



Annual Report 2022

Toms Gruppen A/S

The Annual Report was adopted at the Annual General Meeting

Henrik Brandt
Chairman of the General Meeting
Date: 19th April 2023

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



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Toms Gruppen A/S



1.778 mill

GROUP REVENUE
(2021: 1.602)



919

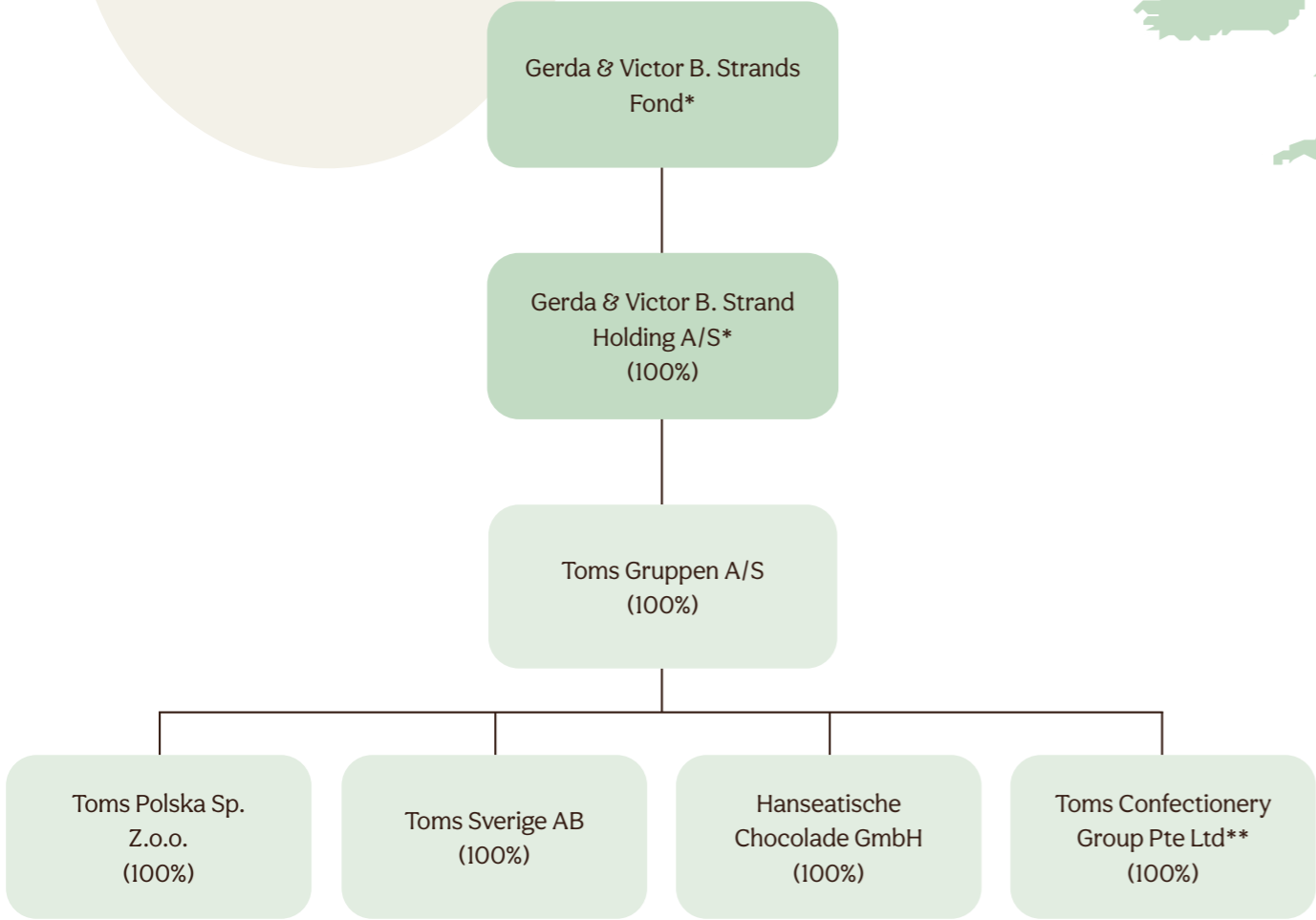
GROUP EMPLOYEES
(2021: 928)

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



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

Group Companies

please refer to page 48 for complete list of subsidiaries

Toms Sverige AB
 Hamngatan 17
 302 43 Halmstad
 Sweden

Toms Polska Sp. z o.o.
 Ul. Okrezna 27
 64-100 Leszno
 Poland

Hanseatisches Chocoladen Kontor GmbH & Co. KG
 Hermann-Ritter-Straße 112
 28197 Bremen
 Germany

Toms Confectionery Group Pte. Ltd.
 (Incorporated in Singapore)
 c/o 80 Raffles Place
 #32-01 UOB Plaza
 Singapore 048624

Financial Highlights

Mill DKK

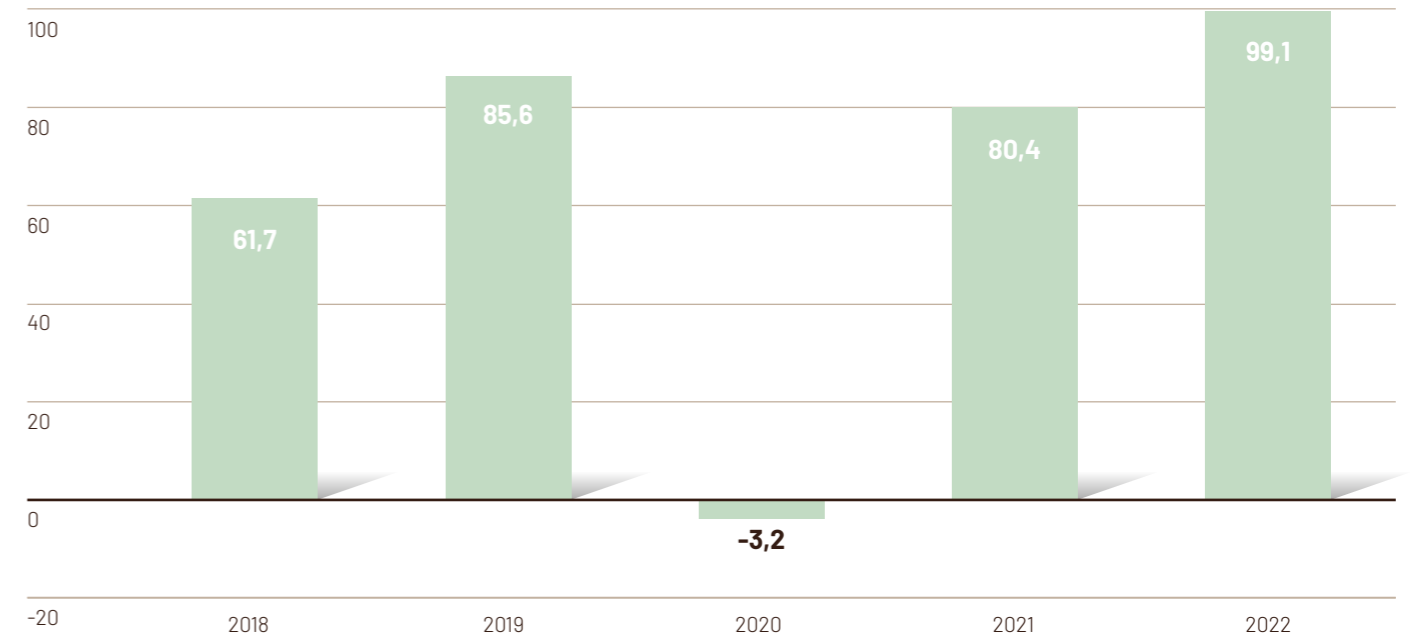
	2022	2021	2020	2019	2018
Revenue	1.777,7	1.602,3	1.398,7	1.529,7	1.764,5
Gross profit	635,2	570,8	427,4	479,0	602,3
Operating profit before special items **	99,1	80,4	-3,2	85,6	61,7
Operating profit	95,4	75,1	-26,0	5,2	50,3
Net financials	-8,3	-22,4	-40,8	11,5	-4,7
Profit/loss before tax	87,0	52,7	-66,8	16,7	45,6
Profit/loss for the year	72,0	56,1	-58,6	1,1	44,5
Non-current assets	775,9	818,1	830,4	858,7	588,1
Current assets	616,2	564,6	486,1	532,7	817,1
Total assets	1.392,1	1.382,7	1.316,5	1.391,4	1.405,2
Share capital	3,5	3,5	3,5	3,5	3,5
Equity	837,2	763,5	702,8	784,9	787,5
Provisions	63,0	52,8	46,1	94,4	58,2
Non-current liabilities	170,3	178,7	187,2	186,0	201,2
Current liabilities	321,6	387,7	380,4	326,1	358,3
Total liabilities and equity	1.392,1	1.382,7	1.316,5	1.391,4	1.405,2
Cash flow from operating activities	8,9	213,1	108,5	31,1	23,7
Cash flow from investment activities	-48,4	-49,7	-106,9	-330,2	-196,0
<i>Of this investments in property, plant and equipment</i>	<i>-48,4</i>	<i>-49,3</i>	<i>-106,0</i>	<i>-327,3</i>	<i>-196,9</i>
Cash flow from financial activities	-16,8	-72,3	4,6	29,9	210,5
Total increase/decrease in cash and cash equivalents	-56,3	91,0	6,1	-269,2	38,2
Average number of employees	919	928	933	1.005	1.031
Financial ratios*:					
Growth in operating profit before special items	23,4%	n/a	n/a	38,6%	0,7%
Operating margin	5,4%	4,7%	-1,9%	0,3%	2,9%
Return on invested capital***	10,5%	8,5%	-2,7%	0,6%	8,1%
Adjusted return on invested capital	11,0%	9,1%	-0,3%	9,8%	10,0%
Gross margin	35,7%	35,6%	30,6%	31,3%	34,1%
Current ratio	183,5%	143,1%	126,2%	163,3%	227,9%
Solvency ratio	60,1%	55,2%	53,4%	56,4%	56,0%
Return on equity	9,0%	7,6%	-7,9%	0,1%	6,5%

*) Refer to page 57 for definitions of financial ratios, etc.

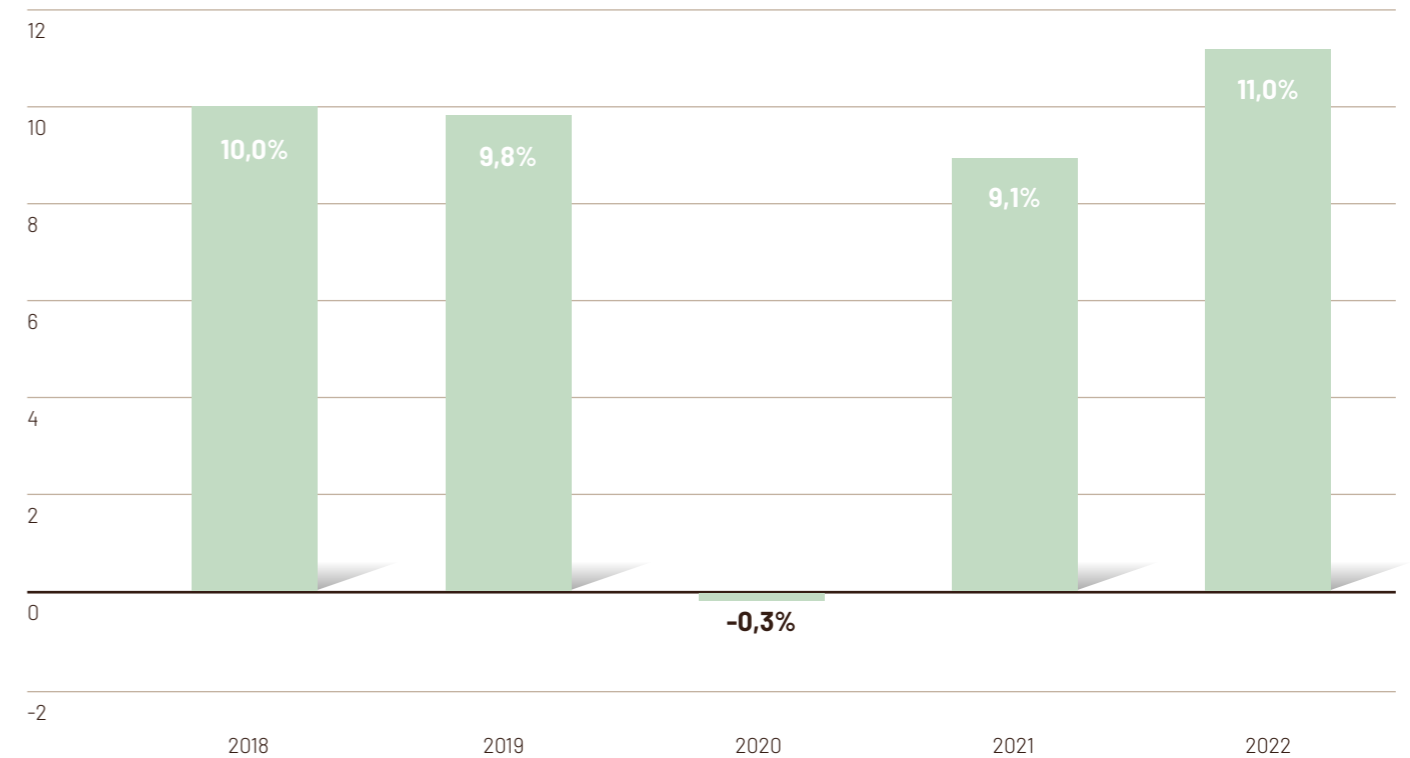
**) Special items are disclosed in note 1 to the financial statement.

**) Comparison figures has been restated to reflect the changed calculation of the key ratio

Operating profit before special items



Adjusted return on invested capital





Management's Review

Letter from the Executive Management

In 2022, Toms Group launched its Toms26 strategy for driving growth, profitability, competitiveness and sustainability – based on our new shared purpose of bringing smiles to life for everyone. We continued our financial improvement from 2021 in 2022, driven by growth in important markets and tight cost management.

The launch of the Toms26 strategy kicked off a transformational journey with the vision of – while building on our 100 years of heritage – developing Toms Group into a profitable, growing and competitive company whose brands are loved across generations and enjoyed in countries all over the world. We aspire to a clear focus, commitment to sustainability and making Toms a highly attractive company for partners, customers and consumers as well as current employees and future talents. The strategy is based on four key themes: Profitable volume growth, Efficiency and agility, Sustainability, High performance organisation.

In 2022, we delivered a strong start to this transformational journey. We continued our financial improvements from 2021, with a 11% revenue growth in 2022. Part of this growth resulted from business improvements in especially the Swedish market, export markets and the return of the travel retail. Part of the growth resulted from actions to counter cost inflation, which however still had a negative net impact on our result. Combined with a tight cost management, we secured a solid improvement of operating profit before special items to 99 mDKK.



The strong financial results speak for themselves but, just as important, we delivered these results whilst also making significant progress on our sustainability efforts. Examples being our investments in the construction of solar power plants in Denmark and Poland and a 19% reduction of our GHG emissions from own production. We invite you to read more about our approach and results and find further information on this important topic in our dedicated sustainability report.

In 2022, we began to see the powerful impact of our efforts to redefine and revitalise who we are, and why we are here. As executive management, we are pleased to see how our Toms26 strategy and our new shared purpose and values unite and guide us in acting with focus, creativity and care.

In line with our strategy of profitable volume growth, we launched a series of new and exciting products in our key markets. To mention a few, the Toms Guld Barre was successfully rebranded and relaunched contributing to the growth together with e.g., the launch of the new Anthon Berg heart-shaped Gift Box.

All of this could not have been done without the hard work and dedication of our colleagues who helped achieve these results in a year of turbulence.

We are confident that we will continue to grow and enhance Toms Group together. Our cultural strengths and versatility – as well as the teamwork within Toms – are major assets, and we will hold on to these qualities as we move forward.

Undoubtedly, 2023 will be a year full of challenges; with changes in consumer behaviour, in the retail landscape and in the world around us. We will adapt to these changes while we must restore our profit margins in our major markets and continue to build on the established foundation for lasting, sustainable progress of the Toms Group

Annette Zeipel
CEO

Lars Henrik Vejrup Hansen
CFO

“As Executive Management, we are pleased to see how our Toms26 strategy and our new shared purpose and values unite and guide us in acting with focus, creativity and care”

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 the market leader across the confectionery category as a total.

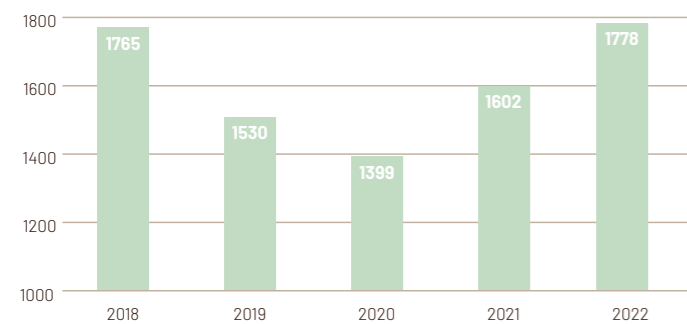
In Germany, sales mainly consist of premium chocolate under the brands of Hachez, Feodora and Anthon Berg.

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 North America, China, France, United Kingdom, Australia, Eastern Europe 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. As a consequence of the war in Ukraine The Group exited all business with Russian customers in March 2022.

The Group's production takes place at the Group's own three factories in Denmark (2) and Poland (1), as well as a packaging facility in Poland.

Revenue



Development in activities and financial position

The Group's revenue for 2022 amounted to DKK 1.778 million compared to DKK 1.602 million in 2021. The increase is driven by higher sales in the Swedish and International markets as well as price increase to counter inflation.

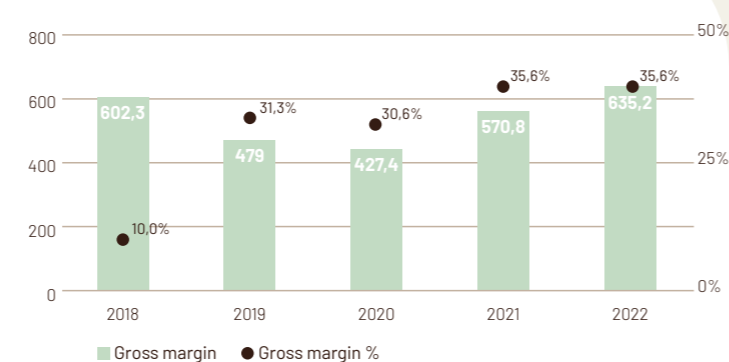
Despite a challenging 2022 with high inflation on production costs the Group managed to sustain the gross margin from 2021. While cost inflation was only partly recovered through price increases, the growth in International markets positively impacted the gross margin.

Profit before special items ended at DKK 99 million in line with the outlook and DKK 19 million above 2021. The increase was driven by a stable gross margin combined with increased sales and tight cost control.

Net financials showed an expense of DKK 8 million in 2022 compared to an expense of DKK 22 million in 2021. The positive development compared to 2021 is due to a lower rate of exchange of Polish Zlotys and a higher rate of Swedish Kronas and US Dollars.

The net result for 2022 amounted to DKK 72 million compared to DKK 56 million in 2021.

Gross Margin



Balance sheet and equity development

The Group's total assets at year-end increased by DKK 9 million in 2022 to DKK 1.392 million.

The equity ended at DKK 837 million which is an increase of DKK 74 million driven by the positive result. The growth in equity increases the solvency ratio for 2022 to 60,1% from 55,2% in 2021.

Investments and cash flow

The cash flow from operating activities for the year was positive by DKK 9 million compared to DKK 205 million in 2021. This decrease is mainly driven by increased inventories to secure supply, increased receivables due to implementation of the UTP-directive together with repayment of the extended VAT and social taxes.

DKK 48 million was reinvested in property, plant and equipment in 2022 compared to DKK 50 million in 2021. This results in a free cash flow of DKK -39 million compared to DKK 163 million in 2021.

In total the cash flow for the year was negative by DKK 65 million compared to positive DKK 91 million in 2021.

Development activities

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

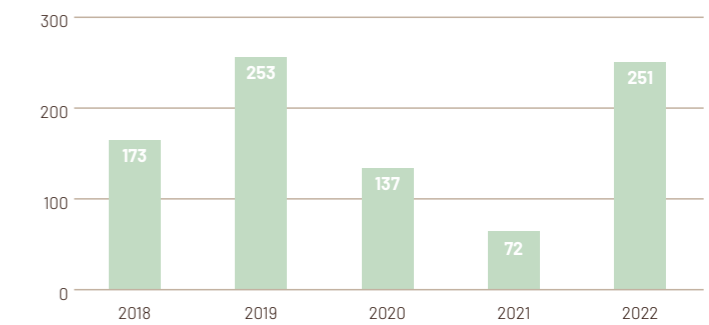
REVENUE 2022

1.060 mill DENMARK/SWEDEN
60%

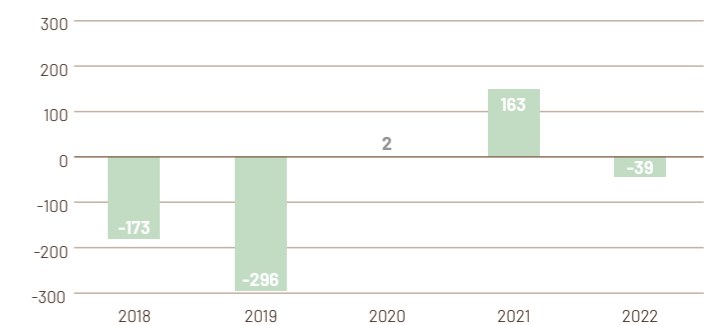
368 mill GERMANY
21%

350 mill OTHER
19%

Net Working Capital



Free cash flow



2023 Outlook

We expect the cost inflation and needed price increases to be at a lower level than in 2022. Supported by continued growth on international markets we expect a revenue growth of 5-10% and an operating profit margin on par with 2022.

Particular risks

General risks

The Group's main operating risks are attributable to the development of the consumer trends and the competitive environment in the retail market. In addition, risks are associated with the development of world market prices of the key raw materials such as cocoa, cocoa butter, almonds, apricot kernels, gelatin and sugar, together with the development of the transportation and energy prices.

Data Ethics

As a responsible company Toms Gruppen A/S has policies covering specifically IT security, European GDPR and a well-established employee code of conduct. Collectively these policies form our Data Ethical Policy focusing on the use, protection, and management of especially sensitive and personal data.

Our business model at Toms Gruppen A/S is almost only Business-to-Business and sensitive data are limited to be related to employees, consumer complaints and customers buying directly from our web-shop.

When engaging in dialogues, debates and updates on social media platforms Toms Gruppen A/S does not store or keep records of persons we communicate with. To best service our markets we use point of sales data, focus groups and customer surveys, these data are collected and structured for analytical purposes by external suppliers. Website traffic is analysed using tools being in compliance with European GDPR.

Financial risks

Interest rate risks

Interest rate risks arise in relation to interest-bearing assets and liabilities. The Group is in a net debt position which is expected to continue into 2023. The Group is mainly financed through fixed interest rate mortgage loans. The interest rate risk will therefore be very limited.

Liquidity risks

The strategic investment in the supply chain footprint over recent years has been financed through excess cash, mortgage in Danish buildings as well as a committed overdraft facility. The Group stayed well within its financial covenants in 2022. The Group expects to have surplus cash during most of 2023. The financing needed after the committed overdraft facility ceases in 2023, will therefore be through uncommitted overdraft facility.



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).

Net investment risk: The Group incurs currency risk mainly due to net investments in Poland. The Group has decided not to hedge the currency risk related to net investments in foreign subsidiaries but monitor the effect closely.

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

Translation risk: For 2022, the income statement and balance sheet were affected mainly by fluctuations in PLN, SEK and USD.

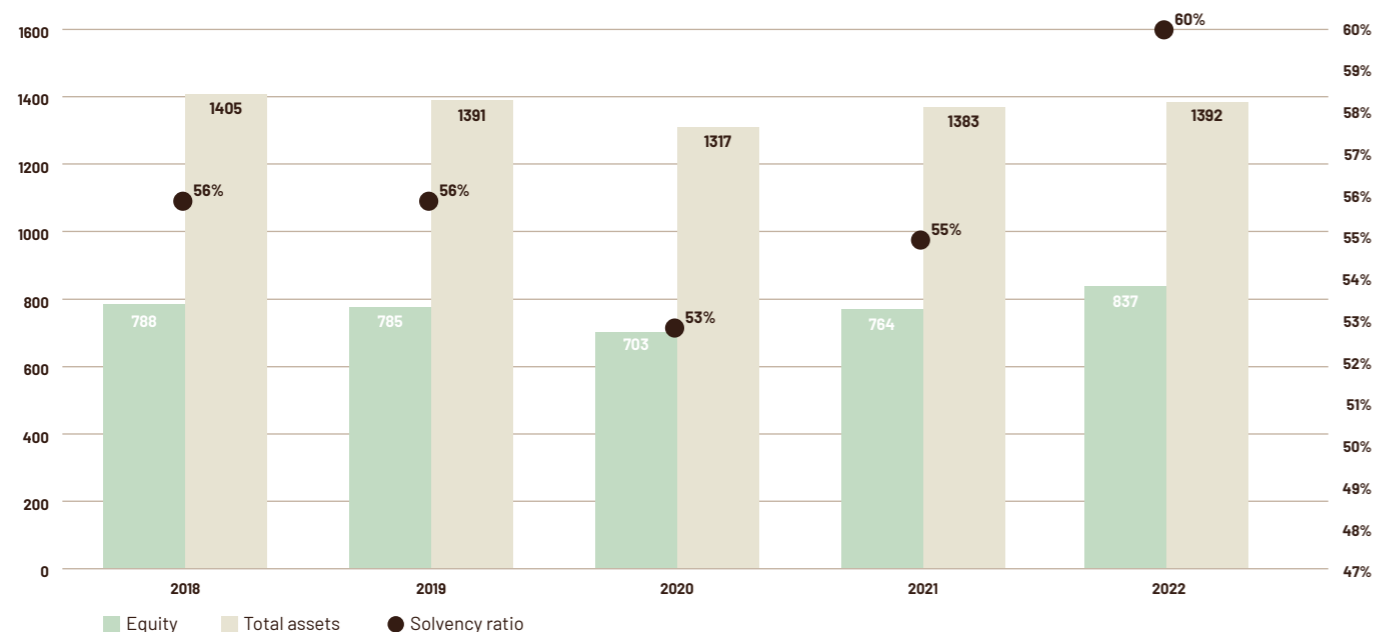
Credit risks

The Group's credit risks are related to the primary financial assets. 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. Our non-financial report can be found at **Toms - Reports and policies (tomsgroup.com)** and is an integral part of the Management's review.

Equity and solvency





Product Launches

2022 Selected Launches

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Liquorice Hits & Caramel Hits



Turbo Winegums 350g & Pingvin Liquorice 325g



Liqueur Filled Chocolates with Creamy Caramel Filling (25)



Foiled Marzipan Bread Nougat



Skilte Liquorice 110g



Limited Edition Yankee Peanuts 40/50g



A Matter of Taste 55% Salted Caramel 80g



A Matter of Taste 77% Orange Crunch 80g



Skildpadde Chocolate Bar 45g



Limited Edition Micro Ferrari 220g (Sweden)



Liqueur Filled Dark Chocolates (64)



Liqueur Filled Chocolates (24)



Toms Original Caramels (Mix Tower) 250g/750g



Guld Barre Original 45g



Heart-shaped Gold Box 155g



Easter Chocolate Hazelnut 80g



Toms Christmas Calendar



Orange Snowballs 124g



Anthon Berg Marzipan Christmas Products



Hachez Salted Caramel 100g (Germany)



Hachez Mini-Tablet Mix Boxes (Germany)



Toms

Toms' brand portfolio delivered growth in 2022 with market share gains in most segments.

The rebranding and relaunch of Guld Barre Originals was impactful in 2022. Strong brand, portfolio and trade plans are prepared to continue building on the strength of the various icons.

Toms Guld Barre. The taste of Danish history

Guld Barre is a Danish icon. Born in 1932, the iconic chocolate bar in gold packaging was redesigned in 2022 and returned to its original shape. The relaunched Guld Barre still has the same delicious chocolate quality and is sold in the classic and popular variants: Milk, 57% Dark, Hazelnut, Salt Caramel, Orange Crunch and Milky Crunch.

Fordi små øjeblikke er guld værd ('Because little moments are golden')

The relaunch was supported by a new communication platform to create awareness and to establish a modern narrative about Guld Barre, which has been part of the Danes' lives for the past 90 years.

Company Week was a GOLD party

In week 36 Toms Group's administrative staff joined the Danish sales representatives to support the re-launch of Guld Barre. 80 employees visited more than 400 stores covering all regions of Denmark driving in-store excellence and ensuring that all touch points were utilized for the Toms portfolio.



'Guld Barre is a tribute to everyday life, to the little things in life that are the most valuable. The ordinary and completely honest moments. These are Guld Barre moments. Guld Barre is an everyday treat wrapped in gold.'



Anthon Berg

Anthon Berg set out on a revitalization journey with the ambition to create a stronger, more unified, and relevant brand.

Seasons

Anthon Berg launched a new Christmas communication platform and four Christmas products

The Toms Group brands play a significant role in the Christmas season, and to further increase the presence of Anthon Berg in the season, a new universe was brought to life in 2022.

Product design and communication is based on Anthon Berg Christmas Village, which indirectly builds on the proud Anthon Berg heritage.

The campaign with the pay-off 'Merry Unforgettable Christmas' was executed nationally on all media platforms and in stores.

The four new Christmas products are: Anthon Berg Premium Marzipan Advent Calendar, Anthon Berg Marzipan Hearts, Anthon Berg Marzipan Hearts with Nougat and Anthon Berg Marzipan Dragées.



Anthon Berg

The new Anthon Berg heart-shaped Gift Box taps into new occasions.

The Anthon Berg classic Gold Box is one of Toms' most iconic and popular products and is synonymous with good memories and traditions.

The new heart-shaped Gift Box taps into new micro-occasions and increases the Anthon Berg relevance within the gifting category.



Anthon Berg International

After two years of Covid limiting the international business development opportunities, 2022 was back-to-normal in most areas.

Costco Wholesale

The strong collaboration with one of the largest retailers in the world, Costco, continues to expand. Anthon Berg was once again an important part of Costco's portfolio on display.



Poland

Anthon Berg's presence in Poland increased, focusing not only on our license-based chocolate products, but also on Fruit in Marzipan and giftboxes. We expanded existing distribution and gained new listings with key retailers.



Anthon Berg in Travel Retail

Global travel activity was back at index 85 versus pre-covid year 2019, which allowed for a higher promotional activity in the channel.

The focus was to reach distribution and consumer penetration on our Anthon Berg Baileys range of assorted pralines. The consumer reception is very positive, and our journey to introduce these unique products to global travelers continues in 2023.

Below picture is from March 2022 at Copenhagen Airport, the obvious location to kick-off Diageo's and Toms' first ever cross-category promotion.

A strong testimony to the commitment and high level of collaboration with our key license partners.



Financial Statements 2022

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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 2022.

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 2022 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 2022.

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, 22 March 2023

Executive Board

Annette Zeipel
CEO

Lars Henrik Vejrup Hansen
CFO

Board of Directors

Henrik Brandt
Chairman

Carsten Bennike
Vice Chairman

Morten Petersen
Vice Chairman

Betsabeh Solente

Peter Giørtz-Carlson

Martin Schlatter

Torben Klyhn Andersen

René Møller Hansen

Johnny Bæhr

Independent Auditor's Report

To the shareholder of Toms Gruppen A/S

Opinion

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 2022, 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 2022 in accordance with the Danish Financial Statements Act.

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 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Hellerup, 22 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Groth Hansen
State Authorized Public Accountant
mne33228

Henrik Kyhnauv
State Authorized Public Accountant
mne40028

Group and Parent Company Financial Statements

For the period 1 January – 31 December 2022

Accounting Policies

Compliance

The annual report of Toms Gruppen A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C enterprises (large) under the Danish Financial Statements Act.

The accounting policies 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 percent of the voting rights or which it, in some other way, controls. Enterprises in which the Group holds between 20 percent and 50 percent 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.

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 & 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 Man-

agement'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, sub-suppliers, 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.

Loan receivable from affiliated companies

Loans to subsidiaries are measured at amortised 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.

Special items

Special items consists of restructuring and strategic project costs related to investments in the supply chain footprint program and which does not form part of the Group’s ordinary operating activities.

Special items for the year are disclosed in note 1, including the line items in which they are recognised in the income statement.

Segment information

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





Income Statement 2022

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
1.297.343	1.452.337	2	1.777.718	1.602.273
-922.509	-1.037.197	1/3/4	-1.142.482	-1.031.522
374.834	415.140		635.236	570.751
-285.579	-314.523	1/3/4	-449.398	-407.105
-60.259	-61.665	1/3/4	-90.481	-88.547
28.996	38.952		95.357	75.099
38.531	43.006	6	0	0
10.710	15.716	7	2.223	0
-17.026	-17.885	8	-10.540	-22.418
61.211	79.789		87.040	52.681
-5.131	-7.820	9	-15.071	3.399
56.080	71.969		71.969	56.080
56.080	71.969	31	71.969	56.080

Balance Sheet 31.12.2022

Assets
DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
0	0	10	0	962
0	0	11	4.195	4.596
0	0		4.195	5.558
53.161	50.705	12	300.760	311.875
169.205	161.767	13	417.381	442.635
114	114	14	9.191	17.833
3.682	3.863	15	4.324	3.682
226.162	216.449		731.656	776.025
0	0	16	0	0
211.193	122.569	17	0	0
314.222	338.410	6	0	0
0	0	18	40.095	36.556
525.415	460.979		40.095	36.556
751.577	677.428		775.946	818.139
162.667	194.695	19	277.756	235.224
50.412	98.135	17	0	0
165.898	242.832		267.076	203.244
0	4.150		3.459	0
2.154	1.734	20	2.261	3.583
6.201	16.202		33.229	24.761
224.665	363.053		306.025	231.588
725	774	21	774	725
131.359	69.467		31.638	97.053
519.416	627.989		616.193	564.590
1.270.993	1.305.417		1.392.139	1.382.729

Balance Sheet 31.12.2022

Equity and liabilities
DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
3.500	3.500	22	3.500	3.500
760.033	833.686		833.686	760.033
763.533	837.186		837.186	763.533
21.540	29.978	23	32.182	24.445
163.985	155.497	24	155.497	163.985
1.062	1.009	25	16.671	21.447
14.691	14.781	26	14.781	14.691
201.278	201.265		219.131	224.568
8.342	8.488	24	8.488	8.342
55	54	25	14.170	6.911
150.568	162.374		210.353	222.734
40.456	13.815		0	0
0	0		893	3.037
106.761	82.235	27	101.918	153.604
306.182	266.966	26	335.822	394.628
507.460	468.231		554.953	619.196
1.270.993	1.305.417		1.392.139	1.382.729
		28		
		29		
		30		
		31		
		32		
		33		
		34		

Statement of Changes in Equity

DKK '000

Note	Parent company	Share capital	Retained earnings	Total
	Equity at 1 January 2021	3.500	699.333	702.833
	Actuarial gain/loss on defined benefit plans, net of tax	0	996	996
31	Proposed profit appropriation	0	56.080	56.080
	Foreign currency translation adjustments	0	-3.192	-3.192
	Value adjustments on hedging instruments, primo	0	8.482	8.482
	Value adjustments on hedging instruments, ultimo	0	256	256
	Deferred tax on value adjustments	0	-1.922	-1.922
	Equity at 1 January 2022	3.500	760.033	763.533
	Actuarial gain/loss on defined benefit plans, net of tax	0	3.912	3.912
31	Proposed profit appropriation	0	71.969	71.969
	Foreign currency translation adjustments	0	-9.217	-9.217
	Value adjustments on hedging instruments, primo	0	-256	-256
	Value adjustments on hedging instruments, ultimo	0	9.991	9.991
	Deferred tax on value adjustments	0	-2.746	-2.746
	Equity at 31 December 2022	3.500	833.686	837.186

Note	Toms Group	Share capital	Retained earnings	Total
	Equity at 1 January 2021	3.500	699.333	702.833
	Actuarial gain/loss on defined benefit plans, net of tax	0	996	996
31	Proposed profit appropriation	0	56.080	56.080
	Foreign currency translation adjustments	0	-3.192	-3.192
	Value adjustments on hedging instruments, primo	0	8.482	8.482
	Value adjustments on hedging instruments, ultimo	0	256	256
	Deferred tax on value adjustments	0	-1.922	-1.922
	Equity at 1 January 2022	3.500	760.033	763.533
	Actuarial gain/loss on defined benefit plans, net of tax	0	3.912	3.912
31	Proposed profit appropriation	0	71.969	71.969
	Foreign currency translation adjustments	0	-9.217	-9.217
	Value adjustments on hedging instruments, primo	0	-256	-256
	Value adjustments on hedging instruments, ultimo	0	9.991	9.991
	Deferred tax on value adjustments	0	-2.746	-2.746
	Equity at 31 December 2022	3.500	833.686	837.186

Cash Flow Statement

DKK '000

Note	Group		
	2022	2021	
	Operating profit/loss	95.357	75.099
	Depreciation, amortisation and impairment losses	72.921	71.988
	Cash generated from operating activities before changes in working capital, etc	168.278	147.087
	Inventories	-43.606	23.229
	Trade receivables	-65.329	-4.823
	Other receivables	-13.742	-12.276
	Trade payables	161	27.250
	Other payables	-38.595	44.167
	Provisions	9.147	1.982
	Changes in working capital	-151.964	79.529
	Value adjustments of financial instruments	6.989	6.816
	Net financials	-55	-11.014
	Paid tax	-14.323	-9.365
	Cash flow from operating activities	8.925	213.053
32	Cash flow from investing activities	-48.413	-49.693
	Borrowings, bank overdrafts	0	-55.463
	Repayment of borrowings	-8.336	-8.379
	Financial items	-8.492	-8.487
	Cash flow from financing activities	-16.828	-72.329
	Net cash flow	-56.316	91.031
	Unrealized gain/loss on currencies and other value adjustments	-9.050	0
	Increase/decrease in cash and cash equivalents, during the year	-65.366	91.031
33	Cash and cash equivalents at 1 January	97.778	6.747
33	Cash and cash equivalents at 31 December	32.412	97.778

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		1		
		Special items within operating profit		
0	0	Factory commissioning costs	686	1.447
3.309	345	Transformation project cost	3.090	7.920
-4.111	0	Transformation project income	0	-4.111
-802	345	Total	3.776	5.256
		Special items are included in the following line items:		
-802	345	Production costs	1.031	1.002
0	0	Sales and distribution costs	0	580
0	0	Administrative expenses	2.745	3.674
-802	345	Total	3.776	5.256
		2		
		Segment information		
		Primary segment: Revenue in geographical area		
977.522	1.049.061	Denmark/Sweden, excl. Travel Retail	1.059.668	989.456
99.898	146.000	Germany, excl. Travel Retail	367.759	308.605
219.923	257.276	Other export, incl. Travel Retail	350.291	304.212
1.297.343	1.452.337	Total	1.777.718	1.602.273
		Secondary segment: Revenue split in activities		
1.297.343	1.452.337	Confectionery Sales	1.777.718	1.602.273
1.297.343	1.452.337	Total	1.777.718	1.602.273

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		3		
		Staff costs		
261.481	269.887	Wages and salaries*	365.018	352.961
20.669	22.126	Pensions	33.013	30.609
662	738	Other social security costs	8.655	10.650
282.812	292.751	Total	406.686	394.220
		The staff costs has been included in the following line items:		
185.638	191.053	Production costs	254.761	246.891
55.389	60.010	Sales and distribution costs	105.460	99.673
41.785	41.688	Administrative expenses	46.465	47.656
282.812	292.751	Total	406.686	394.220
447	465	Average number of employees	919	928
		Remuneration including incentive plans to:		
10.063	9.096	Parent company Executive Board	9.096	10.063
3.250	3.250	Parent company Board of Directors	3.250	3.250
13.313	12.346	Parent company Executive Board and Board of Directors	12.346	13.313
		*Wages and salaries includes severance costs		
		4		
		Depreciation/amortisation		
3.906	0	Intangible assets	2.753	5.422
31.874	31.981	Property, plant and equipment	70.168	66.566
35.780	31.981	Total	72.921	71.988
		The total depreciation/amortisation (including goodwill) has been included in the following line items:		
29.947	29.611	Production costs	67.777	64.190
68	131	Sales and distribution costs	235	202
5.765	2.239	Administrative expenses	4.909	7.596
35.780	31.981	Total	72.921	71.988
		5		
		Fee paid to auditors*		
		PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab		
495	574	Fee regarding statutory audit	694	1.046
0	25	Other assurance engagements	25	0
89	0	Tax and VAT related engagements	0	476
7	25	Other non-audit engagements	25	365
591	624	Total	744	1.887

*Comparison numbers for 2021 are fees to E&Y.

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		6		
		Investments in subsidiaries		
556.462	556.462			
		Cost at 1 January		
556.462	556.462			
		Cost at 31 December		
-256.844	-242.240			
		Value adjustment at 1 January		
-3.196	-9.218			
		Foreign currency translation adjustments		
42.376	43.967			
		Profit/loss after tax		
-3.845	-961			
		Amortisation of goodwill and trademarks		
996	3.912			
		Actuarial gain/loss on defined benefit plans, net of tax		
-21.727	-13.512			
		Transferred to/from write-down of amount owed by affiliated companies		
-242.240	-218.052			
		Value adjustment at 31 December		
314.222	338.410			
		Carrying amount at 31 December		
		Subsidiaries	Registered office	Ownership
		Toms Sverige AB	Halmstad, Sweden	100%
		Toms Polska Sp. z o.o.	Leszno, Poland	100%
		Hanseatische Chocolate GmbH	Bremen, Germany	100%
		Hanseatische Geschäftsführungs GmbH	Bremen, Germany	100%
		Hanseatisches Chocoladen Kontor GmbH & Co. KG	Bremen, Germany	100%
		FHG Beteiligungsgesellschaft mbH & Co. KG	Bremen, Germany	100%
		Hawopral GmbH	Bremen, Germany	100%
		Toms Confectionery Group Pte. Ltd.	Singapore, Singapore	100%
		7		
		Financial income		
10.710	9.296			
		Financial income from subsidiaries	0	0
0	6.420			
		Exchange rate gains, net	1.197	0
0	0			
		Other financial income	1.026	0
10.710	15.716			
		Total	2.223	0
		8		
		Financial expenses		
5.309	0			
		Exchange rate losses, net	0	10.194
2.735	0			
		Write-down of investment	0	2.735
8.982	17.885			
		Other financial expenses	10.540	9.489
17.026	17.885			
		Total	10.540	22.418

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		9		
		Tax		
-1.427	-2.197			
		Tax on profit for the year	-13.591	-5.887
0	69			
		Adjustment of tax relating to previous years	90	-199
-3.704	-5.692			
		Adjustment of deferred tax	-1.570	9.485
-5.131	-7.820			
		Total	-15.071	3.399
		10		
		Goodwill		
0	0			
		Cost at 1 January	133.022	133.054
0	0			
		Foreign currency translation adjustments	0	-32
0	0			
		Cost at 31 December	133.022	133.022
0	0			
		Accumulated amortisation and impairment loss at 1 January	-132.060	-128.236
0	0			
		Foreign currency translation adjustments	0	21
0	0			
		Amortisation	-962	-3.845
0	0			
		Accumulated amortisation and impairment loss at 31 December	-133.022	-132.060
0	0			
		Carrying amount at 31 December	0	962
		11		
		Trademarks and Software		
15.624	15.624			
		Cost at 1 January	8.028	15.440
0	0			
		Foreign currency translation adjustments	0	-5
0	0			
		Transferred from assets under construction	102	0
0	0			
		Transferred	2.464	0
0	0			
		Additions	84	74
0	0			
		Disposals	0	-7.481
15.624	15.624			
		Cost at 31 December	10.678	8.028
-11.718	-15.624			
		Accumulated amortisation and impairment loss at 1 January	-3.432	-9.340
0	0			
		Foreign currency translation adjustments	1	4
0	0			
		Transferred	-1.261	0
-3.906	0			
		Amortisation	-1.791	-1.577
0	0			
		Amortisation and impairment on disposals	0	7.481
-15.624	-15.624			
		Accumulated amortisation and impairment loss at 31 December	-6.483	-3.432
0	0			
		Carrying amount at 31 December	4.195	4.596

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		12		
		Land and buildings		
213.737	214.107		536.090	537.186
0	0	Cost at 1 January	-5.245	-2.597
0	0	Foreign currency translation adjustments	4.502	926
1.093	0	Transferred from assets under construction	105	1.298
-723	-174	Additions	-174	-723
214.107	213.933	Disposals	535.278	536.090
-159.071	-160.946	Cost at 31 December	-224.215	-213.300
0	0	Accumulated depreciation at 1 January	478	223
-2.598	-2.456	Foreign currency translation adjustments	-10.955	-11.861
723	174	Depreciation	174	723
-160.946	-163.228	Depreciation on disposals	-234.518	-224.215
53.161	50.705	Accumulated depreciation at 31 December	300.760	311.875
		Carrying amount at 31 December		
		13		
		Plant and machinery		
1.036.988	940.577		1.309.108	1.322.483
0	0	Cost at 1 January	-6.208	-2.399
0	0	Foreign currency translation adjustments	3.168	0
1.611	2.545	Transferred	10.009	46.786
20.857	19.547	Transferred from assets under construction	21.811	28.249
-118.879	-77.197	Additions	-80.708	-86.011
940.577	885.472	Disposals	1.257.180	1.309.108
-838.973	-771.372	Cost at 31 December	-866.473	-900.000
0	0	Accumulated depreciation at 1 January	1.110	513
0	0	Foreign currency translation adjustments	1.261	0
-29.276	-29.525	Transferred	-56.322	-51.946
96.877	77.192	Depreciation	80.626	84.960
-771.372	-723.705	Depreciation on disposals	-839.800	-866.473
169.205	161.767	Accumulated depreciation at 31 December	417.380	442.635
		Carrying amount at 31 December		

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		14		
		Other fixtures and fittings, tools and equipment		
114	114		25.441	17.932
0	0	Cost at 1 January	-413	-85
0	0	Foreign currency translation adjustments	-5.632	0
0	0	Transferred	0	263
0	0	Transferred from assets under construction	196	8.304
0	0	Additions	-3	-973
0	0	Disposals	19.589	25.441
114	114	Cost at 31 December	-7.608	-5.840
0	0	Accumulated depreciation at 1 January	103	39
0	0	Foreign currency translation adjustments	-2.891	-2.759
0	0	Depreciation	0	952
0	0	Depreciation on disposals	-10.397	-7.608
0	0	Accumulated depreciation at 31 December	9.192	17.833
114	114	Carrying amount at 31 December		
		15		
		Property, plant and equipment under construction		
7.400	3.682		3.682	35.982
0	0	Cost at 1 January	0	-258
2.499	2.726	Foreign currency translation adjustments	15.256	20.538
-4.606	0	Additions	0	-4.606
-1.611	-2.545	Disposals	-14.614	-47.974
3.682	3.863	Transferred upon completion	4.324	3.682
		Cost at 31 December		
		16		
		Other investments		
2.735	2.735		2.735	2.735
2.735	2.735	Cost at 1 January	2.735	2.735
0	-2.735	Cost at 31 December	-2.735	0
-2.735	0	Accumulated writedown at 1 January	0	-2.735
-2.735	-2.735	Write down	-2.735	-2.735
0	0	Accumulated writedown at 31 December	0	0
		Carrying amount at 31 December		

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		17		
		Loan receivables from affiliated companies		
50.412	98.135		0	0
211.193	122.569		0	0
261.605	220.704		0	0
50.412	98.135		0	0
201.648	122.569		0	0
9.545	0		0	0
261.605	220.704		0	0
		18		
		Deferred tax assets		
0	0		36.556	22.302
0	0		3.539	14.254
0	0		40.095	36.556
		Deferred tax relates to:		
0	0		0	982
0	0		4.140	4.206
0	0		29.747	23.054
0	0		6.208	8.314
0	0		40.095	36.556
		Timing of the reversal of deferred tax assets expected to be:		
0	0		25.716	7.440
0	0		9.387	23.866
0	0		4.992	5.250
0	0		40.095	36.556

The loss carried forward is expected to be reversed within 1-5 years. Deferred tax of DKK 16,0 million relating to German subsidiaries is not recognised (2021: 24,3 million).

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		19		
		Inventories		
49.217	58.865		109.614	89.309
23.388	24.492		36.574	37.362
90.062	111.338		131.568	108.553
162.667	194.695		277.756	235.224
		20		
		Corporation taxes, receivable		
7.420	2.154		3.583	8.282
-3.839	1.777		9.427	-1.877
-1.427	-2.197		-10.749	-2.822
2.154	1.734		2.261	3.583
		21		
		Securities and investments		
39	39		39	39
39	39		39	39
659	686		686	659
27	49		49	27
686	735		735	686
725	774		774	725

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		22		
		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		
		23		
		Deferred tax, liabilities		
15.914	21.540	Deferred tax at 1 January	24.445	17.723
5.626	8.438	Adjustments of deferred tax	7.737	6.722
21.540	29.978	Deferred tax at 31 December	32.182	24.445
		Deferred tax relates to:		
27.618	27.206	Property, plant and equipment	27.206	27.618
-982	-491	Intangible assets	-491	-123
5.823	6.516	Current assets	6.516	5.823
56	2.802	Items in equity	2.802	56
3.419	3.078	Credit institutions	3.078	3.419
-246	-233	Provisions	1.971	1.800
-14.148	-8.900	Loss carried forward	-8.900	-14.148
21.540	29.978	Carrying amount at 31 December	32.182	24.445
		Timing of the reversal of deferred tax liabilities expected to be:		
-5.561	501	0-1 year	685	-4.221
1.380	3.439	1-5 year	3.439	1.380
25.721	26.038	After 5 years	28.058	27.286
21.540	29.978	Deferred tax at 31 December	32.182	24.445

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		24		
		Credit institutions		
8.342	8.488	Current, mortgage debt	8.488	8.342
163.985	155.497	Non-current, mortgage debt	155.497	163.985
172.327	163.985	Credit institutions at 31 December	163.985	172.327
8.342	8.488	Due within the next year	8.488	8.342
34.860	35.475	Due within 1 - 5 years	35.475	34.860
129.125	120.022	Due after 5 years	120.022	129.125
172.327	163.985	Credit institutions at 31 December	163.985	172.327
		25		
		Provisions		
		Movement during the year:		
1.161	1.117	Other provisions at 1 January	28.358	28.329
-44	-54	Used	-7.401	-6.409
0	0	New provisions	9.883	6.438
1.117	1.063	Other provisions at 31 December	30.840	28.358
		The balance end of year:		
0	0	Restructuring, Germany (severance pay etc.)	0	2.841
0	0	Defined benefit plans, Germany	15.402	19.916
1.117	1.063	Other	15.439	5.601
1.117	1.063	Other provisions at 31 December	30.841	28.358
55	54	Provisions due within the next year	14.170	6.911
205	205	Provisions due within 1-5 years	205	428
857	804	Provisions due after 5 years	16.466	21.019
1.117	1.063	Carrying amount at 31 December	30.841	28.358
		26		
		Other payables		
106.761	82.235	Current, other payables	101.918	153.604
14.691	14.781	Non-current, other payables	14.781	14.691
121.452	97.016	Other payables at 31 December	116.699	168.295
106.761	82.235	Due within the next year	101.918	153.604
533	924	Due within 1 - 5 years	924	533
14.158	13.857	Due after 5 years	13.857	14.158
121.452	97.016	Other payables at 31 December	116.699	168.295

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		27		
		Corporation taxes, payable		
0	0	Company tax, payable at 1 January	3.037	11.016
0	0	Paid during the year	-4.858	-11.021
0	0	Company tax for the year	2.714	3.042
0	0	Company tax, payable at 31 December	893	3.037
		28		
		Commitments, contingencies and pledged assets		
		Contingent liabilities		
5.496	5.496	Operating leases re. vehicles and rent	12.629	17.559
		Commitments		
220.100	213.913	Contracts related to purchase of raw materials and packaging materials	249.950	274.002

The parent company and The Group has pledged assets with a net carrying value of DKK 50,7 million (DKK 53,2 million) in favor of the mortgage loans (refer to note 24).

Toms Polska Sp. z o.o. has issued a guarantee of PLN 2 million towards the Tax Office in Zielona Góra.

29 Currency risks and use of cash flow hedges

Contract type	Currency	2022		2021	
		Contract amount based on agreed rates	Gain / Loss recognized in equity	Contract amount based on agreed rates	Gain / Loss recognized in equity
Parent company & Group		Local currency	(DKK '000)	Local currency	(DKK '000)
Forward exchange contracts	SEK	272.000	6.558	246.092	1.678
Forward exchange contracts	PLN	-72.000	3.446	-45.000	-1.491
Forward exchange contracts	USD	4.500	28	3.350	-181
Forward exchange contracts	CAD	2.300	256	500	7
Forward exchange contracts	CNY	-8.000	-296	-8.500	243

The Parent company hedges major currencies (SEK, PLN, USD, CAD, GBP and CNY) according to the group policies, which state that main currency risk within 6 months are 70%-100 % covered. Currency risk between 6 - 12 months are in general covered from 50 - 90 %.

Notes

DKK '000

Parent company			
2021	2022	Note	Basic
		30	
		Related parties	
		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
		Hanseatische Chocolate GmbH, Bremen, Germany	Subsidiary
		Hanseatische Geschäftsführungs GmbH, Bremen, Germany	Subsidiary
		Hanseatisches Chocoladen Kontor GmbH & Co. KG, Germany	Subsidiary
		FHG Beteiligungsgesellschaft mbH & Co. KG, Bremen, Germany	Subsidiary
		Hawopral GmbH, Bremen, Germany	Subsidiary
		Toms Confectionery Group Pte. Ltd., Singapore	Subsidiary
		<i>Related parties also include Board of Directors, the Board of Management and executive employees.</i>	
		Transactions with related parties	
449.971	488.881	Wholesale	
85.178	114.398	Manufacturing	
9.675	9.984	Administrative service	
803	940	Sales service	
10.710	290	Financial income from subsidiaries	
261.605	220.704	Loan receivables from affiliated companies	
40.456	13.815	Amounts owed to affiliated companies	
21.645	0	Sales of assets to subsidiaries	

Notes

DKK '000

Parent company			Group	
2021	2022	Note	2022	2021
		31		
		Proposed profit appropriation		
56.080	71.969	Retained earnings		
0	0	Proposed dividends		
56.080	71.969	Profit/loss for the year		
		32		
		Cash flow from investing activities		
		Purchase and sale of land and buildings	-105	-1.298
		Purchase and sale of plant and machinery	-21.729	-27.198
		Purchase and sale of other fixtures, tools and equipment	-193	-8.283
		Purchase and sale of Trademarks and software	-84	-74
		Purchase of Property, plant and equipment under construction	-15.256	-15.932
		Change in payables and other receivables related to investing activities	-11.033	3.505
		Foreign currency translation adjustments	-13	-413
		Total	-48.413	-49.693
		33		
		Cash and cash equivalents		
		Cash and cash equivalents at 1 January consists of:		
		Cash at bank and in hand	97.053	6.049
		Securities and investments	725	698
		Cash and cash equivalents at 1 January	97.778	6.747
		Cash and cash equivalents at 31 December consists of:		
		Cash at bank and in hand	31.638	97.053
		Securities and investments	774	725
		Cash and cash equivalents at 31 December	32.412	97.778
		34		
		Events after the balance sheet date		
		No events have occurred 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 liabilities excluding interest bearing debt
Adjusted return on invested capital:	Operating profit before special items in percent of the average of total assets less cash less liabilities excluding interest bearing debt.
Working Capital:	Inventories and trade receivables plus other receivables minus trade payables and other payables
Free Cash Flow:	Cash flow from operating activities minus cash flow from investment in intangible assets and property, plant and equipment
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

* Definition of key ratio has been updated. Comparison figures has been updated accordingly.

Board of Directors

Henrik Brandt (CH)

Education: MSc (Econ.), Copenhagen Business School, MBA, Stanford University. 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

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

Carsten Bennike (VCH)

Education: EMBA, London Business School. MSc (Econ.), Copenhagen Business School. International Directors Programme, Insead. 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 and CB Consulting

Bon Appetit Group A/S (CH)
 Bygma A/S (BM)
 Bygma Gruppen A/S (BM)
 Plus Pack A/S (BM)
 Gerda & Victor B. Strand Holding A/S (BM)

Morten Petersen (VCH)

Education: BSc in Economics and Business Administration, Graduate. Diploma in Business Administration (Marketing). 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 (CH)
 Sunset Boulevard A/S (CH)
 Gerda & Victor B. Strand Holding A/S (BM)

Peter Giørtz-Carlsen (BM)

Education: Master's degree in business economics from University of Aarhus. Previous positions: Executive Vice President/Managing Director Arla UK, Executive VP Consumer Nordic & Managing Director Arla Denmark, Vice-CEO Bestseller Fashion Group China, Managing Director/CEO Cocio Chokolademælk A/S etc. Extensive experience from various executive positions in international companies. Long industrial experience and extensive expertise within FMCG and strategic business development.

Executive Board member and COO of Arla Foods AIM (the European Brand organisation) (BM)
 EDA (European Dairy Association) (BM)
 Gerda & Victor B. Strand Holding A/S (BM)



Board of Directors

Martin Schlatter (BM)

Education: Master of Business Administration at Hochschule St. Gallen (Switzerland). Previous positions: Chief Operating Officer & Member of the Executive Board, Haribo Holding GmbH & Co KG, SVP & Global Chief Marketing Officer, Wm. Wrigley Jr. Company, etc. Extensive experience from various executive positions in international companies. Long commercial experience and extensive expertise within FMCG and strategic business development.

Group Regional Director & Chief Commercial Officer Unilabs SA (BM)
 Gerda & Victor B. Strand Holding A/S (BM)

Betsabeh Solente (BM)

Education: Bachelor of Commerce, Marketing, University of New South Wales (Australia). Previous positions: Chief Marketing Officer, INTO University Group (UK), Chief Marketing and Innovation Officer, GODIVA Chocolatier (UK), President of Everyday Global Business Unit Newell Rubbermaid (France), International Marketing Director, Johnson & Johnson (France), Global Innovation Director - Biscuit Division Danone, etc. Extensive experience from executive positions in international companies, business transformation, and extensive expertise within FMCG and Marketing & Innovation capability build.

Gerda & Victor B. Strand Holding A/S (BM)

Johnny Bæhr (ER)

Education: Automation Technician. Maintenance Manager. Employed at Toms Gruppen A/S since 1989.

Gerda & Victor B. Strand Holding A/S (ER)

Torben Klyhn Andersen (ER)

Education: Industrial Technician. Production Manager in Ballerup. Employed at Toms Gruppen A/S since 1991.

Gerda & Victor B. Strand Holding A/S (ER)

René Møller Hansen (ER)

Process Operator. Union Representative. Employed at Toms Gruppen since 1989.

Gerda & Victor B. Strand Holding A/S (ER)

Executive Board

Annette Zeipel

CEO

Lars Henrik Vejrup Hansen

CFO

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
 Strandvejen 44
 DK-2900 Hellerup

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



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Financial year:	1 January - 31 December