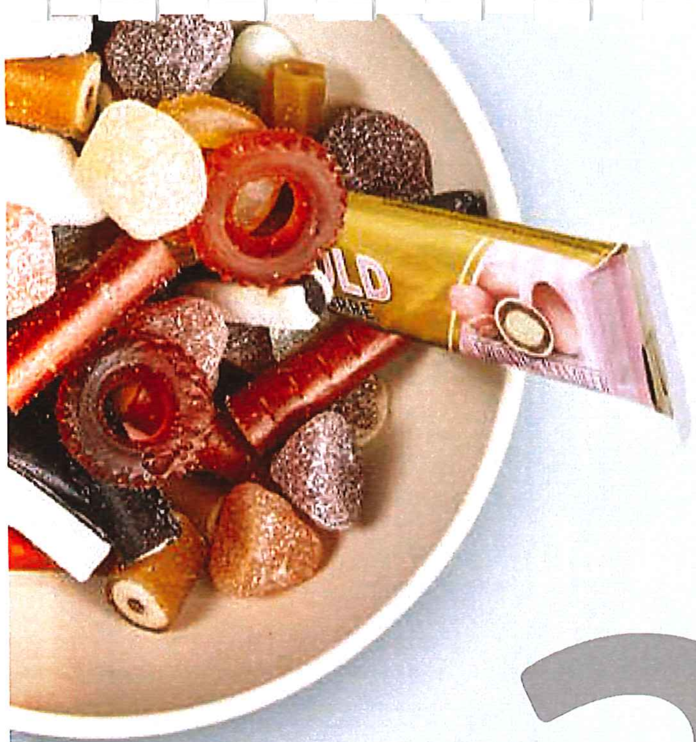


2018

Annual Report 2018
Toms Gruppen A/S

The Annual Report is adopted at
the Annual General Meeting on
22 March 2019

Henrik Brandt
Chairman

Registration no.: 56 75 93 28
Toms Allé 1, 2750 Ballerup
Denmark

Contents


TOMS GRUPPEN A/S
1.764,5 mill
GROUP REVENUE
1,031
GROUP EMPLOYEES
toms

Company Details

Toms Gruppen A/S
Toms Allé 1
2750 Ballerup, Denmark

Telephone:	+45 44 89 10 00
Fax:	+45 44 89 10 99
E-mail:	info@toms.dk
Website:	www.tomsgroup.com
Registered office:	Ballerup
Registration no.:	56 75 93 28
Established:	30 January 1924
Financial year:	1 January - 31 December

Ownership

Toms Gruppen A/S is a fully owned subsidiary of Gerda & Victor B. Strand Holding A/S, Ballerup, Denmark, which is owned by Gerda and Victor B. Strands Fond

Gerda & Victor B. Strands Fond*

Gerda & Victor B. Strand Holding A/S*
(100%)

Toms Gruppen A/S
(100%)

Toms Polska Sp. Z.o.o. (100%)

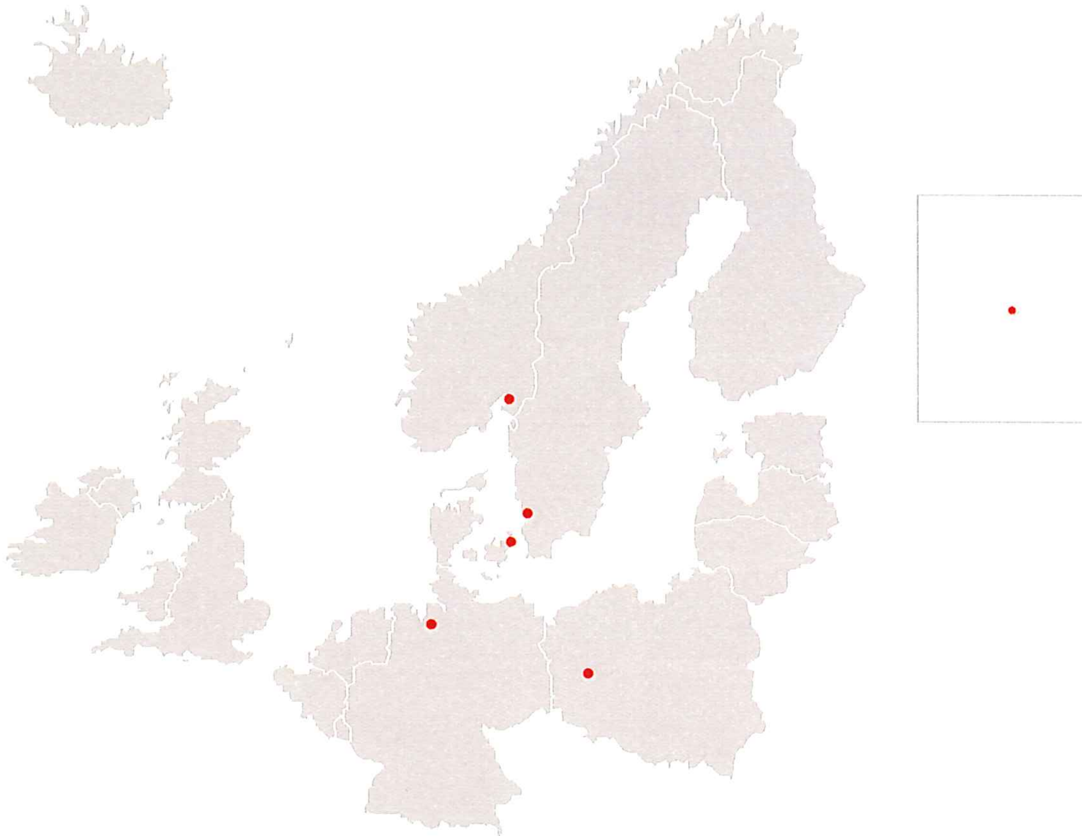
Toms Sverige AB (100%)

Hanseatische Chocolade GmbH (100%)

Toms Confectionery Group Pte Ltd (100%)

Toms Confectionery Group Norway (100%)

*) These entities are not included in this Annual Report.



Group Companies

please refer to page 63 for complete list of subsidiaries

Toms Sverige AB
Hamngatan 17
302 43 Halmstad
Sweden
(100 percent owned by Toms Gruppen A/S)

Toms Polska Sp. z o.o.
Ul. Okrezna 27
64-100 Leszno
Poland
(100 percent owned by Toms Gruppen A/S)

Hanseatische Chocolade GmbH
Westerstrasse 32
28199 Bremen
Germany
(100 percent owned by Toms Gruppen A/S)

Toms Confectionery Group Norway
Delitoppen 7
1540 Vestby
Norway
(100 percent owned by Toms Gruppen A/S)

Toms Confectionery Group Pte. Ltd.
(Incorporated in Singapore)
103 Defu Lane 10, #06-01
FNA Group Building
Singapore 539223
(100 percent owned by Toms Gruppen A/S)

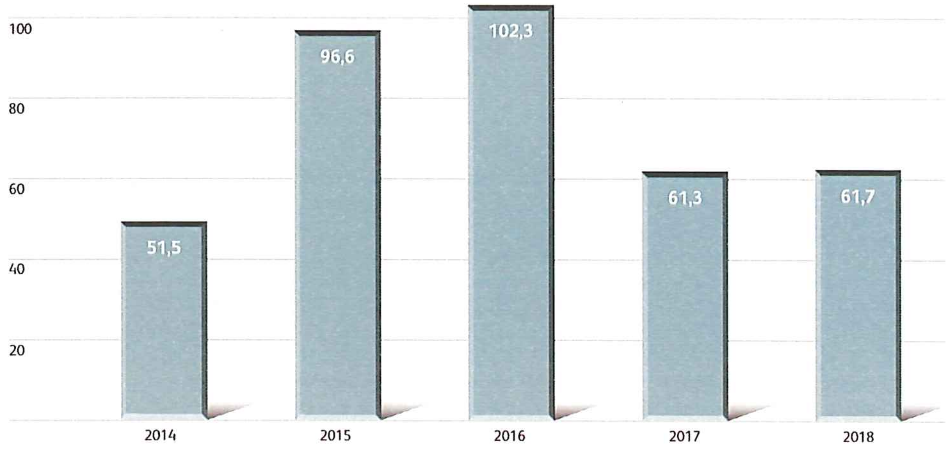
Financial Highlights

Mill DKK

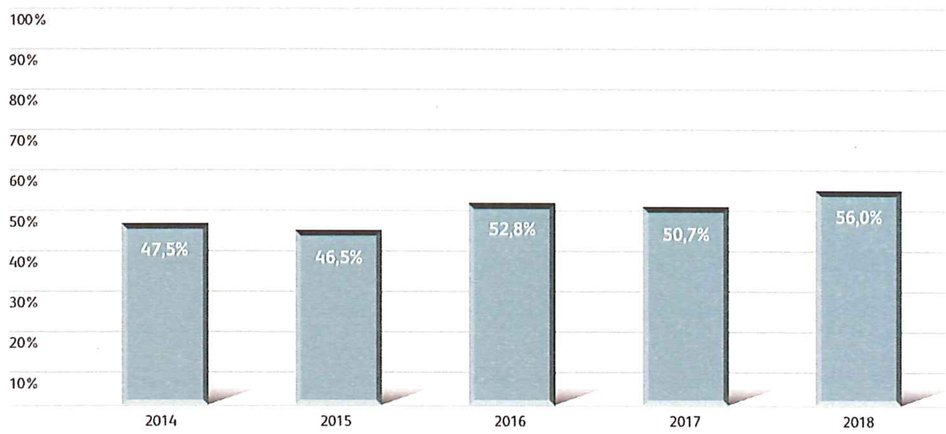
	2018	2017	2016	2015	2014
Revenue	1.764,5	1.763,1	1.729,8	1.755,7	1.748,9
Gross profit	602,3	603,2	612,5	586,0	565,6
Operating profit before special items **	61,7	61,3	102,3	96,6	51,5
Operating profit	**50,3**	**54,4**	**88,7**	**70,5**	**-32,5**
Net financials	-4,7	0,7	-7,0	8,3	-3,9
Profit/loss before tax	45,6	55,1	81,7	78,8	-36,4
Profit/loss for the year	**44,5**	**41,1**	**58,4**	**49,1**	**-44,2**
Non-current assets	588,1	395,3	335,1	341,9	368,9
Current assets	817,1	744,7	681,9	688,5	570,3
Total assets	**1.405,3**	**1.140,0**	**1.017,0**	**1.030,4**	**939,2**
Share capital	3,5	3,5	3,5	3,5	3,5
Equity	**787,5**	**577,9**	**537,4**	**479,0**	**445,7**
Provisions	58,2	58,1	57,9	81,1	61,5
Long-term liabilities	201,2	0,0	0,0	0,0	5,9
Short-term liabilities	358,5	504,0	421,7	470,3	426,1
Total liabilities and equity	**1.405,3**	**1.140,0**	**1.017,0**	**1.030,4**	**939,2**
Cash flow from operating activities	23,7	157,0	154,8	131,1	115,4
Cash flow from investment activities	-196,0	-116,7	-55,1	-36,0	-40,4
Of this investments in property, plant and equipment	-196,9	*-115,6*	*-55,1*	*-36,0*	*-40,4*
Cash flow from financial activities	210,5	0,0	0,0	-5,9	-1,2
Total increase/decrease in cash and cash equivalents	**38,2**	**40,3**	**99,7**	**89,3**	**73,8**
Average number of employees	**1.031**	**1.010**	**1.090**	**1.258**	**1.277**
Financial ratios*:					
Growth in operating profit before special items	0,7%	-40,1%	5,9%	87,6%	21,7%
Operating margin	2,9%	3,1%	5,1%	4,0%	-1,9%
Return on invested capital	7,5%	9,6%	14,9%	10,9%	-4,4%
Gross margin	34,1%	34,2%	35,4%	33,4%	32,3%
Current ratio	227,9%	147,8%	161,7%	146,4%	133,8%
Solvency ratio	56,0%	50,7%	52,8%	46,5%	47,5%
Return on equity	6,5%	7,4%	11,5%	8,8%	-8,1%

*) Refer to page 67 for definitions of financial ratios, etc.
**) Special items are disclosed in note 1 to the financial statement.

Operating profit before special items



Solvency ratio



MANAGEMENT'S REVIEW

Letter from the CEO

At Toms Gruppen A/S we are investing in a strong and competitive foundation for future growth. 2018 was an important year in the execution of our 'One Toms 2020' strategy: The construction of our new manufacturing plant in Poland is on track and we have made further investments in our Danish factories.

In 2018, we continued to execute on our One Toms 2020 strategy. We gained market shares in all key markets, including Denmark, Sweden and Germany. In Germany we succeeded in building a strong distribution of our Hachez brand with key domestic retailers. Our premium brand Anthon Berg and the iconic liqueur filled chocolate bottles performed above target in 2018 in our global markets. Results that increase our expectations to take further niche positions globally in the years to come. Furthermore, we have taken important steps in our execution of building a competitive supply chain platform for the future of Toms Gruppen A/S.

In spite of increase in market shares, our financial results for 2018 are not satisfactory. This is mainly a consequence of a historically warm and long summer, resulting in a general decline of 3-5 % in our key markets; a challenging low Swedish exchange rate and continued substantial investments in growth with our customers.

Despite the unsatisfactory result in 2018 we remain focused on executing on our long-term strategy of Toms Gruppen A/S. The strategy in essence is about improving our market leader position in Denmark, becoming a strong challenger in the premium segment in Germany, gaining strong niche positions in our international markets, and building an agile and competitive supply chain platform.

2018 was the year where we took a giant leap in the transformation of our supply chain platform and initiated the construction of a new manufacturing plant in Nowa Sól, close to our existing packaging facility in Leszno in Poland. Together with a three-digit million investment focusing on our Danish facilities in Ballerup and Hvidovre, investments in 2019/2020, and beyond, are made to ensure a long-term competitive growth platform. The investments support our commercial strategy and ambitious plans beyond 2020 and benefit our consumers, customers, employees and owners.

Moving forward, it has become increasingly crucial for our ability to pursue and ensure our continued growth and success that we manage to integrate long-term sustainability along our value chain. For information about our CSR approach and initiatives please read the full Toms Group Responsibility Report 2018 at **https://tomsgroup.com/en/our_responsibility/results_policies**

Best regards,
Carsten Lyngsø Thomsen
CEO


Carsten Lyngsø Thomsen, CEO, Toms Gruppen A/S

Management's Review

Financial highlights

Principal activities of the Company

Toms Gruppen A/S manufactures, markets and sells confectionery.

Denmark is the largest market, including sales to Danish/German border shops. Mainly branded products are sold in Denmark, and Toms Gruppen A/S is a market leader across the confectionery category as a total.

In Germany, sales mainly consist of premium chocolate under the brands of Hachez and Feodora.

In Sweden, sales consist of Pick-and-Mix sweets as well as branded products like Anthon Berg and Toms.

The international business unit primarily exports to the main markets in Norway, North America, the Netherlands, Australia and the Far and Middle East. In several markets, sale is handled through distributors. The business unit is also responsible for sales to the travel retail market.

The Group's production takes place at the Group's own four factories in Denmark (2), Germany (1), and Poland (1). The facility in Poland only handles packaging tasks.

Development in activities and financial position

Profit for the year

The Group's revenue for 2018 amounted to DKK 1.764,5 million against DKK 1.763,1 million in 2017.

Operating profit before special items ended at DKK 61,7 million which is just above 2017 result of DKK 61,3 million. While market shares have been gained in all key markets, continued high investments in trade, warm summer, decrease of SEK rate of exchange and high production costs results in a total performance being below expectations.

Net financials showed an expense of DKK 4,7 million in 2018 compared to an income of DKK 0,7 million in 2018. The increase in expenses is mainly due to interest on mortgage loans issued in 2018.

REVENUE 2018

1.008 mill	461 mill	296 mill
DENMARK/SWEDEN	GERMANY	OTHER
57 %	26 %	17 %

Balance sheet and equity development

The Group's total assets at year-end amounted to DKK 1.405,3 million against DKK 1.140,0 million in 2018. At year-end, net interest bearing external debt amounted to DKK -61,0 million against DKK -235,7 million in 2017. Both are due to high investments in property, plant and equipment during 2018. At 31 December 2018, equity amounted to DKK 787,5 million, while equity amounted to DKK 577,9 million in 2017. The increase in equity is impacted by a shareholder contribution from Gerda og Victor B. Strand Holding A/S of 170 mDKK (cancellation of prior year dividend payable). The solvency ratio for 2018 and 2017 amounted to 56,0 percent and 50,7 percent, respectively.

Investments and cash flow

Net investments amounted to DKK 196,9 million in 2018 against DKK 115,6 million in 2017. Consolidated cash flow from operation, investment and financing activities was DKK 38,2 million compared to DKK 40,3 million in 2017. Decrease in cash flow were primarily caused by significant investments in 2018 counterbalanced by issuance of mortgage loans. Increased investments support the One Toms 2020 strategic priority of securing an agile and competitive supply chain.

Development activities

Costs are continuously incurred for development of the product portfolio. Development activities include the development of new products as well as development of existing products and concepts. All development costs were expensed.

2019 Outlook

Management expects that the market will revert to the level in 2017 together with continued strong price competition in the retail sector in all of the Group's markets. Management expects a moderate decline in revenue but operating profit before special items above 2018.

> *Management expects that the market will revert to the level in 2017*

Particular risks

General risks

The Group's main operating risks are attributable to the development of the competitive environment in the retail market. In addition, risks are associated with the development of world market prices of cocoa, cocoa butter, almonds, hazelnuts, gelatin and sugar.

Financial risks

Interest rate risks

The Company's net debt position is cash positive in 2018 and is therefore exposed to a negative interest rate for cash in bank. The net debt position will be cash negative in 2019 due to continued investment in the supply chain footprint.

Currency risks

The Group's currency risks occur partly because there is an imbalance between income and expenses in each currency (transaction risk), and partly because the Group includes companies with a functional currency other than DKK (translation risk).

Transaction risk: The Group incurs significant costs in foreign currency for the purchase of raw materials, and the individual companies have revenues in foreign currencies. The Group's currency policy stipulates as a general rule that cash flows in the major currencies (SEK, PLN, GBP and USD) must be hedged according to policy. Hedging is mainly made by using forward contracts.

Translation risk: Net assets in foreign currency were not hedged, as these would not have a significant size. For 2018, the income statement and balance sheet were affected by fluctuations in EUR, SEK, USD and PLN, however the impact on the Group's results were not significant.

Credit risks

The Group's credit risks are related to the primary financial assets and to derivative financial instruments with a fluctuating market value. The Group's policy for undertaking credit risks means that all new major customers and other business partners must be credit rated. A large proportion of transactions with customers outside the local markets are insured. Furthermore, significant non-insured customers are reviewed on a periodic basis.

Corporate social responsibility

The Group has decided to publish the statutory report on social responsibility according to section 99a and 99b of the Danish Financial Statements Act on our website. Toms Group Responsibility Report 2018 can be found at ***https://tomsgroup.com/en/our_responsibility/results_policies*** and is an integral part of the Management's review.

BRANDS & PARTNERSHIPS

Toms Kæmpe Skildpadde recreated national visibility and awareness

Spring 2018 saw a follow-up campaign to the successful 50 year anniversary celebration in 2017. The aim of the campaign was to recreate visibility and awareness of one of the strongest product icon in Toms' portfolio - Toms Kæmpe Skildpadde

The campaign combined outdoor, events and SoMe. Once again Copenhagen's Town Hall Square was decorated with a gigantic Skildpadde banner, and Skildpadde busses in Copenhagen, Aarhus and Aalborg caused much positive attention.

Further to this, **'the slowest Skildpadde race'** was launched – the Skildpadde Beetle toured Denmark and stopped at numerous stores in spring and autumn creating a buzz with product samplings and consumer competitions.

Meeting the consumers in different settings was very well received and strengthened the brand equity of Toms Skildpadde.

Toms' brand strategy of capitalizing on portfolio strengths came into effect in 2018

In 2018, Toms' mini icons were placed in a consumer occasion not previously seen. Relaunching Guld Barre Mini 10g in a new format, launching individually foiled Yankie Mini Mandel and Skildpadde Mini materialized into three iconic corner bags and strengthened the Toms brand even further.

Conceptually, this new range plays an important role in the overall strategy, the consumer occasion of Toms bars and Toms Skildpadde expanding from mainly being an on-the-go/self-indulgence product to being an informal dessert relevant for a guest and/or sharing situation.

A national 360° campaign included a TV campaign (with a new spot with Jan Krabbe and two guests in the shape of two girl twins), a trade campaign and a SoMe campaign creating consumer awareness and first product trial.

Toms' iconic products enter the Swedish tablet segment

In fall 2018 Toms Sweden launched Toms-in-Toms chocolate tablets building on the established icons, Ferrari, Mintstång and Häxvrål

The products come in three varieties, Ferrari Milk chocolate, Mintstång Milk chocolate and Häxvrål Milk chocolate, all in an 80 g size.

Ferrari sees a rapid growth in the sugar confectionery segment in Sweden

Toms relaunch of Ferrari bags in 2016 boosted sales, and in 2018 Toms was the fastest growing supplier in the sugar confectionery category in Sweden

The Ferrari car was established in the Pick & Mix category nearly 30 years ago and has become an icon for Swedish consumers. In 2016 Toms launched a series of classic Ferrari varieties in bags, and the Ferrari series is a real challenger in the bag segment in Sweden.

Toms and Tivoli continue a successful partnership

Toms and Tivoli make the perfect partnership; two iconic Danish brands building on a long and strong history and creating cosy moments and fun for the whole family.

The partnership with Tivoli was initiated in 2017, with Tivoli introducing "Hyggehjulet", a wheel of fortune. At "Hyggehjulet" visitors can win iconic chocolate from Toms.

Also in 2017 Toms introduced a Christmas shop in Tivoli, a success that we continued in 2018. At "Toms Hygge-bod" guests are invited into the world of Toms Hygge to taste and buy Toms confectionery and premium chocolate from Anthon Berg.

Toms proud sponsor of Team Denmark and the Danish Olympic athletes in 2018

The Olympic partnership was kicked off in Rio in 2016, and we continued the successful cooperation with Team Danmark and the support of the Danish athletes during the 2018 Winter Olympics in Pyeongchang.

The Hygge campaign was supported by in-store activities, consumer contests and SoMe, and encouraged families across generations to enjoy cosy family moments during the Games.

Anthon Berg – a global brand with Danish heritage

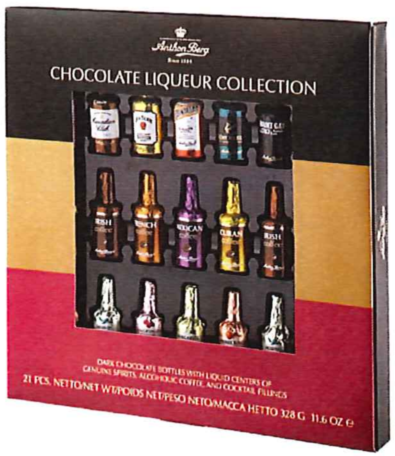
Our strategy is to grow Anthon Berg globally by taking further niche positions, and to work regionally to create synergies across markets.

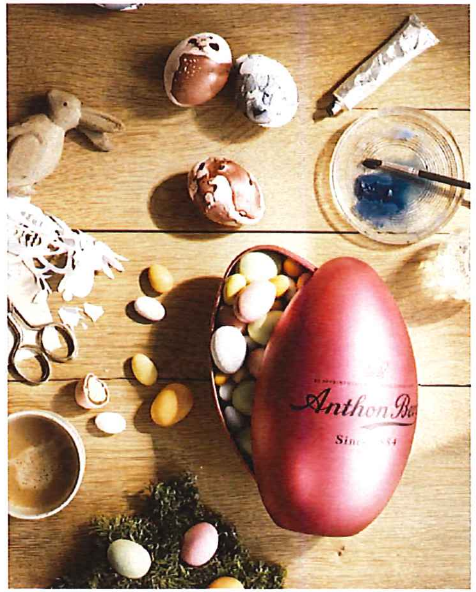
Toms' brand strategy is to grow Anthon Berg globally by taking further niche positions with our unique liqueur filled chocolate bottles. In a Nordic context, the ambition is to generate greater synergies by working regionally instead of locally focusing on: Accelerating Seasonal ownership, increasing the relevance of our iconic marzipan bars and increasing the brand and product relevance outside of Seasons and Marzipan.

Anthon Berg International – Taking #1 niche positions with liqueur filled chocolates
In taking the number one niche position internationally, 2018 took our ambitious growth strategy even further. Our biggest product category internationally, the liqueur-filled chocolate bottles, saw the introduction of a new line extension. A collection of 21 of our favourite miniature bottles from the three concepts: Chocolate Liqueurs, Chocolate Cocktails and Chocolate Coffee Liqueurs - displayed in a gifty packaging with a strong link to the standard liqueur assortment. To build an even stronger product portfolio, we expanded the line of our well-known range of 'Travellers Exclusive' chocolate-coated miniatures by bringing two new products to the market and fulfilling non-alcoholic customer requirements; Sweet Caramel and White Nougat.

Anthon Berg Nordic – Accelerating Seasonal ownership by strengthening our position within existing segments and entering new segments
Leveraging Anthon Berg's strong connection with the Seasons, 2018 became a year with several strong product launches.

At Christmas, we launched a new modern Christmas Calendar in order to be present in all relevant Christmas segments. The calendar is built on our strong competences within pralines, dragee and marzipan creating a clear connection to our overall product portfolio. Also Easter offered exciting news. Possessing the #1 position during Easter, the Season saw the opportunity of leveraging strong icons into new premium formats with the introduction of a new premium tin Easter Egg and a new premium giftbox containing some of our best-selling Easter products. Leveraging our iconic products is designed to further reinforce the iconicness of the Anthon Berg brand and increase perception of premiumness creating complete Seasonal portfolio fulfilling all consumer needs and situations of use.





Anthon Berg Denmark – Supporting a good cause by cooperating with the Danish Cancer Society enforces important values to Anthon Berg

In the fall of 2018, Anthon Berg initiated cooperation with the Danish Cancer Society's annual campaign to support the fight against breast cancer. The main objective of the cooperation between Anthon Berg and The Danish Cancer Society was to drive further awareness to the cause and re-inforce brand values such as responsibility and engagement.

The yearly campaign, 'Support the Breasts', gathers funds to support research, prevention, information and counseling. The main target audience of the campaign has a great love for Anthon Berg. In this way Anthon Berg could generate further awareness to the cause through on-pack communication and in-store materials, thereby mobilizing even more funds to fight breast cancer.

The great match between Anthon Berg and the Danish Cancer Society´s campaign led to a highly successful campaign execution in stores throughout Denmark.

German roll-out of the new assortments, HACHEZ – A Matter of Taste and FEODORA – Sweet Dreams

2018 was the year of the roll-out of the new assortments HACHEZ- A Matter of Taste & FEODORA - Sweet Dreams.

The blogger community was excited to participate in a HACHEZ chocolate & wine tasting event taking place in Chocoversum - sponsored by HACHEZ.

FINANCIAL STATEMENTS

Financial Statements

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Toms Gruppen A/S for the financial year 1 January – 31 December 2018.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.
It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2018 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

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

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

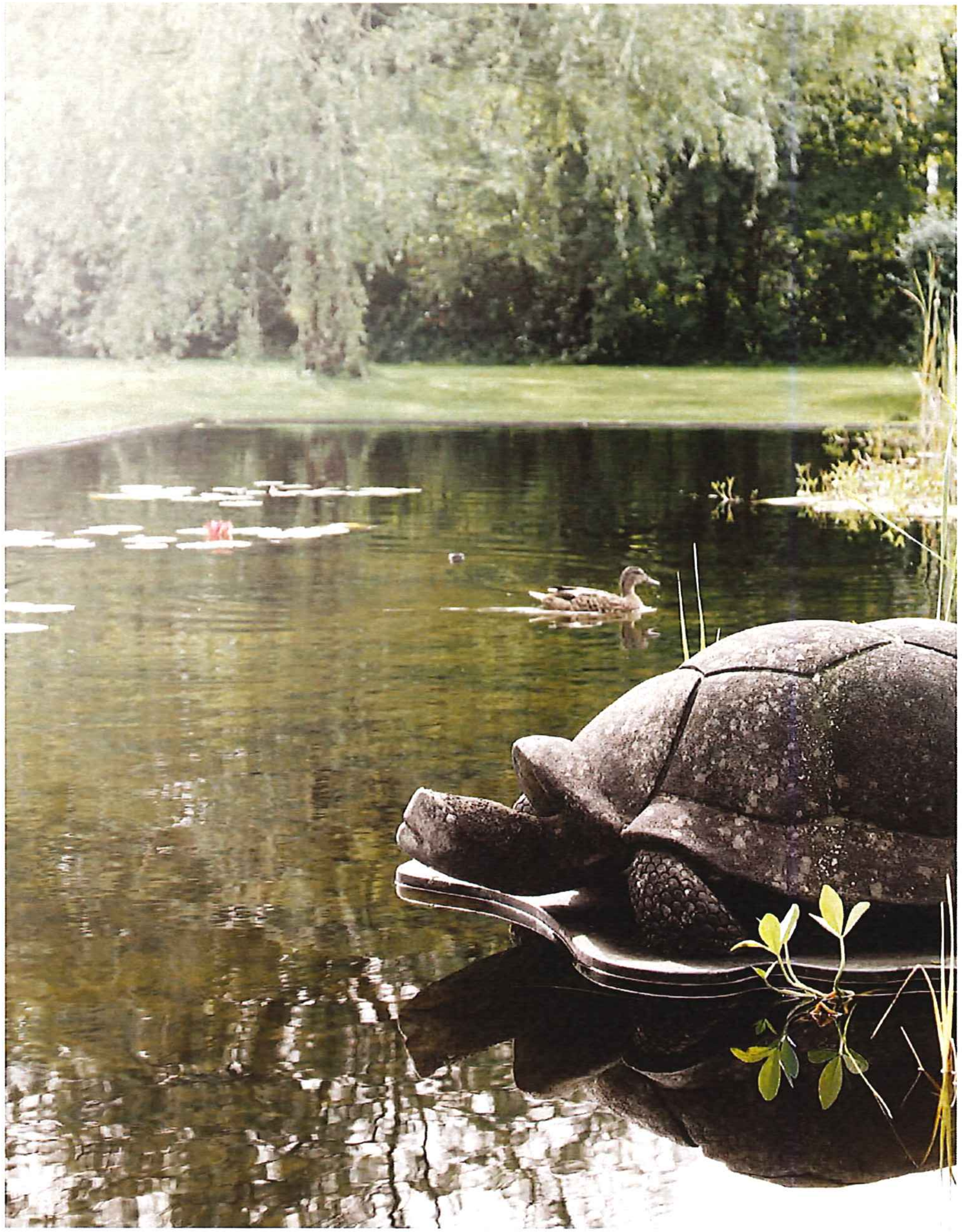
Ballerup, 21 March 2019

Executive Board

Carsten Lyngsø Thomsen CEO	Lars Henrik Vejrup Hansen Group CFO

Board of Directors

Henrik Brandt Chairman	Christian H. Sørensen Vice Chairman	Carsten Bennike Vice Chairman
Morten Petersen	Carsten D. Wehrmann	Mikael Thinghuus
Lone C. Nielsen	Kenneth Pedersen	Johnny Bæhr



Independent Auditor's Report

To the shareholder of Toms Gruppen A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Toms Gruppen A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 additional requirements applicable in Denmark, we exercise professional judgement 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 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 March 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised
Public Accountant
mne32212

Group and Parent Company Financial Statements

For the period 1 January – 31 December 2018

Accounting Policies

Compliance

The annual report of Toms Gruppen A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C enterprises (large) under the Danish Financial Statements Act.

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and the income can be measured reliably. Liabilities are recognised in the balance sheet when the Group as a result of a past event has a legal or constructive obligation and it is probable that future economic benefits will flow from the Group, and the value can be measured reliably.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as it occurs, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. In addition, costs incurred to generate the year's earnings, including depreciation, amortisation, provisions and reversals due to changes in accounting estimates of amounts previously recognised in the consolidated financial statements and the parent company financial statements.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Toms Gruppen A/S, and subsidiaries in which Toms Gruppen A/S directly or indirectly holds more than 50 per cent of the voting rights or which it, in some other way, controls. Enterprises in which the Group holds between 20 per cent and 50 per cent of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Foreign currency translation

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

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

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

The company uses IAS 18 as interpretation for the recognition of revenue.

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plants.

Sales and distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognised as sales and distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as sales and distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Other operating income

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

Other operating costs

Other operating cost comprises items secondary to the Company's activities, including losses on disposal of intangible assets and items of property, plant and equipment.

Share of profit/loss in subsidiaries after tax

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

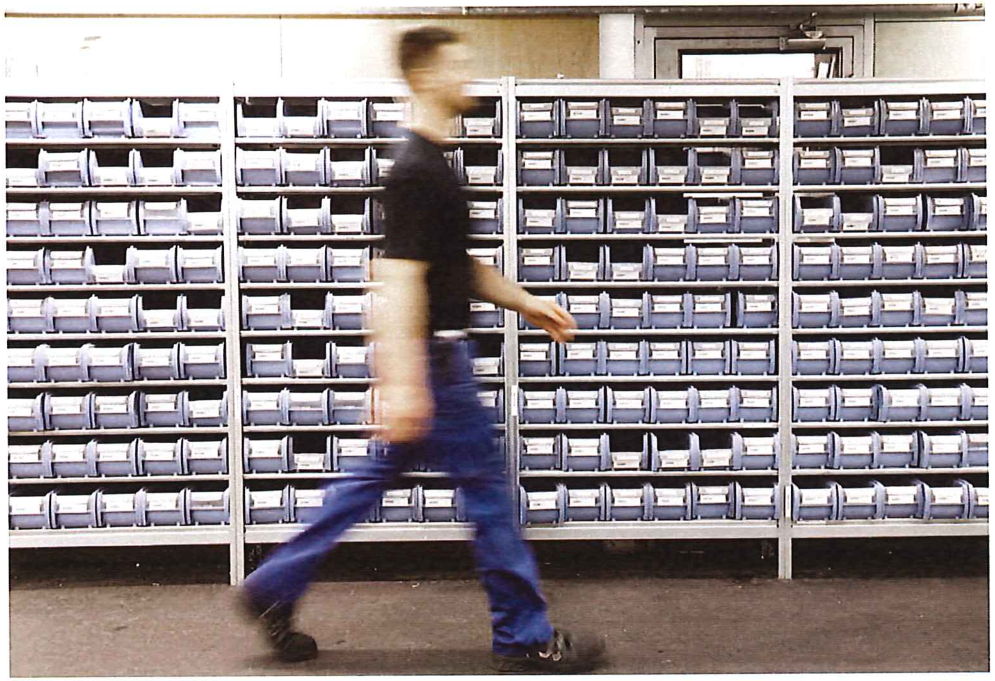
Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The parent company, Gerda & Victor B. Strand Holding A/S, is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

Gerda og Victor B. Strand Holding A/S is the administrative company for the joint taxation and consequently settles all corporate tax payments with the tax authorities.

The current Danish corporate tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

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



Balance sheet

Goodwill and trademarks

Goodwill and trademarks are amortised over the estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill and trademarks are amortised on a straight-line basis over a maximum amortisation period of 20 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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 are as follows:

Buildings	30-50 years
Installations in building	10 years
Fixtures and fittings, tools and equipment	5-20 years
Cars	3 years
It equipment	3-5 years

The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

Investments in subsidiaries

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds costs.

On acquisition of subsidiaries, the acquisition method is applied, see consolidated financial statements above.

Impairment of non-current assets
The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets (cash-generating units) when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

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

Other investments
Other investments recognised under non-current assets comprise unlisted shares measured at cost.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.
Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made on an individual basis.

The company uses IAS 39 as interpretation for the recognition of write-down of receivables.

Securities and investmens
Securities and investmens are measured at fair value at the balance sheet date.

Cash at bank and in hand
Toms Gruppen A/S is part of a cash pool arrangement together with other group companies. Balances arising from cash pools are included in cash at bank and in hand in the balance sheet of the parent company

Dividends
Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as „Corporation tax receivable" or „Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value 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 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 planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Provisions
Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value.

Defined benefit plans are measured at the discounted value of the net pension obligation calculated using actuarial assumptions. Actuarial gains and losses are recognised in equity. If the obligation is expected to be settled far into the future, the obligation is measured at net present value.

Financial Liabilities
Financial liabilities are recognised at the time of borrowing at the proceeds received after deduction of transaction costs. In subsequent periods financial liabilities are measured at amortised cost.
Other financial liabilities are measured at net realisable value.

Cash flow statement
The cash flow statement shows the group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities
Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investment activities
Cash flows from investment activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities
Cash flows from financing activities comprise the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and securities and investments with a maturity below three months.

Segment information
Information is provided on business segments and geographical markets. Segment information is based on the Company's internal financial management.

Financial ratios
Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios „Recommendations and Financial Ratios".

Income Statement 2018

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
1.390.082	1.373.259	2	**Revenue**	1.764.492	1.763.054
-944.949	-969.145	1/3/4	Production costs	-1.162.207	-1.159.839
445.133	404.114		**Gross profit**	602.285	603.215
-319.145	-323.478	1/3/4	Sales and distribution costs	-464.683	-463.904
-56.093	-56.694	1/3/4	Administrative expenses	-87.311	-84.922
69.895	23.942		**Operating profit**	50.291	54.389
-17.398	26.130	6	Share of profit/loss in subsidiaries after tax	0	0
7.212	4.398	7	Financial income	2.297	4.790
-1.991	-4.866	8	Financial expenses	-6.995	-4.118
57.718	49.604		**Profit before tax**	45.593	55.061
-16.570	-5.076	9	Tax on profit/loss	-1.065	-13.913
41.148	44.528		**Profit for the year**	44.528	41.148
			Allocation of profit		
41.148	44.528	29	Shareholders of Toms Gruppen A/S	44.528	41.148

Balance Sheet 31.12.2018

Assets

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
0	0	10	Goodwill	12.508	16.353
15.624	11.718	11	Trademarks etc.	836	1.084
15.624	11.718		**Total intangible assets**	13.344	17.437
57.529	55.482	12	Land and buildings	94.763	107.349
195.691	182.965	13	Plant and machinery	204.605	219.961
114	114	14	Fixtures and fittings, tools and equipment	1.830	1.855
16.049	36.452	15	Property, plant and equipment under construction	254.190	34.717
269.383	275.013		**Total property, plant and equipment**	555.388	363.882
2.735	2.735	16	Other investments	2.735	2.735
61.095	58.529	6	Investments in subsidiaries	0	0
0	0	17	Deferred tax assets	16.679	11.255
63.830	61.264		**Total other non-current assets**	19.414	13.990
348.837	347.995		**Total non-current assets**	588.146	395.309
218.366	225.950	18	**Inventories**	283.635	271.230
139.588	147.709		Trade receivables	211.551	208.674
141.684	283.813		Amounts owed by affiliated companies	15.081	13.144
0	6.781	19	Corporation taxes, receivable	8.363	3.334
6.041	3.099		Other receivables	26.524	12.060
287.313	441.402		**Total receivables**	261.519	237.212
490	509	20	**Securities and investments**	509	490
211.401	251.834		**Cash at bank and in hand**	271.476	235.740
717.570	919.695		**Total current assets**	817.139	744.672
1.066.407	1.267.690		**Total assets**	1.405.285	1.139.981

Balance Sheet 31.12.2018

Equity and liabilities

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
3.500	3.500	21	Share capital	3.500	3.500
574.397	783.963		Retained earnings	783.963	574.397
577.897	787.463		**Equity**	787.463	577.897
30.724	29.883	22	Deferred tax	31.867	32.172
0	201.174	23	Credit institutions	201.174	0
1.275	1.275	24	Provisions	22.804	23.287
31.999	232.332		**Non-current liabilities**	255.845	55.459
0	9.309	23	Credit institutions	9.309	0
60	60	24	Provisions	3.494	2.643
177.038	153.735		Trade payables	250.887	209.478
170.220	0		Amounts owed to affiliated companies	0	170.220
2.973	0	25	Corporation taxes, payable	667	2.981
106.220	84.791		Other payables	97.620	121.303
456.511	247.895		**Current liabilities**	361.977	506.625
488.510	480.227		**Total liabilities**	617.822	562.084
1.066.407	1.267.690		**Total liabilities and equity**	1.405.285	1.139.981

Note	
26	Commitments, contingencies and pledged assets
27	Currency risks
28	Related parties
29	Proposed profit appropriation
30	Cash flow from investing activities
31	Cash and cash equivalents
32	Events after the balance sheet date

Statement of Changes in Equity

DKK '000

Note	Parent company	Share capital	Retained earnings	Total
	Equity at 1 January 2017	**3.500**	533.875	537.375
	Acturial loss on defined benefit plans, net of tax	0	-2.462	-2.462
29	Proposed profit appropriation	0	41.148	41.148
	Foreign currency translation adjustments	0	-479	-479
	Value adjustments on hedging instruments, primo	0	1.626	1.626
	Value adjustments on hedging instruments, ultimo	0	1.342	1.342
	Deferred tax on value adjustments	0	-653	-653
	Equity at 1 January 2018	**3.500**	**574.397**	**577.897**
	Shareholder contribution	0	170.000	170.000
	Acturial loss on defined benefit plans, net of tax	0	-799	-799
29	Proposed profit appropriation	0	44.528	44.528
	Foreign currency translation adjustments	0	-1.688	-1.688
	Value adjustments on hedging instruments, primo	0	-1.342	-1.342
	Value adjustments on hedging instruments, ultimo	0	-1.831	-1.831
	Deferred tax on value adjustments	0	698	698
	Equity at 31 December 2018	**3.500**	**783.963**	**787.463**

Note	Toms Group	Share capital	Retained earnings	Total
	Equity at 1 January 2017	**3.500**	533.875	537.375
	Acturial loss on defined benefit plans, net of tax	0	-2.462	-2.462
	Proposed profit appropriation	0	41.148	41.148
	Foreign currency translation adjustments	0	-479	-479
	Value adjustments on hedging instruments, primo	0	1.626	1.626
	Value adjustments on hedging instruments, ultimo	0	1.342	1.342
	Deferred tax on value adjustments	0	-653	-653
	Equity at 1 January 2018	**3.500**	**574.397**	**577.897**
	Shareholder contribution	0	170.000	170.000
	Acturial loss on defined benefit plans, net of tax	0	-799	-799
	Proposed profit appropriation	0	44.528	44.528
	Foreign currency translation adjustments	0	-1.688	-1.688
	Value adjustments on hedging instruments, primo	0	-1.342	-1.342
	Value adjustments on hedging instruments, ultimo	0	-1.831	-1.831
	Deferred tax on value adjustments	0	698	698
	Equity at 31 December 2018	**3.500**	**783.963**	**787.463**

Cash Flow Statement

DKK '000

Note		Group	
		2018	**2017**
	Operating profit/loss	50.291	54.389
	Depreciation, amortisation and impairment losses	54.718	61.100
	Cash generated from operating activities before changes in working capital, etc	**105.009**	**115.489**
	Changes for the year to the below items:		
	Inventories	-12.405	2.780
	Trade receivables	-2.877	-25.728
	Other receivables	2.690	-2.188
	Trade payables	-23.834	63.472
	Other payables	-23.683	22.928
	Provisions	368	-3.268
	Changes in working capital	**-59.741**	**57.996**
	Value adjustments of financial instruments	-2.475	2.315
	Net financials	-4.698	672
	Paid tax	-14.420	-19.445
	Cash flow from operating activities	**23.675**	**157.027**
30	**Cash flow from investing activities**	**-195.979**	**-116.716**
	Borrowings, proceeds from mortgage loans	217.229	0
	Repayment of borrowings	-6.746	0
	Cash flow from financing activities	**210.483**	**0**
	Net cash flow	**38.179**	**40.311**
	Unrealized gain/loss on currencies and other value adjustments	-2.424	-3.601
	Increase/decrease in cash and cash equivalents, during the year	**35.755**	**36.710**
31	**Cash and cash equivalents at 1 January**	**236.230**	**199.520**
31	**Cash and cash equivalents at 31 December**	**271.985**	**236.230**

Notes

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		1	**Special items**		
			Restructuring and strategic projects related to the investments in the supply chain footprint are included in the following line items:		
0	0		Production costs	4.365	0
6.910	7.069		Administrative expenses	7.069	6.910
6.910	7.069		Total	11.434	6.910
		2	**Segment information**		
			Primary segment: Revenue in geographical area		
946.269	949.683		Denmark/Sweden, excl. Travel Retail	1.007.591	1.004.882
142.654	127.277		Germany, excl. Travel Retail	460.663	456.929
301.159	296.299		Other export, incl. Travel Retail	296.238	301.243
1.390.082	1.373.259		Total	1.764.492	1.763.054
			Secondary segment: Revenue split in activities		
1.390.082	1.373.259		Confectionery Sales	1.764.492	1.763.054
1.390.082	1.373.259		Total	1.764.492	1.763.054
		3	**Staff costs**		
290.593	308.404		Wages and salaries	369.155	352.968
21.546	23.172		Pensions	32.749	30.068
556	673		Other social security costs	15.106	13.303
312.695	332.249		Total	417.011	396.339
			The staff costs has been included in the following line items:		
234.762	249.110		Production costs	274.139	265.591
43.004	49.869		Sales and distribution costs	96.215	85.437
34.929	33.270		Administrative expenses	46.657	45.311
312.695	332.249		Total	417.011	396.339
504	531		Average number of employees	1.031	1.010
			Remuneration including incentive plans to:		
			Parent company Executive Board*		
			Parent company Board of Directors		
6.416	6.910		Parent company Executive Board and Board of Directors	6.910	6.416

**Remuneration for the Executive Board only includes CEO Carsten Lyngsø Thomsen as Group CFO Lars Henrik Vejrup Hansen entered into the Executive Board after the balance sheet date.*

Notes

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		4	**Impairment losses and depreciation/amortisation**		
0	3.906		Intangible assets	4.099	3.970
45.811	40.582		Property, plant and equipment	50.619	57.130
45.811	44.488		Total	54.718	61.100
			The total impairment losses and depreciation/amortisation (including goodwill) has been included in the following line items:		
42.275	36.647		Production costs	45.987	51.928
724	1.026		Sales and distribution costs	1.855	1.878
2.812	6.815		Administrative expenses	6.876	7.294
45.811	44.488		Total	54.718	61.100
		5	**Fee paid to auditors**		
			Ernst & Young		
350	360		Fee regarding statutory audit	794	760
1.009	240		Tax and VAT related engagements	1.244	1.179
169	6		Other non-audit engagements	51	169
1.528	606		Total	2.088	2.108

Notes

DKK '000

Parent company 2017	Parent company 2018	Note	
		6	**Investments in subsidiaries**
284.468	284.468		Cost at 1 January
284.468	284.468		Cost at 31 December
-223.244	-223.373		Value adjustment at 1 January
-471	-1.457		Foreign currency translation adjustments
-13,553	29.975		Profit/loss after tax
-3.845	-3.845		Amortisation of goodwill and trademarks
-2.462	-799		Actuarial loss on defined benefit plans, net of tax
20.202	-26.440		Transferred to/from write-down of amount owed by affiliated companies
-223.373	-225.939		Value adjustment at 31 December
61.095	58.529		Carrying amount at 31 December

Subsidiaries	Registered office	Ownership
Toms Sverige AB	Habo, Sweden	100 %
Toms Polska Sp. z o.o.	Leszno, Poland	100 %
Vamesa Investments Sp.Z.o.o	Warszawa, Poland	100 %
Hanseatische Chocolade GmbH	Bremen, Germany	100 %
Hanseatische Geschäftsführungs GmbH	Bremen, Germany	100 %
Bremer Hachez Chocolade GmbH & Co. KG	Bremen, Germany	100 %
Feodora Chocolade GmbH & Co. KG	Bremen, Germany	100 %
Huchtinger Logistik GmbH & Co. KG	Bremen, Germany	100 %
Hawopral GmbH	Bremen, Germany	100 %
Toms Confectionery Group Pte. Ltd.	Singapore, Singapore	100 %
Toms Confectionery Group	Vestby, Norway	100 %

Notes

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		7	**Financial income**		
2.431	2.101		Financial income from subsidiaries	0	0
4.781	2.297		Other financial income	2.297	4.790
7.212	4.398		Total	2.297	4.790
		8	**Financial expenses**		
1.991	4.866		Other financial expenses	6.995	4.118
1.991	4.866		Total	6.995	4.118
		9	**Tax**		
-13.392	-5.349		Tax on profit for the year	-6.449	-14.144
-29	129		Adjustment of tax relating to previous years	-600	-306
-3.149	144		Adjustment of deferred tax	5.984	537
-16.570	-5.076		Total	-1.065	-13.913
		10	**Goodwill**		
0	0		Cost at 1 January	133.104	133.018
0	0		Foreign currency translation adjustments	180	86
0	0		Cost at 31 December	133.284	133.104
0	0		Accumulated amortisation and impairment loss at 1 January	-116.751	-112.822
0	0		Foreign currency translation adjustments	-180	-86
0	0		Amortisation	-3.845	-3.843
0	0		Accumulated amortisation and impairment loss at 31 December	-120.776	-116.751
0	0		Carrying amount at 31 December	12.508	16.353

Notes

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		11	**Trademarks etc.**		
0	15.624		Cost at 1 January	49.856	48.678
0	0		Foreign currency translation adjustments	149	69
15.624	0		Additions	0	1.109
15.624	15.624		Cost at 31 December	50.005	49.856
0	0		Accumulated amortisation and impairment loss at 1 January	-48.772	-48.575
0	0		Foreign currency translation adjustments	-143	-70
0	-3.906		Amortisation	-254	-127
0	-3.906		Accumulated amortisation and impairment loss at 31 December	-49.169	-48.772
15.624	11.718		Carrying amount at 31 December	836	1.084
		12	**Land and buildings**		
215.827	210.514		Cost at 1 January	300.493	271.134
0	0		Foreign currency translation adjustments	-780	79
0	0		Transferred	0	4.569
-5.502	-753		Disposals	-9.915	-5.502
189	268		Additions	1.625	30.213
210.514	210.029		Cost at 31 December	291.423	300.493
-156.172	-152.985		Accumulated depreciation at 1 January	-193.144	-192.967
0	0		Foreign currency translation adjustments	-35	-46
0	0		Transferred	0	-1.334
-2.315	-2.315		Depreciation	-4.234	-4.299
5.502	753		Depreciation on disposals	753	5.502
-152.985	-154.547		Accumulated depreciation at 31 December	-196.660	-193.144
57.529	55.482		Carrying amount at 31 December	94.763	107.349

Notes

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Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		13	**Plant and machinery**		
992.919	1.013.492		Cost at 1 January	1.278.666	1.211.723
0	0		Foreign currency translation adjustments	262	1.434
29.484	3.479		Transferred	3.479	72.407
46.065	22.062		Additions	27.493	49.947
-54.976	-23.803		Disposals	-34.235	-56.845
1.013.492	1.015.230		Cost at 31 December	1.275.665	1.278.666
-829.281	-817.801		Accumulated depreciation at 1 January	-1.058.705	-1.022.989
0	0		Foreign currency translation adjustments	-388	-772
0	0		Transferred	0	-39.568
-43.496	-38.267		Depreciation	-45.716	-52.221
54.976	23.803		Depreciation on disposals	33.749	56.845
-817.801	-832.265		Accumulated depreciation at 31 December	-1.071.060	-1.058.705
195.691	182.965		Carrying amount at 31 December	204.605	219.961
		14	**Other fixtures and fittings, tools and equipment**		
9.304	317		Cost at 1 January	28.132	74.767
0	0		Foreign currency translation adjustments	-14	203
0	0		Transferred	0	-47.493
0	0		Additions	661	662
-8.987	-203		Disposals	-582	-7
317	114		Cost at 31 December	28.197	28.132
-9.190	-203		Accumulated depreciation at 1 January	-26.277	-66.408
0	0		Foreign currency translation adjustments	-3	-161
0	0		Transferred	0	40.902
0	0		Depreciation	-669	-610
8.987	203		Depreciation on disposals	582	0
-203	0		Accumulated depreciation at 31 December	-26.367	-26.277
114	114		Carrying amount at 31 December	1.830	1.855

Notes

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Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		15	**Property, plant and equipment under construction**		
30.333	16.049		Cost at 1 January	34.717	30.333
15.200	23.882		Additions	222.952	33.868
-29.484	-3.479		Transferred	-3.479	-29.484
16.049	36.452		Cost at 31 December	254.190	34.717

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		16	**Other investments**		
2.735	2.735		Cost at 1 January	2.735	2.735
2.735	2.735		Cost at 31 December	2.735	2.735
2.735	2.735		Carrying amount at 31 December	2.735	2.735

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		17	**Deferred tax assets**		
0	0		Deferred tax at 1 January	11.255	6.466
0	0		Adjustments of deferred tax	5.424	4.789
0	0		Deferred tax at 31 december	16.679	11.255
			Deferred tax relates to:		
0	0		Intangible assets	2.454	2.946
0	0		Loss carried forward	11.828	3.380
0	0		Provisions	2.397	4.929
0	0		Carrying amount at 31 December	16.679	11.255
			Timing of the reversal of deferred tax assets expected to be:		
0	0		0-1 year	7.025	491
0	0		1-5 year	7.257	5.344
0	0		After 5 years	2.397	5.420
0	0			16.679	11.255

The loss carried forward is expected to be reversed within 0-5 years
Deferred tax of 24,7 million relating to German subsidiaries is not recognised (2017: 32 million).

Notes

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Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		18	**Inventories**		
69.087	84.975		Raw material and packaging	104.136	86.814
40.125	34.284		Work in progress	40.616	47.399
109.154	106.691		Manufactured goods and goods for resale	138.883	137.017
218.366	225.950		Carrying amount at 31 December	283.635	271.230

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		19	**Corporation taxes, receivable**		
0	0		Company tax, receivable at 1 January	3.334	2.374
0	12.001		Paid/received during the year	11.439	1.698
0	-5.220		Company tax for the year	-6.410	-738
0	6.781		Company tax, receivable at 31 december	8.363	3.334

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		20	**Securities and investments**		
39	39		Cost at 1 January	39	39
39	39		Cost at 31 December	39	39
455	451		Value adjustment at 1 January	451	455
-4	19		Value adjustment during the year	19	-4
451	470		Value adjustment at 31 December	470	451
490	509		Carrying amount at 31 December	509	490

Notes

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Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		21	**Share capital**		
3.500	3.500		Share capital at 31 December		
			The share capital consists of:		
2.000	2.000		1 share of DKK 2,000,000		
750	750		150 shares of DKK 5,000 each		
612	612		306 shares of DKK 2,000 each		
136	136		136 shares of DKK 1,000 each		
2	2		20 shares of DKK 100 each		
3.500	3.500		Total		

The parent owns treasury shares of nominal DKK 150 thousand, corresponding to approx. 4% of the share capital.

The shares are valued at nil and are not included in the balance sheet. No treasury shares have been acquired or disposed of in the fianancial year. No changes have been made to the share capital during the last five years.

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		22	**Deferred tax, liabilities**		
26.922	30.724		Deferred tax at 1 January	32.172	28.677
3.802	-841		Adjustments of deferred tax	-305	3.495
30.724	29.883		Deferred tax at 31 december	31.867	32.172
			Deferred tax relates to:		
21.277	22.033		Property, plant and equipment	22.033	21.277
491	123		Intangible assets	0	0
8.954	8.424		Current assets	8.424	8.954
295	-403		Items in equity	-403	295
-293	-294		Provisions	1.813	1.646
30.724	29.883		Carrying amount at 31 December	31.867	32.172
			Timing of the reversal of deferred tax liabilities expected to be:		
-3.011	3.550		0-1 year	3.622	-3.329
1.715	7.612		1-5 year	7.807	2.379
32.020	18.721		After 5 years	20.438	33.122
30.724	29.883			31.867	32.172

Notes

DKK '000

Parent company 2017	Parent company 2018	Note		Group 2018	Group 2017
		23	**Credit institutions**		
0	201.174		Long-term, mortgage debt	201.174	0
0	9.309		Short-term, mortgage debt	9.309	0
0	210.483		Credit institutions at 31 December	210.483	0
0	9.309		Due within the next year	9.309	0
0	38.844		Due within 1 - 5 years	38.844	0
0	162.330		Due after 5 years	162.330	0
0	210.483		Credit institutions at 31 December	210.483	0
		24	**Provisions**		
			Movement during the year		
1.395	1.335		Other provisions at 1 January	25.930	29.196
-60	0		Used	-2.440	-7.170
0	0		New provisions	2.808	3.904
1.335	1.335		Other provisions at 31 december	26.298	25.930
			The balance end of year		
0	0		Restructuring	3.435	670
1.335	1.335		Defined benefit plans, Germany	22.505	23.218
0	0		Other	358	2.042
1.335	1.335		Other provisions at 31 december	26.298	25.930
60	60		Provisions due within the next year	3.494	2.643
244	244		Provisions due within 1-5 years	242	1.321
1.031	1.031		Provisions due after 5 years	22.562	21.966
1.335	1.335		Carrying amount at 31 December	26.298	25.930
		25	**Corporation taxes, payable**		
7.321	2.973		Company tax, payable at 1 January	2.981	7.314
-17.762	-2.973		Paid during the year	-2.981	-17.747
13.414	0		Company tax for the year	667	13.414
2.973	0		Company tax, payable at 31 december	667	2.981

Notes

DKK '000

Parent company | Group

Note

26 **Commitments, contingencies and pledged assets**

Parent liabilities

The parent company has operating leases for the company's motor vehicles at total of DKK 4,9 million (DKK 4,4 million).
The parent company has purchase contracts related to raw material consumption at total of DKK 206,1 million (DKK 235,7 million).
The parent company has pledged assets with a net carrying value of DKK 55,5 million (DKK 0 million) in favor of the mortgage loans (refer to note 23).

Group liabilities

The Group has operating leases for the company's motor vehicles and IT equipment at total of DKK 8,6 million (DKK 8,9 million).
The Group has purchase contracts related to raw material consumption and construction contracts at total of DKK 505,3 million (DKK 308,2 million).
The Group has rental liabilities for the amount of DKK 2,4 million (DKK 4,3 million).
The Group has pledged assets with a net carrying value of DKK 55,5 million (DKK 0 million) in favor of the mortgage loans (refer to note 23).

Oberlandesgericht Düsseldorf has ruled in the sugar cartel case (süssvarenverband) against the aquired subsidiary, Feodora Chocolade GmbH, and a number of other major producers in Germany. The lawsuit was filed in 2009 on Restrictive pratice and is on going. Total liablilities amount to DKK 3,7 million. The former owners of Hanseatische Chocolade GmbH have guaranteed to indemnify Toms Gruppen A/S and provided security in the form of bank guarantees.

27 **Currency risks and use of cash flow hedges**

Contract type	Currency	2018 Contract amount based on agreed rates	2018 Gain / Loss recognized in equity	2017 Contract amount based on agreed rates	2017 Gain / Loss recognized in equity
Parent company			(DKK '000)		(DKK '000)
Forward exchange contracts	SEK	65.000	-378	134.000	909
Forward exchange contracts	PLN	-57.000	-1.444	-12.000	134
Forward exchange contracts	GBP	200	-9	0	0
Forward exchange contracts	USD	0	0	2.200	299
Currency options	SEK	95.000	145	0	0
Group			(DKK '000)		(DKK '000)
Forward exchange contracts	SEK	65.000	-378	134.000	909
Forward exchange contracts	PLN	-57.000	-1.444	-12.000	134
Forward exchange contracts	GBP	200	-9	0	0
Forward exchange contracts	USD	0	0	2.200	299
Currency options	SEK	95.000	145	0	0

The Parent company hedges major currencies (USD, GBP, SEK and PLN) according to the group policies which state that main currency risk within 6 months are 100 % covered. Currency risk between 6 - 12 months are in general covered from 50 - 90 %.

Notes

DKK '000

Parent company | Group

2017	2018	Note		
		28	**Related parties**	Basic
			Toms Gruppen A/S' related parties are:	
			Control:	
			Gerda og Victor B. Strands Fond and its Board of Directors, Ballerup, Denmark	Ultimate parent company
			Gerda og Victor B. Strand Holding A/S and its Board of Directors, Ballerup, Denmark	Direct parent company
			Other related parties:	
			Toms Sverige AB, Halmstad, Sweden	Subsidiary
			Toms Polska Sp. z o.o., Leszno, Poland	Subsidiary
			Vamesa Investments Sp z.o.o., Warszawa, Poland	Subsidiary
			Hanseatische Chocolade GmbH, Bremen, Germany	Subsidiary
			Hanseatische Geschäftsführungs GmbH, Bremen, Germany	Subsidiary
			Bremer Hachez Chocolade GmbH & Co. KG, Bremen, Germany	Subsidiary
			Feodora Chocolade GmbH & Co. KG, Bremen, Germany	Subsidiary
			Huchtinger Logistik GmbH & Co. KG, Bremen, Germany	Subsidiary
			Hawopral GmbH, Bremen, Germany	Subsidiary
			Toms Confectionery Group Pte. Ltd., Singapore	Subsidiary
			Toms Confectionery Group, Vestby, Norway	Subsidiary

Related parties also include Board of Directors, the Board of Management and executive employees.

2017	2018	**Transactions with related parties**
192.431	201.035	Wholesale
22.035	35.158	Manufactoring
34.042	35.707	Packaging
9.810	10.682	Adminstrative service
2.431	2.101	Financial income from subsidiaries
15.624	0	German Trademarks
0	170.000	Capital contribution
141.684	283.813	Amounts owed by affiliated companies
170.220	0	Amounts owed to affiliated companies

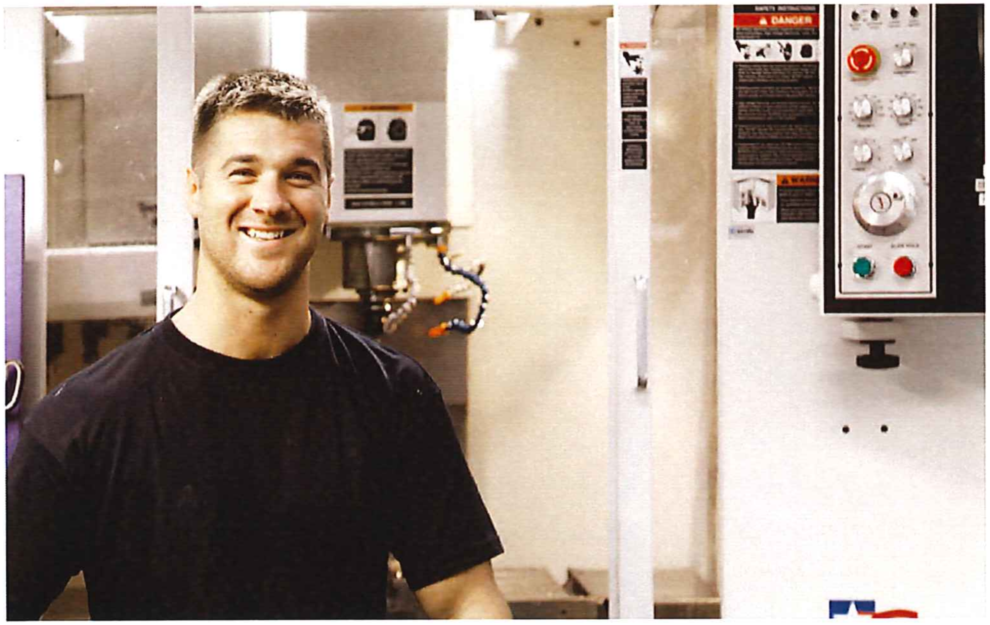
Notes

DKK '000

Parent company				Group	
2017	2018	Note		2018	2017
		29	**Proposed profit appropriation**		
41.148	44.528		Retained earnings		
0	0		Proposed dividends		
41.148	44.528		**Profit/loss for the year**		
		30	**Cash flow from investing activities**		
			Purchase and sale of land and buildings	7.537	-30.213
			Purchase and sale of plant and machinery	-27.007	-49.947
			Purchase and sale of other fixtures	-661	-655
			Purchase and sale of Trademarks etc	0	-1.109
			Purchase of Property, plant and equipment under construction	-222.952	-33.868
			Change in payables and other receivables related to investing activities	46.152	0
			Foreign currency translation adjustments	952	-924
			Total	-195.979	-116.716
		31	**Cash and cash equivalents**		
			Cash and cash equivaltents at 1 January consists of:		
			Cash at bank and in hand	235.740	199.026
			Securities and investments	490	494
			Cash and cash equivalents at 1 January	236.230	199.520
			Cash and cash equivaltents at 31 December consists of:		
			Cash at bank and in hand	271.476	235.740
			Securities and investments	509	490
			Cash and cash equivalents at 31 December	271.985	236.230

32 **Events after the balance sheet date**

No events have occured after the balance sheet date of importance to the consolidated financial statements and the financial statements of the Parent Company



Definition and Terms

Definitions

Return on invested capital:	Operating profit in percent of the average of total assets less cash less short term liabilities excluding interest bearing debt.
Working Capital:	Inventories and trade receivables plus other receivables minus trade payables and other payables
Operating margin:	Operating profit in percent of revenue
Return on equity:	Profit from ordinary activities after tax in percent of average equity
Current ratio:	Current assets in percent of current liabilities
Gross margin:	Gross profit in percent of revenue
Operating profit before special item:	Operating profit before impairments, restructuring cost and other cost not related to ordinary activities
Operating profit:	Operating profit before interest and tax.
Solvency ratio:	Equity at year end in percent of total equity and liabilities at year end

Terms

Sugar confectionery:	Wine gums, liquorice, toffees, sweets etc.
International:	Internal segment. Includes export (except Sweden and Travel Retail)
Travel Retail:	Ferry and airport sales
Special items:	Refer to note 1

Board of Directors

Henrik Brandt (CH)
Education: MSc (Econ.), Copenhagen Business School, MBA, Stanford University. Chairman and Non-Executive Director. Previous positions: President and CEO, Royal Unibrew A/S, Unomedical A/S and Sophus Berendsen A/S, etc. Extensive experience from executive and board positions in Danish and international companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

Chairman and Non-Executive Director

Rockwool International A/S	(CH)
Danish Bake Holding ApS	(CH)
Nemlig.com	(CH)
Scandinavian Tobacco Group A/S	(VCH)
Fritz Hansen A/S	(CH)
Ferd Holding as, Norge	(BM)
Gerda og Victor B. Strands Fond	(BM)
Gerda og Victor B. Strand Holding A/S	(BM)

Christian Hother Sørensen (VCH)
Education: MSc (Econ.), Copenhagen Business School.
Previous positions: Executive Vice President, Scandinavian Tobacco Group A/S, sales and marketing positions in Scandinavia and Europe, Mars/Masterfoods. Extensive experience from executive positions in Danish and international companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

Carsten Bennike (VCH)
Education: EMBA, London Business School. MSc (Econ.), Copenhagen Business School. International Directors Programme, Insead.
Owner and CEO TO BE Holding and CB Consulting. Previous positions: EVP, Chr. Hansen Holding A/S, EVP and COO Hempel A/S. Director, Cadbury EMEA etc. Extensive experience from executive positions in Danish and international companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

Owner and CEO, TO BE Holding,
CB Consulting

Bygma A/S	(BM)
Bygma Gruppen A/S	(BM)
K/S Gosport	(BM)
Bon Appetit Group A/S	(CH)
BA Foodservice A/S	(CH)
Vald. Birn A/S	(BM)

Dr. Carsten D. Wehrmann (BM)
Education: MBA Business management, marketing and sales, University of Paderborn, Germany. Doctoral student, University of Gloucestershire. General Manager International, Tchibo GmbH. Previous positions: Group CEO, Fuchs Spices Group. CEO, Austria and Poland, Lindt and Sprüngli etc. Extensive experience from executive positions in German and international companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

General Manager International
Tchibo GmbH

Mikael Thinghuus (BM)
Education: Graduate Diploma in Business Administration (Finance and Marketing), Copenhagen Business School. CEO, Royal Greenland A/S. Previous positions: CFO, EAC (Denmark and Singapore), Det Berlingske Officin A/S, ALK—Abello and Valtech etc. Extensive experience from executive positions in Danish and international companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

CEO Royal Greenland A/S

Grønt Udviklings- og Demonstrationsprogram (GUDP)	(CH)
Ice Trawl Greenland A/S	(BM)

Morten Petersen (BM)
Education: BSc in Economics and Business Administration, Graduate Diploma in Business Administration (Marketing). CEO, DKi Group. Previous positions: EVP, Procurement, Dansk Supermarked A/S, Division Director, Danish Crown a.m.b.a., Area Director, Arla Foods a.m.b.a etc. Extensive experience from executive positions in Danish companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

CEO DKI Group

Sunset Boulevard A/S	(CH)

Johnny Bæhr (ER)
Education: Automation Technician

Maintenance Manager

Lone C. Nielsen (ER)
Education: Machine technician (operations)

Coordinator Masterdata

Toms A/S Ferie- og jubilæumsfond	(BM)

Kenneth Pedersen (ER)
Education: Automation Technician

Automation technician,
maintenance/repair

Gerda og Victor B. Strands Fond	(ER)
Gerda og Victor B. Strand Holding A/S	(ER)
Branchesekretariatet industri og byg, Metal Hovedstaden	(BM)
FSU	(BM)

(CH) Chairman
(VCH) Vice Chairman
(BM) Board Member
(ER) Employee Representative

Executive Board

Carsten Lyngsø Thomsen
CEO

DI's Fødevareudvalg	(BM)
MLDK Mærkevareleverandørerne	(BM)

Lars Henrik Vejrup Hansen
Group CFO

Auditors

Ernst & Young P/S
Osvald Helmuths Vej 4
Postboks 250
DK-2000 Frederiksberg