

Nordisk Kellogg ApS

Ringager 62A, 3. th
2605 Brøndby
CVR No. 45434117

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Jan Friislund

Chairman of the General Meeting

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Entity details

Entity

Nordisk Kellogg ApS
Ringager 62A, 3. th
2605 Brøndby

Business Registration No.: 45434117
Registered office: Brøndby
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Ruth Hughes
Jan Friislund
Michael Jørgen Martinho Jørgensen

Executive Board

Jan Friislund

Auditors

Beierholm Statsautoriseret Revisionspartnerselskab
Knud Højgaards vej 9, st.
2860 Søborg
CVR No.: 32895468

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordisk Kellogg ApS for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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

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

Brøndby, 28.06.2024

Executive Board

Jan Friislund

Board of Directors

Ruth Hughes

Jan Friislund

**Michael Jørgen Martinho
Jørgensen**

Independent auditor's report

To the shareholders of Nordisk Kellogg ApS

Opinion

We have audited the financial statements of Nordisk Kellogg ApS for the financial year 01.01.2023 - 31.12.2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 company's financial position at 31.12.2023, and of the results of the company's operations for the financial year 01.01.2023 - 31.12.2023 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 (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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of the 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 scepticism throughout the audit. We also:

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

Management is responsible for the management commentary.

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, it is our responsibility 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 under the Danish Financial Statements Act.

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

Søborg, 28.06.2024

Beierholm Statsautoriseret Revisionspartnerselskab

CVR No. 32895468

Christian Engelbrecht Friis

State Authorized Public Accountant

Identification No (MNE) mne44180

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	748,241	741,557	671,455	653,465	613,705
Gross profit/loss	58,506	64,003	61,431	60,712	75,596
Operating profit/loss	14,545	15,882	15,340	19,042	16,762
Net financials	985	(2,743)	(4,050)	(3,421)	(5,990)
Profit/loss for the year	12,321	10,673	8,888	12,778	7,319
Total assets	251,367	244,085	217,822	311,660	198,901
Investments in property, plant and equipment	236	45	0	74	1,172
Equity	76,382	64,743	53,390	44,147	31,811
Ratios					
Return on equity (%)	17.46	18.07	18.22	33.64	25.06
Equity ratio (%)	30.39	26.52	24.51	14.17	15.99
Return on assets	5.79	6.51	7.04	6.10	8.40

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

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

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Return on assets (%):

$\frac{\text{Operating Profit} * 100}{\text{Total assets}}$

Total assets

Primary activities

The Entity's activities are ordinary commercial activities, including marketing, sales and distribution of ready-made breakfast cereals and salty snacks to the Nordic markets under brand like: Kellogg's Corn Flakes, Kellogg's Special K, Kellogg's All-Bran, Kellogg's Frosties, Kellogg's Coco Pops, Kellogg's Rice Krispies, and Pringles.

Development in activities and finances

The revenue for 2023 has increased by 1% compared to 2022. The increase in 2023 was primarily driven by increased sales both in the snacks and ready to eat cereal categories.

Profit before tax for 2023 amounted to DKK 15,530 thousand compared to a profit before tax of DKK 13,139 thousand in 2022, due to increased interest income and reduced finance expense during 2023.

2023 was a successful year in the business. We leveraged the growth of the snacks category through growing the Pringles business and activating in market and in store. Our campaigns and promotions have resonated well with our consumers and the new can size was perceived well by the consumers and retailers. Further, we experienced some headwinds with our cereal business in 2023. This was primarily due to temporary stop-sell of one of our brands. Despite this temporary shortfall, we recorded a slight revenue increase year-over-year.

On 2 October 2023, the Company's ultimate parent company Kellogg Company separated into two independent companies, by spinning off its US, Canadian and Caribbean cereal businesses. Kellogg Company has been renamed to Kellanova. There is no financial impact on the Company as at the date of approval of these financial statements and no significant financial impact anticipated in the future.

Management consider the results for the year to be in line with expectations.

Profit/loss for the year in relation to expected developments

Outlook

The Entity expects the revenue of RTEC (ready to eat breakfast cereals) as well as the Snacks business to slightly decrease in 2024. Net revenue is expected to decline by approximately 2.4% to 730m DKK and the operating profit margin to remain at approximately 2% to give a value of approximately 15m DKK in 2024. Decline in expected revenue is caused by negative category trends and declining consumer purchase power. We will continue to monitor trends closely according to how market responds to continued uncertainty of the global economic market situation.

Use of financial instruments

The main risk facing the company is on activities that are settled in foreign currency. Financial risk policies are implemented by the Company's treasury department. The department has a policy and procedures manual that sets out specific guidelines to manage financial risks and circumstances where it would be appropriate to use the financial instruments to manage these. The Company's policy on mitigating the effect of currency exposure is to consider hedging the net exposure on certain transactions by entering into approved Treasury instruments. More information can be found in note 13.

Knowledge resources

The Company has a wide range of unique competencies in its business areas and related relevant technologies. The Directors continually seek to maintain and develop strong and mutually beneficial relationships with the Company's suppliers and customers in accordance with Kellanova group procedures. The Company considers its

employees to be its competitive advantage and the welfare and development of the Company's employees is of highest importance to the Directors, guided by Kellanova's internal values, which are a major market strength.

Research and development activities

The Entity's key operating risk is related to the ability to be category leader on ready-made breakfast cereals in the Nordic countries. In order to keep this position, it is essential for the Kellanova Group to continuously be at the leading edge of product development; therefore, research and development programs are carried out by specific Kellanova companies located in the US and Europe, none of which are located in the Nordic countries.

Group relations

The Entity's share capital is fully owned by Kellogg Group S.a.r.l., 26 Boulevard de Kockelscheuer, L-1821 Luxembourg.

Foreign branches

The Entity has branches in Norway and Finland, and since 1st January 2016, sells via a distributor in Sweden. In all three markets, the Entity is category leader in cereal.

Statutory report on corporate social responsibility

Business Model

Kellogg Company became Kellanova following the completion of the planned separation of the North American cereal business in October 2023.

Kellanova is a leading company in global snacking, international cereal and noodles, and North America frozen foods with iconic, world-class brands. We are creating better days and a place at the table for everyone with our trusted and beloved foods, including global snack brands Pringles®, Cheez-It®, Pop-Tarts® and RXBAR®. Our North American brands include MorningStar Farms® plant-based foods and Eggo® frozen breakfast offerings. Our international cereal and noodle brands include All-Bran®, Kellogg's® Corn Flakes®, Rice Krispies®, Krave® and Kellogg's® Instant Noodles.

Where Success Starts

Our values guide the way we work with our partners and with each other, creating a vibrant company culture where ideas can blossom, people can thrive and success can flourish.

Differentiate, Drive and Deliver

Kellanova's strategy pushes us to pursue differentiation in everything we do. It drives us to continuous improvement and more impactful ways of winning. And it focuses us on delivering our commitments to our investors, our suppliers, our customers, our communities and to our employees.

We've Set Our Sights High

As Kellogg Company, we were honored with some of the industry's highest recognitions, including:

- Ethisphere's World's Most Ethical Companies
- Dow Jones Sustainability Indices
- Points of Light Civic 50
- 3BL 100 Best Corporate Citizens
- DiversityInc Top 50

Kellanova will continue to put people at the heart and soul of our company, exhibit high standards of ethical behavior, and demonstrate our commitment to creating positive impact as it pursues similar awards and recognitions.

Our Vision

To be the world's best snacks-led powerhouse, unleashing the full potential of our differentiated brands and our passionate people

Our Purpose

Creating better days and a place at the table for everyone through our trusted food brands

Culture of Best

Our Culture of Best means we bring our best to all that we do in pursuit of our vision to be the world's best performing snacks-led powerhouse. Our culture celebrates boldness and empowers our people to challenge the status quo, achieve results, and win together.

Where Values Matter

Our values are a part of our legacy. They guide the way we work with our partners and with each other, creating a vibrant company culture where ideas can blossom, people can thrive, and success can flourish.



Integrity

We do what's right, the right way.



Accountability

We are empowered, take ownership, and deliver.



Courage

We think big, we speak up, and we fearlessly pursue opportunities.

Kellanova Management refers to Corporate social responsibility in our global annual report of Kellanova, Battle Creek, Michigan. Furthermore, reference is made to the Kellanova Better Days Promise which is the promise to advance sustainable and equitable access to food by addressing the intersection of wellbeing, hunger, sustainability and equity, diversity and inclusion for 4 billion people for the end of 2030. More details about our involvement in this field worldwide, as well as current progress towards the better days promise, can be found in this link, https://filecache.mediaroom.com/mr5mr_betterdayspromise/177805/Kellanova_Better_Days_Promise_Methodology_2023.pdf. We refer directly to the ultimate parent group's sustainability policies and refer exclusively to these, as Nordisk Kellogg ApS is obliged to follow these.

Focusing on material topics where we can have the greatest impact

To determine those items material to our Better Days™ Promise social and environmental purpose strategy, a team of senior leaders, with input from internal and external stakeholders, undertook a materiality assessment process to understand the company's current and potential Better Days™ Promise ethical and economic impacts. Although there are a myriad of important issues facing society today, we focus on the intersection of those that are most material to our business and where we can have the greatest impact given the reach of our operations, supply chain and value chain. In identifying material topics, the team focused on those that:

- Align with our vision, purpose, strategy, brand portfolio and geographic footprint.
- Intersect multiple areas of our value chain.
- Affect consumers, customers, employees, investors, communities, regulatory agencies and other stakeholders in regions where we operate and source.

We also regularly conduct a comprehensive mapping exercise to evaluate our material topics against all 17 U.N. Sustainable Development Goals (SDGs). As a result, we expanded our materiality matrix across our value chain and indicated those “Priority SDGs” most aligned with our work. We also identified “Additional SDGs” that are important to our business and that we impact, however, those listed as Priority are where we concentrate our Better Days™ Promise efforts.

Our materiality matrix lists the four sections of our Better Days™ Promise social and environmental purpose strategy and the topics within each. It also indicates the boundaries of each topic across our value chain and the SDGs we’ve identified as either “Priority” or “Additional” for each of these workstreams.

MATERIALITY ACROSS OUR VALUE CHAIN

The following table lists the four intersecting topic areas of Kellanova’s Better Days™ Promise social and environmental purpose strategy and the topics within each. It also indicates the boundaries of each topic across our value chain, and the U.N. SDGs we’ve identified as either “Priority” or “Additional” for each of these workstreams.

MATERIAL TOPICS	OUR VALUE CHAIN								SUSTAINABLE DEVELOPMENT GOALS		
	Research & Development	Agriculture	Suppliers	Manufacturing & Packaging	Marketing & Sales	Distribution	Customers	Consumers	End of Life	Priority SDGs	Additional Material SDGs
NOURISH											
Wellbeing	●	●	●	●	●		●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Responsible Marketing	●				●		●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Food Safety	●	●	●	●	●	●	●	●		1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
HUNGER											
Food Security	●	●	●	●	●	●	●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
SUSTAINABILITY											
Climate Action	●	●	●	●	●	●	●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Natural Resource Conservation	●	●	●	●	●	●	●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Sustainable Agriculture	●	●	●		●		●	●		1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Sustainable Packaging	●		●	●	●	●	●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
PEOPLE											
Business Ethics & Compliance	●	●	●	●	●	●	●	●	●	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Diversity & Inclusion	●	●	●	●	●	●	●			1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Human Rights	●	●	●	●	●					1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17



2023 Materiality Matrix

Download materiality matrix via this link:

https://filecache.mediaroom.com/mr5mr_betterdayspromise/177782/Reporting_Materiality-Matrix-2023.pdf

In accordance with section 99a of the Danish Financial Statements Act, the Company has a duty to consider its social responsibility to the following areas:

- Environmental matters,
- Social and employee matters,
- Respect for human rights,
- Anti-corruption and bribery matters.

Climate and Environment

The Kellanova group operates without significant impact on the environment and climate. The Directors are aware of their responsibility to the planet and ensure that the Company adheres to extensive policies set at Kellanova group level to reduce its environmental impact in the areas of carbon, water, energy, road miles and freight, food waste, plastics and sustainable sourcing. Please see the following websites for more details on the Kellanova group's policies on climate and environmental matters.

<https://betterdayspromise.kellanova.com/climate-action>

<https://betterdayspromise.kellanova.com/renewable-electricity>

<https://betterdayspromise.kellanova.com/responsible-sourcing>

<https://betterdayspromise.kellanova.com/sustainable-packaging>

<https://betterdayspromise.kellanova.com/food-waste-reduction>

<https://betterdayspromise.kellanova.com/water-efficiency>

<https://betterdayspromise.kellanova.com/palm-oil>

<https://betterdayspromise.kellanova.com/deforestation>

<https://betterdayspromise.kellanova.com/biodiversity>

Employees matters

Employees are considered the Kellanova group's competitive advantage. Therefore, the welfare and development of the Company's employees is of highest importance to the directors, guided by Kellanova's internal group policies including the K Values which sets out how all Company employees should behave. Also at a group level, Kellanova Equal Opportunities, Anti-Harassment and Bullying Policies are set out in a Company Handbook and a report into inclusion and diversity work is published annually. More information on equity, diversity and inclusion in our own workforce can be found in the link

<https://betterdayspromise.kellanova.com/equity-diversity-inclusion>. Employees are also encouraged to participate in the success of the business through performance related pay and employee share purchase schemes.

At a Company level, policy is to consult and discuss with employees at meetings matters likely to affect employees' interests. The Company operates a programme of employee communication including the staging of virtual employee conferences at which directors and senior management present a financial and business review and highlight plans for the future.

As an organization and as individuals, we fully commit to global Environment, Health and Safety (EHS) policies that protect our people, partners, customers, consumers, communities and the environment that surrounds us. Please view Kellanova's internal group policies for further information:

https://filecache.mediaroom.com/mr5mr_betterdayspromise/177392/Environment%2C%20Health%20and%20Safety%20Global%20Policy%202023.pdf

<https://betterdayspromise.kellanova.com/equity-diversity-inclusion>

<https://betterdayspromise.kellanova.com/our-approach-to-ed>

<https://betterdayspromise.kellanova.com/workforce>

<https://betterdayspromise.kellanova.com/business-employee-resource-groups>

<https://betterdayspromise.kellanova.com/employee-safety>

Social matters

The Kellanova group and Company comply with the applicable legislations in this area. At Kellanova, we understand our responsibility and role in supporting and nurturing communities. The group's main corporate social responsibility efforts under the Better Days promise are around feeding 375 million people in need, support for 1 million farmers and workers, and engaging 1.5 billion people in advocating for sustainable and

equitable access to food. Focus on helping to tackle food insecurity is through its support of school breakfast clubs and food banks. Please view Kellanova's internal group policies for further information:

<https://betterdayspromise.kellanova.com/wellbeing>

<https://betterdayspromise.kellanova.com/approach-to-wellbeing>

<https://betterdayspromise.kellanova.com/responsible-marketing>

<https://betterdayspromise.kellanova.com/food-safety>

<https://betterdayspromise.kellanova.com/hunger>

<https://betterdayspromise.kellanova.com/child-feeding-programs>

<https://betterdayspromise.kellanova.com/disaster-relief>

At a Company level, the policy is to support the growth of school breakfast clubs in Denmark, in place since 2013 with FødevarerBanken. The Danish Foodbank delivers surplus food to the schools to serve breakfast at the breakfast clubs.

<https://betterdayspromise.kellanova.com/food-bank-partnerships>

People care about where their foods come from, who grows and makes it, and how they and the planet are cared for along the way. With this in mind, Kellanova wants to demonstrate to people shopping and eating their foods that the ingredients are responsibly sourced. Responsibly sourced means that Kellanova is encouraging environmental and social best practices that are in place at the grower and supplier (e.g. flour mill) levels. We gather and track this information through our proprietary Grower Survey as well as several additional industry standard platforms including SAI Platform. These tools allow us to measure continuous improvement over agronomic, environmental and social indicators.

Kellanova has a commitment to responsibly source 12 priority ingredients. Through this commitment, we have multiple programs in place to engage suppliers and farmers on social and environmental criteria. Annually, approximately 70 global suppliers are engaged in measuring continuous improvement across the row crop priority ingredients – corn, wheat, rice, potatoes, sugar beet, and fruits (strawberries and raisins). Please view our full report on Kellanova Responsibly Sourced Verification Protocol and Guidance:

https://filecache.mediaroom.com/mr5mr_betterdayspromise/177401/Kellanova%20Responsibly%20Sourced%20Verification%20Protocol%20and%20Guidance%202023.pdf

Human Rights

The Kellanova group accepts internationally accepted human rights, including the right to a healthy and safe workplace. The directors are committed to complying with all applicable local laws and regulations including in relation to modern slavery and human trafficking.

The Global Human Rights Policy highlights salient human rights risks within our operations and global supply chain and details our refreshed human rights strategy for how we are working to mitigate and remediate these issues. These risks were identified through a detailed internal materiality analysis and with the support of third-party consulting firm ELEVATE. This policy supplements our other foundational policies, the Global Supplier Code of Conduct and Policy Statement Prohibiting Involuntary Labour, that guide our operations and inform our expectations for supplier and supply chain partnerships. The annual Human Rights Milestones Report outlines our progress in this area, and also satisfies legislative reporting, including the U.K. Modern Slavery Act. It has not come to the knowledge of the management in the Danish division that there have been cases regarding violations of human rights in the financial year.

Please see Kellanova's Group policies for further information:

<https://betterdayspromise.kellanova.com/human-rights>

https://filecache.mediaroom.com/mr5mr_betterdayspromise/177393/Kellanova%20Global%20Human%20Rights

%20Policy%202023.pdf

Anti-Corruption and anti-money laundering

The directors are committed to complying with all applicable local laws and regulations including in relation to anti-bribery and corruption. Kellanova group has an Office of Ethics and Compliance which acts as a guardian of the Company's policies and conducts regular ethics training for employees. Contractual provisions are updated to ensure that external counterparties are obliged to adhere to all applicable laws and regulations. All dealings with suppliers are governed by the Kellanova's Code of Ethics which seeks to set out the joint responsibilities of both the Company and those who supply it. It has not come to the knowledge of the management in the Danish division that there have been cases regarding corruption and bribery in the financial year. Please see our full version of Global Code of Ethics "Living Our Values" report, and our Global supplier Code of Conduct:

https://filecache.mediaroom.com/mr5mr_betterdayspromise/177852/ENGLISH%20Code%20of%20Ethics.pdf

https://filecache.mediaroom.com/mr5mr_betterdayspromise/177397/Kellanova%20Global%20Supplier%20Code%20of%20Conduct%202023.pdf

Statutory report on the underrepresented gender

Please refer to the following website for Kellanova details on targets and the share of under-represented gender in management <https://www.kellanovacareers.com/en/our-impact/equity-diversity-and-inclusion.html>. The Kellanova global target is to have 50% women in managerial roles by end 2025. At Nordisk Kellogg ApS we believe that diversity contributes to creating better results and helps us make better decisions. That is why we strive for increased diversity in the organization. Our objective is to improve the balance between men and women in the management of our organization.

Target figures for the board of Directors

Compared with the global target for 2025 of 50%, by the end of 2023, women in the Entity's board of directors made up 33%, corresponding to 1 person.

Policy for other management levels

Nordisk Kellogg ApS' policy with regards to gender diversity for all other management levels of the organization is to aim for a balanced proportion of male and female employees, in line with the global target of 50% by 2025.

Statutory report on data ethics policy

Nordisk Kellogg ApS does not collect and use personal data other than key data concerning the Company employees. The company is however part of the Kellanova group whom have data risk policies in place. The policies can be seen here: https://www.kelloggs.dk/da_DK/privacy-policy.html

The group policies set out specific guidelines to manage the risks associated with storage, protection and retention of sensitive data. The risks etc. are handled in the IT department at group level who have implemented a program that assures the confidentiality, integrity and availability of information in a secure environment. Regular training is provided to employees on the use of data and ethics in this area as part of regular Ethics and Compliance training.

Events after the balance sheet date

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

Income statement for 2023

		2023	2022
	Notes	DKK'000	DKK '000
Revenue	2	748,241	741,557
Cost of sales		(689,735)	(677,554)
Gross profit/loss		58,506	64,003
Distribution costs		(39,466)	(36,537)
Administrative expenses	3	(17,922)	(26,574)
Other operating income		13,427	14,990
Operating profit/loss		14,545	15,882
Other financial income		4,764	1,696
Other financial expenses		(3,779)	(4,439)
Profit/loss before tax		15,530	13,139
Tax on profit/loss for the year	6	(3,209)	(2,466)
Profit/loss for the year	7	12,321	10,673

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Other fixtures and fittings, tools and equipment		234	198
Property, plant and equipment	8	234	198
Fixed assets		234	198
Trade receivables		77,368	77,644
Other receivables		8,249	7,892
Tax receivable		282	600
Prepayments	9	1,975	1,079
Receivables		87,874	87,215
Cash	10	163,259	156,672
Current assets		251,133	243,887
Assets		251,367	244,085

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	11	18,000	18,000
Retained earnings		58,382	46,743
Equity		76,382	64,743
Deferred tax	12	14,462	14,401
Provisions		14,462	14,401
Payables to other credit institutions		41,799	53,034
Trade payables		11,001	3,975
Payables to group enterprises		49,036	47,122
Tax payable		258	73
Other payables		58,429	60,737
Current liabilities other than provisions		160,523	164,941
Liabilities other than provisions		160,523	164,941
Equity and liabilities		251,367	244,085
Events after the balance sheet date	1		
Staff costs	4		
Amortisation, depreciation and impairment losses	5		
Financial instruments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		
Group relations	16		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	18,000	46,743	64,743
Pension scheme	0	(682)	(682)
Profit/loss for the year	0	12,321	12,321
Equity end of year	18,000	58,382	76,382

Notes

1 Events after the balance sheet date

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

2 Revenue

	2023	2022
	DKK'000	DKK'000
Denmark	448,051	444,086
Finland	159,659	156,095
Norway	140,531	141,376
Total revenue by geographical market	748,241	741,557

All of the Entity's business and profit before taxation arose from its principal activity of marketing, sales and distribution of ready-made breakfast cereals and salty snacks to the Nordics markets. A geographical analysis of turnover by origin is as shown above.

3 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK'000	DKK'000
Statutory audit services	270	270
	270	270

The fees to the auditors appointed by the general meeting include fees for audit and other services provided to the Entity and its branches in Norway and Finland.

4 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	14,890	15,004
Pension costs	1,700	1,344
Other social security costs	1,112	680
	17,702	17,028

Average number of full-time employees	29	29
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	Remuneration of Management 2023 DKK'000	Remuneration of Management 2022 DKK'000
Total amount for management categories	1,004	3,059
	1,004	3,059

Special incentive programmes

The aggregated staff costs are included in advertising, sales and distribution costs as well as administrative costs. Restricted stock units in Kellanova, USA are allocated to the executives. The stock is released during a period of three years.

5 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Depreciation of property, plant and equipment	197	283
	197	283

6 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	2,955	2,738
Change in deferred tax	45	506
Adjustment concerning previous years	209	(160)
Refund in joint taxation arrangement	0	(618)
	3,209	2,466

7 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	12,321	10,673
	12,321	10,673

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	2,681
Exchange rate adjustments	(36)
Additions	236
Cost end of year	2,881
Depreciation and impairment losses beginning of year	(2,483)
Exchange rate adjustments	33
Depreciation for the year	(197)
Depreciation and impairment losses end of year	(2,647)
Carrying amount end of year	234

9 Prepayments

Prepayments comprise various prepaid expenses. Prepayments are measured at cost.

10 Cash

Kellogg Europe has an uncommitted overdraft facility with a maximum of DKK 202,347 thousand (2022: DKK 209,073 thousand), which Nordisk Kellogg ApS may share.

11 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
900 shares	900	2	1,800
1 share	1	200	200
2 shares	2	1000	2,000
3 shares	3	2000	6,000
1 share	1	8000	8,000
	907		18,000

12 Deferred tax

	2023 DKK'000	2022 DKK'000
Property, plant and equipment	(91)	(108)
Other investments	(618)	(432)
Provisions	15,171	15,033
Tax losses carried forward	0	(92)
Deferred tax	14,462	14,401

	2023	2022
	DKK'000	DKK'000
Changes during the year		
Beginning of year	14,401	13,829
Adjustment of deferred tax prior years	242	66
Change in deferred tax	(181)	506
End of year	14,462	14,401

13 Financial instruments

Hedges are used to manage the FX risk of purchasing products in DKK and selling to customers on the Swedish market in SEK. The Entity has a number of foreign currency forward contracts outstanding at the balance sheet date to hedge the foreign exchange exposure on future expected cash flows denominated in foreign currency. During the year, the Entity entered into an intra-group hedging programme for all contracts maturing post January 2023.

In addition the Entity has elected not to apply hedge accounting to these contracts with the changes in fair value being recorded directly in the Profit and Loss Account.

The aggregate principle amount on contracts to buy and sell foreign currency outstanding at the year-end is DKK 150,132 thousand (2022: DKK 146,602 thousand). The principle amount outstanding at the year-end is excluding contracts with maturity dates pre-dating the annual close. The fair value of contracts held with an intra-group counterparty is an asset of DKK -1,762 thousand (2022: Asset of DKK 11,010 thousand) and has been recognised as an amount owed to a fellow group undertaking.

The foreign currency contracts are measured at fair value which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for SEK:DKK.

14 Contingent liabilities

	2023	2022
	DKK'000	DKK'000
Recourse and non-recourse guarantee commitments	7,064	1,279
Contingent liabilities	7,064	1,279

Contractual obligations

The Entity has entered into rental and lease agreements on cars and office facilities, etc. which are nonterminable for varying periods until 2026. The total rental obligation at 31 December 2023 for the remainder of the period of non-terminability totals DKK 3,945 thousand (2022: DKK 4,757 thousand).

15 Related parties with controlling interest

Related parties with a controlling interest in Nordisk Kellogg ApS:

Kellogg Group S.a.r.l, 26 Boulevard de Kockelscheuer, L-1821, Luxembourg – wholly owns the share capital.

Other related parties:

Nordisk Kellogg ApS has related party transactions with a number of companies of the Kellogg Group.

Transactions:

During the financial year, related party transactions have been conducted on arm's length basis.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Kellanova, One Kellogg Square, Battle Creek, Michigan 49016-3599, USA.

The annual report of Kellanova may be obtained at the above address.

On 2 October 2023, the Company's ultimate parent company Kellogg Company separated into two independent companies, by spinning off its US, Canadian and Caribbean cereal businesses. Kellogg Company has been renamed to Kellanova. There is no financial impact on the Company as at the date of approval of these financial statements and no significant financial impact anticipated in the future.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

All revenues are recognised in the income statement when earned based on delivery having been made before year-end.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. The key assumptions used in valuing the derivatives are the forward exchange rates for SEK:DKK. The Entity has elected not to apply hedge accounting to these contracts with the changes in fair value being recorded directly in the Profit and Loss Account. Derivative financial instruments are recorded on the balance sheet as an asset with an intra-group counterparty.

Income statement

Revenue

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, vehicle maintenance, etc. as well as depreciation and impairment losses relating to property, plant and equipment attached to the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Other financial income

Other financial income comprises interest income as well as realised and unrealised exchange adjustments.

Other financial expenses

Other financial expenses comprise interest expenses as well as realised and unrealised exchange adjustments.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

	Useful life
Other fixtures and fittings, tools and equipment	3-7 years

Upon sale or scrapping of property, plant and equipment, cost of acquisition and accumulated depreciation are deducted from the assets, whereas profits or losses are recognised in the income statement.

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

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provision for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivable, a general provisions is also made based on the Entity's experience.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of Nordisk Kellogg ApS is included in the annual report of Kellogg Company.