

**Gumlink Confectionery Company
A/S**

**Lysholt Allé 11
7100 Vejle**

CVR no. 32 15 48 83

Annual report for 2021

Adopted at the annual general
meeting on 30 May 2022

Heinz Stümpel
chairman

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Statement by management on the annual report

The executive board and Board of Directors have today discussed and approved the annual report of GUMLINK CONFECTIONERY COMPANY A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Vejle, 30 May 2022

Executive Board

Heinz Stümpel
general manager

Board of Directors

Murat Ülker
chairman

Mehmet Tutuncu

Mete Buyurgan

Independent auditor's report

To the shareholder of Gumlink Confectionery Company A/S

Opinion

We have audited the financial statements of Gumlink Confectionery Company A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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 and IESBA Code. 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 the 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.

Independent auditor's report

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 scepticism throughout the audit. We also:

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

Independent auditor's report

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 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 Financial Statements Act.

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

Aarhus, 30 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Michael Nielsson
State Authorised Public Accountant
MNE no. 15151

Company details

Gumlink Confectionery Company A/S
Lysholt Allé 11
7100 Vejle

Telephone: 46475400

Website: www.gumlinkcc.com

E-mail: info@gumlinkcc.com

CVR-no. 32 15 48 83

Financial year: 1 January - 31 December 2021

Domicile: Vejle

Board of Directors

Murat Ülker, chairman

Mehmet Tutuncu

Mete Buyurgan

Executive Board

Heinz Stümpel

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Jens Chr. Skous Vej 1

8000 Aarhus C

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	21.822	21.238	21.234	21.025	23.719
Profit/loss before net financials	6.014	4.185	4.507	6.142	7.950
Net financials	151	-403	-87	74	-470
Profit/loss for the year	4.803	2.948	3.443	4.843	5.814
Balance sheet					
Balance sheet total	101.118	73.050	70.021	78.958	72.075
Equity	35.860	31.057	28.109	24.665	19.822
Cash flows from:					
- operating activities	-1.651	-526	-2.877	4.891	130
The year's changes in cash and cash equivalents	-1.651	-526	-2.877	4.891	130
Number of employees	24	25	26	24	23
Financial ratios					
Return on assets	6,9%	5,9%	6,1%	8,1%	10,8%
Solvency ratio	35,5%	42,5%	40,1%	31,2%	27,5%
Return on equity	14,4%	10,0%	13,0%	21,8%	34,4%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

Developing and selling innovative confectionary concepts produced by the parent company, Continental Confectionery Company, based on the state-of-the art technology and knowledge.

Financial review

The co-operation with our existing customers was expanded solidifying our leading position within primarily business-to-business chewing gum sales.

Profit for the year of DKK 4.803k is on a par with expectations.

Significant events occurring after the end of the financial year

A profit similar to the profit in 2021, is expected for the year 2022.

Expected development of the company, including specific prerequisites and uncertainties

No special risks are deemed to exist.

The overwhelming majority of sales and purchases are made in euro at a favourable inherent balance which minimises the risk.

Most of the customer base consists of reasonably large or very large multinational retail chains and brand producers. Their creditworthiness is therefore considered good, and the risk of bad debts is minimal.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

The Entity's most critical resources include the skills and knowledge possessed by its staff. Thus, the Entity continually invests in the development of the staff's qualifications, both those of office workers and those of executives.

Research and development activities in or for the company

The market trends continue to point towards new, innovative products which is in line with the strategy adopted by Gumlink Confectionery Company A/S. Aside from working on the new technologies of the future, existing technologies are also refined with a view to catering for specific customer demands.

The Entity's portfolio of new development initiatives remains substantial, making the Entity well equipped to accommodate the market demands of the future.

Accounting policies

The annual report of Gumlink Confectionery Company A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

A few reclassifications have been made of financial statement lines. The comparative figures have been restated. The reclassification has resulted in an increase of the balance sheet total with DKK 565.400 for 2020. The reclassification does not affect profit/loss or equity.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

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

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Leases

All leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Accounting policies

The cost comprises the acquisition price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash comprises cash in hand and bank deposits.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

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

Accounting policies

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Accounting policies

Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit		21.822.004	21.238.198
Staff costs	1	<u>-15.807.641</u>	<u>-17.052.827</u>
Profit/loss before net financials		6.014.363	4.185.371
Financial income		474.283	427.266
Financial costs		<u>-323.651</u>	<u>-830.044</u>
Profit/loss before tax		6.164.995	3.782.593
Tax on profit/loss for the year	2	<u>-1.361.658</u>	<u>-834.237</u>
Profit/loss for the year		<u>4.803.337</u>	<u>2.948.356</u>
Distribution of profit	3		

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Finished goods and goods for resale		<u>41.203.470</u>	<u>28.633.959</u>
Stocks		<u>41.203.470</u>	<u>28.633.959</u>
Trade receivables		54.748.018	38.797.754
Receivables from group enterprises		1.454.936	565.400
Other receivables		194.138	256.403
Deferred tax asset	5	0	6.260
Prepayments	4	<u>1.208.041</u>	<u>829.744</u>
Receivables		<u>57.605.133</u>	<u>40.455.561</u>
Cash at bank and in hand		<u>2.309.414</u>	<u>3.960.901</u>
Total current assets		<u>101.118.017</u>	<u>73.050.421</u>
Total assets		<u><u>101.118.017</u></u>	<u><u>73.050.421</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		502.000	502.000
Retained earnings		<u>35.358.265</u>	<u>30.554.928</u>
Equity		<u>35.860.265</u>	<u>31.056.928</u>
Other payables		<u>1.673.942</u>	<u>1.673.943</u>
Total non-current liabilities	6	<u>1.673.942</u>	<u>1.673.943</u>
Prepayments received from customers		0	1.020.027
Trade payables		3.203.152	2.979.682
Payables to group enterprises		54.200.935	31.626.057
Corporation tax		657.048	418.150
Other payables		<u>5.522.675</u>	<u>4.275.634</u>
Total current liabilities		<u>63.583.810</u>	<u>40.319.550</u>
Total liabilities		<u>65.257.752</u>	<u>41.993.493</u>
Total equity and liabilities		<u>101.118.017</u>	<u>73.050.421</u>
Rent and lease liabilities	7		
Related parties and ownership structure	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	502.000	30.554.928	31.056.928
Net profit/loss for the year	0	4.803.337	4.803.337
Equity at 31 December 2021	<u>502.000</u>	<u>35.358.265</u>	<u>35.860.265</u>

Cash flow statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Net profit/loss for the year		4.803.337	2.948.356
Adjustments	9	1.211.026	1.237.015
Change in working capital	10	<u>-6.699.982</u>	<u>-3.583.226</u>
Cash flows from operating activities before financial income and expenses		-685.619	602.145
Financial income		474.283	427.266
Financial expenses		<u>-323.651</u>	<u>-830.044</u>
Cash flows from ordinary activities		-534.987	199.367
Corporation tax paid		<u>-1.116.500</u>	<u>-725.499</u>
Cash flows from operating activities		<u>-1.651.487</u>	<u>-526.132</u>
Change in cash and cash equivalents		-1.651.487	-526.132
Cash and cash equivalents		<u>3.960.901</u>	<u>4.487.033</u>
Cash and cash equivalents		<u>2.309.414</u>	<u>3.960.901</u>
Analysis of cash and cash equivalents:			
Cash at bank and in hand		<u>2.309.414</u>	<u>3.960.901</u>
Cash and cash equivalents		<u>2.309.414</u>	<u>3.960.901</u>

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	14.696.091	15.504.396
Pensions	1.202.481	1.251.187
Other social security costs	<u>-90.931</u>	<u>297.244</u>
	<u>15.807.641</u>	<u>17.052.827</u>
Average number of employees	<u>24</u>	<u>25</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

2 Tax on profit/loss for the year

Current tax for the year	1.355.398	832.150
Deferred tax for the year	<u>6.260</u>	<u>2.087</u>
	<u>1.361.658</u>	<u>834.237</u>

Notes

	<u>2021</u> DKK	<u>2020</u> DKK
3 Distribution of profit		
Retained earnings	<u>4.803.337</u>	<u>2.948.356</u>
	<u>4.803.337</u>	<u>2.948.356</u>
4 Prepayments		
Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.		
5 Provision for deferred tax		
Provisions for deferred tax on:		
Tax loss carry-forward	0	-6.260
Transferred to deferred tax asset	<u>0</u>	<u>6.260</u>
Deferred tax asset		
Calculated tax asset	<u>0</u>	<u>6.260</u>
Carrying amount	<u>0</u>	<u>6.260</u>

Notes

6 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Other payables	<u>1.673.943</u>	<u>1.673.942</u>	<u>0</u>	<u>1.673.942</u>
	<u>1.673.943</u>	<u>1.673.942</u>	<u>0</u>	<u>1.673.942</u>

7 Rent and lease liabilities

Operating lease liabilities.
Total future lease payments:

	2021 DKK	2020 DKK
Within 1 year	453.854	331.871
Between 1 and 5 years	<u>392.085</u>	<u>417.435</u>
	<u>845.939</u>	<u>749.306</u>

Lease obligations, period of non-terminability 18/21 months
(Office rent)

759.100	805.852
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Notes

8 Related parties and ownership structure

Controlling interest

Continental Confectionery, Company Gıda Sanayi Ve Ticaret A.S.

Transactions

Leasing of storage facilities, annual lease commitment DKK 1.0 million. Leased by BB and CC Jensen. The lease has been entered into on market terms.

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Continental Confectionery Company Gıda Sanayi Ve Ticaret A.S., Ulas OSB Mahallesi
Asfalt Boyu No:1 A, Ergene 59870 TEKIRDAG TURKEY

Consolidated financial statements

The company is reflected in the group report as the parent company Continental Confectionery Company Gıda Sanayi Ve Ticaret A.S.

The group report of Continental Confectionery Company Gıda Sanayi Ve Ticaret A.S. can be obtained at the following address:

Ulas OSB Mahallesi Asfalt Boyu No:1 A
Ergene 59870 TEKIRDAG TURKEY

9 Cash flow statement - adjustments

	<u>2021</u> DKK	<u>2020</u> DKK
Financial income	-474.283	-427.266
Financial costs	323.651	830.044
Tax on profit/loss for the year	<u>1.361.658</u>	<u>834.237</u>
	<u>1.211.026</u>	<u>1.237.015</u>

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
10 Cash flow statement - change in working capital		
Change in inventories	-12.569.511	-3.616.497
Change in receivables	-17.721.232	624.227
Change in trade payables, etc.	<u>23.590.761</u>	<u>-590.956</u>
	<u>-6.699.982</u>	<u>-3.583.226</u>