credit risk associated with bank balances is limited as the counterparties have high credit ratings assigned by international credit-rating agencies.
The principal credit risk raises therefore from trade receivables, which represent outstanding fees receivable. In order to limit the risk surrounding outstanding fees are reviewed on a regular basis in conjunction with debt ageing and collection history.
The Company also has a limited credit risk arising from trade receivables, which represent outstanding fees receivable (short payment terms). The Company has not realised any significant credit losses in 2024.
The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amounts considered irrecoverable are written off against the trade receivables directly.

Credit quality of financial assets and impairment losses

DKK'000	Gross 2024	Gross 2023	Impairment 2024	Impairment 2023
Not past due	83 480	101 521	0	0
Past due	16 691	965	0	0
Total	**100 171**	**102 486**	**0**	**0**

18 (c) Liquidity risk

The liquidity risk is managed by maintaining sufficient cash balances to meet working capital needs. Cash flow requirements are monitored by short-term and long-term rolling forecasts. The Company regularly reviews and reports to the management its position on all financial covenants in place in relation to both its external borrowings and to McDonald's. A future breach of covenants may require the Company to repay the loan earlier than indicated in Note 15 with reference to the secured bank loans.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

DKK'000	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to 5 years	over 5 years
31 December 2024						
Non-derivative financial liabilities						
Secured bank loans	980 623	1 245 729	116 707	114 833	330 886	683 303
Lease liabilities	722 357	894 064	59 424	61 268	187 954	585 418
Payables to related parties	26 471	26 471	26 471	0	0	0
Trade and other payables	130 962	130 962	120 751	10 211	0	0
Derivative financial liabilities						
Interest rate swaps	18 576	18 576	18 576	0	0	0
Total	**1 878 989**	**2 315 802**	**341 929**	**186 312**	**518 840**	**1 268 721**
31 December 2023						
Non-derivative financial liabilities						
Secured bank loans	949 118	1 227 057	107 179	105 134	305 453	709 291
Lease liabilities	611 139	749 035	54 646	51 721	157 141	485 527
Payables to related parties	7 436	7 436	7 436	0	0	0
Trade and other payables	109 722	109 722	100 249	0	9 473	0
Derivative financial liabilities						
Interest rate swaps	17 675	17 675	17 675	0	0	0
Total	**1 695 090**	**2 110 925**	**287 185**	**156 855**	**472 067**	**1 194 818**

18 (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

The Company's operations have no significant exposure to foreign currency risk at year end. As a result, a sensitivity analysis has not been presented for the Company.

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

The Company's operations have exposure to foreign currency risk at year end due to that the carrying amount of financial instruments in foreign currencies amounts to net assets of DKK 696 thousand. A change of 1% in the exchange rate at year end would have impacted the carrying amount of financial instruments in foreign currency by DKK 7 thousand (2023: DKK 59 thousand), dependent on the EUR/DKK movement.

Market risk - Interest rate risk
At the balance sheet date, the interest rate profile of the Company's interest-bearing financial instruments was:

DKK'000	2024	2023
Fixed rate instruments		
Financial assets	4	33
Financial liabilities	(581 525)	(557 296)
Total fixed rate instruments	**(581 521)**	**(557 263)**
Variable rate instruments		
Financial assets	99 752	14 176
Financial liabilities	(417 674)	(409 497)
Total variable rate instruments	**(317 922)**	**(395 321)**

Sensitivity analysis
A change of 100 basis points in interest over the year would have increased/decreased the result for the year by DKK 3,179 thousand (2023: DKK 3,953 thousand). The analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of all financial instruments with variable interest rates.

18 (e) Capital management

The Company manages its capital to safeguard its ability to operate as a going concern and to optimise returns to shareholders. Overdraft and revolving credit facilities will be used to finance the working capital cycle if required.
The capital structure of the Company consists of net debt, which includes the borrowings disclosed in note 15 after deducting cash and cash equivalents, and equity attributable to the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.
The debt and equity balances (at a consolidated level with the parent company) are subject to externally imposed capital requirements, such as those to be reported to McDonald's Corporation no later than 4 months after year-end. The Group has been in compliance with these capital requirements during the year (ratio should not be over 3.00).

19 Commitments

Capital commitments
At year-end 31 December 2024, the Company entered into contracts to purchase property, plant and equipment for an amount of DKK 11,572 thousand (2023: nil).
Off-balance sheet arrangements
The Company is jointly and severally liable with the co-owners of I/S Fællesskiltning for the partnership's obligations. The total net assets from the statement of financial position amounts to DKK 208 thousand at year end (2023: DKK 172 thousand).
Other guarantees amount to DKK 30,493 thousand (2023: DKK 16,513 thousand).

20 Contingencies

The Company is jointly taxed with Danish entities in Food Folk Group. The Company is unlimited jointly and severally liable for Danish corporation taxes and withholding taxes on dividends and interest under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities is recognised in the financial statements of Food Folk Danmark Holdings ApS. Any subsequent corrections of the taxable jointly taxed income or withholdings taxes, etc., may entail an increase in the Company's liability.
The Company has also provided securities in the form of business mortgage covering receivables, inventory, intellectual property, equipment etc. towards the Danske Bank.

21 Related parties

Group related party transactions

DKK'000	*Distributions of investment cost* 2024	*Sale of services* 2024	*Purchase of services* 2024	*Interest income* 2024	*Interest expenses* 2024
Food Folk Group Holdings AS	0	742	(10 207)	2 918	(8)
Food Folk Norge Holdings AS	0	50	0	0	0
Food Folk Danmark Holdings Aps	0	50	0	0	0
Food Folk Suomi Holdings Oy	0	50	0	0	0
Food Folk Sverige Holdings AB	0	50	0	0	0
Food Folk Norge AS	0	10 609	(3 128)	0	0
Zero Five AS	0	251	0	0	0
Food Folk Suomi Oy	0	10 404	(2 156)	0	0
Food Folk Sverige AB	(7 700)	26 640	(31 594)	0	0
Total	**(7 700)**	**48 846**	**(47 085)**	**2 918**	**(8)**

DKK'000	*Dividends (paid) / received* 2024	*Receivables outstanding* 2024	*Payables outstanding* 2024	*Cash-pooling receivable balances* 2024	*Cash-pooling payable balances* 2024
Food Folk Group Holdings AS	0	100	(5 544)	99 454	0
Food Folk Danmark Holdings Aps	(70 000)	0	0	0	0
Food Folk Norge AS	0	5 700	(1 636)	0	0
Zero Five AS	0	124	0	0	0
Food Folk Suomi Oy	0	5 574	(897)	0	0
Food Folk Sverige AB	0	14 305	(18 394)	0	0
Total	**(70 000)**	**25 803**	**(26 471)**	**99 454**	**0**

DKK'000	*Distributions of investment cost* 2023	*Sale of services* 2023	*Purchase of services* 2023	*Interest income* 2023	*Interest expenses* 2023
Food Folk Group Holdings AS	0	988	(10 604)	4 260	(674)
Food Folk Norge Holdings AS	0	50	0	0	0
Food Folk Danmark Holdings Aps	0	50	0	0	0
Food Folk Suomi Holdings Oy	0	50	0	0	0
Food Folk Sverige Holdings AB	0	50	0	0	0
Food Folk Norge AS	0	9 425	(2 106)	0	0
Zero Five AS	0	319	0	0	0
Food Folk Suomi Oy	0	8 943	(2 450)	0	0
Food Folk Sverige AB	(5 351)	23 573	(24 127)	0	0
Total	**(5 351)**	**43 448**	**(39 287)**	**4 260**	**(674)**

DKK'000	*Dividends (paid) / received* 2023	*Receivables outstanding* 2023	*Payables outstanding* 2023	*Cash-pooling receivable balances* 2023	*Cash-pooling payable balances* 2023
Food Folk Group Holdings AS	0	(80)	(1 597)	14 176	0
Food Folk Danmark Holdings Aps	(500 000)	0	0	0	0
Food Folk Norge AS	0	940	(250)	0	0
Zero Five AS	0	30	0	0	0
Food Folk Suomi Oy	0	887	(212)	0	0
Food Folk Sverige AB	0	2 357	(5 377)	0	0
Total	**(500 000)**	**4 134**	**(7 436)**	**14 176**	**0**

Group companies within the Food Folk Group are rendering/receiving services for the use in ordinary business operations. All transactions are priced on an arm's length basis and are settled in cash at the request of the related party.

Parent and ultimate controlling party
During 2017, the Company's shares were acquired by Food Folk Danmark Holding ApS from McDonald's Corporation. As a result, the new ultimate controlling party of the Company is Guy Hands (the previous ultimate controlling party was McDonald's Inc) and McDonald's Corporation is not anymore a related party. The next most senior parent which prepares consolidated financial statements is Food Folk Danmark Holding ApS. A copy of these financial statements can be obtained from the company address: Falkoner Allé 20, 2000 Frederiksberg, Denmark.

Key management personnel compensation
Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined contribution plans (see Note 3).

22 Leases

The Company leases mainly properties. Information about leases for which the Company is a lessee is presented below.

i. Amounts recognised in Statement of financial position

DKK'000	**2024**	**2023**
- Right-of-use assets (presented in Property, plant and equipment - see note 8)	647 526	572 555
- Prepaid expense (presented in Trade and Other Receivables)	(579)	(572)
- Lease liabilities (presented in Other interest-bearing loans and borrowings - see note 15)	(722 357)	(611 139)

ii. Amounts recognised in Income Statement

DKK'000	**2024**	**2023**
- Depreciation charges (including impairment loss/reversal)	47 190	41 497
- Interest on lease liabilities	19 775	15 327
- variable lease payments not included in the measurement of lease liabilities	2 248	2 339
- expenses relating to other short-term leases	91	(95)
- expenses relating to leases of low-value assets	2 214	2 304
- other expenses	291	(208)

Some leases of restaurants contain variable lease payments that are based on sales that the Company makes at the restaurant.

Fixed and variable rental payments for the period ended 31 December 2024 were as follows:

DKK'000	**2024**	**2023**
Fixed payments	8 907	11 018
Variable payments	2 248	2 339
Total lease payments based on sales	11 155	13 357

The Company expects the incidence variable lease payments over the fixed ones to increase consistently with the sales growth expected for the future years.

iii. Amounts recognised in Statement of cash flows

DKK'000	**2024**	**2023**
- Payment of Lease liabilities (interest portion)	(15 527)	(15 327)
- Payment of Lease liabilities (principal portion)	(40 384)	(32 453)
Total cash outflow for leases	(55 911)	(47 780)

iv. Extension Options

Most of the restaurants' lease contract contain extension options exercisable only by the Company and not by lessors up to a specific period (usually not higher than one year) before the end of the non-cancellable contract period. The Company assesses at lease commencement whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its controls.
According to the master franchise agreement with McDonald's, expiring 31 March 2037, a restaurant cannot be closed without its approval, even though it is loss making. It is therefore assumed that the lease term will be renewed until 31 March 2037 if there is not an approval from McDonalds to close a specific restaurant.
As a consequence, all available extension options have been already included in the lease term until the closest date to 31 March 2037. No other potential future lease payments not included in lease liabilities can be therefore disclosed.

v. Lease not yet commenced

The Company has during 2024 entered lease agreements with few landlords not yet commenced, but committing to pay rent from the subsequent year.
The estimated amount of lease liability for the lease period has been assessed around DKK 32.5 million.

23 Changes in liabilities from financing activities

DKK'000	Secured bank loans	Lease liabilities	TOTAL
Balance at 1 January 2023	**586 503**	**519 907**	**1 106 410**
Proceeds from loans and borrowings	444 074	0	444 074
Transaction costs related to loans and borrowings	(14 309)	0	(14 309)
Repayment of loans and borrowings	(80 398)	0	(80 398)
Payment of lease liabilities (principal portion)	0	(32 453)	(32 453)
Total changes from financing cash flows	**349 367**	**(32 453)**	**316 914**
New leases and other changes	0	123 685	123 685
Amortized costs	13 248	0	13 248
Interest expense	31 554	15 327	46 881
Payment of lease liabilities (interest portion)	0	(15 327)	(15 327)
Interest paid	(31 554)	0	(31 554)
Total liability related other changes	**13 248**	**123 685**	**136 933**
Balance at 31 December 2023	**949 118**	**611 139**	**1 560 257**
Balance at 1 January 2024	**949 118**	**611 139**	**1 560 257**
Proceeds from loans and borrowings	110 341	0	110 341
Transaction costs related to loans and borrowings	(1 374)	0	(1 374)
Repayment of loans and borrowings	(86 687)	0	(86 687)
Payment of lease liabilities (principal portion)	0	(40 384)	(40 384)
Total changes from financing cash flows	**22 280**	**(40 384)**	**(18 104)**
New leases and other changes	0	147 354	147 354
Amortized costs	9 225	0	9 225
Interest expense	35 575	19 775	55 350
Payment of lease liabilities (interest portion)	0	(15 527)	(15 527)
Interest paid	(35 575)	0	(35 575)
Total liability related other changes	**9 225**	**151 602**	**160 827**
Balance at 31 December 2024	**980 623**	**722 357**	**1 702 980**

24 Subsequent events

No events have occurred after the balance sheet date that materially affect the financial position of the Company at 31 December 2024.