

## Unilever Danmark A/S

Ørestads Boulevard 73  
2300 København S

CVR no. 45963128

## Annual report 2020

The Annual Report was presented and  
approved at the Annual General Meeting of  
the Company on 30 juni 2021

DocuSigned by:  
*Gunilla Leonardsson*  
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Chairman

Unilever Danmark A/S

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## Unilever Danmark A/S

### Statement by management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of Unilever Danmark A/S for the financial year 1 January - 31 December 2020.

The annual report is 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report be approved at the annual general meeting.

Copenhagen, 29 June 2021  
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### Executive Board

DocuSigned by:  
*Bjarne Steen Jensen*  
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Bjarne Steen Jensen  
Managing Director

### Board of Directors

DocuSigned by:  
*Gunilla Leonardsson*  
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Gunilla Maria Leonardsson  
Chairman of the Board

DocuSigned by:  
*Patricia Lerche*  
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Patricia Juliá Lerche

DocuSigned by:  
*Nina Hald*  
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Nina Hald Dalgaard

DocuSigned by:  
*Kenneth Hansen*  
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Kenneth Hansen  
Employee Representative

## **Unilever Danmark A/S**

### **Independent auditor's report**

#### **To the Shareholders of Unilever Danmark A/S**

##### **Opinion**

We have audited the financial statements of Unilever Danmark A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Inter-national Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Management's Responsibilities for the financial statements**

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

In preparing the financial statements, Management is responsible for assessing the 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 over-ride of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Unilever Danmark A/S

### Independent auditor's report

- 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's Review

Management is responsible for Management's Review.

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

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

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


Based on the work we have performed, in our view, 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 in Management's Review.

Copenhagen, 30 juni 2021

### KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25578198

DocuSigned by:  
  
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Jon Beck

State Authorised  
Public Accountant

Mne32169

## **Unilever Danmark A/S**

### **Company details**

#### **The company**

Unilever Danmark A/S  
Ørestads Boulevard 73  
2300 København S

#### **Website**

[www.unilever.dk](http://www.unilever.dk)

#### **CVR No.**

45963128

#### **Date of formation**

28 February 1939

#### **Registered office**

Copenhagen

#### **Financial year**

1 January 2020 - 31 December 2020

#### **Supervisory board**

Gunilla Maria Leonardsson, Chairman of the board  
Patricia Juliá Lerche  
Nina Hald Dalgaard  
Kenneth Hansen, Employee Representative

#### **Executive board**

Bjarne Steen Jensen, Managing Director

#### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø  
CVR- No. 25578198

## **Unilever Danmark A/S**

### **Management Review**

#### **Principal activities**

Unilever operates in the fast-moving consumer goods industry. In 2020, the Company operated across four categories: Beauty & Personal Care, Home Care, Foods and Refreshment.

#### **Development in activities and financial position**

Following the sale of Baking, Cooking and Spreads (BCS), Unilever entered into a service agreement with the new company Upfield to support certain services. Unilever received revenue in accordance with this agreement, which is reported in other operating income. The contract period ended in December 2019.

The Company realized a loss for the year of T DKK 14.268 (2019: profit of T DKK 3.592), and the Company's total Assets and Equity at 31 December 2020 amount to T DKK 413.312 (2019: T DKK 437.131) and T DKK 237.320 (2019: T DKK 251.588), respectively.

For the Unilever business excluding the BCS company 2020 was a year where we were able to get growth back to the business. That has successfully translated into marked shares growing above the marked averages.

The growth was based on several business blocks, the major one was enhanced customer partnership, but also a row of initiatives outside traditional retail, e-commerce as the most dominant one.

The Covid-19 had also impact on the business, several elements strengthen the business and other elements weakening the business. Total impact assessed to be negative driven by the out-of-home business. The Food Solution business was heavily impacted by the Covid-19 situation and there was a significant decline in revenue, however without Unilever losing competitiveness in this channel.

The sales increased in all categories, except Foods driven by Covid-19 impact in Food Solution. Ice Cream had the highest increase, and this related to new partnerships and strengthen of some existing partnerships.

The result for 2020 was ahead of last year and in line with prior year target. We focused on growing our business whilst protecting profit. Important to mention that Covid-19 has a significant impact on our portfolio mix, hence profitability predominately driven by our out-of-home business performance.

Unilever Danmark A/S continues to pursue strategy and vision in line with the global group and cooperates closely with other Nordic countries. The focus remains on simplifying the business and finding synergies while maintaining a strong focus on local customers and consumers.

Early in the 2020, we refocused the business on competitive growth, and the delivery of profit and cash as the best way to maximise value. We have delivered a step change in operational excellence through our focus on the fundamentals of growth. We have demonstrated results that prove Unilever's resilience and agility through the Covid-19 pandemic.

We progressed our strategic agenda, building on our existing sustainability commitments with ambitious new targets and actions, most recently with our plans to help build a more equitable and inclusive society.

#### **Outlook 2021**

Key focus 2021 is to create value for the market for both our customers and Unilever, and secure that Unilever's CSR capabilities will be utilized in close co-operation with our customers, furthermore we will strengthen the business by maintain current momentum by further benefiting on customer partnerships, initiation of new initiatives outside traditional retail and recover business impacted by Covid-19 in 2020.

We expect a result for the year 2021 where turnover is increasing versus 2020, and also some improvement on profit.

#### **Corporate social responsibility**

Unilever Danmark A/S is included in the consolidated accounts of Unilever PLC, where the Corporate Social Responsibility statement, including environment, human rights and climate are presented (p.8 to 22). The company therefore does not present it in the Annual Report, cf. Danish Financial Statement Act §99a, section 7.

The Annual Report of Unilever PLC can be found using the link.

<https://www.unilever.com/investor-relations/annual-report-and-accounts/>

## Unilever Danmark A/S

### Goals and policies for the underrepresented gender

The Company has a policy for gender balance in the Board of Directors and other management levels.

For the gender balance of the Board of Directors, the company has set the following goals:

The Company continues to have a target of minimum 33% of the underrepresented gender among the members elected by the general Assembly. This was a target achieved already in 2019 with 2 female /1 male. But with the 1 male leaving the board the split is now 3/0. The company is committed to replace with a male candidate before end of 2022. When it comes to the employee-elected Board members, the Board will still need to make an extraordinary effort to encourage female candidates to make up for being elected to the Board of Directors when elections are held. There is currently a total of 1 employee-representative in the Board. Next election will be held in 2021.

The target for other management levels is to have 50% representation per gender. At the end of 2020 the current proportion of women in other management levels is 44%, which is an increase from prior year (2019: 42%). In order to ensure that the proportion of women on other management levels of the company increases, the Board of Directors has implemented the following activities to the extent that it is deemed relevant. With every replacement and recruitment we are aiming to have female candidates and also instructing external agencies to specifically search for female talent to the sales organisation.

Work to ensure that company policies reflects that women and men will have equal career opportunities including the recruitment procedures and promotions,

- Work to ensure that company policies reflects that women and men will have equal career opportunities including the recruitment procedures and promotions
- Create development programs that help to visualize female leadership talents.
- Ensure that there are both female and male candidates shortlisted for internal and external recruitment.
- Ensure that recruiting staff know about this management philosophy and has included this policy in their specific recruitment procedure.
- Ensure that instructions are given to external headhunters so that both qualified female and male candidates are recommended. The ambition is that all shortlists should contain 50/50 female/male candidates.

### Risks

Unilever Danmark A/S act as a low risk distributor (LRD) delivering sales and marketing services to Unilever Europe BV (Principal) for a remuneration. The Principal is carrying all business-related risks.

#### *Currency risks*

Currency risks for the European business are managed by Unilever Europe BV (UEBV) and UEBV applies FX hedging in line with the corporate guidelines.

#### *Interest risks*

Interest risk for the whole group are managed by Unilever Global Treasury department.

#### *Price risks*

UEBV manages the risk on commodity process and applies commodity hedging, in line with corporate CRM policies. Local company Denmark implements pricing (on instruction of UEBV) to offset impact of commodity price changes.

#### *Environmental matters*

Unilever Danmark A/S' operations are based on Unilever's global principles of sustainable development and continuous improvement. The company operates responsibly and takes into account the demands of both society and the surrounding environment.

Unilever Danmark A/S activities, including sales, use, storage and disposal of products is subject to a number of environmental laws and regulations. The environmental risks are monitored both locally and from the head office, so loads of the external environment is either prevented, remedied or minimized. At the Nordic level, we have set environmental targets to reduce the environmental burden of our operations.

We are not aware of any significant individual environmental risks at the balance sheet date.

The Group-level Sustainable Development Program is published annually and is available on the company's website at [www.unilever.com/sustainable-living/](http://www.unilever.com/sustainable-living/).



## **Unilever Danmark A/S**

### *Intellectual capital*

Unilever Danmark A/S employees play an important role in the strategic changes made in recent years. The company continuously strives to maintain a positive working environment to encourage employees to reach the strategic goal.

### **Events after the balance sheet date**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

**Unilever Danmark A/S****Key Figures and Financial Ratios**

The development in the Company's key figures and financial ratios can be described as follows:

Key figures are in million kr.

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Revenue	1.306	1.368	1.418	1.392	1.474
Operating profit (loss)	-9	15	17	29	20
Profit (loss) from financial income and expenses	-2	—	1	1	—
Profit (loss) for the year	-14	4	3	16	7
Total assets	413	437	420	403	396
Investment in property, plant and equipment	—	11	3	5	5
Total equity	237	252	251	264	254
Avg. number of full-time employees	183	208	222	228	235
Gross profit (%)	20,10	21,02	21,86	22,93	21,37
Profit margin (%)	-0,68	1,07	1,23	2,08	1,32
Return on capital employed (%)	-2,52	3,46	4,37	7,43	4,64
Solvency ratio (%)	57,42	57,55	59,70	65,51	64,26
Return on equity (ROE) (%)	-5,84	1,43	1,17	6,22	2,62

For definitions of key ratios, see Accounting policies on page 23.

## Unilever Danmark A/S

## Financial statements 1 January - 31 December

## Income Statement

	Note	2020 T DKK	2019 T DKK
Revenue	1	1.306.127	1.367.602
Production costs	2, 3	-1.043.618	-1.080.075
<b>Gross profit</b>		<b>262.509</b>	<b>287.527</b>
Distribution costs	2, 3	-240.758	-252.466
Administrative expenses	2, 3	-30.677	-25.272
Other operating income		—	4.852
<b>Operating profit (loss)</b>		<b>-8.926</b>	<b>14.641</b>
Other financial income		1.028	412
Other financial expenses	4	-2.819	-209
<b>Profit (loss) from ordinary activities before tax</b>		<b>-10.717</b>	<b>14.844</b>
Tax on profit for the year	5	-3.551	-11.252
<b>Profit (loss) for the year</b>	6	<b>-14.268</b>	<b>3.592</b>

## Unilever Danmark A/S

## Financial statements 1 January - 31 December

## Balance Sheet as of 31 December

	Note	2020 T DKK	2019 T DKK
<b>Assets</b>			
Acquired trademarks		—	12.351
Goodwill		—	15.116
<b>Intangible assets</b>	7	<b>—</b>	<b>27.467</b>
Other fixtures, fittings, tools and equipment		20.622	21.417
Property, plant and equipment in progress		141	3.689
<b>Property, plant and equipment</b>	8	<b>20.763</b>	<b>25.106</b>
Deposits		1.845	1.931
<b>Fixed asset investments</b>	9	<b>1.845</b>	<b>1.931</b>
<b>Fixed assets</b>		<b>22.608</b>	<b>54.504</b>
Manufactured goods and goods for resale		2.308	1.548
<b>Inventories</b>		<b>2.308</b>	<b>1.548</b>
Trade receivables		86.943	176.616
Receivables from group enterprises		295.500	201.403
Deferred tax	10	1.359	278
Other receivables		1.486	172
Income tax receivable		2.794	—
<b>Receivables</b>		<b>388.082</b>	<b>378.469</b>
Cash		314	2.610
<b>Other Investments</b>		<b>314</b>	<b>2.610</b>
<b>Current assets</b>		<b>390.704</b>	<b>382.627</b>
<b>Assets</b>		<b>413.312</b>	<b>437.131</b>

## Unilever Danmark A/S

## Financial statements 1 January - 31 December

	Note	2020 T DKK	2019 T DKK
<b>Liabilities and equity</b>			
Contributed capital	11	190.205	190.205
Retained earnings		47.115	57.791
Proposed dividend		—	3.592
<b>Equity</b>		<b>237.320</b>	<b>251.588</b>
Other long term provisions		2.442	—
<b>Provisions</b>		<b>2.442</b>	<b>—</b>
Trade payables		47.563	65.722
Payables to group enterprises		95.813	76.391
Income tax payable		—	1.776
Other payables		30.174	41.654
<b>Current liabilities other than provisions</b>		<b>173.550</b>	<b>185.543</b>
<b>Liabilities other than provisions</b>		<b>173.550</b>	<b>185.543</b>
<b>Equity and liabilities</b>		<b>413.312</b>	<b>437.131</b>
Contractual obligations	12		
Contingent liabilities	13		
Related parties disclosures	14		
Fees for auditors elected on the general meeting	15		

**Unilever Danmark A/S****Financial statements 1 January - 31 December****Statement of changes in Equity**

	Contributed Capital	Retained earnings	Proposed Dividend	Total
Equity beginning of year	190.205	57.791	3.592	251.588
Proposed dividend not approved	—	3.592	-3.592	—
Net profit/loss for the year	—	-14.268	—	-14.268
<b>Equity end of year</b>	<b>190.205</b>	<b>47.115</b>	<b>—</b>	<b>237.320</b>

The dividend proposed in 2019 by the Board of Directors was not approved in the general annual meeting.

## Unilever Danmark A/S

## Financial statements 1 January - 31 December

## Notes

	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
<b>1. Revenue</b>		
<b>Revenue by geographical market</b>		
Domestic	1.236.288	1.278.091
Foreign	69.839	89.511
	<b>1.306.127</b>	<b>1.367.602</b>
<b>Revenue by activity</b>		
Home Care and personal care	552.342	523.664
Foods, refreshments and Ice cream	753.785	843.938
	<b>1.306.127</b>	<b>1.367.602</b>
<b>2. Staff costs</b>		
Average number of employees	183	208
	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
Wages and Salaries	104.314	113.623
Pension	9.862	12.229
Other social security costs	2.733	1.983
	<b>116.909</b>	<b>127.835</b>
	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
<i>Staff costs are allocated as follows in the income statement</i>		
Production costs	5.653	9.896
Distribution costs	95.959	109.648
Administration costs	15.297	8.291
	<b>116.909</b>	<b>127.835</b>
<i>Hereof remuneration to The Executive board and board of directors</i>		
Wages and salaries to the Executive board and board of directors	2.235	1.983
Pension to the Executive board and board of directors	162	392
	<b>2.397</b>	<b>2.375</b>

Referring to the Danish Financial Statement Act §98B, section 3.1 salaries has not been separated between the Executive Board and the Board of Directors.

**Unilever Danmark A/S****Financial statements 1 January - 31 December****Notes****Incentive schemes for Management**

All employees are included in Unilever's compensation program, which includes bonus and share award programs. The level of bonus possibility depends on the level of managerial responsibility; pay-out depends on individual and organizational performance.

**Special incentive programmes**

Unilever offers two types of share schemes.

**Manager Co Investment Plan (MCIP):**

Managers can choose to invest up to 100% of the yearly bonus in Unilever shares. Unilever is matching the equivalent number of shares (Matching shares).

Matching shares are vesting after 4 years provided the manager is still employed in the Company.

**Global shares plans:**

Non-executive employees can choose to invest part of their salary in Unilever shares (Investment shares). Every third month Unilever will match every third investment share with one share.

To get the matching share the employee needs to retain share in minimum 3 years.

	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
<b>3. Depreciation, amortisation and impairment of intangible and tangible assets</b>		
<b>Intangible Assets</b>		
Production costs	27.467	27.716
	<u>27.467</u>	<u>27.716</u>
<b>Tangible assets</b>		
Distribution costs	4.945	6.081
Administration costs	214	409
	<u>5.159</u>	<u>6.490</u>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	2.647	2
Other financial expenses	172	207
	<u>2.819</u>	<u>209</u>



## Unilever Danmark A/S

## Financial statements 1 January - 31 December

## Notes

	2020 T DKK	2019 T DKK
<b>5. Tax on profit for the year</b>		
Current year	4.632	9.070
Change in deferred tax	-1.081	174
Adjustment concerning previous years	—	2.008
	<b>3.551</b>	<b>11.252</b>
<b>6. Proposed distribution of profit/ loss</b>		
Ordinary dividend for the financial year	—	3.592
Retained earnings	-14.268	—
	<b>-14.268</b>	<b>3.592</b>
<b>7. Intangible assets</b>		
Cost beginning of year	123.510	948.691
<b>Cost end of year</b>	<b>123.510</b>	<b>948.691</b>
Amortisation and impairment losses beginning of the year	-111.159	-933.575
Amortisation for the year	-12.351	-15.116
<b>Amortisation and impairment losses end of the year</b>	<b>-123.510</b>	<b>-948.691</b>
<b>Carrying amount end of year</b>	<b>—</b>	<b>—</b>
	<b>Acquired Trademarks T DKK</b>	<b>Goodwill T DKK</b>
<b>8. Property, plant and equipment</b>		
Cost beginning of year	112.129	3.689
Additions	2.509	—
Transfers	3.495	-3.495
Disposals	-35.234	-53
<b>Cost end of year</b>	<b>82.899</b>	<b>141</b>
Depreciation and impairment losses beginning of year	-90.712	—
Depreciation for the year	-5.159	—
Reversal regarding disposals	33.594	—
<b>Depreciation and impairment losses end of year</b>	<b>-62.277</b>	<b>—</b>
<b>Carrying amount end of year</b>	<b>20.622</b>	<b>141</b>
	<b>Other fixtures, fittings, tools and equipment T DKK</b>	<b>Property, plant and equipment in progress T DKK</b>

## Unilever Danmark A/S

## Financial statements 1 January - 31 December

## Notes

	<b>Deposits</b>	
	<b>T DKK</b>	
<b>9. Fixed asset investment</b>		
Cost beginning of year		1.931
Disposal		-86
Cost end of year		<u>1.845</u>
<b>Carrying amount end of year</b>		<u>1.845</u>
	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
<b>10. Deferred tax</b>		
Intangible assets	—	-165
Property, plant and equipment	-133	-186
Trade Receivables	1.492	629
	<u>1.359</u>	<u>278</u>

The Company recognizes deferred tax assets if management assesses that the tax assets can be offset against positive taxable income in the foreseeable future. The Judgement is made annually and based on budgets and business plans for the coming years. The deferred tax asset is expected to be realized within 1-5 years.

**11. Share capital**

All shares rank equally.

	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
<b>12. Contractual obligations</b>		
Liabilities under rental or lease agreements until maturity total	<b>29.850</b>	<b>32.543</b>
Commitments from operating leasing		
Within 1 year	7.294	10.913
1 to 5 years	19.268	20.551
After 5 years	3.288	1.079
	<u>29.850</u>	<u>32.543</u>

Included in the above commitments is the lease commitment for rent until 14 May 2024, which amounts to 11.426 T DKK (14.690 T DKK as of December 31, 2019).

**13. Contingent liabilities**

The Company is jointly taxed with other Danish companies in the Unilever group in accordance with the rules on compulsory Joint taxation. The company is liable unrestricted and jointly with the other companies in the Joint taxation for Danish corporation tax and withholding tax on dividends and interest in Joint taxation.

**Unilever Danmark A/S****Financial statements 1 January - 31 December****Notes****14. Related parties disclosures**

Unilever Danmark A/S related parties comprise the following:

Control-  
Unilever Finland OY, Roineentie 10, 510 Helsinki, Finland

Unilever Danmark A/S is part of the consolidated financial statement of Unilever PLC., London, United Kingdom, which is both the smallest and largest group, which prepares consolidated financial statements, in which Unilever Danmark A/S is included as a subsidiary. The consolidated financial statement of Unilever PLC can be obtained by contacting the company at the above address.

Related party transactions:

	<b>2020</b>	<b>2019</b>
	<b>T DKK</b>	<b>T DKK</b>
Purchases of goods from group companies	-760.591	-800.883
Supply chain charges to group companies	-84.348	-168.175
Management fee from group companies	11.735	42.972
Management fee to group companies	-16.142	-20.150
Royalty to group companies	-142.452	-44.734
Other expenses to group companies	-2.998	-312
Dividend payout to parent company	—	-2.999

Payables and receivables to related parties are disclosed in the balance sheet.

Financial expenses to group companies are disclosed in note 4 Other financial expenses.

Remuneration to the Company's Executive Board and Board of Directors is disclosed in note 2.

**15. Fees for auditors elected on the general meeting**

Fee to the auditors appointed at the general meeting is not disclosed with reference to the Danish Financial Statements Act §96 (3).

## **Unilever Danmark A/S**

### **Financial statements 1 January - 31 December**

#### **Accounting Policies**

##### **Reporting Class**

The Annual Report of Unilever Danmark A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C sub-class (large).

The accounting policies applied remain unchanged from last year.

##### **Cash Flow Statement**

Unilever Danmark A/S' cash flow statement is included in the consolidated accounts of Unilever PLC, London, United Kingdom. Unilever Danmark A/S therefore does not present cash flow statement in the annual report, cf. section 86 (4) of the Danish Financial Statements Act.

##### **Reporting currency**

The financial statements are presented in thousand Danish kroner.

##### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realized and unrealized foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

#### **Income Statement**

##### **Revenue**

Income from the sale of goods is recognized in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue. Segment information is provided on business segments and geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

##### **Production costs**

Production costs are direct and indirect costs incurred for production during the year, including costs for raw materials and consumables, production wages, other external costs as well as amortization and impairment of intangible assets and operating the administration.

##### **Distribution costs**

Distribution costs comprise costs incurred for the distribution of goods sold during the year, including costs for sales staff, transport, promotion activities and similar costs as well as depreciation and impairment of tangible assets.

##### **Administration costs**

Expenses incurred during the year for management and administration are recognized under administration costs. This includes expenses incurred for the administrative staff, management, offices as well as office expenses, similar expenses, depreciation and impairment of tangible assets.

##### **Other operating income**

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets as well as current income relating to certain royalties.

##### **Financial income and expenses**

Financial income and expenses are recognized in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realized and unrealized capital gains and losses on debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

**Unilever Danmark A/S****Financial statements 1 January - 31 December****Accounting Policies****Tax on net profit**

Tax on net profit for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognized directly in equity.

The Company and the Danish associates are taxed Jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution). The Company is the administration company for the Danish taxation group.

**Balance Sheet****Intangible assets**

Trademarks are measured at cost less accumulated amortization and impairment losses or the recoverable amount, where this is lower. Trademarks are depreciated over a maximum of 10 years.

Goodwill is measured at cost less accumulated amortization and impairment losses. Goodwill is amortized on a straight-line basis, based on an assessment of useful life of 10 years.

Amortization is recognized in the Income Statement under production costs.

**Tangible assets**

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

Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use. For own-produced assets, the cost includes direct and indirect costs for wage consumption, materials, components and subcontractors.

Amortization and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Fixed assets are depreciated on a straight-line basis based on cost, based on the following assessment of useful life and residual values:

	<b>Useful life</b>
Fixtures and fittings, tools and equipment	7-14 years

Depreciation is recognized in the income statement under distribution and administration costs.

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

Profit and loss on sale of tangible assets is calculated as the difference between the selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognized in the income statement under other operating income and other operating expenses.

**Financial assets**

Deposits are measured at amortized cost. In cases where the cost price exceeds the recoverable amount, there will be a write down to the lower price.

## **Unilever Danmark A/S**

### **Financial statements 1 January - 31 December**

#### **Accounting Policies**

##### **Impairment of fixed assets**

The carrying amount of intangible and tangible fixed assets is assessed annually for indications of impairment in addition to that expressed by depreciation.

If there are indications of impairment, impairment tests of each asset or groups of connected assets are carried out, impairment losses are made at the recoverable amount if this is lower than the carrying amount.

The recoverable amount of the asset is calculated as the highest value of the net selling price and capital value. If it is not possible to determine a recoverable amount for each asset, the assets are assessed collectively in the smallest group of assets where a reliable recoverable amount can be determined by a comprehensive assessment.

Goodwill and other assets where it is not possible to calculate any own capital value as the asset itself does not generate future cash flows is assessed for impairment with the group of assets to which they can be attributed.

##### **Inventories**

Inventories are measured at cost on the basis of the FIFO principle or at the net realizable value if the latter is lower.

Manufactured goods and goods for sale are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realizable value of inventories is calculated as selling price less cost of completion and costs incurred to effect sales and is determined taking into account marketability, uncertainty and development in the expected selling price.

##### **Receivables**

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

##### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognized at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction. Any deferred net assets are measured at net realizable value.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

##### **Equity**

Proposed dividend for the year is recognized as a separate item in equity.

##### **Other provisions**

Provisions are recognized when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

**Unilever Danmark A/S****Financial statements 1 January - 31 December****Accounting Policies****Current tax liabilities**

Current tax liabilities and current tax receivables are recognized in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

**Liabilities**

Liabilities are measured at amortized cost which usually corresponds to the nominal value.

**Contractual obligations**

The Company hasn't entered into financial leases. Thus, leases are considered operating leases. Payments relating to operating leases and other leases are recognized in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

**Explanation of financial ratios**

Gross profit (%)	=	$\frac{\text{Gross profit X 100}}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Operating profit (EBIT) X 100}}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year X 100}}{\text{Average equity}}$
Return on capital employed (%)	=	$\frac{\text{Profit (loss) from ordinary activities before tax X 100}}{\text{Average assets}}$
Solvency ratio (equity ratio) (%)	=	$\frac{\text{Total equity X 100}}{\text{Total assets}}$