

# Unilever Danmark A/S

Ørestads Boulevard 73, 2300 København S

CVR no. 45 96 31 28

## Annual report 2021

Approved at the Company's annual general meeting on 29 June 2022

Chair of the meeting:

DocuSigned by:  
*Gunilla Leonardsson*  
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Gunilla Maria Leonardsson

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Unilever Danmark A/S for the financial year 1 January - 31 December 2021.

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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

28 June 2022

Copenhagen,  
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  
Chair

DocuSigned by:

Anna Utzon

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Anna Utzon

DocuSigned by:

Thomas Høier

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Thomas Sværke Høier

DocuSigned by:

Kenneth Hansen

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Kenneth Hansen  
Employee Representative

## 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 2021, which comprise an 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

### 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

- 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 note 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's review

Management is responsible for the Management's review.


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

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 June 2022  
KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

DocuSigned by:  


Jon Beck  
State Authorised Public Accountant  
mne32169

## Management's review

### Company details

Name	Unilever Danmark A/S
Address, Postal code, City	Ørestads Boulevard 73, 2300 København S
CVR no.	45 96 31 28
Established	28 February 1939
Registered office	København
Financial year	1 January - 31 December
Website	<a href="http://www.unilever.dk">www.unilever.dk</a>
Telephone	+45 43 28 41 00
Telefax	+45 43 44 45 35
Board of Directors	Gunilla Maria Leonardsson, Chair Anna Utzon Thomas Sværke Høier Kenneth Hansen, Employee Representative
Executive Board	Bjarne Steen Jensen, Managing Director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 København Ø CVR No: 25578198

## Management's review

## Financial highlights

DKKm	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	1,348	1,306	1,368	1,418	1,392
Profit/loss before interest and tax (EBIT)	131	-9	15	17	30
Net financials	-4	-2	0	1	1
Profit/loss for the year	99	-14	4	3	16
<b>Total assets</b>					
Total assets	499	413	437	420	403
Investments in property, plant and equipment	8	0	11	3	5
Equity	336	237	252	251	264
<b>Financial ratios</b>					
Operating margin	9.7%	-0.7%	1.1%	1.2%	2.2%
Gross margin	18.7%	10.9%	20.4%	12.5%	2.5%
Return on assets	15.6%	-1.6%	2.3%	4.1%	7.5%
Equity ratio	67.5%	57.2%	57.7%	59.8%	65.5%
Return on equity	34.6%	-5.7%	1.6%	1.2%	6.2%
<b>Average number of full-time employees</b>					
Average number of full-time employees	178	183	208	222	228

For definitions of key ratios, see Accounting policies on page 18.

During the year, the company has chosen to change the presentation of the income statement from by function to by nature.

## Management's review

### Business review

Unilever operates in the fast-moving consumer goods industry. In 2021, the Company operated across four categories: Beauty & Personal Care, Home Care, Foods and Refreshment.

Unilever has delivered top line growth and especially profit growth. This is related to a strong execution of growth plans, especially towards New Channels and good implementation of a row of initiatives across channels – growth has for been in all categories, but especially Personal Care and Ice Cream.

### Financial review

The income statement for 2021 shows a profit of DKK 98,868 thousand against a loss of DKK 14,268 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 336,188 thousand.

In November 2021, Unilever announced that we had entered into an agreement to sell our global Tea business, now known as Ekaterra, to CVC Capital Partners Fund VIII. The transaction took place in two steps. First the tea business was sold within the group, which resulted in a profit of DKK 59.7 million, reported as other operating income. We expect to complete the second step of the transaction, the external sale of Ekaterra at a group level, in the second half of 2022. Following the transition of our Tea business, Unilever entered into a service agreement with the new company Ekaterra to support with certain services. In 2021 Unilever received DKK 0.5 million in accordance with this agreement, which is reported as Revenue.

### Financial risks and use of financial instruments

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. Locally in Denmark pricing is implemented (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/).

#### *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.



## Management's review

### Statutory CSR report

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.8to 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/>

### Account of the gender composition of Management, cf. §99b

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. Year 2021 the board members are equally distributed, and the gender balance is 50/50. When it comes to the employee-elected Board members, the Board will still need to make an extraordinary effort to encourage female candidates to run for election 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 2022.

The target for management is to have 50% representation per gender. At the end of 2021 the current proportion of women is 62%. 5 out of 8 members are women. 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.

## Management's review

### Data ethics

#### Part 1 - Statement regarding data ethics:

Our policy for data ethics consists of:

- All employees handling personal data receive ongoing mandatory data privacy training from Unilever's Global Privacy team and local legal team. They need to act responsibly and ethically, upholding Unilever's core values, always considering the risk to individuals in using their personal data and take steps to mitigate such risk.
- Only collecting data that is adequate and relevant and use it solely for the purpose for which it is collected.
- If sharing data with third parties or third parties collect personal data on Unilever's behalf, a data processing agreement is required to be signed and a third party risk assessment needs to be conducted by the information security team.

#### Part 2 - Working with questions/matters on data ethics

All Unilever employees need to abide by and conduct business in accordance with Unilever's Code of Business Principles and Code Policies (and hence our principles on data ethics). In addition, Unilever has a variety of systems and applications where all new data processing activities and suppliers processing Unilever's data are assessed from a data privacy and information security perspective. Depending on whether there are any high risk areas identified and reported, appropriate mitigation measures are implemented and additional measures might be requested by suppliers in order to meet Unilever's standards on data privacy, data ethics and information security. All decisions regarding data ethics and new system development are anchored within our corporate management and are regularly reviewed.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Management has assessed that the company has sufficient funds to distribute an ordinary dividend of DKK 135m. A significant part of receivables from group enterprises is cash pool, which will be used to settle the dividend proposed.

### Outlook

Key focus 2022 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 maintaining current momentum by further benefiting on customer partnerships, initiation of new initiatives outside traditional retail and recover business impacted by Covid-19 in 2021. We expect a result for the year 2022 where turnover is increasing versus 2021, and also some improvement on profit.

## Financial statements 1 January - 31 December

## Income statement

Note	DKK'000	2021	2020
3	Revenue	1,347,606	1,306,127
	Cost of sales	-812,689	-773,053
4	Other operating income	60,172	0
	Other external expenses	-342,726	-390,826
	Gross profit	252,363	142,248
5	Staff costs	-116,240	-116,909
6	Amortisation/depreciation of intangible assets and property, plant and equipment	-5,047	-32,625
	Other operating expenses	-337	-1,640
	Profit/loss before net financials	130,739	-8,926
	Financial income	55	1,028
7	Financial expenses	-3,992	-2,819
	Profit/loss before tax	126,802	-10,717
8	Tax for the year	-27,934	-3,551
	Profit/loss for the year	98,868	-14,268

## Financial statements 1 January - 31 December

## Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Acquired intangible assets	0	0
	Goodwill	0	0
		<u>0</u>	<u>0</u>
10	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	22,807	20,622
	Property, plant and equipment under construction	623	141
		<u>23,430</u>	<u>20,763</u>
11	Investments		
	Deposits, investments	1,895	1,845
		<u>1,895</u>	<u>1,845</u>
	Total fixed assets	<u>25,325</u>	<u>22,608</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	3,673	2,308
		<u>3,673</u>	<u>2,308</u>
	Receivables		
	Trade receivables	120,186	86,943
	Receivables from group enterprises	347,043	295,500
12	Deferred tax assets	904	1,359
	Corporation tax receivable	0	2,794
	Other receivables	1,495	1,486
		<u>469,628</u>	<u>388,082</u>
	Cash	0	314
	Total non-fixed assets	<u>473,301</u>	<u>390,704</u>
	TOTAL ASSETS	<u><u>498,626</u></u>	<u><u>413,312</u></u>

## Financial statements 1 January - 31 December

## Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	190,205	190,205
	Retained earnings	10,983	47,115
	Dividend proposed	135,000	0
	Total equity	<u>336,188</u>	<u>237,320</u>
	Provisions		
14	Other provisions	<u>0</u>	<u>2,442</u>
	Total provisions	<u>0</u>	<u>2,442</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	12	0
	Trade payables	40,107	47,563
	Payables to group enterprises	82,648	95,813
	Corporation tax payable	20,943	0
	Other payables	18,728	30,174
		<u>162,438</u>	<u>173,550</u>
	Total liabilities other than provisions	<u>162,438</u>	<u>173,550</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>498,626</u></u>	<u><u>413,312</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 15 Contractual obligations and contingencies, etc.
- 16 Related parties
- 17 Fee to the auditors appointed by the Company in general meeting
- 18 Appropriation of profit/loss



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Unilever Danmark A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

##### Changes in accounting policies

In the year, the Company has chosen to change the presentation of the income statement from by function to by nature. The reason for the change is that the by nature income statement better reflects the company's activities as a marketing and sales organization and to align with the group's reporting. The comparison figures have changed.

Except from the above mentioned change, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

##### Omission of a 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.

##### Basis of recognition and measurement

##### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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.

#### 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.

##### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Share-based payments are recognized as staff costs in the financial statements at time of vesting and are settled via the ultimate parent company, in which shares are granted.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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:

Fixtures and fittings, other plant and equipment	7-14 years
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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.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income

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.

##### Tax

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

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The cost of self constructed assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

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



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments

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.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### 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.

##### Current tax liabilities and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

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

##### Lease liabilities

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.

##### Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 1 Accounting policies (continued)

## Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 2 Events after the balance sheet date

Management has assessed that the company has sufficient funds to distribute an ordinary dividend of DKK 135m. A significant part of receivables from group enterprises is cash pool, which will be used to settle the dividend proposed.

DKK'000	2021	2020
3 Segment information		
Breakdown of revenue by business segment:		
Home Care and personal care	555,279	552,342
Foods, refreshments and Ice cream	792,327	753,785
	<u>1,347,606</u>	<u>1,306,127</u>
Breakdown of revenue by geographical segment:		
Domestic	1,277,335	1,236,288
Foreign	70,271	69,839
	<u>1,347,606</u>	<u>1,306,127</u>

## 4 Other operating income

Other operating income includes gains on the sale of the company's Tea business of TDKK 59,729.

## 5 Staff costs

Wages/salaries	104,412	104,314
Pensions	9,919	9,862
Other social security costs	1,909	2,733
	<u>116,240</u>	<u>116,909</u>
Average number of full-time employees	<u>178</u>	<u>183</u>

Total remuneration to The Executive board and board of directors TDKK 2.269 (2.397). Of the remuneration, payment for pension savings amounts to TDKK 162 (162).

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.

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 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.

	2021	2020
DKK'000		
6 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	0	27,466
Depreciation of property, plant and equipment	5,047	5,159
	<u>5,047</u>	<u>32,625</u>
7 Financial expenses		
Interest expenses, group entities	3,972	2,647
Other financial expenses	20	172
	<u>3,992</u>	<u>2,819</u>
8 Tax for the year		
Estimated tax charge for the year	27,479	4,632
Deferred tax adjustments in the year	455	-1,081
	<u>27,934</u>	<u>3,551</u>

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 9 Intangible assets

DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2021	123,510	948,691	1,072,201
Cost at 31 December 2021	123,510	948,691	1,072,201
Impairment losses and amortisation at 1 January 2021	123,510	948,691	1,072,201
Impairment losses and amortisation at 31 December 2021	123,510	948,691	1,072,201
Carrying amount at 31 December 2021	0	0	0

## 10 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2021	82,899	141	83,040
Additions	7,423	627	8,050
Disposals	-14,612	0	-14,612
Transferred	145	-145	0
Cost at 31 December 2021	75,855	623	76,478
Impairment losses and depreciation at 1 January 2021	62,277	0	62,277
Depreciation	5,047	0	5,047
Reversal of accumulated depreciation and impairment of assets disposed	-14,276	0	-14,276
Impairment losses and depreciation at 31 December 2021	53,048	0	53,048
Carrying amount at 31 December 2021	22,807	623	23,430

## 11 Investments

DKK'000	Deposits, investments
Cost at 1 January 2021	1,845
Additions	50
Cost at 31 December 2021	1,895
Carrying amount at 31 December 2021	1,895

## Financial statements 1 January - 31 December

## Notes to the financial statements

DKK'000	2021	2020
12 Deferred tax		
Deferred tax at 1 January	-1,359	-279
Change in deferred tax	455	-1,081
Other deferred tax	0	1
Deferred tax at 31 December	<u>-904</u>	<u>-1,359</u>
Deferred tax relates to:		
Property, plant and equipment	447	133
Receivables	<u>-1,351</u>	<u>-1,492</u>
	<u>-904</u>	<u>-1,359</u>
Analysis of the deferred tax		
Deferred tax assets	<u>-904</u>	<u>-1,359</u>
	<u>-904</u>	<u>-1,359</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.

## 13 Share capital

All shares rank equally.

The Company's share capital has remained DKK 190,205 thousand in the past year.

## 14 Other provisions

Opening balance at 1 January	2,442	2,442
Provisions utilised in the year	<u>-2,442</u>	<u>0</u>
Other provisions at 31 December	<u>0</u>	<u>2,442</u>

The provisions are expected to be payable in:

> 1 year	<u>0</u>	<u>2,442</u>
	<u>0</u>	<u>2,442</u>

## 15 Contractual obligations and contingencies, etc.

## 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.

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 15 Contractual obligations and contingencies, etc. (continued)

## Other financial obligations

## Other rent and lease liabilities:

DKK'000	2021	2020
Rent and lease liabilities	32,505	29,850

## Commitments from operation leasing

- Due within 1 year TDKK 9.535 (7.294)
- Due 1 to 5 years TDKK 22.449 (19.268)
- Due after 5 years TDKK 521 (3.288)

Included in the above commitments is the lease commitment for rent until 14 May 2024, which amounts to 8.098 TDKK (11.426 TDKK as of December 31, 2020).

## 16 Related parties

Unilever Danmark A/S' related parties comprise the following:

## Parties exercising control

Parent company	Domicile	Basis for control
Unilever Finland OY	Helsinki, Finland	57,9% ownership

## Significant influence

Related party	Domicile	Basis for significant influence
Marga BV.	Rotterdam, The Netherlands	42,1% ownership

The smallest and largest group, respectively, in which the Company is included as a subsidiary in their consolidated financial statements.

Ultimate parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Unilever PLC	London, United Kingdom	100 Victoria Embankment, London EC4Y ODY, United Kingdom



## Financial statements 1 January - 31 December

## Notes to the financial statements

## 16 Related parties (continued)

## Related party transactions

Unilever Danmark A/S was engaged in the below related party transactions:

DKK'000	2021	2020
Purchases of goods from group companies	-808,374	-760,591
Supply chain charges to group companies	-100,957	-84,348
Management fee from group companies	30,306	6,031
Management fee to group companies	-14,562	-16,142
Royalty to group companies	-105,924	-142,452
Other expenses to group companies	-4,203	-2,998

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

Financial expenses to group companies are disclosed in note 7 Other financial expenses.

Remuneration to the Company's Executive Board and Board of Directors is disclosed in note 5.

## 17 Fee to the auditors appointed by the Company in general meeting

Audit fee to KPMG	545	459
	<u>545</u>	<u>459</u>

## 18 Appropriation of profit/loss

Recommended appropriation of profit/loss		
Proposed dividend recognised under equity	135,000	0
Retained earnings/accumulated loss	-36,132	-14,268
	<u>98,868</u>	<u>-14,268</u>