DANISH CONFECTIONERY

LAKRIDS BY BÜLOW

WE MAKE THE WORLD LOVE LIQUORICE ONE LIQUORICE AT A TIME

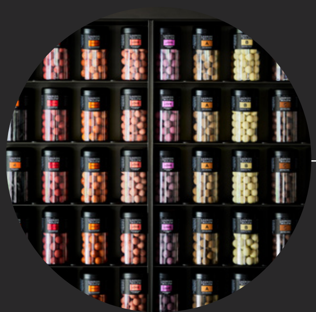
LAKRIDS JB HOLDING APS ANNUAL REPORT 2022

SYDHOLMEN 5, DK-2650 HVIDOVRE

was presented and adopted at the Annual General Meeting of the Company on 26 April 2023

Tue Mantoni, Chairman of the General Meeting

TABLE OF CONTENT



1

MANAGEMENT REVIEW

AT A GLANCE

LAKRIDS BY BÜLOW is an international premium confectionery brand

DKKm
317
2022 Revenue
+8% from 2021

DKKm
14
2022 Adjusted EBIT

4%
2022 Adjusted EBIT margin

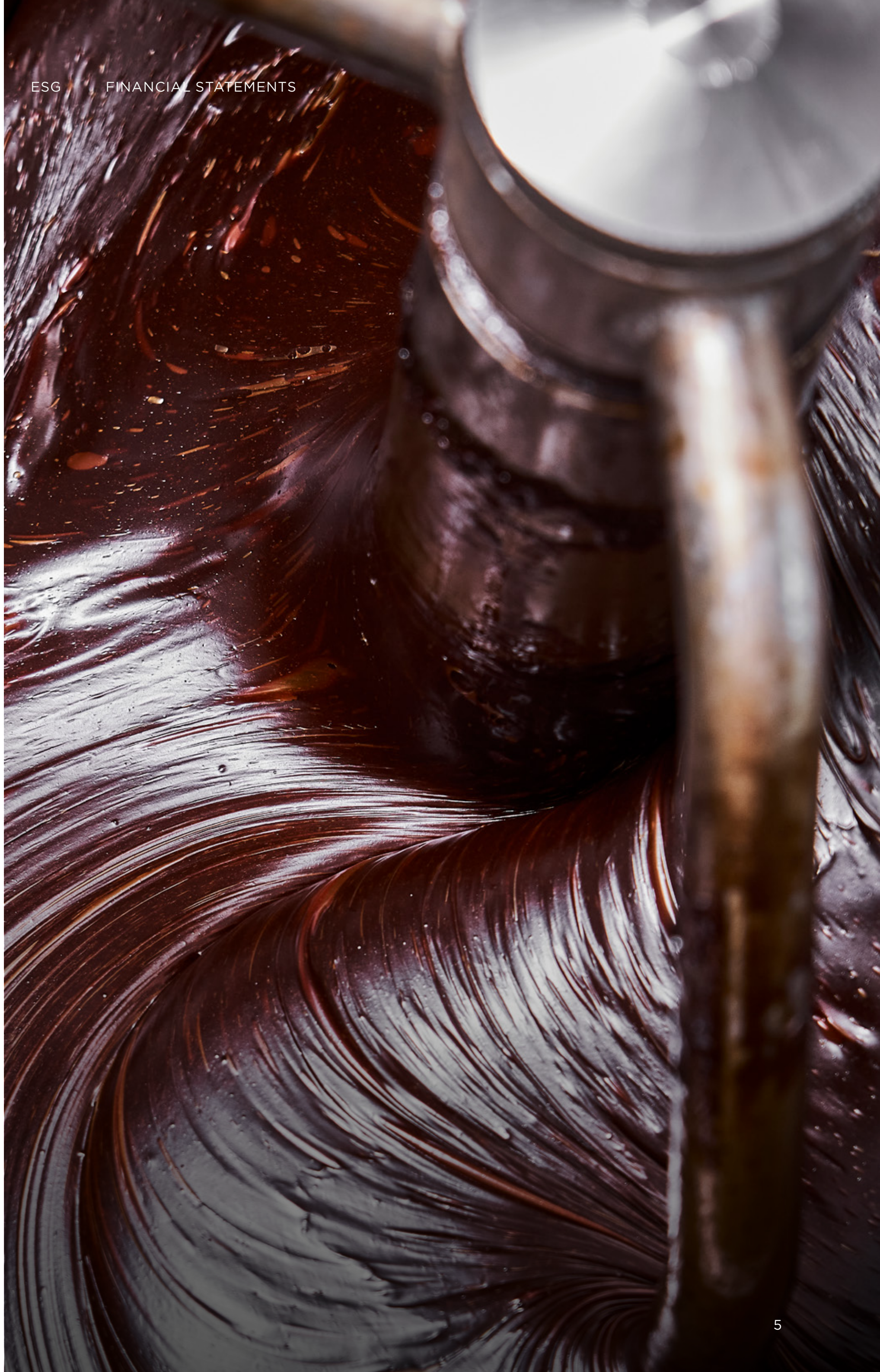
68%
International share of revenue in 2022

62%
Direct-to-consumer share of sales in 2022

+510,000
Community members end of 2022

178
Employees (FTE) end of 2022

WE MAKE THE WORLD LOVE LIQUORICE



LETTER FROM THE CHAIRMAN OF THE BOARD

Emerging from two years characterised by a global pandemic, where we grew 17% in 2020 and 14% in 2021, we expected 2022 to be a year of normalisation for LAKRIDS BY BÜLOW. Little did we know that we would look back at 2022 as another exceptional year, shaped by significant disturbances in our supply chain, affecting our ability to source chocolate and liquorice at critical periods in combination with weakened consumer sentiment from rising inflation and interest rates.

Despite the many challenges facing us, we continued our ambitious mission to make the world love liquorice. We are pleased to announce that our relentless focus on international growth yielded results in 2022 as Germany was the most important market in terms of growth during the year. This emphasizes the vast international potential for our unique product offering and contradicts the argument we have sometimes heard that liquorice products have less of an appeal outside the Nordic region. Growth in the German market amounted to 27% in 2022, thereby solidifying the position as the second largest market for LAKRIDS BY BÜLOW after Denmark and representing 29% of total revenue in 2022. Another data point that validates our success in Germany came from our annual market study that is conducted by Ipsos. The study showed that the brand awareness of LAKRIDS BY BÜLOW in Germany had increased significantly, from 7% in 2021 to 10% in 2022. Beyond validating our progress in Germany, the results underline the huge potential for further growth in the largest European premium confectionary market.

Another important milestone for us in 2022 was the celebration of our 15-year anniversary, which we celebrated by introducing the new organic SLOW CRAFTED category to our permanent assortment. Going back to our roots, the SLOW CRAFTED range pays tribute to the unique crafting method of the first recipe our founder and Creative Director, Johan Bülow, created in his mother's kitchen on the island of Bornholm in 2007. Cooked in an open batch for up to 4 hours and using only the very best organic ingredients, we once again pushed the boundaries within the category of gourmet liquorice. With ESG being top of mind at each stage of production, the chocolate coated SLOW CRAFTED products are presented in premium, recycled glass packaging designed for reuse. In extension of making the business more sustainable we found it natural to submit our application to become B Corp certified.

Despite the short-term pressures facing us, 2022 was a year in which we continued making investments in the long-term growth of the LAKRIDS BY BÜLOW brand and business. We opened 2 new stores, implemented automations for gift packaging in the factory and continued to build the brand internationally. Supply chain disruptions impacted our profitability negatively in 2022 and motivated us to invest in more resilient processes. We are confident that the improved robustness of the business will allow for a resurrection of margins.

We will remember 2022 for the significant challenges with various external factors impacting our markets. However, we will also remember the high level of engagement and commitment of our employees during the year, and we are deeply impressed by this. Looking ahead, we are confident that the strength of our brand, product range, and the loyalty of our community will help us navigate the challenges of 2023.

Tue Mantoni
Chairman

LETTER FROM THE CEO

RESILIENCE IN ADVERSITY

"In many ways, navigating in 2022 was a challenge, but I am very satisfied with the way in which all colleagues embraced these challenges, uncertainties, and volatile market conditions."

FREDRIK NILSSON
CEO

Despite the many challenging external factors, LAKRIDS BY BÜLOW managed to grow by 8% in 2022, reaching DKK 317 million in total revenue. Growth was mainly driven by our two highly complementary direct-to-consumer channels, which jointly grew by 17% during the year. Of the two direct-to-consumer channels, own retail had the most impressive year with 39% growth, whereas e-commerce grew by 4% following a very strong 2021 with 26% growth. In 2022, the direct-to-consumer channels accounted for 62% of total revenue; higher than ever before, and in line with LAKRIDS BY BÜLOW's direct-to-consumer led channel strategy. The own retail and e-commerce channels are closely integrated with synergetic effects, and we are convinced that the significant share of direct-to-consumer sales is a competitive advantage, allowing us to build deep connections with our customers and bringing them aboard our mission to make the world love liquorice.

Our third channel, business-to-business, experienced sales decline of 3% during the year, driven by lower average order value from external retailers, many of them located in residential areas that saw positive effects on store traffic during periods of lock-down in 2021.

The global supply chain disruptions affected many industries and companies worldwide in 2022, and the liquorice and chocolate markets were no exceptions. Significant disturbance in the chocolate supply chain during long periods of 2022 resulted in product shortages, delivery delays and price increases. Similar disturbances with similar results were also seen in the liquorice supply chain; in other words, 2022 was a challenging year for a chocolate-coated liquorice producer.

In addition, significant price increases in freight, energy and other materials had a substantial effect on our cost base in 2022, with downwards pressure on our profit margins as a result. Even though we managed to grow sales by 8%, operating profit (adjusted EBIT) decreased to DKK 14 million, corresponding to a margin of 4.4%.

In many ways, navigating in 2022 was a challenge, but I am very satisfied with the way in which all colleagues embraced these challenges, uncertainties, and volatile market conditions. I will remember 2022 as a year of considerable challenges, but also one where our employees demonstrated exceptional dedication and commitment. I am sincerely impressed by this and want to take this opportunity to say thank you to all of you!

Looking into 2023, consumer sentiment is anticipated to continue to be negatively impacted by a high inflation and interest rate environment, which naturally will influence our business. We are, however, sure that the strength of our brand, our product range and the loyalty of our community will benefit us also in 2023. Sales in the new financial year have started well. Although the external factors are challenging, they are slowly moving in the right direction. Combined with our long-term investments and efficiency improvements, we see that there are solid prerequisites for 2023 to be a strong year with increased sales and improved profitability.

Fredrik Nilsson
CEO

FINANCIAL HIGHLIGHTS

Seen over a three-year period, the development of the group is described by the following financial highlights:

In thousands DKK (IFRS consolidated financial statements)	2022	2021	2020
Income statement			
Revenue	317,027	293,054	256,386
Gross profit	249,638	227,379	192,791
Adjusted EBITDA*	45,013	63,887	55,742
EBITDA	34,811	50,712	55,742
Adjusted EBIT**	13,614	35,011	28,519
EBIT	3,412	21,836	28,519
Net financials	(728)	(20,271)	(29,010)
Profit/loss before tax	2,684	1,565	(491)
Profit/loss for the year	5,069	(1,946)	(2,761)
Statement of financial position			
Balance sheet total	602,251	599,403	590,557
Equity	319,749	316,313	318,163
Cash flows			
Cash flows from operating activities	(909)	48,666	57,009
Cash flows from investing activities	(18,972)	(21,824)	(19,234)
- Hereof cash flows from investment in PP&E	(14,940)	(16,773)	(14,810)
Cash flows from financing activities	5,431	(27,625)	(25,051)
Financial ratios (%)			
Gross margin	78.7%	77.6%	75.2%
Adjusted EBITDA margin*	14.2%	21.8%	21.7%
EBITDA margin	11.0%	17.3%	21.7%
Adjusted EBIT margin**	4.3%	11.9%	11.1%
EBIT margin	1.1%	7.5%	11,1%

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

* Adjusted EBITDA is defined as EBITDA (Earnings before amortisation and depreciation) adjusted to exclude non-recurring costs relate to professional and legal fees associated with corporate financing activities. (special items)
** Adjusted EBIT is defined as EBIT (earnings before interest and tax) adjusted to exclude non-recurring transation costs relate to professional and legal fees associated with corporate financing activities. (special items)

2

OUR BUSINESS

A MODERN TAKE ON PREMIUM CONFECTIONERY

LIQUORICE ROOTS

It takes the liquorice plant four to seven years to grow before its roots have matured enough to be harvested. Once the roots are harvested and dried they are turned into liquorice powder, which is what we use for our products. Liquorice roots can be up to 10 meters long.

LAKRIDS BY BÜLOW was founded on the Danish island of Bornholm in 2007 by Johan Bülow with a dream of making the best liquorice in the world.

LAKRIDS BY BÜLOW was founded in 2007 by Johan Bülow on the Danish island of Bornholm with a dream of elevating the Scandinavian favourite liquorice into a gourmet treat. Based on the vision of creating a unique confectionery product, Johan Bülow launched the first premium chocolate-coated liquorice in 2009. This pioneering act created an entirely new product category, based on the unique combination of chocolate and liquorice. Today, LAKRIDS BY BÜLOW is a widely recognizable brand rooted in the Scandinavian food and design heritage, with chocolate-coated products making up approximately 95% of total revenue in 2022.

OUR PRODUCTS

LAKRIDS BY BÜLOW has a distinctive and differentiated product offering including both a Permanent Collection as well as Limited Editions.

THE PERMANENT COLLECTION

The Permanent Collection consists of classic products that define and preserve the essence of our brand and contributes to the long-term customer loyalty by providing customers with familiar products.

LIMITED EDITIONS

Seasonal Limited Editions comprise both new flavours and recurring favourites that capture consumer attention on a seasonal basis (e.g. Valentine's Day, Easter and Christmas).

Limited Editions strengthen the occasions to generate brand awareness and create excitement and anticipation among loyal customers. Selected Limited Editions are tested and developed together with our customer community prior to seasonal launches.

CHRISTMAS CALENDAR

We created our first Christmas calendar in 2011 and it rapidly became popular among our customers. Featuring a plethora of new flavours – and equipped with a QR code for customer feedback – it is an ideal product for building customer engagement. Our Christmas calendar is also an excellent marketing tool, and it has obtained coverage in prominent media around the world.

A LARGE & GROWING MARKET

LAKRIDS BY BÜLOW's unique products are positioned in the high end of the premium confectionery market. The global premium confectionery market value is estimated at DKK 162 billion with the European market accounting for approximately DKK 64 billion[1].

Our current focus markets are the Nordics, the DACH region (Germany, Austria and Switzerland) and the United Kingdom, and we estimate the market value of these markets to DKK 24 billion with an expected annual average growth rate of 5% until 2026[2].

With an estimated market share for LAKRIDS BY BÜLOW of approximately 1%[2] of the premium confectionery in our focus markets - ranging from around 8% in Denmark to less than 1% in Germany and the United Kingdom - there is plenty of room for LAKRIDS BY BÜLOW to grow. Both in our existing focus markets and, in the longer term, beyond our focus markets.

We believe that the premium confectionery market will benefit from several long-term trends such as increased focus on health and wellness, driving consumers towards quality over quantity; increasing appreciation for taste differentiations and craftsmanship; a growing interest in natural ingredients and products free of additives; as well as a growing popularity of premium confectionery as an authentic gift with an engaging story behind it.

Premium confectionery products are sold for both self-indulgence and gifting purposes. LAKRIDS BY BÜLOW is positioned in the sweet spot of the premium confectionery market with our sales being evenly split between the two purchase occasions.

FOCUS MARKETS

- Finland
- Norway
- Sweden
- Denmark
- United Kingdom
- Germany
- Austria
- Switzerland

Global premium confectionery market
market size, DKK billion — 162

LAKRIDS BY BÜLOW's focus markets[2]
market size, DKK billion — 24

Expected annual growth rate until 2028
LAKRIDS BY BÜLOW's focus markets[2] — 5%

[1] Source: Company information
[2] Excluding Austria and Switzerland

OUR RETAIL STORES

We aim to bring the Factory Experience into all our own retail stores, which as of 31 December 2022 were located in:

- **Denmark** (9)
- **Finland** (2)
- **Germany** (6)
- **Norway** (4)
- **Sweden** (3)
- **United Arab Emirates** (2)

In 2022, own retail stores experienced significant growth and represented 27% of total revenue. We will continue to open new, profitable and brand-building own retail stores in both existing and new geographies.

CUSTOMER ENGAGEMENT IS KEY TO SUCCESS

DIRECT-TO-CONSUMER

Customer engagement and a close dialogue with our customers are essential for our success. In order to enhance the brand experience and showcase the full LAKRIDS BY BÜLOW universe while building deep and engaging customer connections, our main focus is on our direct-to-consumer sales channels.

Through our 26 retail stores, positioned in carefully selected locations, LAKRIDS BY BÜLOW is able to drive in-store purchases as well as act as brand beacons and venues for storytelling. Our physical stores are complemented by a rapidly growing e-commerce platform, allowing customers access to our full product range regardless of their physical location. In addition to our own web shops in six different languages that serve 36 markets across the world, LAKRIDS BY BÜLOW is also available on Amazon in the US and Germany. Our own retail stores accounted for approximately 27% of our total revenue in 2022.

We have seen a significant increase in our e-commerce sales over the past few years. In 2022, e-commerce was our biggest direct-to-consumer channel for the second year in a row, accounting for approximately 35% of our total revenue. In total, our two direct-to-consumer sales channels represented 62% of the total revenue in 2022.

BUSINESS-TO-BUSINESS

In addition to, and highly complementary to, our direct-to-consumer sales channels, we also sell our products through our business-to-business (B2B) channel, which comprises of approximately 2,000 carefully selected, high-quality third-party retailers across 36 countries, as well as blue-chip corporate customers.

The third-party retailers are often premium department stores and specialty stores. These accounted for approximately 31% of total revenue in 2022. Our corporate customers, ranging from small local companies to large multinational corporations typically use our products as gifts for their customers and employees. The corporate customers represented 7% of our total revenue in 2022. We believe that our strong brand equity is a significant driver for establishing partnerships with blue-chip corporate customers such as Mercedes-Benz, Bang & Olufsen and Emirates Airlines.

Number of third-party retailers (approx.)	2,000
Share of revenue through third-party retailers	31%
Share of revenue to corporate customers	7%

EMIRATES AIRLINES

Emirates Airlines has been a key corporate customer with LAKRIDS BY BÜLOW for seven years. We are proud to provide our branded products to first class passengers on their flights to over 120 destinations in 70 countries. This corresponds to approximately 36,000 jars per month and around 3 million pieces being served each year to first class passengers.

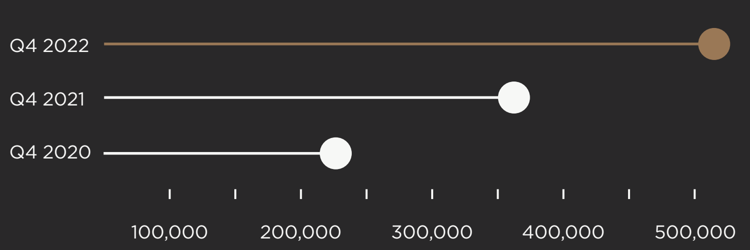
THE WORLD'S LARGEST TASTING PANEL

Our vision is to create the world's largest tasting panel through our community, driving customer engagement and loyalty. Over the past years, our customer community has seen remarkable growth, reaching 510,000 members by the end of 2022, compared to approximately 357,000 members by the end of 2021. The increase has largely been driven by a significant inflow of new members residing outside of Denmark, who now account for more than two thirds of all members.

The people in our community are treated to exclusive limited editions several times a year and are invited to competitions, factory tours, and other events. In return, the community members provide us with valuable feedback on taste, design, packaging and sometimes even recipe suggestions.

Our community demonstrates both a higher average repurchasing frequency and a higher average order value than the average customer. The community's share of our own e-commerce revenue in 2022 amounted to 46%.

Customer community
Number of members



Community's share of own e-commerce revenue
2022

46%

AMPLE ROOM TO GROW IN OUR CURRENT FACTORY SET-UP

All of our chocolate-coated and gourmet liquorice products are developed and produced in-house at our combined headquarter and factory in Hvidovre, just outside of Copenhagen.

In our production factory of around 4,200 square meters, we manufactured approximately 4 million jars, corresponding to over 1,000 tons of premium confectionery in 2022. We use natural ingredients of the highest quality in our production.

The production process is mostly automated and thus highly scalable, but also includes elements of human touch, in line with our brand's core values of authenticity and craftmanship.

We believe that we can double the production output within the current production set-up over the coming years, assuming a maintained production investment level compared to that of the recent years.

PROVEN STRATEGY FOR CONTINUED GROWTH

We have a strong track record of profitable revenue growth, and we are fully focused on continuing to deliver on this. We believe that our distinctive product offering, our growing international footprint along with the ample room for increased consumer brand awareness underscore the significant runway for further growth for LAKRIDS BY BÜLOW. We will continue to execute on our proven strategy, based on three pillars.

1

Direct-to-consumer led growth

We aim to gradually increase our share of sales through our direct-to-consumer sales channels, driven by further scaling of our e-commerce platform and digital experience in combination with continuous expansion of our footprint of carefully selected own retail stores. The direct-to-consumer led growth does not only benefit the direct-to-consumer channel; the strong channel synergies result in increased brand awareness, traffic and credibility, which in turn benefit the business-to-business channel.

2

Further penetration of focus markets

With an estimated market share of approximately 1% of the premium confectionery market in our geographical focus markets[1], we see significant opportunities for further long-term growth. By driving a continuous increase in consumer brand awareness, we aim to capture the full potential in these markets, supported by the fact that we enjoy a strong conversion rate of at least 50% from awareness to purchase in most of our focus markets. Among our eight focus markets, Germany stands out with the strongest momentum in combination with the largest potential in terms of market size.

3

Deeper customer connections

We have a clear focus on deepening and further strengthening the connection with our consumers. Our large and fast-growing customer community allows us to establish a continuous dialogue with our customers, resulting in increased engagement levels, as well as valuable insights used in our product development and to increase marketing efficiency. We will continue to upgrade our community platform and see vast opportunities for growing engagement levels even further.

[1] Excluding Austria and Switzerland

BUSINESS REVIEW 2022

Revenue
In 2022, LAKRIDS BY BÜLOW recorded total revenue of DKK 317.0 million, up 8% from DKK 293.1 million in 2021 and slightly below the 2022 outlook of DKK 325-350 million. The increase was primarily driven by strong growth in own retail shops, as well a growth in the e-commerce channel. Third-party resellers were impacted in 2022 due to a shift in consumer behavior as customers less frequently visited stores located in residential areas following the easing of pandemic restrictions.

Direct-to-consumer sales through LAKRIDS BY BÜLOW's own retail shops and e-commerce accounted for 61.7% of total revenue compared to 57.1% in 2021, while B2B accounted for the remaining 38.3% of total revenue in 2022 vs. 42.9% in 2021. Own retail shops revenue experienced strong growth and accounted for 27.1% of total revenue, while revenue through e-commerce accounted for 34.6% of total revenue.

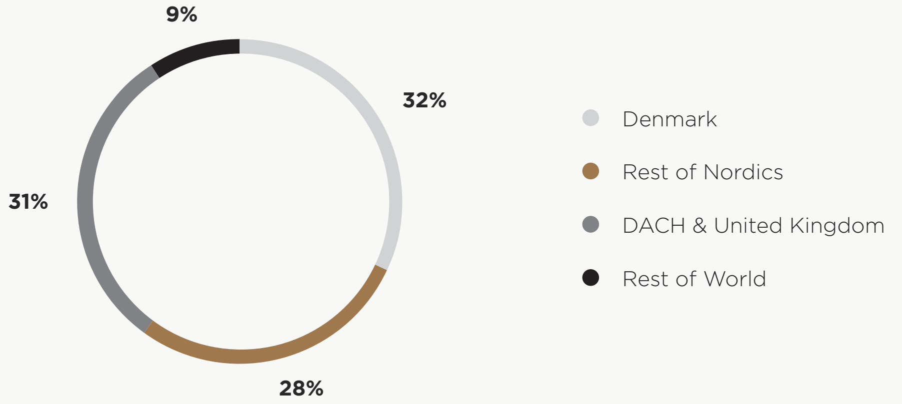
Geographically, the international share of revenue increased to 68% of total revenue, up from 67% in 2021. LAKRIDS BY BÜLOW's products are sold in 36 countries.

Total revenue
DKK million
317.0

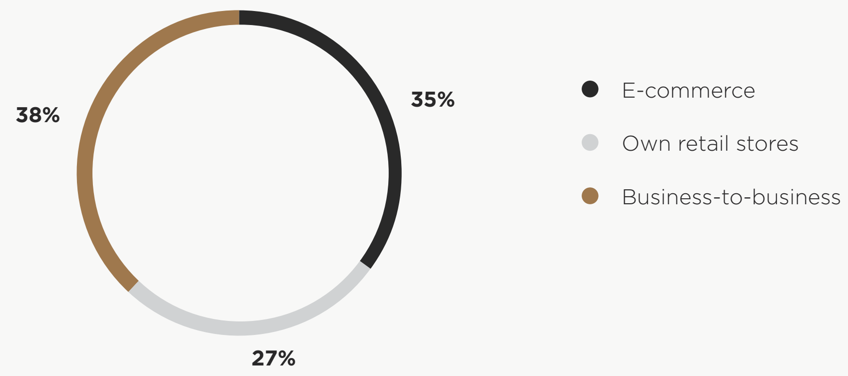
Adjusted EBIT
DKK million
13.9

Revenue increase
From 2021
8%

Geographical revenue split for 2022



Sales channel revenue split for 2022



BUSINESS REVIEW 2022 (continued)

Gross profit
Gross profit in 2022 was DKK 249.6 million, compared to DKK 227.4 million in 2021, corresponding to a gross margin of 79% in 2022 up from 78% in 2021. The gross margin expansion was driven by a continued shift to direct-to-consumer sales as well as an increasing share of international revenue.

Adjusted EBITDA
Adjusted EBITDA was DKK 45.0 million, compared to DKK 63.9 million in 2021, a decrease of 30% and corresponding to an adjusted EBITDA margin of 14%. The adjustment related to non-recurring costs to professional and legal fees associated with corporate financing activities of DKK 10.2 million.

Adjusted EBIT
Adjusted EBIT was DKK 13.6 million compared to DKK 35.0 million in 2021, and the 2022 outlook of DKK 40-45 million, a decrease of 60% and corresponding to an adjusted EBIT margin of 4.3%.

Net result
Net result for the year 2022 was a profit of DKK 5.1 million compared to a loss of DKK 1.9 million in 2021.

Cash flow
Cash flow from operating activities in 2022 was negative with DKK 0.8 million compared to positive with DKK 48.7 million in 2021. The decrease was primarily due to change in working capital as well as a decrease in operating profit.

Capex
Capital expenditures amounted to DKK 19 million in 2022 compared to DKK 20 million in 2021. Capital expenditures for 2022 primarily comprised of investments in new retail stores, our e-commerce platform and production site. We have recently invested in a new manufacturing production line expected to be ready for manufacturing in 2023.

OUTLOOK FOR 2023

Total revenue
DKK million
325-350

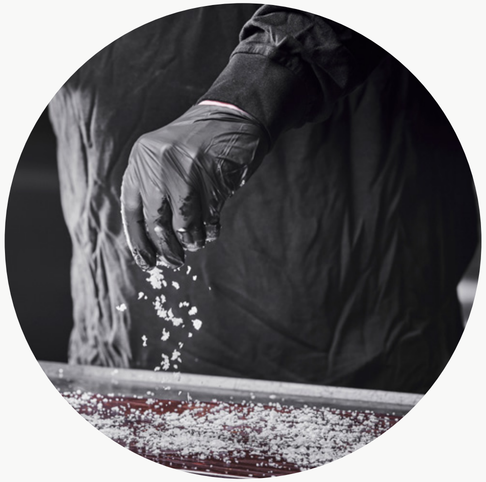
Adjusted EBITDA
DKK million
50-60


HINDBÆR
BERRIFINE
TOKYO TREASURE
MATCHA TEA + YUZU
SUR CITRON
RASPBERRY
RUSH
LAKRIDS &
SKOVMYRER
CARDAMOM
&
COFFEE
SEA SALT FLAKES
FINT SALT
SALMIAK

3

ESG

ENVIRONMENT, SOCIAL & GOVERNANCE



With a clear ambition to pioneer the concept of sustainable luxury within the premium confectionery market, environmental, social and governance (ESG) aspects constitute a core focus area for LAKRIDS BY BÜLOW.

We have a continuous focus on driving sustainability initiatives across our entire value chain, from the sourcing of raw materials to the product packaging, as well as on energy consumption and the well-being of our personnel. At LAKRIDS BY BÜLOW, we are using the UN's Sustainable Development Goals (SDG) as a guidance for our sustainability approach and primarily focus our activities within three of the goals where we believe we can maximize our impact.

In extention to our sustainability efforts, we are working on obtaining a B Corporation certification. Certified B Corporations are companies verified by the non-profit organization B Lab to meet high standards of social and environmental performance, transparency, and accountability.

ENVIRONMENT

We are strongly committed to reducing the environmental footprint of our supply Chain, production and products.

By investing in modern production equipment, improved production processes and addressing design for a circular economy, we have since 2016 reduced water consumption and waste by 51% and 42% per kilogram produced, respectively.

And to reduce carbon emissions further, our factory has since 2020 been powered by 100% green energy.

Despite having doubled our production volume from 2016 to 2022, we have reduced production related CO_2 emissions by 98% in that period.

Product packaging is another focused sustainability area, and since 2019 our plastic jars are made from 100% recycled and recyclable plastic (R-PET) and since 2022 the plastic lids are also made of recycled and recyclable plastic (R-PP).

In 2022 a new glass jar was introduced for SLOW CRAFTED – designed for reuse.

All labels are made from 100% FSC (Forest Stewardship Council) certified paper.

Through various initiatives, we have been able to reduce CO_2 emissions from our packaging by 26% since 2016.

REDUCING OUR CO_2 EMMISIONS

USING 100% GREEN ENERGY IN FACTORY

USING 100% RECYCLED AND RECYCLABEL PLASTIC IN JARS

REDUCING OUR WASTE

REDUCING OUR WATER CONSUMPTION

SOCIAL

As an integral part of our brand we carefully select our suppliers to ensure products of the highest quality possible, produced with sustainable ingredients. For example, we buy the chocolate used to coat our liquorice products from the Cocoa Horizons sustainability program to ensure sustainable and ethically produced cocoa. Cocoa Horizons' chocolate producer Barry Callebaut's sustainability programme focuses on improving the livelihoods of cocoa farmers through the promotion of sustainable farming.

The well-being of LAKRIDS BY BÜLOW employees is also paramount to us. We believe it drives creativity, innovation, sound decision-making and ultimately stronger financial performance. Therefore, we have a continuous focus on promoting a dynamic culture of diversity and equal opportunity for all.

GOVERNANCE

LAKRIDS BY BÜLOW is committed to exercising good corporate governance at all times and the Board of Directors regularly assess the Corporate Governance Recommendations.

The company has a two-tier governance structure consisting of the Board of Directors and the Executive Management.
The Executive Management undertakes the operational management of the company, whereas the Board of Directors determines the overall strategy and acts as a sparring partner to the Executive Management.

Risk management is an essential and natural part of the realization of our objectives and strategy. Consequently, risk management is seen as an integrated part of the daily activities and execution of the strategy, and we continuously develop risk management policies to manage and mitigate risks associated with the business and operations.

The Board of Directors consists of five members, among which one Chairperson and one Vice Chairperson. Three of the members are regarded as independent. The Board of Directors represents broad international business experience and competencies considered to be relevant for LAKRIDS BY BÜLOW.

The Board of Directors meets 5-8 times a year and holds extraordinary meetings when required. In 2022, five board meetings were held, including a strategy meeting.

The Board of Directors has established an Audit committee and a Remuneration and Nomination committee. The purpose of the committees is to prepare decisions to be made by the Board of Directors.

On an annual basis, the Board of Directors performs an evaluation of the efficiency, performance, achievements and competencies of the Board of Directors and of the individual members as well as the collaboration with the Executive Management.

We have adopted a whistle-blower policy and a whistle-blower function in accordance with applicable regulation.

EXECUTIVE MANAGEMENT

FREDRIK NILSSON
CEO

Swedish, born 1980

With LAKRIDS BY BÜLOW
as CEO since 2017

Previous experience:
Nestlé Switzerland,
Nestlé Nespresso (Country
Manager Denmark)

NIKOLAJ ENEVOLDSEN
CFO

Danish, born 1979

With LAKRIDS BY BÜLOW
as CFO since 2023

Previous experience:
Maersk, Svitzer, Carlsberg,
Hempel

JOHAN BÜLOW
Creative director

Danish, born 1984

Founded LAKRIDS BY BÜLOW
in 2007

Previous experience:
Entrepreneur

BOARD OF DIRECTORS

TUE MANTONI
Chairperson

(Independent)

Danish, born 1975

Other positions:
Vækstfonden (Chair),
Stine Goya (Chair),
Joe & The Juice (Vice Chair),
Soundboks (Vice Chair),
Gubi (board member)

Previous experience:
Bang & Olufsen (CEO),
Triumph Motorcycles (CEO),
McKinsey & Company

CHARLOTTE STRAND
Vice chairperson

(Independent)

Danish, born 1961

Other positions:
Evida (Chair), Per Aarsleff (board member),
Postnord (board member)
Reventus Power (board member),
Aibel (board member)

Previous experience:
Ørsted (SVP),
Flügger (board member)

LOUISE CRUTTENDEN

(Independent)

British, born 1977

Other positions:
Real Handful Snacks (board member), Action4Youth (board member)

Previous experience:
HUEL, Diageo,
Kimberly-Clark Corporation

JOHAN BÜLOW

Danish, born 1984

Other positions:
Founded LAKRIDS BY BÜLOW in 2007

Previous experience:
Entrepreneur

PER FORSBERG

Swedish, born 1973

Other positions:
Partner at Valedo Partners, Joe & The Juice (board member), Origio Group (board member), Prosero Security (Chairman)

Previous experience:
EQT Partners

4

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

CONTENT

NOTES

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2022

DKK '000	Notes	2022	2021
Revenue	3	**317,027**	**293,054**
Changes in inventory of finished goods and work in progress		8,857	2,105
Raw materials and consumables used	4	(76,246)	(67,780)
Gross Profit		**249,638**	**227,379**
Other operating income	5	-	3,145
Employee wage & compensation	6	(100,678)	(81,746)
Other external expenses		(103,948)	(84,891)
Earnings before amortisation and depreciation and before special items (Adjusted EBITDA)		**45,013**	**63,887**
Special items	7	10,202	13,175
Earnings before amortisation and depreciation (EBITDA)		**34,811**	**50,712**
Depreciation and amortisation	8	(31,399)	(28,876)
Operating profit (EBIT)		**3,412**	**21,836**
Financial income	9	20,599	1,366
Financial costs	9	(21,327)	(21,637)
Profit / (Loss) before tax		**2,684**	**1,565**
Income tax expense	10	2,385	(3,511)
Profit / (Loss) for the year		**5,069**	**(1,946)**

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

DKK '000	2022	2021
Profit / (Loss) for the year	5,069	(1,946)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,696)	96
Other comprehensive income for the year, net of tax	**(1,696)**	**96**
Total comprehensive income for the year	**3,373**	**(1,850)**

CONSOLIDATED BALANCE SHEET

as at 31 December 2022

DKK '000	Notes	2022	2021
Assets			
Non-current assets			
Intangible assets	11	415,748	414,566
Property, plant and equipment	12	49,435	46,788
Right-of-use assets	13	36,943	45,360
Other non-current assets		3,902	3,396
Deferred tax assets	14	5,378	1,451
Total non-current assets		**511,406**	**511,561**
Current assets			
Inventories	15	44,645	28,908
Trade receivables	17	25,071	22,833
Other receivables		220	933
Current tax assets		-	121
Prepayments		3,498	3,186
Cash and cash equivalents		17,411	31,861
Total current assets		**90,846**	**87,842**
Total assets		**602,251**	**599,403**

DKK '000	Notes	2022	2021
Equity			
Share capital	20	7,516	7,516
Share premium		354,659	354,596
Foreign currency translation reserve		(1,315)	381
Retained earnings		(41,111)	(46,180)
Total equity		**319,749**	**316,313**
Liabilities			
Non-current liabilities			
Borrowings	16	145,044	-
Lease liabilities	13	23,172	32,631
Provisions		2,878	2,845
Other payables	22	3,388	3,291
Total non-current liabilities		**174,482**	**38,767**
Current liabilities			
Borrowings and bank overdrafts	16	23,072	134,602
Trade payables		31,531	28,309
Lease liabilities	13	16,061	14,483
Current tax liabilities		58	2,188
Shareholder loans	16	12,679	11,755
Contingent consideration liability	17	3,800	22,773
Other payables		20,818	30,213
Total current liabilities		**108,019**	**244,323**
Total liabilities		**282,502**	**283,090**
Total equity and liabilities		**602,251**	**599,403**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

DKK '000	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
Equity at 1 January 2022	**7,516**	**354,596**	**381**	**(46,180)**	**316,313**
Profit / (Loss) for the year	-	-	-	5,069	5,069
Other comprehensive income for the year	-	-	(1,696)	-	(1,696)
Total comprehensive income for the year	**-**	**-**	**(1,696)**	**5,069**	**3,373**
Sale of Warrants	-	-	-	63	63
Total transaction with owners	**-**	**-**	**-**	**63**	**63**
Equity at 31 December 2022	**7,516**	**354,596**	**(1,315)**	**(41,048)**	**319,749**
Equity at 1 January 2021	**7,516**	**354,596**	**285**	**(44,234)**	**318,163**
Profit / (Loss) for the year	-	-	-	(1,946)	(1,946)
Other comprehensive income for the year	-	-	96	-	96
Total comprehensive income for the year	**-**	**-**	**96**	**(1,946)**	**(1,850)**
Equity at 31 December 2021	**7,516**	**354,596**	**381**	**(46,180)**	**316,313**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

DKK '000	Notes	2022	2021
Operating profit		3,412	21,836
Adjustments for non-cash items, etc.			
- Depreciation and amortisation		31,399	28,876
Interest received		1,626	1,366
Interests paid		(10,453)	(9,265)
Income tax paid		(3,243)	(2,086)
Cash flow from operating activities before working capital changes		**22,741**	**40,727**
Change in working capital	19	(23,650)	7,939
Cash flow from operating activities		**(909)**	**48,666**
Purchase of intangible assets		(3,526)	(3,458)
Purchase of property, plant and equipment		(14,940)	(16,773)
Proceeds from sales of property, plant and equipment		-	120
Payments of rent deposits		(506)	(1,713)
Cash flow from investing activities		**(18,972)**	**(21,824)**
Principal elements of lease payments		(16,187)	(15,693)
Change in borrowings		21,555	(1,932)
Repayment of loan from shareholders		-	(10,000)
Sale of warrants		63	-
Cash flow from financing activities		**5,431**	**(27,625)**
Cash flow for the year		**(14,450)**	**(783)**
Cash and cash equivalents, beginning of the year		31,861	32,644
Cash and cash equivalents at end of the year		**17,411**	**31,861**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lakrids JB Holding ApS is a limited liability company incorporated in Denmark. The principal activities through its subsidiaries (the Group) are to develop, manufacture and sell liquorice and products with liquorice flavor.

The consolidated financial statements of Lakrids JB Holding ApS and its subsidiaries ('the group') for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of directors and Executive Management on 26 April 2023.

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of Lakrids JB Holding ApS and its subsidiaries.

Basis of preparation

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional the Danish disclosure requirements applying to entities of reporting class C for medium enterprises.

The financial statements have been prepared on a historical cost basis, except for contingent consideration liabilities which are measured at fair value.

The consolidated financial statements are presented in Danish Kroner (DKK), as this is the parent company's functional currency. The financial statements have been rounded to the nearest thousand, except when otherwise stated.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the group. Lakrids JB Holding ApS expects to adopt these standards, amendments and interpretations when they become mandatory.

There are no standards that are not yet effective that would be expected to have a material impact on Lakrids JB Holding ApS in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries

The consolidated financial statements include the parent company and its subsidiaries. Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. This is generally established through holding of the majority of voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Segment reporting

The group is operated as a single entity without any internal reporting structure below consolidated level. Consequently, no segment reporting is provided.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they form part of the net investment in a foreign operation.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency (DKK) are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Revenue recognition

The group's income is generated mainly by the sale of liquorice and products with liquorice flavor. Revenue is recognised when control is transferred to the customer, generally being at the point in time of delivery. Revenue is recognised at the transaction price being the gross consideration less any discounts and amounts collected on behalf of third parties.

A substantial part of the sales transactions comprises transportation by a third party. In most transactions, the group has responsibility vs. the customer for the transportation service. Consequently, freight is considered a separate performance obligation resulting

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

in freight income included in revenue and freight expenses classified as expenses. Local tax authorities impose multiple taxes, duties and fees. These include excise duties on sale or manufacturing of products comprising sugar and/or alcohol. Management has applied judgment when determining whether such taxes are amounts collected on behalf of the tax authorities or a production tax. The taxes are considered a production tax as they become payable when goods leave the production site or a bonded warehouse and are based on an per item value rather than the sales value. Further, the obligation to pay is independent of whether the receivable from the customer can be collected, and there is no explicit obligation to pass on any changes in the taxes to the customers. Consequently, these taxes are included in the line-item raw materials and consumables used.

Other operating income
Other operating income comprise items of a secondary nature to the main activities of the group. They mainly comprise of granted rent concessions. Further, gains on the sale of intangible assets and property, plant and equipment are classified as other operating income.

Changes in inventories of finished goods and work in progress
Comprises the change in the carrying amount of finished goods for the year.

Raw materials and consumables used
Expenses for raw materials and consumables comprise the raw materials and consumables consumed for the year.

Employee benefits
Employee benefits comprise wages and salaries as well as payroll related expenses. Wage compensation has been set-off in employee benefits.

Other external expenses
Other expenses comprise of various operating expense such as manufacturing overheads, premise costs etc, various administrative costs.

Special items
Material items of a non-recurring nature are presented as Special items to distinguish them from items which relate to the Group's ordinary operations or investment in future activities.

Depreciation and amortisation
Depreciation and amortisation comprise amortisation, depreciation and impairment of intangible assets, property plant and equipment and right of use assets.

Financial income and expenses
Net financials include interest income and expenses as well as interest calculated using the effective interest rate method, foreign currency gains and losses, interest on lease liabilities, fair value changes related to contingent consideration liabilities.

Income tax
The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax loss carry-forwards.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciations are calculated using the straight-line method, net of their residual values over their estimated useful lives, as follows:

Leasehold improvements	2 - 10 years
Furniture, fittings and equipment	3 - 10 years
Assets under constructions	None

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

amount. These are included in profit or loss as other operating income/expenses.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.
The leases of the group consist mainly of property rentals.
Contracts may contain both lease and non-lease components. The group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- payments in optional lease periods if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

For leases based on an index or rate, the change is included in the lease liability when they take effect. The amount of remeasurement of the lease liability is adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The lease term comprises the minimum lease term with addition of optional lease periods which are considered reasonably certain to be exercised.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss under the line-item Other operating expenses. Short-term leases are leases with a lease term of 12 months or less.

The group has applied the practical expedient to Covid-19 related rent concessions. This amendment provides relief for lessees from assessing whether a rent concession is a lease modification. Rent concessions that meets all of the following conditions, are recognised as income over the concession period when:

- Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- There is no substantive change to other terms and conditions of the lease

All other rent concessions are treated as lease modifications.

Intangible assets

Goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for any previous interest held over the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised but is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relation to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, however not higher than an operating segment. The Group is considered one operating segment and consequently, goodwill is tested for impairment at Group level.

Completed development projects
Intangible assets include in progress and completed development projects.

They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Development costs that are directly attributable to the design and testing of identifiable and unique IT projects controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the projects include

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the software is ready for use.

Costs associated with maintaining IT-platforms are recognised as an expense as incurred.

Amortisation methods and useful lives
The group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Completed development projects	7 years

Other non-current assets
Other non-current assets consist of rent deposits.

Impairment of assets
Goodwill and development projects in progress are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, and cost of raw materials, consumables and direct labour and those overheads that have incurred in bringing the present location and condition. These costs are assigned on the basis of first-in-first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade receivables
Trade receivables are recognised initially at the transaction price and subsequently measured at the transaction price less loss allowance.

The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

See note 18 for a description of the group's impairment policies for trade receivables.

Prepayments
Prepayments recognised as an asset comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents
Cash and cash equivalents comprise cash and bank balances.

Equity
Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium
Premium on issue of ordinary shares are recognised as share premium.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

Liabilities
Financial liabilities
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Contingent consideration liabilities arising from business combinations are measured at fair value on each balance sheet date. The amount of remeasurement to fair value is included in financial items.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Provisions
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not reognised for future operating losses. Provisions comprise of refurbishment obligations and are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Trade payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Statement of cash flows
The cash flow statement shows the group's cash flows for the year broken down by

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

operating, investing and financing activities, changes for the year 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 are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as share-based payment expenses, depreciation, amortisation and impairment losses. Working capital comprises current assets less short-term debt, excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt and principal element on lease payments as well as payments to and from shareholders.

Key figures

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Note 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Further, when applying accounting policies, Management exercises judgement within certain areas.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Accounting estimates

Impairment tests for goodwill

As disclosed in note 11, the recoverability of the carrying amount of goodwill, DKK 404.844 thousand, has been assessed based on an earnings multiple. Determining fair value of an entity based on an earnings multiple is associated with estimation uncertainty due to the fact that determination of a relevant peer group is judgmental. Further, the size discount is subjective. A comprehensive peer analysis is performed on an ongoing basis and provides in Management's view a reasonable basis for determining the recoverable amount.

Recognition of deferred tax assets

The deferred tax assets include an amount of 7.8 MDKK which relates to carried-forward tax losses of 35.5 MDKK. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The losses can be carried forward indefinitely and have no expiry date.

Contingent consideration liability

The group has a liability to pay 50 MDKK + a fixed annual increment of 3 MDKK to the former controlling shareholder if upon an exit, the controlling shareholder achieves a certain minimum return. Fair value measurement of the liability is associated with significant estimation uncertainty. The most critical assumptions are the current equity value, the expected term and the share price volatility. Refer to note 17 for further information.

Judgements

Determining the lease term

The group has a number of "Evergreen" property leases where the lessor does not have the practical ability to terminate the lease. The assessment of the determined lease term is based on extension- and termination options exercised in the past as well as unexpected events. If the lease is not terminated upon expiry of the initial lease term as determined by Management, the lease term is reassessed. Refer to note 13 for further information.

Note 3 REVENUE

DKK '000	2022	2021
The group's revenue can be attributed to the following sales channels:		
E-commerce	109,604	105,669
Own retail	86,012	61,658
Business-to-business	125,411	125,727
	317,027	**293,054**

The group's revenue can be attributed to the following countries based on the location of the customer:

DKK '000	2022	2021
Denmark	101,473	97,275
Rest of Nordics	89,076	98,756
DACH & UK	96,678	78,713
Rest of world	29,800	18,310
	317,027	**293,054**

The DACH region refers to the three Central European countries of Germany (D), Austria (A), and Switzerland (CH).

Note 4 RAW MATERIALS AND CONSUMABLES USED

DKK '000	2022	2021
Sugar tax	8,771	9,545
Raw materials and packaging	56,228	50,003
Other production costs	11,246	8,232
	76,246	**67,780**

Note 5 OTHER OPERATING INCOME

DKK '000	2022	2021
Covid 19 related rent concessions	-	3,145

Due to the extraordinary situation arising from the Covid-19 pandemic rent concessions was granted to the group in 2021, including deferral of lease payments for a period of time. These reductions in lease payments are recognised in other operating income in the period in which the event or condition that triggers those payments occurs.

Note 6 EMPLOYEE WAGE & COMPENSATION

DKK '000	2022	2021
Wages and salaries	85,709	70,029
Defined contribution plans	1,823	2,166
Other social security costs	1,729	930
Other staff costs	11,417	8,621
	100,678	**81,746**
Employee benefits segmentation		
Production	22,977	19,412
Sales and marketing	55,045	45,975
Administration	22,656	16,359
	100,678	**81,746**
Average number of employees	178	159

Key management personnel compensation

Key management personnel consist of the Executive Board, the Board of Directors and Other key management. The compensation paid or payables to key management personnel for employee services is shown below:

DKK '000	Other Key management	Executive Management	Board of Directors
2022			
Short term benefits	6,286	3,618	-
Defined contribution plans	-	-	-
Board compensation	-	-	2,075
Total	**6,286**	**3,618**	**2,075**
2021			
Short term benefits	5,454	3,689	-
Defined contribution plans	-	-	-
Board compensation	-	-	350
Total	**5,454**	**3,689**	**350**

Total remuneration to registered Executive Management and the Board of Directors in Lakrids JB Holding ApS is shown below:

DKK '000	2022	2021
Executive Management	3,618	3,689
Board of Directors	2,075	350
	5,693	**4,039**

Management options

In December 2020, shareholders of the parent company granted 72,840 options over shares in the parent company to the certain members of the Board of Directors and Executive Management at a consideration of 0.28 DKK per option. The Board member received 36,410 warrants and executive management received 36,410 warrants. One option entitles the holders to acquire one B-share of the parent company at an exercise price of 0.01 DKK.

The options are exercisable only upon an exit event resulting in an equity value of at least 850 MDKK and subject to continued employment. The options expire on 31 December 2023.

The consideration paid is equal to fair value at grant date, and consequently, no expense has been recognised.

Fair value has been determined based on a black scholes option pricing model taking into account the preference value attributable to A-shares disclosed in note 19. The main assumptions applied are:

Equity value	246 MDKK
Expected share price volatility	31%
Expected term:	
Probability weighted between	0.1 – 3.1 years

Warrant program

Three key members of the Management group has been granted 36,500 options over shares in the parant company for a consideration of 1,739 DKK per option. One option entitles the holders to acquire one B-share of the parent company at an exercise price of 1.00 DKK.

The options are exercisable only upon an exit event resulting in an equity value of at least 750 MDKK and subject to continued employment. The options expire on 31 December 2026.

The consideration paid is equal to fair value at grant date, and consequently, no expense has been recognised.

Fair value has been determined based on a black scholes option pricing model taking into account the preference value attributable to A-shares disclosed in note 19. The main assumptions applied are:

Equity value	228 MDKK
Expected share price volatility	41%
Expected term:	
Probability weighted between	0.6 – 4.1 years

Note 7 SPECIAL ITEMS

In 2022, special items include non-recurring transaction costs of DKK 10.202 thousand (2021: DKK 13.175 thousand). The non-recurring transaction costs relate to professional and legal fees associated with corporate financing activities.

Adjusted underlying EBIT (non-IFRS)
Adjusted EBIT is defined as EBIT (earnings before interest and tax) adjusted to exclude these non-recurring transaction costs. Management believes that this adjusted measure of performance should be seperately disclosed to understand the underlying operating of the group.

DKK '000	2022	2021
Operating profit (EBIT)	3,412	21,836
Non-recurring costs	10,202	13,175
Adjusted EBIT (non-IFRS)	**13,614**	**35,011**

Note 8 DEPRECIATION, AMORTISATION AND IMPAIRMENT

DKK '000	2022	2021
Depreciation of property, plant and equipment	12,146	10,637
Depreciation of right-of-use assets	16,728	16,475
Amortisation of intangible assets	1,924	1,735
Loss on disposals	601	29
	31,399	**28,876**

Note 9 FINANCIAL INCOME AND EXPENSES

DKK '000	2022	2021
Financial income		
Interest income	42	31
Fair value adjustment contingent consideration	18,973	-
Foreign exchange rate gains	1,584	1,335
Total financial income	**20,599**	**1,366**
Financial expenses		
Interest expense borrowings	19,064	15,036
Interest expense on lease liabilities	1,380	1,616
Fair value adjustment contingent consideration	-	4,957
Foreign exchange rate losses	883	28
Total financial expenses	**21,327**	**21,637**

Note 10 INCOME TAX EXPENSE

DKK '000	2022	2021
Current tax		
Current tax on profits for the year	539	1,695
Adjustments for current tax of prior periods	1,003	(11)
Deferred income tax	(2,485)	1,845
Adjustment of deferred tax of prior periods	(1,442)	(18)
Income tax expense	**(2,385)**	**3,511**

Reconcilliation of effective tax rate

DKK '000	2022	2021
Calculated 22% (2021: 22%) tax on income for the period before income tax	591	344
Less tax in foreign group entities compared with 22% rate (2021: 22%)	143	203
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Fair value adjustments of contingent consideration liability	(4,174)	1,091
Non-deductible expenses	1,958	2,247
Adjustments for current tax of prior periods	(439)	(29)
Changes in unrecognised deferred tax assets	(464)	(345)
Income tax expense	**(2,385)**	**3,511**

Note 11 INTANGIBLE ASSETS

DKK '000	Goodwill	Completed devel-opment projects	Develop-ment projects in progress	Total
Cost				
At 1 January 2022	404,844	11,116	3,087	419,047
Transfers from property plant and equipment	-	1,551	(1,965)	(414)
Additions	-	338	3,188	3,526
Transfers	-	-	-	-
Disposals	-	-	(6)	(6)
At 31 December 2022	**404,844**	**13,005**	**4,304**	**422,153**
Accumulated amortisation and impairment				
At 1 January 2022	-	4,481	-	4,481
Transfers from property plant and equipment	-	-	-	-
Amortisation charge	-	1,924	-	1,924
Impairment	-	-	-	-
At 31 December 2022	**-**	**6,405**	**-**	**6,405**
Carrying amount 31 December 2022	**404,844**	**6,600**	**4,304**	**415,748**
Cost				
At 1 January 2021	404,844	4,913	1,994	411,451
Transfers from property plant and equipment	-	1,099	2,739	3,838
Additions	-	1,826	1,632	3,458
Transfers	-	3,278	(3,278)	-
Disposals	-	-	-	-
At 31 December 2021	**404,844**	**11,116**	**3,087**	**419,047**
Accumulated amortisation and impairment				
At 1 January 2021	-	2,704	-	2,704
Transfers from property plant and equipment	-	42	-	42
Amortisation charge	-	1,735	-	1,735
Impairment	-	-	-	-
At 31 December 2021	-	**4,481**	**-**	**4,481**
Carrying amount 31 December 2021	**404,844**	**6,635**	**3,087**	**414,566**

Development projects

Development projects comprises the cost directly related to the further development of ERP applications, reporting tools and web-shop. The group estimates the remaining useful life of the development projects to be 7 years.

Assumptions for impairment tests for goodwill

The Group is operated as a single entity, and consequently only one operating segment has been identified and consequently, goodwill is not allocated for impairment testing purposes.

Management has performed an impairment test for goodwill as of 31 December 2021 and 31 December 2022 respectively. The group comprises one operating segment and goodwill is not monitored for internal management purposes at any lower level. Consequently, goodwill is attributed to the Group as a whole. The carrying amount of goodwill is DKK 404.844 at each balance sheet date.

Intangible assets

The Group determines value in use based on a 5 year forecast period based on a 2023 budget approved by Management.

The key assumptions for determining the forecasted cash flows are:

1. Revenue development
2. EBITDA margin

Management expects a moderate increase in revenue in the first years of the forecast period with a decrease down to terminal period growth rate of 2.5% (2021: 2.5%). Management expects an increasing EBITDA margin in the forecast period. The expectations to revenue growth and the EBITDA margin are primarily based on the current markets and sales channels and expectations to additional sales. The expectations to the development in these assumptions are based on historical experience. The terminal period growth rate is determined on the basis of general global growth expectations. The Management has applied a discount rate of 13% (2021: 12%) after tax based on what market participants would require in return for investments in similar entities.

Based on the impairment test performed, Management has concluded that the recoverable amount of goodwill exceeds the carrying amount on all balance sheet dates.

Note 12 PROPERTY, PLANT AND EQUIPMENT

DKK '000	Leasehold improve-ments	Other fixtures, fittings and equip-ment	Plant and equipment in progress	Total
Cost				
At 1 January 2022	44,683	42,313	5,671	92,667
Transfers to intangible assets	-	10,679	(10,265)	414
Additions	6,965	1,991	6,272	15,228
Transfers	-	-	-	-
Disposals	(2,315)	-	-	(2,315)
Exchange differences	(8)	-	-	(8)
At 31 December 2022	**49,325**	**54,983**	**1,678**	**105,986**
Accumulated amortisation and impairment				
At 1 January 2021	26,624	19,255	-	45,879
Transfers to intangible assets	-	-	-	-
Depreciation charge	6,280	5,866	-	12,146
Disposals	(1,461)	-	-	(1,461)
Exchange differences	(13)	-	-	(13)
At 31 December 2022	**31,430**	**25,121**	**-**	**56,551**
Carrying amount 31 December 2022	**17,895**	**29,862**	**1,678**	**49,435**

DKK '000	Leasehold improve-ments	Other fixtures, fittings and equip-ment	Plant and equipment in progress	Total
Cost				
At 1 January 2021	32,883	34,159	9,957	76,999
Transfers to intangible assets	-	(1,099)	(2,739)	(3,838)
Additions	5,867	1,758	10,919	18,544
Transfers	4,726	7,740	(12,466)	-
Disposals	-	(245)	-	(245)
Exchange differences	1,207	-	-	1,207
At 31 December 2021	**44,683**	**42,313**	**5,671**	**92,667**
Accumulated amortisation and impairment				
At 1 January 2021	19,636	15,611	-	35,247
Transfers to intangible assets	-	(42)	-	(42)
Depreciation charge	6,766	3,871	-	10,637
Disposals	-	(185)	-	(185)
Exchange differences	222	-	-	222
At 31 December 2021	**26,624**	**19,255**	**-**	**45,879**
Carrying amount 31 December 2021	**18,059**	**23,058**	**5,671**	**46,788**

Note 13 LEASES

DKK '000	2022	2021
Amounts recognised in the balance sheet		
The balance sheet shows the following amounts relating to leases:		
Right-of-use assets		
Properties	36,331	44,295
Vehicles	612	1,065
	36,943	**45,360**
Additions to the right-of-use assets during the financial year	8,311	9,211
Lease liabilities		
Current	16,061	14,483
Non-current	23,172	32,631
	39,233	**47,114**
Amounts recognised in the statement of profit and loss		
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right-of-use assets		
Properties	15,805	15,619
Vehicles	923	856
	16,728	**16,475**
Interest expense on lease liabilities	1,380	1,616
Expense relating to leases of low-value assets	-	-
Expense relating to variable lease payments not included in lease liabilities	3,865	2,330
Total cash outflow for leases	16,187	15,693

The Group leases various properties and vehicles.

A substantial part of the group's lease contracts comprises of property leases. The vast majority of the contracts have extension options and are considered non-cancelable from the perspective of the lessor. In general, the Group can terminate the leases with short term notice and taken in consideration the degree of historic exercise of extension- and termination options as well as unexpected events, it is the Group's assessment that the remaining lease term with reasonably certainty will be 5 years for the property leases in existing as of 1 January 2020. The group reassesses the lease term upon the occurrence of either a significant event or significant changes in circumstances that are within the control of the group.

In general, other property leases with fixed terms consists of a remaining non-cancellable period between 3 and 8 years as of 31 December 2022. These contracts contain renegotiation clauses effective upon expiry of the original lease term.

All other leases are fixed term leases with a 12 to 60 month fixed time span.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Note 14 DEFERRED TAX

DKK '000	2022	2021
Deferred tax		
Deferred tax at the beginning of period	1,451	3,278
Deferred tax recognised in the statement of profit or loss	3,927	(1,827)
Deferred tax at year end	**5,378**	**1,451**
Deferred tax relates to:		
Intangible assets	(2,399)	(2,139)
Property, plant and equipment	379	198
Right-of-use assets	504	385
Tax losses carried forward	7,824	3,354
Other	(930)	(347)
Total	**5,378**	**1,451**
Deferred tax asset, recognised		
Of which presented as deferred tax assets	5,378	1,451
Of which presented as deferred tax liabilities	-	-
Deferred tax asset not recognised in the balance sheet	432	574
Deferred tax at 31 December	**5,810**	**2,025**

In line with the requirements if IAS 12, the deferred tax assets and liabilities are offset as they have a legal right to set off and relate to income tax with the same taxation authority.

The recogonised tax assets that relates to tax losses carried forward, which is the result of previous years taxable income, mainly relates to tax losses carry forwards in Denmark. In connection with the assessment of the utilisation of the tax assets, special emphasis has been placed on that the most significant tax loss carry forward are in Denmark, where the group is well established, and this operation is expected to generate positive results going forward.

The group has unrecognised tax assets in Germany. The unrecognised tax asset amounts to EUR 58 thousand and has not been recognised as at 31 December 2022.

Note 15 INVENTORIES

DKK '000	2022	2021
Raw materials and packaging materials	25,744	17,028
Finished goods	21,577	12,720
Allowance for obsolete inventory	(2,675)	(840)
Total inventories	**44,645**	**28,908**

Note 16 BORROWINGS

	2022		
DKK '000	Current	Non-current	Total
Facility agreements	-	145,044	**145,044**
Bank overdrafts	23,072	-	**23,072**
Shareholder loans	12,679	-	**12,679**
	35,751	**145,044**	**180,795**

	2021		
DKK '000	Current	Non-current	Total
Facility agreements	133,085	-	**133,085**
Bank overdrafts	1,517	-	**1,517**
Shareholder loans	11,755	-	**11,755**
	146,357	**-**	**146,357**

Facility agreements

In May 2019, the group entered into a uni-tranch facility agreement denominated in EUR. The loan bears an aggregation of fixed annual interest rates of 3,5% (cash interest) and 4,5% (paid in kind interest), and matures in June 2024. The loan can be prepaid at a premium of 1%. As of 31 December 2021 and 31 December 2022, fair value is determined to be approximately equal to its carrying amount.

A condition for draw down on the loan was granting of warrants to subscribe for shares in the parent company according to separate warrant agreement. The warrant agreement entitles NEST to subscribe for 114,123 A-warrants and 48,910 B-warrants at an exercise price of 1 DKK per share and are exercisable upon an exit event.

Part of the proceeds equal to the issue date fair value of the warrants 3.3 MDKK, has been treated as consideration for the warrants. The warrants meet the definition of equity instruments and consequently, 3.3 MDKK has been recognised as an increase in equity and treated as a discount on the loan.

Bank overdrafts

The bank overdraft facilities are common short-term facilities.

Shareholder loans

In July 2016, the Group entered into a shareholder loan denominated in DKK. The loan bears a combination of fixed annual interest rates of 10% (cash interests) and 12,5% (paid in kind interests). The loan has no stated maturity but will become due upon an exit.

Fair value is estimated not to differ significantly from the carrying value.

Note 16 BORROWINGS (continued)

Changes in liabilities arising from financing activities

This section sets out an analysis of liabilities arising from financing activities and the movements in each of the periods presented

DKK '000	1 January 2022	Cash flows	Non-cash changes: New loans / leases*	Non-cash changes: Changes in fair value	Non-cash changes: Changes in foreign exchange rates	Other changes**	31 December 2022
Borrowings, current and non-current	134,602	21,600	-	-	(32)	11,946	168,116
Lease liabilities	47,114	(17,567)	8,062	-	244	1,380	39,233
Loan from shareholders	11,755	-	-	-	-	924	12,679
Contingent consideration liability	22,773	-	-	(18,973)	-	-	3,800
Total liabilities from financing activities	**216,244**	**4,033**	**8,062**	**(18,973)**	**212**	**14,250**	**223,828**

DKK '000	1 January 2021	Cash flows	Non-cash changes: New loans / leases*	Non-cash changes: Changes in fair value	Non-cash changes: Changes in foreign exchange rates	Other changes**	31 December 2021
Borrowings, current and non-current	129,194	(1,977)	-	-	(47)	7,432	134,602
Lease liabilities	53,175	(17,309)	9,211	-	421	1,616	47,114
Loan from shareholders	21,304	(10,000)	-	-	-	451	11,755
Contingent consideration liability	17,816	-	-	4,957	-	-	22,773
Total liabilities from financing activities	**221,489**	**(29,286)**	**9,211**	**4,957**	**374**	**9,499**	**216,244**

* New leases include remeasurements.
**Other changes include non-cash movements such as accrued interest expense.

Note 17 CONTINGENT CONSIDERATION

Contingent consideration liabilities

When acquiring the Lakrids by Johan Bülow Group in 2016, part of the consideration was agreed to be contingent upon Valedo's gain on a subsequent initial public offering of the group, sale of the group or an event under which Valedo, indirectly loses control over the group.

The payment amounts to 50 MDKK + a fixed annual increment of 3 MDKK and becomes payable if Valedo's cash-on-cash return is at least 100%.

Fair value of the liability is determined based on a Monte-Carlo simulation including 20.000 * 30 simulations. The simulation is based on assumptions about the current share price, mean share return, the expected share price volatility and the expected term.

Fair value of the shares has been determined based on an earnings multiple".

Due to the fact that the share of the company is not traded, it is not possible to observe historical share price volatility. Expected volatility has therefore been determined based on historical volatility for a Group of listed entities comparable in respect of activities adjusted for difference in size, leverage etc. for a period equal to the expected term.

In outcomes where the share price as of the valuation date is less than twice the original share price, the assumption is made that Valedo will hold the investment for an additional year or 2. Consequently, the final exit date is expected to be 31 March 2026.

Fair value is determined mainly based on unobservable input (level 3).

The following assumptions have been applied:

	31 December 2022	31 December 2021
Share price, % of original investment	49,2%	153.8%
Expected volatility	60%	40%
Expected exit date	31 March 2024 - 31 March 2026	31 March 2022 - 1 January 2024

Fair value is based mainly on unobservable input.

The movement in the carrying amount of the liability is set out below:

	2022	2021
Beginning of year	22,773	17,816
Fair value adjustment recognised as a financial expense	(18,973)	4,957
End of year	**3,800**	**22,773**

Fair value of the liability is sensitive to a number of assumptions. The below table sets out the change arising from reasonably possible changes in assumptions

	31 December 2022	31 December 2021
Share price + / - 20%	15,230 / (11,588)	15,230 / (11,588)
Expected volatility + / - 10%	2,371 / (4,107)	2,371 / (4,107)
Expected term + / - 1 year	2,534	2,534

Note 18 FINANCIAL RISK MANAGEMENT

The group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include trade receivables, and cash and cash equivalents.

The group is exposed to market risk (interest rate and foreign exchange rate), credit risk and liquidity risk. The group's management oversees the management of these risks on an ongoing basis and responds to those risks as appropriate.

Market risk

Interest rate risk

Interest rate risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's long-term borrowings primarily consist of fixed interest rates and fixed payment-in-kind interests. Only a minor part of the group's borrowings comprises of bank overdrafts with variable interest rates and consequently, the groups exposure to interest rate risk is considered insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates.

The group generates its sales primarily in DKK, EUR, NOK, SEK and AED. A minor part is generated in USD and GBP. Purchases directly attributable to the sales are primarily made in DKK and consequently, foreign currency risk arises when sales are generated in a different currency than DKK. As GBP is considered immaterial, and due to the fixed DKK/EUR exchange rate policy, the exposure to foreign currency is primarily considered to arise from sales in NOK, SEK, USD and AED.

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates. With all other variables held constant, the group's profit is affected as follows:

	Impact on post tax profit	
DKK '000	2022	2021
DKK/NOK exchange rate - increase 10%	447	13
DKK/NOK exchange rate - decrease 10%	(447)	(13)
DKK/SEK exchange rate - increase 10%	35	181
DKK/SEK exchange rate - decrease 10%	(35)	(181)
DKK/USD exchange rate - increase 10%	201	350
DKK/USD exchange rate - decrease 10%	(201)	(350)
DKK/AED exchange rate - increase 10%	902	927
DKK/AED exchange rate - decrease 10%	(902)	(927)

The impact above sensitivity analysis is based on the financial assets and financial liabilities recognised as of 31 December 2022.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables.

Risk management

Credit risk is managed on a group basis.

The most significant counterparty risk related is related to deposits with banks and financial institutions, as the groups cash balance at 31 December 2022 amounts to DKK 17.411 thousand (2021: DKK 31.861 thousand). To mitigate this risk, the group only enters into money market deposits with financial counterparties processing a satisfactory long-term credit rating from an internationally recognised agency (credit rating of minimum A-). The carrying amounts represents the maximum credit exposure.

Financial risk management

Sales to retail customers are required to be settled in cash or using major credit cards. Online sales require to be settled using credit cards, both mitigating credit risk.

Further, trade receivables consists of sales to Danish chains of department stores with adequate ressources and capital available, and are therefore considered to have a high credit quality.

Payments are generally due for settlement within 30 days after invoice date, and are therefore all classified as current. Due to the short-term nature of the current receivables, the carrying amounts is considered to approximate the fair value.

The group has historically not incurred any material losses from trade receivables, and the existence of Covid-19 has no significant impact on the group's expected credit losses.

On this basis, Management has concluded that the group's credit risk from trade receivables is not material and has therefore not recognised any significant allowance for expected credit losses related to trade receivables.

Note 18 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Maturities of financial liabilities

The amounts disclosed in the following table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities DKK '000	Less than 1 year	Between 1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
At 31 December 2022					
Trade payables	31,531	-	-	**31,531**	31,531
Borrowings*	23,072	145,044	-	**168,116**	168,116
Shareholder loans*	12,679	-	-	**12,679**	12,679
Contingent consideration liability*	71,325	-	-	**71,325**	3,800
Lease liabilities	16,292	23,113	2,947	**42,352**	39,233
	154,899	**168,157**	**2,947**	**326,003**	**255,359**
At 31 December 2021					
Trade payables	28,309	-	-	**28,309**	28,309
Borrowings	141,086	-	-	**141,086**	134,602
Shareholder loans*	11,755	-	-	**11,755**	11,755
Contingent consideration liability*	68,275	-	-	**68,275**	22,773
Lease liabilities	16,222	30,978	3,810	**51,010**	47,114
	265,647	**30,978**	**3,810**	**300,435**	**244,553**

* As described in note 17 "Contingent consideration", the liability is due to be settled upon Valedo's realisation of its investment with 50 MDKK + a fixed annual increment of 3 MDKK. Therefore, the liability is presented with the amount due should an exit resulting in Valedo obtaining the specified return occur as of this point in time. The shareholder loan will also become due for payment upon an exit event.

The group expect to generate sufficient liquidity from its operations to settle the obligations as they fall due. Information about how the group manages capital is set out in note 23 "Capital management".

The group holds the following financial instruments:

DKK '000	Impact on post tax profit 2022	2021
Financial assets		
Financial assets at amortised cost		
Trade receivables	25,071	22,833
Cash and cash equivalents	17,411	31,861
Other receivables	220	933
	42,702	**55,627**
Financial liabilities		
Liabilities at amortised cost		
Trade payables	31,531	28,309
Borrowings	168,116	134,602
Lease liabilities	39,233	47,114
Shareholder loans	12,679	11,755
	251,559	**221,780**
Liabilities at fair value through profit or loss		
Contingent consideration liability	3,800	22,773
	3,800	**22,773**

For financial assets and liabilities of short-term nature, such as trade receivables and trade payables, the carrying amount approximates fair value.

Note 19 CASH FLOW SPECIFICATIONS

DKK '000	2022	2021
Chang in working capital		
Change in inventories	(15,737)	(6,323)
Change in receivables	(1,837)	418
Change in trade payables and other payables	(6,076)	13,844
	(23,650)	**7,939**

Note 20 SHARE CAPITAL

	2022		2021	
	Number of shares	Nominal value DKK	Number of shares	Nominal value DKK
The share capital comprises:				
A-shares	5,165,181	5,165,181	5,165,181	5,165,181
B-shares	2,350,940	2,350,940	2,350,940	2,350,940
Share capital (fully paid)	**7,516,121**	**7,516,121**	**7,516,121**	**7,516,121**

Note 20 SHARE CAPITAL (continued)

	A-shares		B-shares	
	2022	2021	2022	2021
	Number of shares	Number of shares	Nominal value DKK	Nominal value DKK
Changes in share capital				
Opening balance	5,165,181	5,165,181	2,350,940	2,350,940
Total	**5,165,181**	**5,165,181**	**2,350,940**	**2,350,940**

All shares have nominal value of DKK 1.

All shares have equal voting rights. A-shares have a preferential dividend and liquidation right comprising the amount paid in + 10% interest p.a. Holders of B shares are entitled to Proceeds in excess of the A-share preference amount.

The group has issued warrants for the subscription of 114,123 A shares and 48,910 B shares respectively to a lender as part of a loan agreement. Refer to note 16.

Note 21 INTERESTS IN OTHER ENTITIES

The group's principal subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

		Ownership interests held by the group	
	Place of business	**2022**	**2021**
Name of entity			
Lakrids JB ApS	Denmark	100%	100%
Lakrids by Johan Bülow A/S	Denmark	100%	100%
Lakrids by Johan Bülow GmbH	Germany	100%	100%
Lakrids by Johan Bülow Norge AS	Norway	100%	100%
Lakrids by Johan Bülow AB	Sweden	100%	100%
Lakrids by Johan Bülow OY	Finland	100%	100%
Lakrids by Johan Bülow Dubai	Dubai	100%	100%
Lakrids by Bülow Inc.	USA	100%	100%
Lakrids by Bülow Ltd.	United Kingdom	100%	100%

Note 22 PROVISIONS

DKK '000	2022	2021
Refurbishment obligation		
At 1 January	2,845	-
Additional provisions recognised	33	2,845
Carrying amount 31 December	**2,878**	**2,845**

The group is required to restore the leased premises of its retail stores to their original condition at the end of the respective lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the asset.

Note 23 CAPITAL MANAGEMENT

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to aid such objectives Management prepares cash flow forecast regularly. This enables Management to act in due time in order to comply with the capital management objectives.

Under the terms in the Senior Facility Agreement the Group is required to comply with the following financial covenants in 2022:

- the ratio of Total Net Debt on the last day of any Relevant Period to EBITDA ("Leverage") shall not exceed 5.50:1

The Facility Agreement has been updated in Q4 2022 and still includes normal covenants.

The group has complied with the loan covenants as at 31.12.2022 and after the balance sheet date.

Note 24 CONTINGENT LIABILITIES, COMMITMENTS, AND CONTINGENCIES

	2022	2021
Corporate mortgage as security for bank engagement in Danske Bank	3,000	3,000
The following assets have been placed as security with suppliers:		
The group has provided a payment guarantee to suppliers	-	1,875
The group has committed to suppliers in 2023 and 2024 to buy raw materials for a total of	12,556	21,634
Charges and security		
The parent company has provided shares in the subsidiaries, Lakrids JB ApS and Lakrids by Johan Bülow A/S, as security for group debt to credit institutions	142,679	134,760

Note 25 RELATED PARTY TRANSACTIONS

The group is controlled by Valedo Partners Fund II AB, which is also the ultimate controlling party.

Information about remuneration to key management personnel has been disclosed in note 6 “Employee benefits”.

Lease liability from entities with significant influence

The group has commenced into a lease agreement with entities with significant influence with monthly rental payments. The group can terminate the lease on 1 September 2026 at the earliest and the lessor can terminate the lease on 1 September 2030 at the earliest. The lease agreement is recognised as a lease liability in the balance sheet based on a 3% incremental borrowing rate.

Transactions and outstanding balances from related parties

	2022	2021
Beginning of the year	12,555	10,726
Remeasurement	-	4,225
Interests on lease liability	331	403
Rental payments	(2,827)	(2,799)
End of year	**10,060**	**12,555**
Loan from entities with significant influence		
Beginning of the year	11,755	21,304
Loan repayments	-	(10,000)
Interests accrued on loans	1,356	1,827
Interest paid	(432)	(1,376)
Conversion of loans to equity	-	-
End of year	**12,679**	**11,755**

Terms and conditions
Loan from entities with significant influence has no stated maturity but will become due upon an exit event. The loan is subordinated to a unitranche facility agreement and bears a combination of annual interest rate of 10% (cash interest) and 12,5%% (paid in kind interest).

Contingent consideration liabilities with entities with significant influence

A contingent consideration agreement has been made with entities with significant influence. Terms and conditions, commitments and outstanding balances are disclosed in note 17 “Contingent consideration liabilies”

Note 26 SUBSEQUENT EVENTS

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

CONTENT

NOTES

STATEMENT OF PROFIT OR LOSS (PARENT)

for the year ended 31 December 2022

		Group	
DKK '000	Notes	2022	2021
Gross Profit		**(3,343)**	**(8,537)**
Employee wage & compensation	2	(3,280)	(3,295)
Profit before net financials		**(6,623)**	**(11,832)**
Finance income	3	462	1,043
Finance costs		(1,373)	(1,838)
Profit before tax		**(7,534)**	**(12,627)**
Income tax expense	4	205	622
Profit/(loss) for the year		**(7,329)**	**(12,005)**

BALANCE SHEET (PARENT)

as at 31 December 2022

DKK '000	Notes	Parent 2022	Parent 2021
Assets			
Investments in subsidiaries	5	338,000	338,000
Fixed asset investments		**338,000**	**338,000**
Fixed assets		**338,000**	**338,000**
Receivables from group enterprises		14,907	30,008
Deferred tax		792	331
Corporation tax		-	682
Prepayments		-	18
Receivables		**15,699**	**31,039**
Cash at bank and in hand		60	241
Currents assets		**15,759**	**31,280**
Total assets		**353,759**	**369,280**

DKK '000	Notes	Parent 2022	Parent 2021
Liabilities			
Share capital	6	7,516	7,516
Retained earnings		332,445	339,711
Total equity		**339,961**	**347,227**
Payables to group entities		-	-
Long-term debt	7	**-**	**-**
Payables to group entities	7	12,679	11,755
Other payables		1,119	10,298
Short-term debt		**13,798**	**22,053**
Total debt		**13,798**	**22,053**
Total equity and liabilities		**353,759**	**369,280**

STATEMENT OF CHANGES IN EQUITY (PARENT)

for the year ended 31 December 2022

Parent

DKK '000	Share capital	Retained earnings	Total
Equity at 1. January 2022	7,516	339,711	347,227
Sale of warrants	-	63	63
Net profit/loss for the year	-	(7,329)	(7,329)
Equity at 31. December 2022	**7,516**	**332,445**	**339,961**

Note 1 ACCOUNTING POLICIES

The separate financial statements for the parent company ("the Parent") of the Group has been prepared in accordance with the Danish Financial Statements Act applying to medium enterprises of reporting class C.

The Parent Company Financial Statements for 2022 are presented in Danish kroner (TDKK).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts earlier recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All contracts are considered and classified as operating lease. Lease payments are recognised in the statement of profit or loss on a straight-line-basis over the lease term.

Income statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise costs for administration, office, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Employee benefits

Staff expenses comprise wages and salaries as well as payroll expenses and salary related expenses.

Financials

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments recognised as assets comprise prepaid expenses.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debt

Financial debts are measured at amortised cost, substantially corresponding to nominal value.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the cash flow statement for the group.

Note 2 EMPLOYEE WAGE & COMPENSATION

	Parent	
DKK '000	**2022**	**2021**
Wages and salaries	**3,267**	**3,285**
Other social security costs	5	5
Other employee benefit costs	8	5
	3,280	**3,295**
Average number of employees	**2**	**2**

Management remuneration in Lakrids JB Holding ApS is shown below:

	Parent	
DKK '000	**2022**	**2021**
Executive Management	2,115	2,186
	2,115	**2,186**

Refer to note 6 in the consolidated financial statements for more information about Management remuneration.

Note 3 FINANCIAL INCOME

	Parent	
DKK '000	**2022**	**2021**
Interests from group entities	**1,043**	**1,043**
	1,043	1,043

Note 4 TAX ON PROFIT/LOSS FOR THE YEAR

	Parent	
DKK '000	**2022**	**2021**
Current tax for the year	-	-
Deferred tax for the year	(205)	(622)
Adjustment of deferred tax of prior years	-	-
Total	**(205)**	**(622)**

Note 5 INVESTMENTS IN SUBSIDIARIES

	Parent	
DKK '000	**2022**	**2021**
Cost at 1 January	338,000	338,000
Carrying amount at	**338,000**	**338,000**

Investments in subsidiaries are specified as follows:

Name:	Lakrids JB ApS
Place of registered office:	Hvidovre
Share capital:	DKK 6.810.000
Votes and ownership:	100%
Equity:	DKK 305,712 thousand
Profit or loss for the year:	DKK -7,748 thousand

Refer to note 21 in the consolidated financial statements for the subsidiaries of the group.

Note 6 SHARE CAPITAL

Refer to note 20 in the consolidated financial statement for an overview of the changes in share capital.

Note 7 LONG-TERM DEBT

Payments due within 1 year are recognised as short-term debt. Other debt is recognised as long-term debt.

The debt falls due for payment as specified below:

	Parent	
DKK '000	**2022**	**2021**
Payables to group entities		
Between 1 and 5 years	-	-
Long-term part	**-**	**-**
Within 1 year	12,679	11,755
	12,679	**11,755**

Note 8 COMMITMENTS AND CONTINGENT LIABILITIES

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Refer to note 24 in the consolidated financial statements for more information.

Note 9 RELATED PARTIES

Refer to note 25 in the consolidated financial statements for more information about related parties.

Consolidated Financial Statements:
The separate financial statements and the consolidated financial statements of Lakrids JB Holding ApS are included in the ultimate controlling party's consolidated financial statements:

Name:	Place of registered office
Valedo Partners Fund II AB	Stockholm, Sweden

Note 10 EVENTS AFTER THE BALANCE SHEET DATE

Refer to note 26 in the consolidated financial statements for more information.

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of Lakrids JB Holding ApS for the financial year 1 January – 31 December 2022.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been 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 at 31 December 2022 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hvidovre, April 26, 2023

Executive Management

Fredrik R. Nilsson

Johan Askari Bülow

Nikolaj Enevoldsen

Board of Directors

Tue Mantoni (Chairperson)

Charlotte Strand (Vice Chairperson)

Johan Askari Bülow

Per Forsberg

Louise Margaret Cruttenden

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Lakrids JB Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2022 and of the results of the Parent Company's operations for the financial year 1 January to 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 Lakrids JB Holding ApS 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 statement of comprehensive income and cash flow statement for the Group ("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 that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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, 26th April 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR.nr. 33 77 12 31

Thomas Wraae Holm	Claus Damhave
State Authorised	State Authorised
Public Accountant	Public Accountant
mne33262	mne34166

DANISH CONFECTIONERY

LAKRIDS BY BÜLOW