Cloetta Danmark ApS

Vallensbækvej 18D, 2605 Brøndby

Company reg. no. 28 10 68 66

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 8 June 2023.

Mads Brinks
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Cloetta Danmark ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Brøndby, 8 June 2023

Executive board

Frans Per Olof Rydén   Henri de Sauvage Nolting   Mads Brinks

John Niklas Tuve Truedsson

Independent auditor's report

To the Shareholders of Cloetta Danmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Cloetta Danmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Hellerup, 8 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Gösta Gauffin
State Authorised Public Accountant
mne45821

Company information

The company	Cloetta Danmark ApS Vallensbækvej 18D 2605 Brøndby	
	Phone	58 56 55 55
	Web site	www.cloetta.com
	E mail	info@cloetta.dk
	Company reg. no.	28 10 68 66
	Established:	9 September 2004
	Domicile:	Brøndby
	Financial year:	1 January - 31 December
Executive board	Frans Per Olof Rydén Henri de Sauvage Nolting Mads Brinks John Niklas Tuve Truedsson	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab	
Bankers	Danske Bank, Svenska Handelsbanken	
Parent company	Cloetta Suomi Oy Finland	
Subsidiaries	Cloetta Norge AS, Oslo, Norway Candy Express ApS, Brøndby, Danmark	

Financial highlights

DKK in thousands.	2022	2021	2020	2019/20	2018/19*
Income statement:					
Total revenue	484.643	425.988	414.872	493.634	456.285
Gross profit	65.820	79.463	75.839	102.938	92.041
Profit from operating activities	4.648	22.829	17.873	32.353	33.288
Net financials	-3.558	-3.226	-1.920	14.310	-11.059
Profit for the year	3.603	17.815	13.926	25.091	25.857
Statement of financial position:					
Total assets	405.870	348.892	331.488	347.332	433.381
Investments in property, plant and equipment	3.001	1.694	4.423	8.689	4.734
Equity	240.995	237.392	219.577	205.650	180.559
Employees:					
Average number of full-time employees	104	97	97	114	94
Key figures in %:					
Gross margin	13,6	18,7	18,3	20,9	20,2
Return on equity	1,5	7,8	6,5	13,0	14,3
Solvency ratio	59,4	68,0	66,2	59,2	41,6

*The company merged with Candyking Danmark A/S with retrospective effect from 2 January 2018.

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Financial highlights

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Solvency ratio $$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

Return on equity $$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$$

Principal activities

Cloetta Danmark ApS sells confectionery and savoury products, branded packed products and pick & mix, and the main sales channels are grocery retail trade and service trade. The non-food outlets and DIY stores are channels of growing importance.

Development in activities and financial matters

The income statement of the Company for the financial year 1 January – 31 December 2022 shows a profit of DKK 3,603 thousand, and at 31 December 2022, the balance sheet of the Company showed equity of DKK 240,995 thousand.

The income statement for 2022 shows a revenue of 484,6 MDKK (426,0 MDKK in 2021). The increase vs last year is mainly explained by price increases and recovery post Covid-19.

Management considers the result for the year in line with expectations adjusted for uncertainty related to the geopolitical situation and subsequent inflation and supply chain disruptions.

The financial year 2022 was heavily impacted by the war in Ukraine and pressure on raw material and energy markets following this. Cloetta implemented price increases due to the increase of input costs while the full negative impact could not be mitigated, partly due to the time-lag between impact to implemented pricing in the market.

Outlook

Cloetta Danmark is well-equipped to generate growth in the Danish market and thereby improve profitability.

The geopolitical situation will have a negative impact on 2023 earnings. However, we are convinced that our strategy, combined with our strong brands and market position, position us well to emerge stronger from the crisis.

Because of price increases to cover increased costs and transfer prices, we expect our sales to increase, but keep the earnings at the same level.

Financial risks

The company's operations are exposed to various financial risks: market risk (including currency risk, interest rate risk in fair value, interest rate risk in cash flow and price risk), credit risk and liquidity risk. The company's overall risk management focuses on managing uncertainty in the financial markets and strives to minimize possible adverse effects on the company's financial results.

Financial risks are managed by a central finance function for the Group (Group Treasury). Group Treasury identifies, evaluates and secures financial risks if possible, in close cooperation with the Group's operational units. The most important market and financial risks are described below.

Market related risks
The long-term impact of the Corona virus on consumer behaviour is still unknown, but changes in shopping behaviour (social distancing, online shopping etc) are likely to influence confectionery sales. The long-term impact of the geopolitical situation is unknown, but it has resulted in historically low consumer confidences indeces. To mitigate the impacts hereof, Cloetta has adjusted its marketing costs in terms of media to reflect new patterns of consumption. During the year, we also launched serval marketing campaigns to generate sustainable profitability, while also working to re-gain consumer trust in the pick & mix category.

Currency risks
The company is primarily active in Denmark, but also within the rest of the European Union. The company's currency risk primarily relates to positions and future transactions in euro (EUR). The currency risk arises when future business transactions or recognized assets or liabilities are made in a currency that is not the unit's functional currency. Exchange rate effects are partly minimized through the linked Danish krone to the euro but also by utilizing incoming currency for payments in the same currency.

*Interest rate risk*s
The company is exposed to interest rate risk on interest-bearing long-term and current liabilities. The company is exposed to the consequences of variable interest rates on liabilities. In the case of loans at fixed interest rates, the company is exposed to market risk, which is not a significant risk to the company.

Legal and tax risks
New laws, taxes or regulations in different markets can lead to restrictions in operations or impose new and higher requirements. There may be a risk in the Company's interpretation of applicable tax legislation, tax treaties and other regulations, or such rules may be amended, possibly with retroactive effect. The company continuously assesses legal issues in order to predict and prepare the business for any changes. Provisions for legal disputes and tax disputes are estimated on the basis of legal advice and available information.

*Credit risk*s
The company's external customers are subject to a credit check in accordance with the credit policy. The payment terms vary by customer and are part of the sales agreements. The receivables balance is monitored on an ongoing basis, with the result that the company's exposure to bad debts is insignificant.
Due to the company's experience regarding the collection of accounts receivable and a low level of losses, the credit risk is considered to be low.

*Liquidity risk*s
Cash flow forecasts are made for the operating unit. The finance function continuously monitors the sources and size of the company's cash flows, credits and current liquidity and makes rolling forecasts to ensure that there is always sufficient liquidity to meet the needs of the business.
Via Danske Bank, the Group has a National Group Account (NGA), i.e. a fictitious Group account, the account comprises the company.

Environmental impact and CSR

With reference to section 99a(7) of the Danish Financial Statements Act and to the Sustainability Report of Cloetta AB, the company has not disclosed this information in its own Management's Review.

The report is available on the Group's website: https://www.cloetta.com/en/investors/annual-reports/. See section "Annual Reports" to see annual and sustainability report 2022 of Cloetta AB.

Diversity

The company believes that diversity among employees, including gender distribution, contributes positively to the working environment and strengthens the company's performance and competitiveness. Cloetta Danmark ApS pursues a policy of providing equal opportunities for both genders at all levels. When choosing between equally qualified candidates, the diversity among the employees will be taken into consideration, as it is the aim that both genders attain a representation at management levels of at least 25%.

The Executive Boards currently consists of four male members. Cloetta Danmark ApS has defined a target that by 2024, at least one member of the Executive Boards must belong to the under-represented gender. This will however only be possible whenever a replacement in any of the three mentioned positions becomes relevant, and the goal is therefore presently not fulfilled. This target must not rank above the other competency requirements in the nomination of board candidates, such as professional competences and personal characteristics.

On other management levels Cloetta Danmark ApS has equal distribution between genders according to the guidelines from the Danish Business Authority.

Data ethics policy

The Company complies with the Danish GDPR legislation at all times. In 2022 the Company has considered whether a policy on data ethics would be relevant, but since all data in the Company are considered business critical and thus may not be shared in any way and used for other purposes than they were compiled for, the Company does not at this stage see the need for a policy of data ethics. The Company does not use artificial intelligence systems and/or algorithms in its business operations. The goods and services sold by the Company are not related to processing of data. However, annually, management will revisit the decision, should the situation change or should the Group the Company is part of provide such guidance.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date. Current and any future political and economic measures that may be implemented could result in financial risks associated with business operations.

However, management still expects a profit for 2023 and assesses that the financial resources are adequate.

Income statement 1 January - 31 December

DKK thousand.

Note		2022	2021
2	Revenue	480.139	422.135
3	Other operating income	4.504	3.853
	Raw materials and consumables used	-323.424	-260.183
	Other external expenses	-95.399	-86.342
	Gross profit	**65.820**	**79.463**
4	Staff costs	-53.905	-49.167
	Depreciation and writedown relating to fixed assets	-3.709	-4.241
5	Other financial income from group enterprises	0	326
	Other financial income	0	4
6	Other financial costs	-3.558	-3.556
	Pre-tax net profit or loss	**4.648**	**22.829**
7	Tax on net profit or loss for the year	-1.045	-5.014
8	**Net profit or loss for the year**	**3.603**	**17.815**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2022	2021
	Non-current assets		
9	Fixtures, tools and equipment	6.635	8.949
9	PPE under construction	3.911	2.306
	Total property, plant, and equipment	10.546	11.255
10	Equity investments in group enterprises	219.956	214.456
11	Other receivables non-current	705	685
	Total investments	220.661	215.141
	Total non-current assets	**231.207**	**226.396**
	Current assets		
	Trade debtors	145.934	87.705
	Receivables from group enterprises	22.171	29.580
12	Deferred tax assets	2.046	2.047
	Receivable corporate tax	1.479	1.212
	Other receivables	3.033	1.952
	Total receivables	174.663	122.496
	Total current assets	**174.663**	**122.496**
	Total assets	**405.870**	**348.892**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2022	2021
	Equity		
13	Contributed capital	500	500
	Retained earnings	240.495	236.892
	Total equity	**240.995**	**237.392**
	Liabilities other than provisions		
	Trade creditors	4.991	6.948
	Debt to group enterprises	99.384	60.754
	Other debts	60.500	43.798
	Total short term liabilities other than provisions	164.875	111.500
	Total liabilities other than provisions	**164.875**	**111.500**
	Total equity and liabilities	**405.870**	**348.892**

1 Accounting policies

14 Contractual obligations, contingencies, etc.

15 Related parties and ownership

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	500	236.892	237.392
Profit or loss for the year brought forward	0	3.603	3.603
	500	**240.495**	**240.995**

1. **Accounting policies**

The annual report for Cloetta Danmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Omission of consolidated financial statements

Pursuant to section 112 (1) of the Danish Financial Statements Act, consolidated financial statements are not prepared as the Company is included in the group annual report of Cloetta AB.

Omission of cash flow statement

In accordance with section 86 (4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as the Company is included in the consolidated financial statements of Cloetta AB.

Omission of fee to auditors apppointed at the general meeting

In accordance with section 96 (3) of the Danish Financial Statements Act fee to auditor appointed at the general meeting is disclosed in the group annual report of Cloetta AB.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

1. Accounting policies (continued)

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Raw materials and consumables used

Raw materials and consumables used comprise costs of goods for resale to achieve revenue for the year.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs

Other external costs comprise warehousing and distribution costs, costs related to marketing, advertising and exhibitions, management fees and administration costs such as leasing cars, consultancy costs, office premises and office costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

1. Accounting policies (continued)

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets, respectively.

Financial income and costs

Financial income and costs are recognised in the income statement with the amounts concerning the financial year. Financial income and costs comprise interest income and costs, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Fixtures, tools and equipment	3-5 years
Leasehold improvements	3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

1. **Accounting policies (continued)**

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment assessments in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

1. Accounting policies (continued)

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash and cash equivalents

Cash and cash equivalents are included as part of an internal group cash pool scheme. These are not considered to be liquid holdings, but are included in the accounting item receivables from group enterprises and/or debts to group enterprises.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

1. **Accounting policies (continued)**

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

2. **Information on segments**

Activities - primary segment

The Company operates solely on the market for confectionery in Denmark, and therefore no specific segment information has been included.

DKK thousand.

		2022	2021
3.	**Other operating income**		
	Invoiced salary and other management fees to group enterprises	4.504	3.853
		4.504	**3.853**
4.	**Staff costs**		
	Salaries and wages	49.377	44.795
	Pension costs	4.022	3.792
	Other costs for social security	506	580
		53.905	**49.167**
	Average number of employees	104	97

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. The average number of employees has been 104 (2021: 97).

		2022	2021
5.	**Other financial income from group enterprises**		
	Interest received from group enterprises	0	326
		0	**326**
6.	**Other financial costs**		
	Financial costs, group enterprises	897	566
	Other financial costs	2.661	2.990
		3.558	**3.556**
7.	**Tax on net profit or loss for the year**		
	Tax of the results for the year	1.043	4.893
	Deferred tax of the results for the year	2	121
		1.045	**5.014**

DKK thousand.

		2022	2021
8.	**Proposed distribution of net profit**		
	Transferred to retained earnings	3.603	17.815
	Total allocations and transfers	**3.603**	**17.815**

9. Property, plant and equipment

	Fixtures, tools and equipment	**PPE under construction**
Cost at 1 January 2022	58.825	2.306
Addition	0	3.001
Reclassification equipment	1.396	-1.396
Cost at 31 December 2022	**60.221**	**3.911**
Disposal and depreciation at 1 January 2022	49.877	0
Depreciation for the year	3.709	0
Disposal and depreciation at 31 December 2022	**53.586**	**0**
Carrying amount 31 December 2022	**6.635**	**3.911**

DKK thousand.

		31/12 2022	31/12 2021
10.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2022	214.456	212.956
	Additions during the year	5.500	1.500
	Cost 31 December 2022	**219.956**	**214.456**
	Carrying amount, 31 December 2022	**219.956**	**214.456**

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	**Equity interest**	**Equity**	**Results for the year**	**Carrying amount, Cloetta Danmark ApS**
Cloetta Norge AS, Oslo, Norway	100 %	172.829	14.461	212.956
Candy Express ApS, Brøndby, Danmark	100 %	2.829	-3.104	7.000
		175.658	**11.357**	**219.956**

		31/12 2022	31/12 2021
11.	**Financial assets**		
	Cost 1 January 2022	685	563
	Additions during the year	20	122
	Cost 31 December 2022	**705**	**685**
	Carrying amount, 31 December 2022	**705**	**685**

DKK thousand.

		31/12 2022	31/12 2021
12.	**Deferred tax assets**		
	Deferred tax assets 1 January 2022	2.047	2.168
	Deferred tax of the results for the year	-1	-121
		2.046	**2.047**
	The following items are subject to deferred tax:		
	Property, plant, and equipment	1.375	1.633
	Provision	612	393
	Other payables	59	21
		2.046	**2.047**

DKK thousand.

13. Equity

The share capital consists of 500,000 shares of a nominal value of DKK 1 each. No shares carry any special rights.
There have been no changes in the share capital during the last 5 years.

14. Contractual obligations, contingencies, etc.

The Company has entered into operating leases. The leases have a remaining term of up to 48 months with a total remaining lease payment of approximately DKK 6.9 million (2021 DKK 6.1 million)

Cloetta Danmark ApS has a parent company guarantee which relates to the rented office of Cloetta Norge AS with a total amount of DKK 1.4 million.

There are no other contingent liabilities.

15. Related parties and ownership

Parties exercising control

Cloetta Suomi Oy, Finland, which is the major shareholder.

Other related parties

Entities affiliated with Cloetta Holland BV, the ultimate mother is Cloetta AB.

Consolidated financial statements

Cloetta Danmark ApS is part of the consolidated financial statement of Cloetta AB registration number 556308-8144, in which the Company is included as a subsidiary.
The consolidated financial statement is to be obtained from:
Cloetta AB (Publ)
Box 2052
174 02 Sundbyberg
Sverige

DKK thousand.

Related party transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. There have been no transactions with related parties in the year that have not been made on normal market conditions.

Henri Jacob Jan De Sauvage-Nolting
Direktionsmedlem
On behalf of: Cloetta Danmark ApS
Serial number: 19620120xxxx
IP: 88.131.xxx.xxx
2023-06-09 09:35:10 UTC

NIKLAS TRUEDSSON
Direktionsmedlem
On behalf of: Cloetta Danmark ApS
Serial number: 19720924xxxx
IP: 88.131.xxx.xxx
2023-06-09 12:26:09 UTC

Mads Brinks
Direktionsmedlem
On behalf of: Cloetta Danmark ApS
Serial number: 71cf02d8-d2cf-4c0c-93a6-21b15bc54cc1
IP: 154.14.xxx.xxx
2023-06-09 14:36:42 UTC

Frans Rydén
Direktionsmedlem
On behalf of: Cloetta Danmark ApS
Serial number: 19720405xxxx
IP: 88.131.xxx.xxx
2023-06-12 07:11:27 UTC

Gösta Luis Gauffin
PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB CVR: 33771231
Statsautoriseret revisor
On behalf of: PricewaterhouseCoopers Statsautoriseret…
Serial number: ec9a78f7-56ae-44c1-848d-55ac565b2fd6
IP: 83.136.xxx.xxx
2023-06-12 09:38:59 UTC

Mads Brinks
Dirigent
On behalf of: Cloetta Danmark ApS
Serial number: 71cf02d8-d2cf-4c0c-93a6-21b15bc54cc1
IP: 154.14.xxx.xxx
2023-06-13 07:14:54 UTC