

NESTLÉ DANMARK A/S
KAY FISKERS PLADS 10, 2300 KØBENHAVN S
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 May 2024**

Jan Overgaard Oberschelp

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COMPANY DETAILS

Company	NESTLÉ DANMARK A/S Kay Fiskers Plads 10 2300 Copenhagen S CVR No.: 38 68 89 28 Established: 1 March 1938 Municipality: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Peter Tomas Aronsson, chairman Torben Emborg Laurent Pasquier Jan Overgaard Oberschelp Jeanet Belvedere Christensen Jonas Marslev
Executive Board	Torben Emborg Laurent Pasquier
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg
General Meeting	<i>The Annual General Meeting is held on 30 May 2024, at the company's address.</i>

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of NESTLÉ DANMARK A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 30 May 2024

Executive Board

Torben Emborg

Laurent Pasquier

Board of Directors

Peter Tomas Aronsson
Chairman

Torben Emborg

Laurent Pasquier

Jan Overgaard Oberschelp

Jeanet Belvedere Christensen

Jonas Marslev

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of NESTLÉ DANMARK A/S

Opinion

We have audited the Financial Statements of NESTLÉ DANMARK A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.*

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.

Statement on Management Commentary

Management is responsible for Management Commentary.

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

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 30 May 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Tanggaard Jacobsen
State Authorised Public Accountant
MNE no. mne23314

Anders Roe Eriksen
State Authorised Public Accountant
MNE no. mne46667

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Revenue.....	1.050.871	1.016.308	983.255	909.615	804.737
Operating profit/loss.....	77.925	66.622	68.600	60.408	41.974
Financial income and expenses, net.....	-701	1.243	332	-1.176	-460
Profit/loss for the year before tax.....	77.224	111.562	68.932	15.535	41.514
Profit/loss for the year.....	60.021	98.215	54.296	2.480	38.824
Balance sheet					
Total assets.....	371.089	396.735	366.152	350.331	438.462
Equity.....	106.514	143.220	98.609	47.279	84.635
Investment in property, plant and equipment.....	12.036	7.550	6.432	3.644	15.094
Average number of full-time employees.....	359	363	362	369	390
Key ratios					
Gross margin.....	38,0	36,4	37,5	41,6	43,0
Operating margin.....	7,4	6,6	7,0	6,6	5,2
Equity ratio.....	28,7	36,1	26,9	13,5	19,3
Return on equity.....	48,1	81,2	74,4	3,8	37,3

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:

$$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$$

Operating margin:

$$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$$

Equity ratio:

$$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

MANAGEMENT COMMENTARY

Main activities

The company's purpose is to market food products as a respected food, nutrition and wellness company as well as providing services to affiliated companies.

Nestlé Danmark A/S sells and markets several brands such as NESPRESSO, NESCAFÉ, NESCAFÉ Dolce Gusto, NESQUIK, Starbucks, KIT KAT, AFTER EIGHT, FITNESS and CHEERIOS.

All products that are sold are produced with the aim at providing the consumer with a quality product that tastes good, and at the same time we continuously focus on reducing the content of sugar, salt, and fat, while adding more whole grains, fiber, and other natural raw materials where it is possible.

The supply of goods is mainly from affiliated companies in the global Nestlé Group.

Uncertainty in recognition and measurement

There has been no uncertainty in the recognition and measurement in the annual report.

Developments in activities and economic conditions

Nestlé Danmark A/S sales increased in 2023 by kDKK 34,563 / 3,4% compared to 2022 and ended at kDKK 1,050,871 (2022: kDKK 1.016,308).

The sales increase is driven mainly by the inflationary environment we were in until after summer 2023 where we had to pass high sales price increases to our customers in response to higher input prices, and the sales is negatively impacted by lower volumes than the year before.

The sales increase is mainly coming from higher sales in the Coffee-, Petcare-, HealthCare and Infant Nutrition categories, whereas Confectionery- and some smaller categories shows lower sales than the year before. When it comes to the Confectionery category it is mainly a change of the distribution of some products to the Border shops on the German / Danish border that has a negative impact on Nestlé Danmark A/S' sales.

Several important portfolio decisions were taken during the year to optimize the business and put further focus on our core portfolio. As a result of this it was decided to close our Baby food business (however not the Infant Formula business) and other smaller product segments.

The company worked on restoring the gross profit margins from pre-covid times, but we are still far from those levels (currently at 38% versus 43% in 2019).

Another event in 2023 was that we moved our Danish- and Nordic head office from Arne Jacobsens Allé 7 to Kay Fiskers Plads 10 (both in Ørestaden) as per 1st of May 2023.

Profit for the year compared to expected development

Operating profit amounts to kDKK 77,925 versus kDKK 66,622 in 2022 and is well above the expectations communicated last year where we expected a result for 2023 to be in the range of kDKK 40,000 - kDKK 60,000, measured by operating profit (before financial items and taxes).

We communicated last year: "We see many risks and challenges in the macroeconomic environment we operate in. Those risks and challenges are much bigger than in the past. The inflationary environment that began in 2022 continues in 2023 and will hopefully slow down during the year. It is not unlikely that we will go into recession. There is a lot of tension on the geopolitical side that we have not seen for years that potentially can have a significant impact on 2023. The underlying lower profitability for 2022 and the loss of volumes and market shares in 2022 will also have a bearing into 2023. On that basis, we are not so positive about 2023 - and we see many risks that can change the business environment and our performance significantly from one day to the other."

Indeed 2023 was a year with many risks and challenges but we succeeded to navigate through those in a good way. The macro economics came out better than we feared and the same did - at least so far - the geopolitical situation. The inflation got lower and stabilized towards the end of the year.

MANAGEMENT COMMENTARY

Profit for the year compared to expected development (continued)

The result of the year was expected in the range of kDKK 30,000 - kDKK 50,000 but ended at kDKK 60,021 versus kDKK 98,215 in 2022. The actual result is higher than expected and impacted by what is mentioned above. When comparing the result of the year with 2022 it should be noted that we in 2022 reversed the impairment of our participation in Nestlé Professional Food A/S of kDKK 43,697.

Management considers the result of the year to be satisfactory - and acknowledge that the risks and challenges got less impactful than they potentially could have been. The lower volumes, the lower market shares and the lower gross margins compared to pre-covid times are still of concern and focus areas.

Significant events that occurred after the end of the financial year

In 2023 Nestlé announced a strategical review of its Professional Premium Culinary businesses in the Nordics. The strategical review ended up with a decision in February 2024 to sell Nestlé Professional Food A/S in Denmark and Puljonki Oy in Finland.

Consequently, Nestlé Danmark A/S divested its participation in Nestlé Professional Food A/S on the 2nd of April 2024 to SFK Food A/S - a company within the Solina group. Nestlé Danmark A/S will in 2024 recognize a gain on selling its participation.

No other events of material importance to the company's financial position have occurred after the end of the financial year.

Special risks

Operational risks

Nestlé Danmark's main operating risk is linked to the ability to maintain and expand its already strong position within relevant product groups.

Financial risks

Nestlé Danmark A/S is only limitedly exposed due to its soundness and financial preparedness towards changes in the level of interest rates.

Foreign currency risks

Nestlé Danmark A/S is only exposed to a limited extent to currency risks.

The company invoices primarily in DKK, while most of the purchases are made in EUR.

Interest risks

Nestlé Danmark A/S does not have significant interest risks.

Credit risks

Nestlé Danmark A/S does not have significant risks regarding individual customers or business partners.

Environmental conditions

Nestlé Danmark A/S is an environmentally conscious company that continuously works to reduce the environmental impacts of the company's operations. Nestlé Danmark A/S is part of the Nestlé S.A. Group.

The Company has no significant environmental obligations of a financial nature.

MANAGEMENT COMMENTARY

Knowledge resources

Nestlé Danmark A/S relies on knowledge about product development and how the products are marketed in an effective way. It is mainly the Nestlé S.A. Group that is centrally responsible for the ongoing and efficient product development for the benefit of Nestlé Danmark A/S. The size of the Nestlé S.A. Group is contributing to that necessary resources being allocated to develop innovative Products.

In terms of marketing, Nestlé Danmark A/S also leverages the global Nestlé S.A. group for the purpose of exchange of competences to achieve effective market communication. The Nestlé S.A. group also contributes with expert knowledge in several other areas.

Expectations for the future

There is still a lot of tension and even increasing tension on the geopolitical side that can have a significant impact on 2024 and can change the business environment and our performance significantly from one day to the other. The loss of volumes and market shares in recent years and gross margins that are lower than pre-covid times will also have a bearing into 2024. On the other hand, a continued focus on our product portfolio can have positive impact on the profitability.

With the above reservations in mind Nestlé Danmark A/S expects a result for 2024 to be in the range of kDKK 60,000 - kDKK 80,000, measured by operating profit (before financial items and taxes). Profit for the year (after financial items and taxes) for 2024 is expected to be in the range of kDKK 70,000 - kDKK 90,000.

Statement of social responsibility

Nestlé Danmark A/S wants to develop its businesses and meet its strategic challenges in an economically and socially sound manner. Nestlé Danmark A/S is part of the Nestlé S.A. Group.

Nestlé S.A. has a policy of social responsibility, including the environment, human rights, and climate, which Nestlé S.A. calls Sustainability at Nestlé. The policy can be found on <https://www.nestle.com/sustainability>.

Nestlé Danmark A/S has chosen to apply the exemption provision in section 99a (6) of the Danish Financial Statements Act, as the Nestlé S.A. Group prepares a progress report every year <https://www.nestle.com/sites/default/files/2024-02/creating-shared-value-sustainability-report-2023-en.pdf>

MANAGEMENT COMMENTARY

Statement of targets and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the Board of Directors.....	4
Under-represented gender, share in % of the Board of Directors.....	0%
Number of people at other management levels.....	14
Under-represented gender, share in % at other management levels.....	21%

Target figures for the Board of Directors

	2023
Target figures in % for the Board of Directors.....	50%
Year, in which the target figures are expected to be met.....	2027

Policy for the Board of Directors

Nestlé respects diversity and recognizes that a more equal distribution of men and women in management bring benefits in the form of synergy, creativity, etc. The Board of Directors of Nestlé Danmark A/S has an objective of an equal distribution of men and women among the members elected by the General Meeting. The calculation is based on the headcount. The objective is to achieve the equitable distribution among the members elected by the General Meeting by the year 2027. The equitable distribution shall be sought, as far as possible, achieved through a prioritization of the under-represented gender in connection with natural replacements on the Board.

Status of meeting the target figures set for the Board of Directors

In 2023 one member of the under-represented gender decided to resign from the board of Directors and have not been replaced. To achieve the target figure, a thorough investigation was conducted during the financial year to assess the possibility of replacing any of the current members elected by the General meeting on the Board of Directors with qualified members of the under-represented gender. During the investigation, the legal and knowledge requirements were carefully considered, but unfortunately, no positive impact on the gender distribution was observed.

MANAGEMENT COMMENTARY

Statement of targets and policies for the under-represented gender (continued)

Target figures for other management levels

	2023
Target figures in % for the other management levels.....	50%
Year, in which the target figures are expected to be met.....	2027

Policy for other management levels

Nestlé respects diversity and recognizes that a more equal distribution of men and women in management bodies bring benefits in the form of synergy, creativity, etc. Other managerial positions include market head, country manager, function heads and business executive managers. On the other Management levels of Nestlé Danmark A/S it is an objective to have an equal distribution of men and women. The calculation is based on the headcount. The objective is to achieve the equitable distribution by the year 2027. The equitable distribution shall be sought, as far as possible, achieved through a prioritization of the under-represented gender in connection with natural replacements on the other Management levels.

Status of meeting the target figures set for other management levels

To achieve the target figure, a thorough investigation was conducted during the financial year to assess the possibility of replacing any of the current members on other Management levels with qualified members of the under-represented gender. During the investigation, the legal and knowledge requirements were carefully considered, but unfortunately, no positive impact on the gender distribution was observed.

Statement of data ethics

Nestlé Danmark A/S is part of the Nestlé S.A. Group.

Nestlé S.A. has a policy of Data protection and privacy. The policy with reference to cf. §99d can be found on <https://www.nestle.com/sustainability/human-rights/data-protection-privacy>

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
NET REVENUE	1	1.050.871	1.016.308
Other operating income.....	2	319.433	294.039
Cost of goods sold and consumables.....		-614.835	-613.823
Other external costs.....	3	-356.488	-327.019
GROSS PROFIT/LOSS		398.981	369.505
Staff costs.....	4	-311.006	-295.104
Depreciation, amortisation and impairment losses.....		-10.050	-7.779
OPERATING PROFIT		77.925	66.622
Other financial income.....	5	5.033	4.016
Impairment of financial assets.....		0	43.697
Other financial expenses.....	6	-5.734	-2.773
PROFIT BEFORE TAX		77.224	111.562
Tax on profit for the year.....	7	-17.203	-13.347
PROFIT FOR THE YEAR	8	60.021	98.215

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Completed development projects.....		0	0
Goodwill.....		0	0
Intangible assets.....	9	0	0
Other plant, machinery, tools and equipment.....		13.562	9.403
Leasehold improvements.....		7.227	7.082
Property, plant and equipment under construction.....		130	2.461
Property, plant and equipment.....	10	20.919	18.946
Equity investments in group enterprises.....		43.697	43.697
Rent deposit and other receivables.....		2.040	3.062
Financial non-current assets.....	11	45.737	46.759
NON-CURRENT ASSETS.....		66.656	65.705
Finished goods and goods for resale.....		47.164	67.332
Inventories.....		47.164	67.332
Trade receivables.....		143.771	154.138
Receivables from group enterprises.....		70.826	67.536
Deferred tax assets.....	12	14.153	17.882
Other receivables.....		18.923	14.422
Corporation tax receivable.....		0	339
Joint tax contribution receivable.....		798	1.102
Prepayments and accrued income.....	13	5.972	5.858
Receivables.....		254.443	261.277
Cash and cash equivalents.....		2.826	2.421
CURRENT ASSETS.....		304.433	331.030
ASSETS.....		371.089	396.735

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Share Capital.....	14	44.000	44.000
Other reserves.....		-36	-307
Retained earnings.....		1.550	2.527
Proposed dividend.....		61.000	97.000
EQUITY.....		106.514	143.220
Other provisions.....	15	6.509	6.077
PROVISIONS.....		6.509	6.077
Trade payables.....		46.615	33.253
Payables to group enterprises.....		110.513	126.384
Corporation tax.....		6.374	584
Other liabilities.....		94.564	87.217
Current liabilities.....		258.066	247.438
LIABILITIES.....		258.066	247.438
EQUITY AND LIABILITIES.....		371.089	396.735
 Contractual obligations and contingencies	 16		
Related parties	17		
Significant events that occurred after the end of the financial year	18		
Consolidated Financial Statements	19		

EQUITY

	Share Capital	Other reserves	Retained profit	Proposed dividend	Total
Equity at 1 January 2023	44.000	-307	2.529	97.000	143.222
Proposed profit allocation, note 8.....			-979	61.000	60.021
Transactions with owners					
Dividend paid.....				-97.000	-97.000
Adjustment of financial instruments to fair value					
Adjustments in the year.....		347			347
Tax on changes in equity.....		-76			-76
Equity at 31 December 2023.....	44.000	-36	1.550	61.000	106.514

NOTES

	2023 DKK '000	2022 DKK '000	Note
Revenue			1
Segment details (geography)			
Denmark.....	931.859	887.500	
Nordic.....	42.211	41.867	
Germany.....	76.801	86.941	
	1.050.871	1.016.308	
Business segments by activities are omitted as the information cannot be given without inflicting the company competitive damage.			
Other operating income			2
Other operating income consists mainly of IC transactions. We refer to note 17 "Related parties".			
External costs			3
Fees paid to auditor appointed at the annual general meeting:			
With reference to Section 96(3) of the Danish Financial Statements Act, fee for statutory auditors is stated for the Group.			
	2023 DKK '000	2022 DKK '000	
Staff costs			4
Average number of full-time employees	359	363	
Wages and salaries.....	272.505	258.499	
Pensions.....	27.664	25.564	
Social security costs.....	2.165	2.258	
Other staff costs.....	8.672	8.783	
	311.006	295.104	
Remuneration of Executive Board.....	10.817	12.033	
Remuneration of Board of Directors.....	30	30	
	10.847	12.063	
Other financial income			5
Interest income, Group enterprises.....	243	0	
Other financing income.....	4.790	4.016	
	5.033	4.016	

NOTES

	2023 DKK '000	2022 DKK '000	Note
Other financial expenses			6
Interest expenses, Group enterprises.....	756	41	
Other financing expenses.....	4.978	2.732	
	5.734	2.773	
Tax on profit for the year			7
Current tax for the year.....	13.576	10.559	
Deferred tax adjustment for the year.....	3.703	3.977	
Prior year tax adjustment.....	0	-1.360	
Taxes related to equity.....	-76	171	
	17.203	13.347	
Proposed distribution of profit			8
Proposed dividend for the year.....	61.000	97.000	
Retained earnings.....	-979	1.215	
	60.021	98.215	
Intangible assets			9
	Completed development projects	Goodwill	
Cost at 1 January 2023.....	29.715	50.075	
Cost at 31 December 2023.....	29.715	50.075	
Amortisation and impairment losses at 1 January 2023.....	29.715	50.075	
Amortisation and impairment losses at 31 December 2023....	29.715	50.075	
Carrying amount at 31 December 2023.....	0	0	

Completed development projects relate to development of ERP-system to manage parts of the internal processes of the company.

NOTES

			Note
Property, plant and equipment			10
	Other plant, machinery, tools and equipment	Leasehold improvements	Property, plant and equipment under construction
Cost at 1 January 2023.....	33.341	18.311	2.461
Transferred.....	1.558	898	-2.457
Additions.....	10.569	1.337	130
Disposals.....	-6.058	-2.329	-4
Cost at 31 December 2023.....	39.410	18.217	130
Depreciation and impairment losses at 1 January 2023.....	23.938	11.229	
Disposals.....	-6.050	-2.329	
Impairment losses.....	1.868	0	
Depreciation for the year.....	6.092	2.090	
Depreciation and impairment losses at 31 December 2023.....	25.848	10.990	
Carrying amount at 31 December 2023.....	13.562	7.227	130
Financial non-current assets			11
		Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2023.....		43.697	3.062
Additions.....		0	682
Disposals.....		0	-1.704
Cost at 31 December 2023.....		43.697	2.040
Carrying amount at 31 December 2023.....		43.697	2.040
See note 18 regarding equity investments in group enterprises.			
Investments in subsidiaries (DKK '000)			
Name and domicil	Equity	Profit/loss for the year	Ownership
Nestlé Professional Food A/S, Faxe.....	4.900	3.293	100 %

NOTES

	2023	2022	Note
	DKK '000	DKK '000	
Deferred tax assets			12
Provision for deferred taxes relates to current liabilities, provisions, inventory and intangible and tangible fixed assets.			
Deferred tax at 1 January.....	17.883	21.278	
Adjustment of prior years' deferred tax.....	-27	581	
Deferred tax adjustment for the year.....	-3.703	-3.977	
Deferred tax assets 31 December 2023.....	14.153	17.882	
<p>Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction. Deferred tax assets are expected to be set off within 1 year: DKK ('000) 4.781. Deferred tax expected to be set off within 2-5 years DKK ('000) 6.111. Deferred tax expected to be set off after 5 years DKK ('000) 3.261.</p>			
Prepayments and accrued income			13
Prepayments relates to prepaid expenses and rent. Accrued income relates to intragroup services, consumer subscriptions, and marketing services.			
Share Capital	2023	2022	14
The contributed capital consists of:	DKK '000	DKK '000	
Shares, 440.000 unit of a nominal value of 100 DKK each.....	44.000	44.000	
	44.000	44.000	
Other provisions (long-term)			15
Other provisions are expected to mature within:			
0-1 year.....	3.690	4.301	
> 1 year og < 5 years.....	2.819	1.776	
	6.509	6.077	
<p>Other provisions comprise expected costs for restructuring, contractual liabilities in regards to refurbishment of leaseholds and warranty commitments on sold machines.</p>			

NOTES

Note

Contractual obligations and contingencies

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Contingent liabilities

	2023 DKK '000	2022 DKK '000
Operating lease commitments:		
Within 1 year.....	15.555	14.138
Between 1 and 5 years.....	31.036	37.638
After 5 years.....	0	2.251
	46.591	54.027

Joint liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through dividend tax and tax on unearned income. The total amount of tax payables is included in the annual report of Nestlé Danmark A/S which is the administration company in relation to the joint taxation.

Related parties

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Related parties comprise the following:

The management of the company as well as other enterprises within Nestlé Group.

Controlling interest

Nestlé Danmark A/S is a 100 % owned subsidiary of Société des Produits Nestlé S.A., Vevey, Switzerland.

Transactions with related parties

During financial year the Company has the following transactions with related parties:

	2023 DKK '000	2022 DKK '000
Purchase of goods from group enterprises	571.266	580.298
Sale of goods to group enterprises	42.786	41.961
Purchase of services from group enterprises	154.653	112.600
Sale of services to group enterprises	300.028	258.607
Reimbursements	28.563	29.893
Royalty for group enterprises	76.687	66.783

Other financial income and expenses is stated under note 5 and 6.

Dividends to capital owners is stated under equity note.

NOTES**Note****Significant events that occurred after the end of the financial year****18**

In 2023 Nestlé announced a strategical review of its Professional Premium Culinary businesses in the Nordics. The strategical review ended up with a decision in February 2024 to sell Nestlé Professional Food A/S in Denmark and Puljonki Oy in Finland.

Consequently, Nestlé Danmark A/S divested its participation in Nestlé Professional Food A/S on the 2nd of April 2024 to SFK Food A/S - a company within the Solina group. Nestlé Danmark A/S will in 2024 recognize a gain on selling its participation.

No other events of material importance to the company's financial position have occurred after the end of the financial year.

Consolidated Financial Statements**19**

Nestlé Danmark A/S is part of the consolidated financial statements of Nestlé S.A., Avenue Nestlé 55, 1800 Vevey, Switzerland, which the Company is included as a subsidiary.

The consolidated financial statements of Nestlé S.A. can be requested on following address:
<https://www.nestle.com/sites/default/files/2024-02/2023-financial-statements-en.pdf>

ACCOUNTING POLICIES

The Annual Report of NESTLÉ DANMARK A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C, large-size enterprises.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Nestlé S.A., Avenue Nestlé 55, 1800 Vevey, Switzerland. <https://www.nestle.com/sites/default/files/2024-02/2023-financial-statements-en.pdf>

INCOME STATEMENT

Net revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale, merchandises and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. Income is recognised excluding VAT, taxes, duties and discounts related to the income.

Cost of goods sold and consumables

Cost of goods sold and consumables comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of trading goods and consumables.

Other operating income

Other operating income comprises items secondary to the Company's activities, including gains on disposal of intangible assets and property, plant and equipment and re invoicing of costs to Group Enterprises.

Other external expenses

Other operating expenses comprise items secondary to the Company's activities, including advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Income from investments in subsidiaries

Dividend from subsidiary is recognised in the financial year when the dividend is declared.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, 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.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposals are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-10 years	0 %
Leasehold improvements.....	3-10 years	0 %

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Financial non-current assets

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life. Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

Goods for resale, merchandise and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Prepayments and accrued income

Prepayments comprise costs incurred concerning subsequent financial years. Accrued income refers to income concerning the current financial year, but which will materialise into a receivable or a payment in the next financial year.

Equity

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The hedging reserve does not represent a limitation under company law and may therefore be negative.

Proposed dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Other provisions

Other provisions include expected cost of warranty commitments, refurbishment, restructuring costs etc.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

ACCOUNTING POLICIES

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

*Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Nestlé S.A., Avenue Nestlé 55, 1800 Vevey, Switzerland.
<https://www.nestle.com/sites/default/files/2024-02/2023-financial-statements-en.pdf>*