20220707225 60

Årsredovisning

för

Continental Bakeries Sweden Holding AB

556750-2355

Räkenskapsåret

2021

Fastställelseintyg

Undertecknad verkställande direktör i Continental Bakeries Sweden Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-01
Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Åsljunga 2022-06-01

Mikael Carlsson

Mikael Carlsson

20220707225 61

Årsredovisning

för

Continental Bakeries Sweden Holding AB

556750-2355

Räkenskapsåret

2021

20220707225562

Styrelsen och verkställande direktören för Continental Bakeries Sweden Holding AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Continental Bakeries Sweden Holding AB äger och förvaltar andelar i koncernföretag.

Företaget har sitt säte i Örkelljunga.

Ägarförhållanden

Continental Bakeries Sweden Holding ägs av Continental Bakeries B.V., org. nr 34108425, med huvudkontor i Dordrecht, Nederländerna. I mars 2022 förvärvades Continental Bakeries B.V. av Biscuit International.

Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2018**
Resultat efter finansiella poster	-2 807	-3 320	-3 321	-3 659
Balansomslutning	342 879	342 872	342 865	344 010
Soliditet (%)	81,9	81,9	81,9	81,6

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändring av eget kapital

	Aktie-kapital	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	100 000	280 745 910	0	**280 845 910**
Årets resultat			0	**0**
Belopp vid årets utgång	**100 000**	**280 745 910**	**0**	**280 845 910**

20220707225563

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	280 745 910
disponeras så att	
i ny räkning överföres	280 745 910
	280 745 910

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

20220707225364

Resultaträkning
Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Rörelsens kostnader			
Administrationsomkostnader		-1	-36
Rörelseresultat	3	**-1**	**-36**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	4	12	12
Räntekostnader och liknande resultatposter	5	-2 818	-3 296
		-2 806	**-3 284**
Resultat efter finansiella poster		**-2 807**	**-3 320**
Bokslutsdispositioner	6	2 807	3 320
Årets resultat		**0**	**0**

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Balansräkning

Tkr

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7, 8	342 787	342 787
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga kortfristiga fordringar		11	11
Kassa och bank		80	73
Summa omsättningstillgångar		**92**	**84**
SUMMA TILLGÅNGAR		**342 879**	**342 872**
EGET KAPITAL OCH SKULDER			
Eget kapital	9		
Bundet eget kapital			
Aktiekapital		100	100
Fritt eget kapital			
Balanserad vinst eller förlust		280 746	280 746
Summa eget kapital		**280 846**	**280 846**
Långfristiga skulder	10, 11		
Skulder till kreditinstitut		28 159	38 503
Kortfristiga skulder	11		
Skulder till kreditinstitut		10 478	12 771
Skulder till koncernföretag		22 586	9 768
Upplupna kostnader och förutbetalda intäkter		811	984
Summa kortfristiga skulder		**33 874**	**23 522**
SUMMA EGET KAPITAL OCH SKULDER		**342 879**	**342 872**

20220707225366

Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäkter
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Ersättning i form av ränta eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden. Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

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Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Continental Bakeries B.V, organisationsnummer 34108425 med säte i Dordrecht, Holland upprättar koncernredovisning.

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Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Enligt företagsledningen är väsentliga bedömningar avseende tillämpade redovisningsprinciper samt källor till osäkerhet i uppskattningar, främst relaterade till *nedskrivningsprövning av andelar i koncernföretag*.

Nedskrivningsbehovet prövas minst årligen. Företagsledningen gör beräkningar av framtida kassaflöden enligt interna affärsplaner och prognoser. Vid denna genomgång används även uppskattningar av bland annat diskonteringsränta och framtida tillväxttakt bortom fastställda budgetar och prognoser. Förändringar av de antaganden som gjorts av företagsledningen vid nedskrivningsprövningen skulle kunna få väsentlig påverkan på företagets resultat och finansiella ställning. Företagsledningen bedömer att det inte föreligger något nedskrivningsbehov avseende andelar i koncernföretag per 2021-12-31.

Not Uppgifter om moderföretag

Moderföretag i den minsta koncern där företaget ingår och som upprättar koncernredovisning är Continental Bakeries B.V. med organisationsnummer 34108425 med säte i Dordrecht, Nederländerna.

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är The Goldman Sachs Group, Inc. med organisationsnummer 13-4019460 med säte i New York, USA..

Not 3 Löner, andra ersättningar och sociala kostnader
Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 4 Övriga ränteintäkter och liknande resultatposter

	2021	2020
Ränteintäkter från koncernföretag	12	12
	12	**12**

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Not 5 Räntekostnader och liknande resultatposter

	2021	2020
Övriga räntekostnader	-2 817	-3 295
	-2 817	**-3 295**

Not 6 Bokslutsdispositioner

	2021	2020
Erhållna koncernbidrag	2 807	3 320
	2 807	**3 320**

Not 7 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	342 787	342 787
Utgående ackumulerade anskaffningsvärden	**342 787**	**342 787**
Utgående redovisat värde	**342 787**	**342 787**

Not 8 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Continental Bakeries North Europe AB	100	100	6 000	342 787
				342 787

	Org.nr	Säte
Continental Bakeries North Europe AB	556547-4524	Örkelljunga

Not 9 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal Aktier	1 000	100
	1 000	

Not 10 Upplåning

Inga skulder förfaller till betalning senare än fem efter balansdagen.

20220707225570

Not 11 Skulder som avser flera poster

Företagets banklån om 38 636 016 kronor redovisas under följande poster i balansräkningen.

	2021-12-31	2020-12-31
Långfristiga skulder		
Övriga skulder till kreditinstitut	28 159	38 503
	28 159	**38 503**
Kortfristiga skulder		
Övriga skulder till kreditinstitut	10 478	12 771
	10 478	**12 771**

Not 12 Ställda säkerheter

	2021-12-31	2020-12-31
För skulder till kreditinstitut:		
Företagsinteckningar	342 787	342 787
	342 787	**342 787**

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Not Väsentliga händelser efter räkenskapsårets slut
I mars 2022 förvärvades Continental Bakeries koncernen av franskägda koncernen Biscuit International.

Efter räkenskapsårets slut har kriget i Ukraina brutit ut och har påverkat omvärlden i olika omfattningar. Bolaget har i dagsläget inte påverkats av kriget och dess negativa effekter.
Händelseutvecklingen följs noggrant och beaktar säkerhetspolitiska aspekter. Givet den osäkra situationen är det i nuläget inte möjligt att uppskatta hela den potentiella påverkan och alla bedömningar är behäftade med mycket stor osäkerhet.

Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Åsljunga 2022- 05-30

Mikael Carlsson
Verkställande direktör

Giampaolo Schiratti
Ledamot

Vår revisionsberättelse har lämnats 2022- 06-01
Öhrlings PricewaterhouseCoopers AB

Christer Kilefors
Auktoriserad revisor

20220707225572

Revisionsberättelse

Till bolagsstämman i Continental Bakeries Sweden Holding AB, org.nr 556750-2355

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Continental Bakeries Sweden Holding AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Continental Bakeries Sweden Holding ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Continental Bakeries Sweden Holding AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Continental Bakeries Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Continental Bakeries Sweden Holding AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Continental Bakeries Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Helsingborg den 1 Juni 2022

Öhrlings PricewaterhouseCoopers AB

Christer Kilefors
Auktoriserad revisor

20221006012247

Annual report

for the year ended December 31, 2021

Continental Bakeries Holding B.V.

PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only

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Annual Directors' report

General

Continental Bakeries Holding B.V. ('the Company', 'Continental Bakeries' or collectively with its subsidiaries 'the Group') is a European manufacturer of sweet biscuits, bread substitutes and savoury biscuits, with a focus on private label products. Its main geographic markets are Germany, Poland, Sweden, the Benelux countries and France.

The mission of the company is to create affordable daily moments of goodness and delight, in close cooperation with all stakeholders. The Company aims to be seen as the proud and undisputable bakery leader in selected segments in core European countries through raising the bar on innovation, through operational excellence and through embracing sustainability with all stakeholders.

Developments during the financial year

The Group was able to grow the net turnover in 2021 to EUR 403.4 million, which was a strong 4.1% or EUR 15.8 million increase compared to the year 2020. This growth was ongoing from prior year driven by new contract wins and successful new products introductions, both at existing and new customers, and was despite lost revenues because of COVID. Approximately 0.5% of total turnover was lost at customers who were forced to close the main part or all of their sales points, during the third wave of COVID in 2021.

Similar as in the previous year, the Group faced additional costs due to COVID, mostly related to a higher rate of employee absenteeism and to the measures implemented within the Group to safeguard and protect the employees and the ongoing business with our suppliers and our customers.

Even more significant than the COVID related cost was the impact the Group faced from the volatile price developments and increasing disruption between supply and demand on the commodity markets, which specifically in the second part of the year resulted in exceptional high cost increases for some of the main ingredients of the Company's products, as well as the packaging materials and the energies costs. The Group's labour costs, logistic costs and energy costs were also higher following the increased labour, logistic and energy tariffs in 2021. Of setting sales price increases were realized partially in the last part of the year. As a consequence of the total increased costs, the operating result shifted from EUR 4.3 million in 2020 to EUR -8.1 million in 2021.

Total financing costs for 2021 were EUR 0.6 million lower than in 2020. The net result after taxation over 2021 was EUR -20.9 million (2020: EUR -9.8 million).

Financing and cash flows

The Group's financing agreement was concluded in June 2016. This agreement covers the period June 2016 to June 2023. In September 2017 the Group reached an agreement with the banks for an amendment of the agreement. The total facility increased from EUR 200 million to EUR 303 million. The increase comprises a new term loan of EUR 50 million which was used for the financing of the Delicpol acquisition and an extension of the acquisition facility with EUR 53 million.

The Group met the agreed upon covenant restrictions during 2021. Over 2021 the Group realized a net negative cash flow of EUR -12.9 million (2020: EUR -5.7 million). The Groups' net bank debt at the

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end of 2021 was EUR 172.2 million (2020: EUR 167.9 million). The Group's liquidity current ratio at that same date was 1,03 (2020: 1,25).

The Group ended the financing agreement at the 22 March 2022, the total related outstanding debt as per that date was repaid in full.

Risks and uncertainties

Risk assessments are performed to base decisions on the acceptance of risks or on taking actions to reduce its risks. Risk management is an integral part of our business planning process, investment decisions and operational steering (Integrated Control Framework).

The company reviews its risk appetite during the annual target setting process, where the Executive Board discusses current year performance and next year's plans. During the year all actions that can have a material impact on the business are shared and discussed.

Strategic risks:

Uncertain economic situation.
In the current economic situation, the Group widely spreads its product offering across markets, customers and consumers, thereby minimizing the risk the Group could have on individual customers or markets. It therefore actively deploys an international growth strategy and balances dependencies on large customers.

Development of raw material prices.
To minimize and control the risk of developments in raw material pricing, the Group is covered forward for key raw material purchases. It also actively deploys a strategy of having multiple suppliers per key raw material such as cocoa, chocolate, oil, flour, rice.

Operational Risks:

Product Quality in a mass production environment
Offering good quality products is essential in maintaining and growing the Group's market position. Therefore all relevant certificates are being obtained (IFS BRC Quality System) and a World Class Manufacturing program are rolled out to all manufacturing sites of the Group.

Financial Risks:

Currency Exposure
The Group is exposed to developments in currencies. The main currency risks are related to the Swedish krona (SEK) and the Polish zloty (PLN).
The assets of the Swedish and Polish activities are hedged with loans kept in SEK and PLN.

Credit risk
Credit risks related to customers is limited due to the fact that Continental Bakeries' companies primarily supply the main retailers of Europe. During 2021 the Company continued to keep focus on credit collection in general.

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Debt risk
The Group is exposed to the consequences of variable interest rates on liabilities. In the past, the Group has held derivative contracts to hedge the associated interest rate risk for the main part of the EURO term loans, but upon their expiry and further to the Group's assessment of the market interest rates at that stage, no new contracts were entered into, and that assessment has remained unchanged.

Financial reporting and compliance risks:

Quality Assurance
It is the Group's strategy to maintain compliance to relevant international food standards. The Group also receives a large number of unannounced audits by its customers or notified bodies, which it all passed during 2021

Financial Reporting
The Group has consistently reported under Dutch GAAP and reports monthly results to the Shareholder of the Group.

Debt Covenant
The Group's compliance with the debt covenant restrictions are met. The Group measures the relevant debt covenant restrictions on a quarterly basis and reports these to all lenders and the shareholder.

Tax laws and regulations regarding transfer pricing
Considering the Group's international reach a transfer pricing documentation is in place which is compliant with law and regulations and covers all transactions within the Group. This documentation is updated frequently based on benchmarking studies.

The potential impact of COVID-19
As explained above and in the notes in the annual accounts, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus had in 2021 like in 2020 certain limited impact on the Group's business and results. However, besides the current known consequences and impacts of COVID-19, the macroeconomic uncertainty causes disruption to economic activity and it remains unpredictable what the longer term impact on the Group's business may be. The scale and duration of this pandemic remain uncertain, and additional impact on the Group's business and results is not unlikely. Main risks for the Group can be in the supply chain, with a risk on delay or partial lack of sufficient raw material and packaging material to produce, in production efficiency i.e. adequately skilled employees to run the lines, and in more excessive fluctuations in customer demand.

Cyber incidents risk

Further to the increasing digitization in today's business environment, and with a general increasing risk of cyber incidents at businesses, the Company has cyber security measures in place aiming to prevent from cyber incidents, and it monitors relevant developments in cyber risks and control to be up front.

Research and Development

The Group's research and development (R&D) activities are an integral part of the organization. Focus in the R&D organization is on new product concepts, improved recipes, packaging development as well as implementing the sustainability strategy concept (see 'Sustainability' paragraph).

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Sustainability

The Group actively pursues a sustainability strategy towards consumers, customers, personnel and society, to become the supplier of choice and differentiate from competitors, to bring sustainable improvements to the quality of the product which will be appreciated by the consumer and to contribute to improving human society.

Throughout our factories we are at a 97% level for RSPO certified palm oil, most of this is segregated. The target for 2021 to use 100% segregate palm derivatives was achieved (two Polish plants are excluded from this scope). A comprehensive palm oil policy was publicly released to claim our position and commitment to the public and clients. The Company hit Top 9 among manufacturers in WWF Palm Oil Scorecard 2020. For 2022, the Company will continue to increase the coverage of RSPO in Polish plants, with an overall goal of achieve 100% certified RSPO by the end of 2023. Since 2020, all the Group's own brand products are using UTZ certified cocoa. The goal of fully switched from UTZ logo to RFA seal had been achieved. In total we purchased 83.9% certified cocoa ingredients (RFA, FT or Organic) in 2021 (exclude Poland).The goal of 2022 is to develop purchasing strategy and consumers communication that allows the Company to increase the uptake of certified cocoa to 90% level.

The Group is committed to move towards comprehensive sustainable packaging strategy. By end of 2030 it aims to reach 80% recyclable packaging through: choose of homogenous material, placing legally approved recycling/disposal logo on pack, use of stickers/labels made of the same material as the main material, eliminating its of material and component. The first packaging usage calculation 2020 was completed. It allows the further development of sustainable packaging policy and cascade down the 25% weight reduction target (by 2025). The 3 R principles were implemented. We have chosen FSC certified cardboard for all our outer cartons (also valid for almost all consumer packaging). We use recycled paper-based fibres as much as possible (95%) when it's appropriate. The quality of our products will be guaranteed at all times during the implementation of any packaging modifications

Furthermore, the Group is active in improving operational sustainability. In 2021, we purchased 26% *renewable electricity, 100% wind powered in Sweden and 53% green electricity mix used in German* plants. The project of biogas pipeline was initiated in Sweden, and Solar panel installation project in Belgium reached agreement with the provider. By 2025, we aim to reach 50% renewable electricity consumption. In terms of energy efficiency, in Germany, the 10% of energy consumption per kilo of product was achieved in 2021. The annual audit of ISO 50001 certificate was completed. The Energy Management System was implemented in Solingen and will be extended to all other 3 sites in 2022. The overall goal is reducing 25% energy consumption ratio by 2025, and detailed target for other countries will be developed in monthly energy meeting.
Reduction of food waste is an emerging topic on the international sustainability agenda. The Group already implemented a project in 2018 to reduce food / ingredient waste in production, amongst other targets. For the coming years the Group will also focus on finding new purposes for unavoidable food waste streams, by turning them into new products or ingredients and actively communicating around this towards our customers and end consumers.

Since 2021, the group started full scope 2020 Corporate Carbon Footprint inventory. The data was collected from central or local departments, covering scope 1&2 (consumption of electricity, gas, oil, water, fugitive emission from refrigeration, company owned vehicle fleet), and scope 3 (raw material, packaging, employee commuting, upstream transportation, outbound logistic). The data was verified and calculated by consultancy, and reported in line with the GHG Protocol. The goal is to verify the 25% reduction target by 2030 with SBTi and develop the scope 1&2 reduction protocol.

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The Groups' remuneration policy is considered fair with the aim to provide a balanced remuneration (both fixed and variable where appropriate) to all employees taking into account their levels and skills, including possibilities to get training and education as well as undertaking an annual review process at most levels in the Group. The Group has an active policy around employee awareness for sustainability. Towards society, the Group initiated several local social activities in 2021 primarily done by its employees, and aims to continue that in 2022.

The group's accomplished active communication in ESG. In 2021, we completed 13 sustainability or CSR assessments requested by customers, and 6 third party surveys regarding sustainable raw material and food waste. We are in progress of publishing the first sustainability report which give a deep dive into our actions and targets.

Group wide a code of conduct is in place. The Supplier Code of Conduct will be implemented in 2022.

Executive Board

The Executive Board is a so-called 'One Tier Board' and is composed of both Executive and Non-Executive members. There is no Supervisory Board. The Executive Board Members are the CEO of the Group, CFO North Europe and COO of the Group. The other Board Members are Non- Executive Board Members.
The total number of Board members reduced in 2022 from 8 to 5.

The previous Board of Directors resigned on the closing date of the acquisition of the Group by Biscuit International and following his appointment at March 22, 2022, the new Board is led by Chairman Mr Hervé Breffort.

The Board comprises out of the following members:

Mr H.P. Breffort, CFO and (non-executive) Chairman (since March 22, 2022)
Mr G. Schiratti, CEO and board member (since March 22, 2022)
Mr M.L.J. Brouwers, CFO NE and board member (since March 22, 2022)
Mr R.W. Bockelmann, CCO and board member (since March 22, 2022)
Mr L. Tulvan COO and (non-executive) board member (since March 22, 2022)

Outlook for 2022

Biscuit International acquired 100% of the shares of the Group on 22nd of March 2022.

Formed by the merger between Groupe Poult and Banketgroep in 2016, Biscuit International is a leading European manufacturer of private label sweet biscuits headquartered in France, employing approximately 2,500 people. Biscuit International has a track record of driving consolidation in the European biscuit market, most recently acquiring Dan Cake in Portugal in 2021.
The combination is expected to be mutually beneficial for Continental Bakeries and Biscuit International, combining both companies' complementary product portfolios, creating deeper geographic presence in Europe and greater product development and supply chain resources. The combined group will be in an even better position to serve its clients' needs going forward.

During 2022 focus will be placed on integrating the business of the Group within the Biscuit International group. For the ongoing business of the Group, key will be to further continue the strong increase in the turnover, both by growing volumes in same pattern as in last two years, as in amending

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sales pricing to ensure recovery of the 2021 and ongoing cost price increases on raw materials, packaging materials, energy costs and logistic costs. The capital expenditure level of the Company in 2022 is, besides unforeseen matters, expected to be at a lower level as in previous year, as no significant capacity increasing investments like in previous years are required.
The number of people is expected to stay stable in 2022 compared to 2021.

On March 22, 2022, the Company ended the financing agreement with the external lenders and the related debt has been repaid fully. Upon the acquisition by Biscuit International on that same date, the Company is financed internally by the new owner.

Per the date of the completion of these annual accounts, the Group's operational and financial performance is not materially impacted by the COVID-19 outbreak. The measures taken by the Group in relation to possible consequences of it have been effective within the countries in which the Group operates. However, further developments of the COVID-19 pandemic and its consequences, and/or a continuation of it for a longer period, can have impact on the operational and financial performance of the Group in 2022, although such potential impact cannot be determined at this moment.

Dordrecht, 7 July 2022

On behalf of the Board,

G. Schiratti

H.P. Brenfort

L. Tulvan

R.W. Bockelmann

M.L.J. Brouwers

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Annual accounts

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Consolidated balance sheet as at December 31, 2021
(before proposed appropriation of result)

	Ref.	December 31, 2021 EUR '000	December 31, 2021 EUR '000	December 31, 2020 EUR '000	December 31, 2020 EUR '000
Assets					
Fixed assets					
Intangible fixed assets	5	164,209		175,708	
Tangible fixed assets	6	112,745		113,058	
Financial fixed assets	7	8,416		5,747	
			285,370		294,513
Current assets					
Stocks	8	41,114		35,307	
Receivables	9	55,128		58,750	
Cash at banks and in hand		31,744		48,390	
			127,986		142,447
			413,356		436,960
Shareholders' equity and liabilities					
Group equity					
Shareholders' equity	10	118,262		140,543	
			118,262		140,543
Provisions	11		5,918		6,741
Long-term liabilities	12		164,808		176,154
Current liabilities	13		124,368		113,522
			413,356		436,960

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Consolidated income statement for the year ended December 31, 2021

	Ref.	January 1, 2021 – December 31, 2021 EUR '000	EUR '000	January 1, 2020 - December 31, 2020 EUR '000	EUR '000
Net turnover	15	403,445		387,682	
Movement in finished goods and work in progress		1,113		8	
			404,558		387,690
Raw materials and consumables		(209,628)		(195,138)	
Wages and salaries		(79,566)		(73,303)	
Social security charges		(13,730)		(14,427)	
Pension costs		(4,074)		(2,935)	
Amortisation of intangible fixed assets	16	(11,545)		(11,442)	
Depreciation of tangible fixed assets	16	(15,846)		(13,337)	
Other operating expenses	17	(78,273)		(72,813)	
Total costs			(412,662)		(383,395)
Operating result			(8,104)		4,295
Finance income and costs	19		(12,090)		(12,685)
Result on ordinary activities before taxation			(20,194)		(8,390)
Taxation on result on ordinary activities	20		(695)		(1,367)
Net result after taxation			(20,889)		(9,757)
Total direct movements in equity as part of group equity			(20,889)		(9,757)

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Consolidated cash flow statement for the year ended December 31, 2021

	Ref.	January 1, 2021 – December 31, 2021 EUR '000	EUR '000	January 1, 2020 – December 31, 2020 EUR '000	EUR '000
Cash flow from operating activities					
Operating result			(8,104)		4,295
Adjustments in respect of:					
Depreciation and impairment of tangible fixed assets	6	15,846		13,337	
Amortisation of intangible fixed assets	5	11,545		11,442	
Movements in provisions (excl. tax)	11	2		(2,649)	
			27,393		22,130
Changes in working capital:					
Receivables		3,913		(4,746)	
Stocks		(5,807)		896	
Current liabilities		8,492		(4,204)	
			6,598		(8,054)
Cash flow generated from ordinary activities			25,887		18,371
Corporate income tax received/(paid)		(2,721)		815	
			(2,721)		815
Cash flow generated from operating activities			23,166		19,186

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Consolidated cash flow statement for the year ended December 31, 2021

	Ref.	January 1, 2021 – December 31, 2021 EUR '000	January 1, 2021 – December 31, 2021 EUR '000	January 1, 2020 – December 31, 2020 EUR '000	January 1, 2020 – December 31, 2020 EUR '000
Subtotal from previous page					
Cash flow generated from operating activities			23,166		19,186
Cash flow from investment activities					
Investments in:					
– Intangible fixed assets	5	(89)		-	
– Tangible fixed assets	6	(16,635)		(18,561)	
Disposals of:					
– Tangible fixed assets	6	158		180	
Cash flow used in investment activities			(16,566)		(18,381)
Cash flow from financing activities					
Interest received		3		4	
Interest paid		(10,811)		(11,054)	
Capital contribution		-		17,500	
Dividend paid		-		(200)	
Receipts from long-term liabilities	12	4,103		13,483	
Redemption of long-term liabilities	12	(12,494)		(26,357)	
Cash flow used in financing activities			(19,199)		(6,624)
Net cash flow			(12,599)		(5,819)
Exchange losses on cash and cash equivalents			(267)		151
Increase/(decrease) in cash and cash equivalents			(12,866)		(5,668)
The movement of funds can be specified as follows:					
Balance beginning of the year			20,420		26,088
Movements during the year			(12,866)		(5,668)
Balance end of the year			7,554		20,420
The balance at the end of the year consists of the following:					
Cash at banks and in hand			31,744		48,390
Bank overdrafts			(24,190)		(27,970)
Balance end of the year			7,554		20,420

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Notes to the consolidated balance sheet and income statement

1 General

1.1 Activities

Continental Bakeries Holding B.V. ("the Company") was incorporated on April 19, 2016 for the purpose of heading the Continental Bakeries Holding group. The activities of the Continental Bakeries Holding group ("the Group") mainly comprise of the production and sale of biscuits and other bakery products. Sales take place mainly within Europe, while production facilities are located in the Netherlands, Belgium, Germany, Sweden and Poland.

1.2 Group Structure

The shares of the Company are since 22 March 2022 owned directly by Biscuit Holding (France) S.A.S.

1.3 Registered office

The registered office of Continental Bakeries Holding B.V. is Pieter Zeemanweg 17, 3316 GZ Dordrecht. The Chamber of Commerce number is 65861523.

1.4 Consolidation

The consolidated annual accounts comprise the financial information of Continental Bakeries Holding B.V. and of its Group companies. Group companies are entities in which Continental Bakeries Holding B.V., directly or indirectly, exercises a controlling interest, through the ability to exercise a majority of the voting rights or any other ability to exert control over financial and operational activities. This includes potential voting rights that may be exercised at the balance sheet date.

Intercompany transactions, profit, receivables and payables are eliminated upon consolidation. Unrealised losses on intercompany transactions are also eliminated unless impairment applies. Where necessary, the accounting principles of Group companies are adjusted, in order to align these to the Group's accounting principles.

In view of the fact that the 2021 income statement of Continental Bakeries Holding B.V. is included in the consolidated annual accounts, a summarised income statement is produced in accordance with art. 402:2 DCC.

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The consolidated annual accounts comprise the financial information of Continental Bakeries Holding B.V. and the following Group companies:

- Continental Bakeries Holding B.V., Dordrecht, the Netherlands (100%)
- Continental Bakeries B.V., Dordrecht, the Netherlands (100%)
- Continental Bakeries (Haust) B.V., Dordrecht, the Netherlands (100%)
- Continental Bakeries (Dordrecht) B.V., Dordrecht, the Netherlands (100%)
- Continental Bakeries (Goirle) B.V., Goirle, the Netherlands (100%)
- Continental Bakeries (Rucphen) B.V., Rucphen, the Netherlands (100%)
- Continental Bakeries (Deventer) B.V., Deventer, the Netherlands (100%)
- Continental Bakeries Deutschland GmbH, Gronau, Germany (100%)
- Continental Bakeries Belgium S.P.R.L., Ghislenghien, Belgium (100%)
- Haust France S.a.r.l., Boulogne Billancourt, France (100%)
- Stieffenhofer Verwaltungsgesellschaft mbH, Gronau, Germany (100%)
- Continental Bakeries Holding & Services GmbH & Co. KG, Gronau, Germany (100%)
- Continental Bakeries Sweden Holding AB, Örkelljunga, Sweden (100%)
- Continental Bakeries North Europe AB, Örkelljunga, Sweden (100%)
- Grabower Süsswaren GmbH, Grabow, Germany (100%)
- Granco S.P.R.L., Enghien, Belgium (100%)
- Delicpol Sp. z.o.o., Kamyk, Poland (100%)
- Continental Bakeries Real Estate Dordrecht B.V., Dordrecht, the Netherlands (100%)

1.5 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management of the Company (or the ultimate parent company) and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

1.6 Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at banks and in hand and the bank overdrafts forming part of the current liabilities.

Cash flows in foreign currencies have been translated at average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement.
Receipts and payments of corporate income tax are included in the cash flow from operating activities.
Dividends paid, if applicable, have been included in the cash flow from financing activities.

Investments in acquired businesses, if applicable, are recognised at acquisition cost less cash and cash equivalents available in the company acquired at the time of acquisition.
Divestments in businesses, if applicable, are recognised at divestment cost less cash and cash equivalents available in the company divested at the time of divestment.

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1.7 *Estimates*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of valuation principles and accounting policies, thus influencing the financial statements of the Group. Primarily the following balance sheet items may be subject to estimates and assumptions: the key judgement on impairment of goodwill (note 5), useful live of property, plant, equipment and intangibles, stock value adjustments (note 8), valuation of doubtful debtors (note 9), deferred tax assets valuation (note 7) and accruals (note 13),

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affecls both current and future periods.

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2 Accounting policies for the balance sheet

2.1 General information

The consolidated financial statements have been prepared in accordance with the statutory provisions part 9 of book 2 of the Dutch Civil Code (DCC) and the firm pronouncements in the DASs for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The annual accounts are stated in thousands of euros. The principles of valuation are based on the historical cost convention. Assets and liabilities are valued at historical cost, unless otherwise indicated. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Going concern

On March 22, 2022, the Company ended the financing agreement with the external lenders and the related debt has been repaid fully. Upon the acquisition by Biscuit International on that same date, the Company is financed internally by the new owner.

Further to the COVID-19 outbreak the Group business and results can be impacted. Therefore the Group have taken measures, and will take further measures if required, to monitor and prevent impact from the COVID-19 pandemic.

Until today the Group's pro-active positioning and measures taken have ensured an uninterrupted supply chain to the customers in Europe and the rest of the world. All factories run ongoing, and at all locations stringent measures have been taken to minimize the risk to our own personnel of becoming ill, of having an infection case on site, or to our partners in the value chain: suppliers, logistics partners, distributors or customers. Stringent site access rules and control are applied in all production locations and offices in Europe, they are applicable to both own personnel as well as visitors, contractors and truck drivers, and include extra personal hygiene requirements and 14 day quarantine rule for people that have visited high risk areas. Where possible employees are working from home, while travel and meetings are minimized.

Suppliers as well as the logistics partners have taken or are taking similar measures.

Continuous communication procedures to employees on relevant developments regarding health, safety and further measures are in place. The Group also proactively communicate with customers on changes in their demand and how to meet their expectations. Similarly it communicates with suppliers, including assessing potential risk on delivery issues on raw and packaging materials, for which pro-actively alternatives are explored.

The aim is to keep safety stock levels on at least regular heights and options are explored to stock more products at customers. The Group assesses the situation with 3rd party warehouse and other logistics suppliers, evaluating their contingency plans and checking alternatives where required.

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Cash flows and liquidity positions are managed and monitored very closely, with working capital under daily review and strict approval processes in place for new investments. Regular updated cash flow forecasting is done to safeguard the regular liquidity levels in the Group.

Given that the situation is rapidly changing, developments are ongoing monitored. Based on governmental recommendations as well as the Group's own assessments, further measures will be implemented as appropriate.

While the actual impact of the COVID-19 outbreak on the Group's performance until now is limited, it remains difficult at this stage to quantify further impacts on the short and long term cult to quantify. Mainly the length of the pandemic and the related measures will remain relevant, but yet not to predict. Nevertheless, based on the current insights and facts and given the financial position of the Group there is no material uncertainty.

Concluding, whilst uncertain, the Group do currently not believe, however, that the impact of the COVD-19 virus would have a material adverse effect on the Group's financial condition or liquidity, hence the going concern assumption as applied for the preparation and completion of the annual report 2021 remains valid.

2.3 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

2.4 Foreign currencies

Functional currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Continental Bakeries Holding B.V.

Transactions, receivables and payables

Transactions denominated in foreign currencies during the reporting period are recognised in the annual accounts at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the income statement.

Exchange rate differences arising on foreign currency loans that are entered into to finance the net investment in a foreign participation are recognised in the translation differences reserve insofar that such loans effectively hedge the exchange rate exposure on that net investment.

Non – monetary assets

Non – monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non – monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

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Group companies

The assets and liabilities of foreign participations included in the consolidation denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at the average rate during the financial year. Goodwill of the foreign participations is regarded as an asset and is also translated at the rate of exchange prevailing at the balance sheet date. The resulting translation differences are taken to the translation differences reserve within shareholders' equity.

2.5 *Intangible fixed assets*

Intangible assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash-generating unit to which it belongs) exceeds its recoverable amount.

Goodwill and brands arising from acquisitions are capitalised and amortised on a straight-line basis over the estimated economic life with a maximum of 20 years.

Software is valued at cost including direct expenses and depreciated on a straight-line basis over the estimated economic life with a maximum of 10 years.

2.6 *Tangible fixed assets*

Land and buildings are valued at cost plus additional direct expenses, less straight-line depreciation over the estimated economic life, or market value if lower. Land is not depreciated. Any impairment as at the balance sheet date is taken into account. Note 2.8 sets out the policy for the impairment of fixed assets.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

2.7 *Financial fixed assets (company accounts)*

Participations, over which significant influence can be exercised, are valued according to the net asset value method. The net asset value is calculated in accordance with the accounting principles that apply for these financial statements. If the valuation of a participation based on the net value is negative, it will be stated at nil.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

2.8 *Impairment of non-current assets*

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

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An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

2.9 Stocks

The raw and packing materials are valued at the lower of cost or realisable value. Cost is determined using the first in, first out (FIFO) method.

Semi-manufactured and finished products are valued at the lower of production cost and realisable value. The production cost consists of all cost relating to acquiring or producing, including direct labour expenses and a mark-up for indirect fixed expenses relating to the production process. Realisable value is the estimated sales price less directly attributable selling expenses.

In determining the realisable value, the obsolescence of the inventories is taken into account.

2.10 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. When a trade receivable is uncollectible, it is written off against the provision for doubtful trade receivables.

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2.11 *Cash at banks and in hand*

Cash at banks and in hand consists of cash in hand, cash at banks and deposits with a maturity of less than twelve months. Cash and cash equivalents are stated at face value and are at free disposal of the group.

2.12 *Current account liabilities*

Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities.

2.13 *Shareholders' equity*

Expenses directly related to the purchase, sale and/or issue of new shares are charged directly to shareholders' equity, taking into account relevant corporate income tax effects. Other direct movements within shareholders' equity are also recognised taking into account relevant corporate income tax effects.

2.14 *Provisions*

General information

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Provisions for pensions are valued on the basis of actuarial principles. The other provisions are carried of the nominal value to the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

Where some or all of the expenditure required settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

Pension benefits

Dutch pension plans

The Company operates 3 pension plans.

The Company has a number of pension plans on which the conditions of the Dutch Pension Act are applicable. The Company pays premiums based on (legal) requirements and contractual basis to mainly insurance companies. Premiums are recognised as personnel costs when they are due. Prepaid premiums are recognised as current assets if these lead to a refund or reduction of future payments. Premiums that are due but have not been paid yet are presented as liabilities.

For existing obligations (other than premiums to be paid) to the insurance company or employees, if applicable, a provision is recognised. This provision includes:

- the obligation of the Company to provide additional payments or recovery premiums due to a low coverage of the pension fund

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- additional pension entitlements arising from promised salary increases if a final pay pension is applicable
- unconditional indexation that is not yet funded
- disadvantages of individual value transfers at the expense of the Company.

In addition, the Company records an asset if applicable for:
- promised refunds due to a high coverage of the pension funds
- surplus interest or profit sharing which is made available to the Company under the conditions of an insurance contract
- advantages of individual value transfers in favour of the Company.

Foreign pension plans

For foreign pension plans similar to the way the Dutch pension system is designed and operates, recognition and measurement of liabilities arising from these pension schemes are carried out in accordance with the valuation of the Dutch pension schemes.

For foreign pension schemes which are not similar to the way the Dutch pension system is designed and operates a best estimate is made of the obligation as at the balance sheet date. The liability is valued based on actuarial calculations (using the projected Unit credit method).

Other provisions

The other provisions, if applicable, are recognised at face value.

2.15 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised in respect of timing differences between the valuation of assets and liabilities according to fiscal provisions on the one hand and the valuation principles as used in these annual accounts on the other hand. Deferred tax assets and liabilities are calculated based on the ruling tax rates as at year-end or future applicable rates, insofar as already decreed by law.

Deferred tax assets, including those from losses carried forward, are valued if it is probable that fiscal profit will be available to offset losses, and settlement possibilities can be utilised.

Deferred tax liabilities are recognised for timing differences in respect of Group companies, unless the Group is in a position to determine the reversal date of the timing difference, and it is not probable that the timing difference will reverse in the foreseeable future.

Deferred taxes are valued at nominal value.

Deferred tax assets are recognised under current assets; deferred tax liabilities are recognised under provisions.

2.16 Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking into account premium or discount, and less transaction costs. The difference between the book value determined and the ultimate redemption value, including the interest payable are determined by recognising the effective interest in the income statement during the term of the liabilities.

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On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

2.17 Leasing

Financial lease

The company leases some of the machines and transporting equipment, whereby it retains substantially all the risks and rewards of ownership of these assets. These assets are recognised on the balance sheet upon commencement of the lease contract at the lower of the fair value of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method. The liabilities under the lease, excluding the interest payments, are included under long term liabilities.

The interest component is included in the income statement for the duration of the contract on basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life.

Operational lease

Lease contracts for which a large part of the risks and rewards incidental to ownership of the assets does not lie with the Group, are recognised as operational leases. Obligations under operational leases are recognised on a straight-line basis in the income statement over the term of the contract, taking into account reimbursements received from the lessor.

2.18 Financial instruments

Continental Bakeries Holding B.V. applies hedge accounting, if applicable. The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items. The Company also tests its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Cost price hedge accounting

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item, which has the following implications:

- if the hedged item is recognised at cost in the balance sheet, the derivate instrument is also stated at cost;
- as long as the hedged item is not yet recognised in the balance sheet, the hedging instrument is not re-measured.

The Company applies cost price hedge accounting to hedge the floating interest risk on borrowings. Gains or losses relating to the ineffective portion are recognised in the income statement within finance income and costs.

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3 Accounting policies for the income statement

3.1 General

Net result represents the difference between the value of the goods supplied and the costs and other charges for the year. The results on transactions are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

3.2 Exchange differences

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

3.3 Net turnover

Net turnover is determined as income from the supply of bakery products, less trade conditions (volume, folder and payment discounts), exclusive of turnover taxes and after elimination of intragroup sales. Turnover from the supply of goods is recognised as soon as substantially all rights and risks relating to the title to the goods are transferred to the customer.

3.4 Cost of sales

Cost of sales represents the direct and indirect expenses attributable to revenue, including raw materials and consumables, cost of work contracted out and other external expenses, the employee benefits expense in respect of production staff, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales.

3.5 Costs

Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate.

No provision has been recognized for future major repair costs for the buildings. Costs are directly recognized in the results.

3.6 Employee benefits

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Pensions

The Company has applied the liability method for pension plans. The premiums payable for the financial year are charged to the result. Changes in the pension provision are also charged to the result. The amount in the pension provision is the best estimate of the unfunded obligations as at balance sheet date.

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Foreign pension plans comparable to the Dutch pension system are also accounted for using the liability method. Foreign pension plans that are not comparable to the Dutch pension system are accounted for at the best estimate of the obligation as at balance sheet date. The liability is determined using the Projected Unit Credit method, as used in IAS19.

3.7 Amortisation and depreciation

Intangible assets, including goodwill, are amortised and property, plant and equipment are depreciated by the straight-line method over their estimated useful lives as from the inception of their use. Land is not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated useful life.

Gains and losses on sales of property, plant and equipment are presented as part of the depreciation expense.

3.8 Government grants

Grants and subsidies are recognised in the income statement in the year in which the subsidised costs were incurred, income was lost or a subsidised operating deficit occurred. The grants are recognised where it is probable that they will be received and the Group will comply with all attached conditions.

Grants relating to property, plant and equipment are deducted from the carrying amount of the asset in question and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

3.9 Finance income and costs

Interest income and expense are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. The treatment of interest expenses for loans received includes any transaction costs.

3.10 Income tax expense

The tax charge on the result is calculated by applying the current rate to the result for the financial year in the income statement, taking into account tax loss carry-forwards (where not included in deferred tax assets), tax exempt profit elements and non-deductible costs.

3.11 Result from participations (valued at net asset value)

The result is the amount by which the carrying amount of the participations has changed since the previous financial statements as a result of the earnings achieved by the participations.

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4 Financial instruments

4.1 Currency risk

The Group is mainly active in Western Europe. The Group's currency risk mainly relates to positions in Swedish krona and Polish zloty. The Group has not entered into foreign currency derivatives to hedge this exposure.

4.2 Interest rate risk

The Group is exposed to the consequences of variable interest rates on receivables and liabilities. In relation to fixed interest receivables and liabilities, it is exposed to market values.

4.3 Credit risk

The Group does not have any significant concentrations of credit risk. Clients of the Group are subjected to creditworthiness tests. Sales are subject to payment deadlines ranging between 10 and 90 days.

4.4 Liquidity risk

The Group uses a selection of banks in order to be in a position to use more than one facility. Where necessary, guarantees and collaterals are granted to banks in order to secure facilities.

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5 Intangible fixed assets

	Goodwill	Brands	Software	Total
	EUR '000	EUR '000	EUR '000	EUR '000
January 1, 2021				
Historical cost	213,314	15,786	4,056	233,156
losses and amortisation	(45,874)	(8,001)	(3,573)	(57,448)
Book value	167,440	7,785	483	175,708
Movements 2021				
Additions	-	-	89	89
Amortisation	(10,670)	(784)	(91)	(11,545)
Exchange rate differences	-	(43)	-	(43)
	(10,670)	(827)	(2)	(11,499)
December 31, 2021				
Historical cost	213,314	15,743	4,145	233,202
Losses and amortisation	(56,544)	(8,785)	(3,664)	(68,993)
Book value	156,770	6,958	481	164,209
Amortisation rates	5%	5%	20%	

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6 Tangible fixed assets

	Land and buildings	Machinery and equipment	Other fixed assets	Assets under construction	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
January 1, 2021					
Acquisition or production costs	46,278	175,175	1,513	13,275	236,241
Accumulated impairments and depreciation	(13,665)	(108,783)	(735)	-	(123,183)
Book value	32,613	66,392	778	13,275	113,058
Movements 2021					
Additions	418	16,004	213	-	16,635
Transfer	-	(11,008)	-	11,008	-
Disposals	-	(109)	(49)	-	(158)
Depreciation	(4,507)	(11,131)	(208)	-	(15,846)
Exchange rate differences	(402)	(515)	(27)	-	(944)
	(4,491)	(6,759)	(71)	11,008	(313)
December 31, 2021					
Acquisition or production costs	46,294	179,447	1,563	24,283	251,587
Accumulated impairments and depreciation	(18,172)	(119,814)	(856)	-	(138,842)
Book value	28,122	59,633	707	24,283	112,745
Depreciation rates	0-10%	10%	10-33,3%	0%	

All assets have been pledged to secure each liability and obligation towards the banking syndicate.

Tangible fixed assets include government grants deducted from the carrying amount of the assets in question.

Regularly occurring maintenance costs are directly recognised in the income statement.

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The carrying amounts of assets under finance lease are as follows:

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Land and buildings	-	1,609
Machinery and equipment	3,824	289
Other fixed assets	585	753
Total	4,409	2,651

7 Financial fixed assets

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Deferred tax assets	8,416	5,747
Total	8,416	5,747

The deferred tax assets represents the long term part of the valuation of fiscal losses carried forward in the Netherlands and Belgium. The amount of the long term part of the fiscal losses is EUR 31,477,000 and these fiscal losses can be compensated limitless. There are no remaining fiscal losses carried forward of other Group companies.

The Group recognizes deferred tax assets on tax losses carried forward based on its best estimates. The recoverability of deferred income tax assets is reviewed and assessed periodically, using forecasts that are based on actual and future (taxable) results.

Despite the realized anticipated turnover growth in last two years, tax losses have been accumulating as a result of extraordinary costs incurred in last years which by nature are non-recurring. The tax losses can be carried forward without expiry dates and it is estimated that they will be used to offset taxable income for the next 5 to 7 years, depending on the sensibility of the various influencing factors.

8 Stocks

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Raw and packing materials	18,732	14,519
Semi-manufactured goods	686	716
Finished products and goods for resale	23,000	21,801

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	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
	42,418	37,036
Provision for obsolescence	(1,304)	(1,729)
	41,114	35,307

All stocks have been pledged to secure each liability and obligation towards the banking syndicate. The carrying amount of stocks are valued at lower of cost or net realizable value. In determining the realisable value the obsolescence of the inventories is taken into account.

9 Receivables

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Trade debtors	45,299	48,457
Other taxes and social security contributions	5,392	4,415
Other receivables	2,193	2,742
Prepayments and accrued income	1,374	2,558
Deferred tax assets	870	578
	55,128	58,750

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.
Deferred tax assets represent the short term part of the valuation of fiscal losses carried forward in the Netherlands and Belgium.

All receivables have been pledged to secure each liability and obligation towards the banking syndicate.

10 Group equity

For details to equity, please refer to the notes to the Company financial statements.

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11 Provisions

Movements in provisions are specified as follows:

	Pensions	Deferred tax	Total
	EUR '000	EUR '000	EUR '000
Balance as at January 1, 2021	376	6,365	6,741
Additions	20	-	20
Used	(15)	(752)	(767)
Exchange rate difference	(3)	(73)	(76)
Balance as at December 31, 2021	378	5,540	5,918

An amount of EUR 5,586,000 of the provisions can be classified as non-current (longer than one year).

Pensions

The pension provision mainly relates to the pension obligation for the former Stieffenhofer employees totalling to EUR 294,843 (EUR 303,310 as at December 31, 2020). This obligation is valued based on actuarial calculations (using the projected unit credit method), taking into account an actuarial interest rate of 1.87% and mortality table RT2018G. This plan is unfunded.

Deferred income tax

The provision for deferred income tax liabilities was formed for any taxable temporary differences. An amount of EUR 302,000 of the provision is expected to be utilized within one year (EUR 367,000 as at December 31, 2020).

12 Long-term liabilities

The movements in long-term liabilities (including short-term portion) are as follows:

	Total
	EUR '000
January 1, 2021	188,329
Drawings	4,103
Repayments	(12,494)
Exchange rate differences	(155)
December 31, 2021	179,783

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Repayment liabilities due within 1 year of the end of the financial year, as set out below, are included under current liabilities.

				Dec 31, 2021	Dec 31, 2020
	Term ≤ 1 year	Term 1 – 5 years	Term ≥ 5 years	Total term > 1 year	Total term > 1 year
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Senior facility	13,954	161,634	-	161,634	175,727
Financial lease liabilities	988	3,045	-	3,045	282
Other loan	33	129	-	129	145
	14,975	164,808	-	164,808	176,154

Currency

The senior facility is denominated in euros and Swedish krona. The financial lease liabilities and the other loans are denominated in euros and Polish zloty.

Senior facility

In September 2017 the Group reached an agreement with the syndicate of banks for an amendment of the Credit Agreement. The total facility increased from EUR 200,000,000 to EUR 303,000,000. The increase comprises a new term loan of EUR 50,000,000 which was used for the financing of the Delicpol Sp. z.o.o. acquisition in October 2017 and an extension of the acquisition facility with EUR 53,000,000.

As at December 31, 2021, outstanding borrowings on the term loan facility were EUR 175,588,000.

The Group entered into Security Agreements with the banks in respect of rights, bank accounts, moveable assets, insurances, intellectual property and domain names.

The facility bears an interest rate, which is based upon EURIBOR (for euro denominated loans), and STIBOR (for Swedish krona denominated loans) plus an additional risk premium. The effective interest rate including risk premium for the corresponding period varied between 4.50% and 5.75% during 2021.

Financial lease liabilities

Financial lease relates to a financial lease payable for machineries in Belgium, for machineries in Germany, for machineries in the Netherlands and to a financial lease payable for machineries and transporting equipment in Poland. All four entities are not the legal owner of the leased assets.

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	Present value	Present value	Nominal value	Nominal value
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	EUR'000	EUR'000	EUR'000	EUR'000
Liabilities ≤ 1 year	988	471	1,042	491
Liabilities > 1 year and < 5 years	3,045	282	3,158	290
Liabilities ≥ 5 years	-	-	-	-
	4,033	753	4,200	781
Less: future interest	-	-	(167)	(28)
	4,033	753	4,033	753

Other loan

Other loan for an amount of EUR 162,000 relates to a long term loan in Belgium with an interest rate of 4.2%. The loan expires on December 31, 2025. Securities related to this loan are not applicable.

13 Current liabilities

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Bank overdrafts	24,190	27,970
Trade creditors	54,295	44,870
Short-term portion of long-term liabilities (note 12)	14,975	12,175
Corporate income tax	2,567	882
Other taxes and social securities	154	223
Other liabilities	3,316	3,778
Accruals and deferred income	24,871	23,624
	124,368	113,522

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short-term character.

14 Commitments not included in the balance sheet

Financial obligations

The Group has certain operational lease and rental commitments in the coming years amounting to EUR 34.7 million (December 31, 2020: EUR 36.9 million) of which EUR 4.5 million (December 31,

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2020: EUR 4.6 million) expiring within 1 year, EUR 15.4 million (December 31, 2020: EUR 15.7 million) expiring between 1 and 5 years and EUR 14.8 million (December 31, 2020: EUR 16.6 million) expiring later than 5 years.

During the year the Group recognised operational lease payments to the amount of EUR 4.7 million in the income statement.

Liability undertaking

The Group companies, with the exception of Delicpol Sp. z.o.o., are all jointly and severally liable towards the banking syndicate. All rights, bank accounts, moveable assets, insurances and shares have been pledged to secure each liability and obligation towards the banking syndicate.

Guarantees

Guarantees have been issued of EUR 0.8 million towards third parties for renting obligations of the subsidiary Continental Bakeries (Haust) B.V.

15 Net turnover

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
	EUR '000	EUR '000
The Netherlands	36,062	35,458
Other EU countries	344,038	329,862
Other European countries	13,118	13,525
Other countries	10,227	8,837
	403,445	387,682

The net turnover breakdown is provided for the geographic markets in which the Group is active.

16 Amortisation/depreciation and impairment of assets

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
	EUR '000	EUR '000
Amortisation of intangible fixed assets (note 5)	(11,545)	(11,442)
Depreciation of tangible fixed assets (note 6)	(15,846)	(13,337)
	(27,391)	(24,779)

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17 Other operating expenses

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
	EUR '000	EUR '000
Freight expenses	(25,784)	(24,794)
Energy expenses	(9,516)	(9,519)
Rent buildings	(3,629)	(3,084)
Maintenance	(4,128)	(3,920)
Advertising and promotions	(2,011)	(1,814)
Other expenses	(33,205)	(29,682)
	(78,273)	(72,813)

18 Audit fees

The following audit fees were expensed in the income statement in the reporting year:

	PricewaterhouseCoopers Accountants N.V.	Other PricewaterhouseCoopers Accountants N.V. offices	January 1, 2021 - December 31, 2021 Total
	EUR '000	EUR '000	EUR '000
Audit of the financial statements	157	151	308
Other audit procedures	-	2	2
Tax services	-	68	68
Other non-audit services	-	16	16
Total	157	237	394

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	Pricewaterhouse Coopers Accountants N.V.	Other Pricewaterhouse Coopers Accountants N.V. offices	January 1, 2020 - December 31, 2020 Total
	EUR '000	EUR '000	EUR '000
Audit of the financial statements	152	147	299
Other audit procedures	-	5	5
Tax services	-	45	45
Other non-audit services	-	-	-
Total	152	197	349

The method used of stating the fees for the audit of the financial statements is the method that allocate costs in the year that the services are provided.

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external independent auditor as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

19 Finance income and costs

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
	EUR '000	EUR '000
Interest income – third parties	3	4
Interest expense – third parties	(12,093)	(12,689)
	(12,090)	(12,685)

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20 Taxation on result on ordinary activities

The taxation on result on ordinary activities amounting to EUR -/- 695,000 can be specified as follows:

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
	EUR '000	EUR '000
Result on ordinary activities before taxation	(20,194)	(8,390)
Taxation on result on ordinary activities	(695)	(1,367)
Effective tax rate	(3.4%)	(16.3%)
Applicable tax rate	24.8%	24.4%

The applicable tax rate is based on the relative proportion of the Group companies' contribution to the result and the tax rates ruling in the countries concerned.

The effective tax rate differs from the applicable tax rate due to:
- non-deductible costs;
- non-deductible goodwill.

The numerical reconciliation between applicable and effective tax:

	January 1, 2021 - December 31, 2021
	EUR '000
Taxation based on applicable rate of 24.8%	5,008
Non-deductible costs	(3,057)
Non-deductible goodwill	(2,646)
Taxation based on effective rate of (3.4%)	(695)

The main elements of the taxation are current taxes (EUR -/- 4,411,000) and deferred taxes (EUR 3,716,000).

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21 Employees

During 2021 an average of 1,853 employees were employed by the Company, analysed by activity as follows:

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
Production	1,465	1,441
Office	310	297
Warehouse	78	90
	1,853	1,828

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
Netherlands	316	301
Other countries	1,537	1,527
	1,853	1,828

22 Directors' and supervisory directors' emoluments

	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
	EUR '000	EUR '000
Directors and former directors	1,558	2,723
	1,558	2,723

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Company balance sheet as at December 31, 2021

(before proposed appropriation of result)

		Dec 31, 2021		Dec 31, 2020	
	Ref.	EUR '000	EUR '000	EUR '000	EUR '000
Assets					
Fixed assets					
Intangible fixed assets	24	129,186		138,105	
Financial fixed assets	25	90,047		97,761	
			219,233		235,866
Current assets					
Receivables	26	6,380		6,787	
Cash at banks and in hand		-		-	
			6,380		6,787
			225,613		242,653
Shareholders' equity and liabilities					
Shareholders' equity	27				
Issued share capital		-		-	
Share premium		182,810		182,810	
Other reserves		(40,525)		(30,768)	
Reserve for translation differences		(3,134)		(1,742)	
Result for the year		(20,889)		(9,757)	
			118,262		140,543
Long-term liabilities	28		42,165		45,611
Current liabilities	29		65,186		56,499
			225,613		242,653

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Company income statement for the year ended December 31, 2021

	Ref.	January 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2020
		EUR '000	EUR '000
Result from participations after taxation		(9,024)	7,526
Other income and expenses after taxation		(11,865)	(17,283)
Result after taxation	27	(20,889)	(9,757)

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Notes to the balance sheet and income statement

23 General

The Company financial statements have been prepared in accordance with the statutory provisions of part 2 of book 9 of the Dutch Civil Code (DCC) and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board.

The principles of valuation and determination of result for the Company's annual accounts and the consolidated annual accounts are the same. Participations in Group companies are carried at net asset value in accordance with accounting principles as applied by the Group. For the principles of valuation of assets and liabilities and for the determination of result reference is made to the notes to the consolidated balance sheet and income statement.

24 Intangible fixed assets

	Goodwill
	EUR '000
Balance as at January 1, 2021	138,105
Amortisation for the period	(8,919)
Balance as at December 31, 2021	129,186

25 Financial fixed assets

	Investment in subsidiaries
	EUR '000
Balance as at January 1, 2021	94,216
Result participations for the period	(9,024)
Exchange rate differences foreign participations	(1,391)
Balance as at December 31, 2021	83,801

The accounting policy relating to results from participations is in line with the accounting policy as used by the Company.

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	Deferred tax assets
	EUR '000
Balance as at January 1, 2021	3,545
Additions	2,701
Balance as at December 31, 2021	6,246

26 Receivables

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Amounts due from Group companies	5,067	4,716
Prepayments	523	1,244
Other taxes	63	63
Other receivables	727	764
	6,380	6,787

All receivables fall due in less than one year. The fair value of the receivables approximates the book value. An interest rate of 0% (2020: 0%) per annum applies to the amounts due from Group companies. In respect of repayment and securities provided, no agreements have been made. Other taxes relate to VAT.

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27 Shareholders' equity

The movements in shareholders' equity are as follows:

	Issued share capital	Share premium	Other reserves	Reserve for translation differences	Result for the year	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance as at January 1, 2020	-	165,510	(13,921)	(820)	(16,847)	133,922
Equity contribution	-	17,500	-	-	-	17,500
Dividend	-	(200)	-	-	-	(200)
Appropriation of result prior year	-	-	(16,847)	-	16,847	-
Result current period	-	-	-	-	(9,757)	(9,757)
Translation of foreign subsidiaries	-	-	-	(922)	-	(922)
Total movements	-	17,300	(16,847)	(922)	7,090	6,621
Balance as at January 1, 2021	-	182,810	(30,768)	(1,742)	(9,757)	140,543
Appropriation of result prior year	-	-	(9,757)	-	9,757	-
Result current period	-	-	-	-	(20,889)	(20,889)
Translation of foreign subsidiaries	-	-	-	(1,392)	-	(1,392)
Total movements	-	-	(9,757)	(1,392)	(11,132)	(22,281)
Balance as at December 31, 2021	-	182,810	(40,525)	(3,134)	(20,889)	118,262

Share capital

The issued capital of the Company consists of 100 ordinary shares, with a nominal value of EUR 0,01 each, amounting to EUR 1. As at December 31, 2021 all ordinary shares were issued and fully paid.

Other reserves

Following the proposed profit appropriation of the Board of Directors, and pursuant to article 13 of the Articles of Association, it is proposed to deduct the result for the period amounting to EUR (20,889,000) from the other reserves.

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28 Long-term liabilities

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Senior facility	42,165	45,611
	42,165	45,611

29 Current liabilities

	Dec 31, 2021	Dec 31, 2020
	EUR '000	EUR '000
Bank overdrafts	20,138	20,509
Short-term portion of long-term liabilities	3,446	3,446
Amounts due to Group companies	40,249	30,363
Accruals and deferred income	1,353	2,181
	65,186	56,499

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short-term character. Bank overdrafts are part of the overdraft facility which the Group has in place with the syndicate of banks (reference is made to note 12). Interest rates varied between 4.50% en 4.75%. All bank accounts have been pledged to secure each liability and obligation towards the banking syndicate.
An interest rate of 0% (2020: 0%) per annum applies to the amounts due from Group companies. In respect of repayment and securities provided, no agreements have been made.

30 Employees

During 2021 nil employees were employed by the Company.

31 Commitments not included in the balance sheet

Liability undertaking
The Group companies are jointly and severally liable towards the banking syndicate. All rights, bank accounts, moveable assets, insurances and shares have been pledged to secure each liability and obligation towards the banking syndicate.

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Taxes within fiscal unity

As from April 23, 2016 the Company together with its Dutch subsidiaries is included in a separate fiscal unity. In accordance with standard conditions, the Company, along with the subsidiary that is part of the fiscal entity, are jointly and severally liable for taxation payable by the fiscal unity. The mutual settlement of tax between the companies occur as if the companies are stand alone.

32 Subsequent events

At 22nd of March 2022 Biscuit International acquired 100% of the shares of the Company. On that same date, the Company ended the financing agreement with the external lenders and the related debt has been repaid fully. The Company is since the acquisition financed internally by the new owner.

Dordrecht, 1 July 2022

On behalf of the Board of Continental Bakeries Holding B.V.

G. Schirati

M.P. Brefford

L. Tulvan

R.W. Bockelmann

M.L.J. Brouwers

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Other information

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Profit appropriation according to the Articles of Association

According to article 13 of the Articles of Association, the result for the period is at the free disposal of the General Meeting of Shareholders.

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Independent auditor's report

To: the general meeting of Continental Bakeries Holding B.V.

Report on the financial statements 2021

Our opinion

In our opinion, the financial statements of Continental Bakeries Holding B.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the company together with its subsidiaries) as at 31 December 2021, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of Continental Bakeries Holding B.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at December 31, 2021;
- the consolidated and company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of Continental Bakeries Holding B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the annual directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the annual directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

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Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 1 July 2022
PricewaterhouseCoopers Accountants N.V.

Rik Blokhuis
Digitally signed by Rik Wouter Blokhuis
Date: 2022.07.01 08:52:33 +02'00'

R.W. Blokhuis RA

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Appendix to our auditor's report on the financial statements 2021 of Continental Bakeries Holding B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors 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.