

Kraft Foods Danmark Intellectual Property ApS

Ringager 2A, 2., 2605 Brøndby

CVR no. 15 10 97 34

Annual report 2020

Approved at the Company's annual general meeting on 27 May 2021

Chair of the meeting:

.....
Henrik Lindegaard Hansen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Kraft Foods Danmark Intellectual Property ApS for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Brøndby, 27 May 2021
Executive Board:

.....
Sarah Cunningham
Managing Director

Board of Directors:

.....
Henrik Lindegaard Hansen
Chair

.....
Sarah Cunningham
Managing Director

.....
Anna Katrine Lautrop Stolfer

Independent auditor's report

To the shareholders of Kraft Foods Danmark Intellectual Property ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Kraft Foods Danmark Intellectual Property ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes ("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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Hellerup, 27 May 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Kim Danstrup
State Authorised Public Accountant
mne32201

Management's review

Company details

Name	Kraft Foods Danmark Intellectual Property ApS
Address, Postal code, City	Ringager 2A, 2., 2605 Brøndby
CVR no.	15 10 97 34
Established	15 March 1991
Registered office	Brøndby
Financial year	1 January - 31 December
Board of Directors	Henrik Lindegaard Hansen, Chair Sarah Cunningham, Managing Director Anna Katrine Lautrop Stolfer
Executive Board	Sarah Cunningham, Managing Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup

Management's review

Business review

Kraft Foods Danmark Intellectual Property ApS owns the chewing gum brands STIMOROL®, DIROL® and V6®. The company pays the cost of development and maintenance of the trademarks and receives royalty income from affiliated companies for the global sales of the brands.

Recognition and measurement uncertainties

There has been no uncertainty relating to recognition and measurement in the Annual Report.

Unusual matters having affected the financial statements

The financial position of the Company at 31. December 2020 and the result of activities for the financial year 2020 have not been affected by any unusual events.

Financial review

The income statement for 2020 shows a profit of DKK 24,651 thousand against a profit of DKK 88,973 thousand previous year, and the balance sheet at 31 December 2020 shows equity of DKK 74,652 thousand.

The decrease is coming from an one off impact in 2019 related to closure of TP cases with a positive impact of DKK 74m.

With the outbreak of Covid-19 global sales of chewing gum are under pressure which have resulted in less royalty for the company.

Trademark development & maintenance activities have been less in the year compared to previous years.

The result for the year is considered satisfactory and in line with expectations.

Financial risks and use of financial instruments

The Company has no special risks.

Outlook

With the outbreak of Covid-19 the global as well as the Danish economy are still under pressure. The impact on material prices and logistics have been unfavorable and consumer behavior are negatively impacted by the restrictions.

The activities for the next year are however anticipated to increase following vaccine rollout with subsequent less restrictions. The company therefore expect a higher revenue but also higher costs from development of the trademarks. Expected profit after tax for the coming year is DKK 15-18 millions.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Revenue	43,249	50,571
	Other external expenses	-11,289	-31,373
	Gross profit	31,960	19,198
3	Financial income	653	343
4	Financial expenses	-1,009	-780
	Profit before tax	31,604	18,761
5	Tax for the year	-6,953	70,212
	Profit for the year	24,651	88,973
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	24,651	182,035
	Retained earnings/accumulated loss	0	-93,062
		24,651	88,973

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Trademarks	0	0
		0	0
	Total fixed assets	0	0
	Non-fixed assets		
	Receivables from group enterprises	93,181	12,856
	Deferred tax assets	29	38
	Corporation tax receivable	0	275,370
		93,210	288,264
	Total non-fixed assets	93,210	288,264
	TOTAL ASSETS	93,210	288,264

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2020</u>	<u>2019</u>
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	50,001	50,001
	Dividend proposed	24,651	182,035
	Total equity	<u>74,652</u>	<u>232,036</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	46	158
	Payables to group enterprises	11,569	51,955
	Corporation tax payable	6,943	4,115
		<u>18,558</u>	<u>56,228</u>
		<u>18,558</u>	<u>56,228</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>93,210</u></u>	<u><u>288,264</u></u>

- 1 Accounting policies
- 2 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties
- 10 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 January 2020	50,001	182,035	232,036
Transfer through appropriation of profit	0	24,651	24,651
Dividend distributed	0	-182,035	-182,035
Equity at 31 December 2020	<u>50,001</u>	<u>24,651</u>	<u>74,652</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Kraft Foods Danmark Intellectual Property ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act for class B entities. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of 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 that have previously been 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.

Reporting currency

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

Foreign currency translation

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

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

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties.

Other external expenses

Other external expenses comprise expenses for maintenance and development cost regarding trademarks etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as exchange rate gains and losses.

Tax

Tax for the year includes current tax on the year's expected taxable income, the year's deferred tax adjustments and tax adjustments for prior years. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Intangible assets

Trademarks are measured at the lower of cost less accumulated amortisation and recoverable amount.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

2 Staff costs

The Company has no employees.

DKK'000	2020	2019
3 Financial income		
Interest receivable, group entities	1	0
Exchange gain	652	343
	653	343
4 Financial expenses		
Interest expenses, group entities	37	241
Exchange losses	970	529
Other financial expenses	2	10
	1,009	780
5 Tax for the year		
Estimated tax charge for the year	6,943	4,115
Deferred tax adjustments in the year	10	13
Tax adjustments, prior years	0	-74,340
	6,953	-70,212

Financial statements 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK'000	<u>Trademarks</u>
Cost at 1 January 2020	156,339
Cost at 31 December 2020	156,339
Impairment losses and amortisation at 1 January 2020	156,339
Impairment losses and amortisation at 31 December 2020	156,339
Carrying amount at 31 December 2020	0

Intangible assets consist mainly of the 3 trademarks Stimorol, V6 & Dirol.

DKK'000	<u>2020</u>	<u>2019</u>
7 Share capital		
Analysis of the share capital:		
50,001 shares of DKK 1,000.00 nominal value each	50,001	50,001
	<u>50,001</u>	<u>50,001</u>

The Company's share capital has remained DKK'000 50,001 over the past 5 years.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with all other Danish companies in the Mondelez International. As a consolidated entity, the company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax, withholding tax on dividends, interest and royalties and other indirect taxes within the jointly taxed companies.

9 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Kraft Foods Schweiz Holding GmbH	Chollerstrasse 4, CH 6300 Zug, Schweiz	www.mondelezinternational.com/investors

10 Fee to the auditors appointed by the Company in general meeting

Statutory audit	45	63
	<u>45</u>	<u>63</u>

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"By my signature I confirm all dates and content in this document."

Henrik Lindegaard Hansen

Bestyrelsesformand

On behalf of: Kraft Foods Intellectual Property ApS

Serial number: PID:9208-2002-2-591938781178

IP: 165.225.xxx.xxx

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Henrik Lindegaard Hansen

Bestyrelsesmedlem

On behalf of: Kraft Foods Intellectual Property ApS

Serial number: PID:9208-2002-2-591938781178

IP: 165.225.xxx.xxx

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NEM ID 

Anna Katrine Lautrop Stolfer

Bestyrelsesmedlem

On behalf of: Kraft Foods Intellectual Property ApS

Serial number: PID:9208-2002-2-807554637244

IP: 165.225.xxx.xxx

2021-05-27 16:22:23Z

NEM ID 

Sarah Cunningham

Managing Director

On behalf of: Kraft Foods Intellectual Property ApS

Serial number: 19850703xxxx

IP: 165.225.xxx.xxx

2021-05-27 19:40:20Z



Sarah Cunningham

Bestyrelsesmedlem

On behalf of: Kraft Foods Intellectual Property ApS

Serial number: 19850703xxxx

IP: 165.225.xxx.xxx

2021-05-27 19:40:20Z



Kim Danstrup

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

Serial number: CVR:33771231-RID:41140534

IP: 83.136.xxx.xxx

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NEM ID 

Henrik Lindegaard Hansen

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On behalf of: Kraft Foods Intellectual Property ApS

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