

Årsredovisning
för
Continental Bakeries Sweden Holding AB
556750-2355
Räkenskapsåret
2022

Fastställelseintyg

Undertecknad verkställande direktör i Continental Bakeries Sweden Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-06-30. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Åsljunga 2023-06-30



Mikael Carlsson

Styrelsen och verkställande direktören för Continental Bakeries Sweden Holding AB avger följande årsredovisning för räkenskapsåret 2022.

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.

Väsentliga händelser under räkenskapsåret

I mars 2022 förvärvades Continental Bakeries koncernen av franskägda koncernen Biscuit International.

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)	2022	2021	2020	2019
Resultat efter finansiella poster	-5 429	-2 807	-3 320	-3 321
Balansomslutning	342 886	342 879	342 872	342 865
Soliditet (%)	81,9	81,9	81,9	81,9

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändringar i 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

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.

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Resultaträkning

Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsens kostnader			
Administrationsomkostnader		-2	-1
Rörelseresultat	3	-2	-1
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	4	0	12
Räntekostnader och liknande resultatposter	5	-5 427	-2 818
		-5 427	-2 806
Resultat efter finansiella poster		-5 429	-2 807
Bokslutsdispositioner	6	5 429	2 807
Årets resultat		0	0

Balansräkning

Tkr

Not 2022-12-31 2021-12-31

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag 7, 8 342 787 342 787

Omsättningstillgångar

Kortfristiga fordringar

Övriga kortfristiga fordringar 11 11

Kassa och bank

Summa omsättningstillgångar 98 92

SUMMA TILLGÅNGAR

342 886 342 879

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 koncernföretag 43 161 0

Skulder till kreditinstitut 0 28 159

Summa långfristiga skulder 43 161 28 159

Kortfristiga skulder

11

Skulder till kreditinstitut 0 10 478

Skulder till koncernföretag 18 879 22 586

Upplupna kostnader och förutbetalda intäkter 0 811

Summa kortfristiga skulder 18 879 33 874

SUMMA EGET KAPITAL OCH SKULDER

342 886 342 879

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.

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 lagstadsats. 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 Biscuit International S.A.S, organisationsnummer 879 975 142 med säte i Paris, Frankrike upprättar koncernredovisning.

RP

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 provas 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 2022-12-31.

Not 2 Uppgifter om moderföretag

Moderföretag i den minsta koncern där företaget ingår och som upprättar koncernredovisning är Biscuit Holding S.A.S. med organisationsnummer 852847607 med säte i Paris, Frankrike.

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är PE Cookie Holding Limited med organisationsnummer 12407696 med säte i London, England.

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

	2022	2021
Ränteintäkter från koncernföretag	0	12
	0	12

Not 5 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-2 115	0
Övriga räntekostnader	-488	-2 818
Kursdifferenser	-2 825	0
	-5 427	-2 818

Not 6 Bokslutsdispositioner

	2022	2021
Erhållna koncernbidrag	5 429	2 807
	5 429	2 807

Not 7 Andelar i koncernföretag

	2022-12-31	2021-12-31
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.

Not 11 Skulder som avser flera poster

Företagets banklån om 0 kronor redovisas under följande poster i balansräkningen.

	2022-12-31	2021-12-31
Långfristiga skulder		
Övriga skulder till kreditinstitut	0	28 159
	0	28 159
Kortfristiga skulder		
Övriga skulder till kreditinstitut	0	10 478
	0	10 478

Not 12 Ställda säkerheter

	2022-12-31	2021-12-31
För skulder till kreditinstitut:		
Företagsinteckningar	342 787	342 787
	342 787	342 787

Not 13 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskapsårets slut.

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

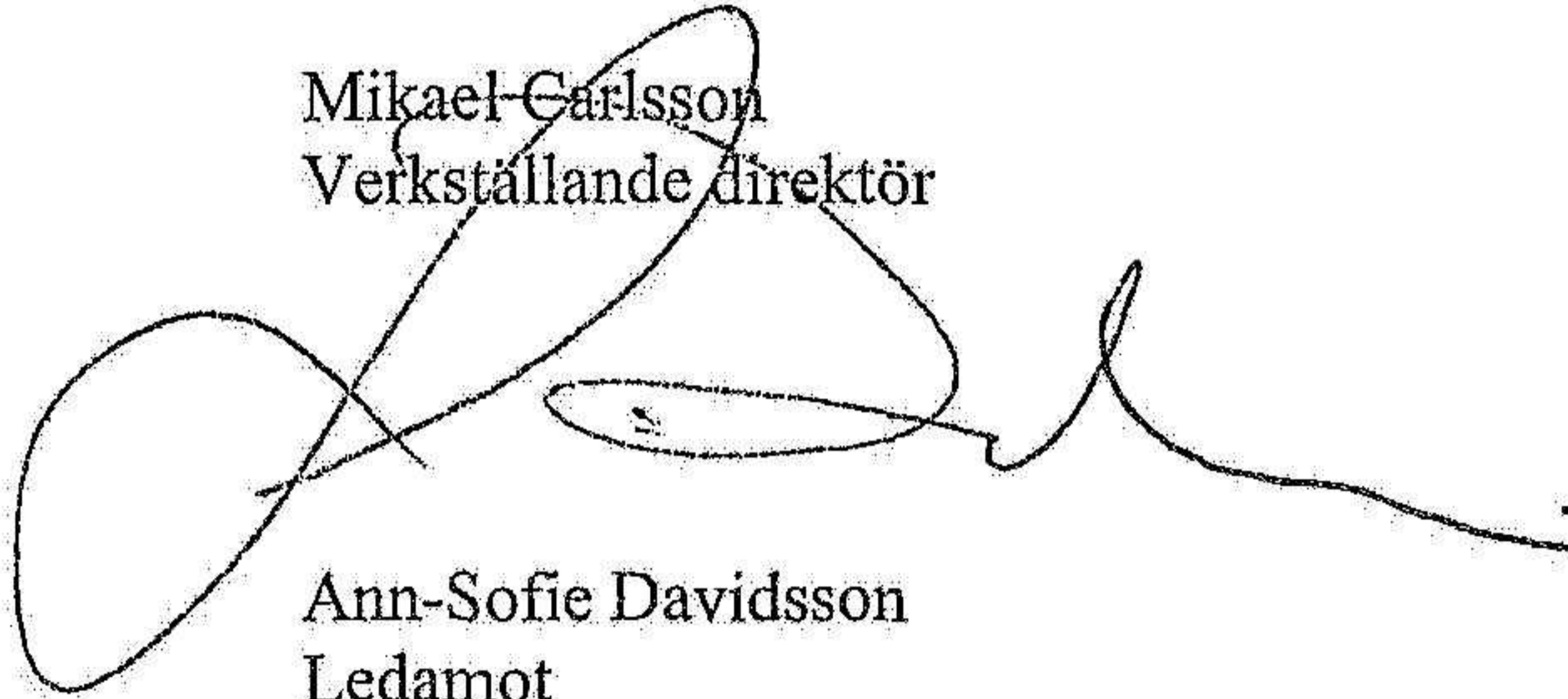
Åsljunga 2023-06-30



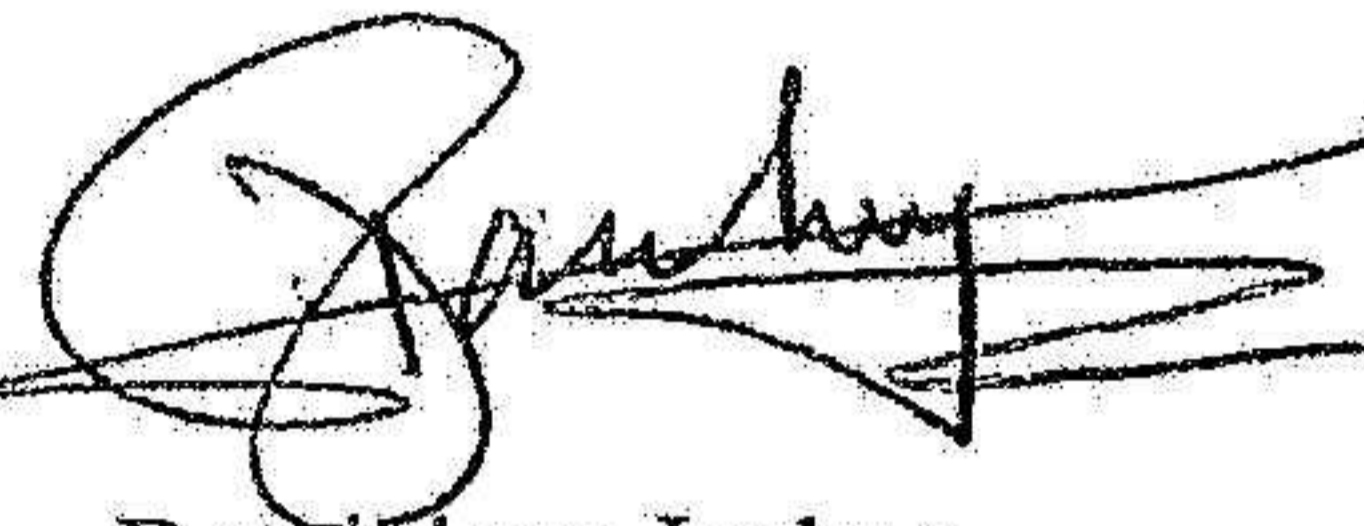
Mikael Carlsson
Verkställande direktör



Leon Taviansky
Ordförande

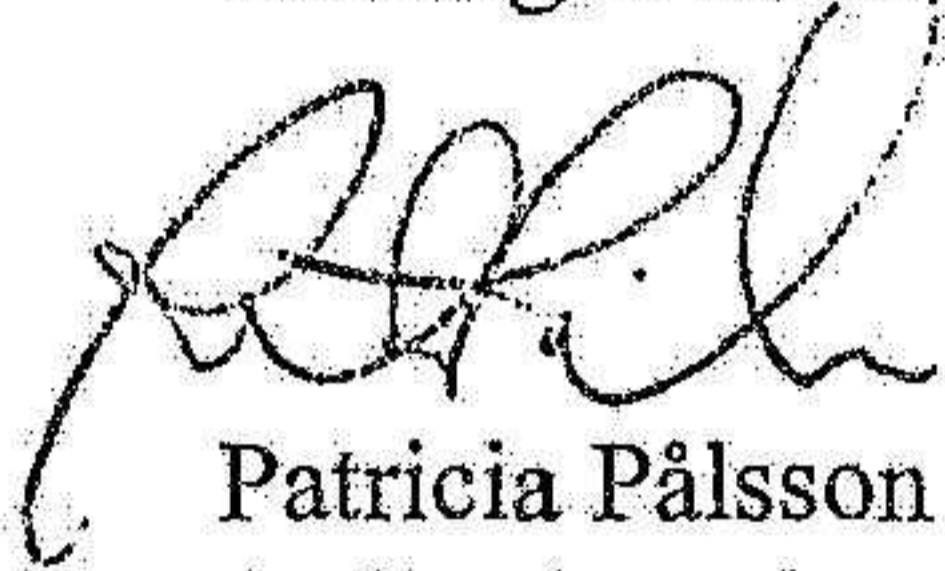


Ann-Sofie Davidsson
Ledamot



Dominique Janbon
Ledamot

Vår revisionsberättelse har lämnats 2023-06-30
Öhrlings PricewaterhouseCoopers AB



Patricia Pålsson
Auktoriserad revisor

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 2022.

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 2022 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.

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 2022 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, eller
- 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 30 juni 2023

Öhrlings PricewaterhouseCoopers AB



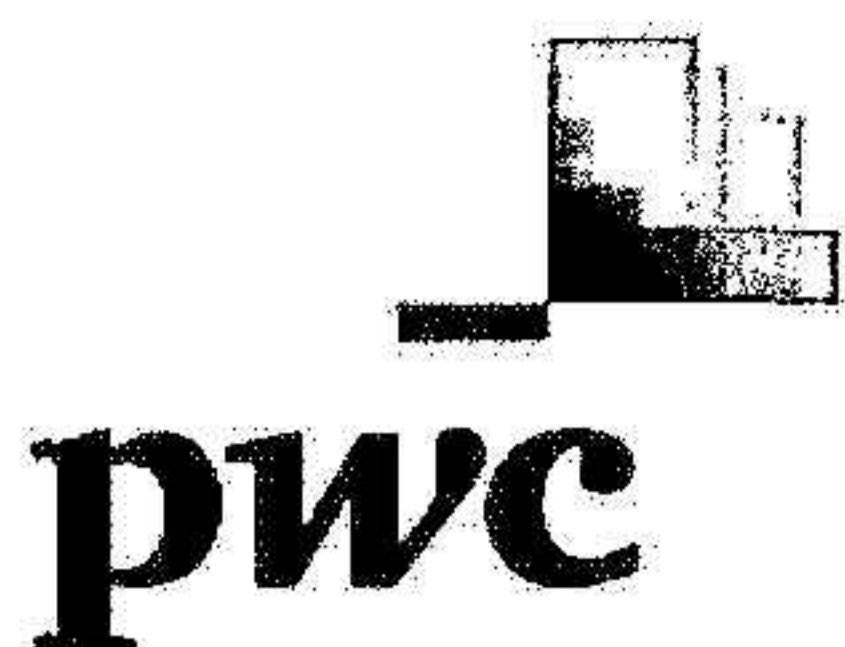
Patricia Pålsson
Auktoriserad revisor

2023121804029

BISCUIT INTERNATIONAL

**Statutory Auditor's report on the
"Consolidated Financial Statements"**

(Year ended December 31, 2022)



2023121804030

**Statutory Auditor's report on the
"Consolidated Financial Statements"**

(Year ended December 31, 2022)

To the President
Biscuit International
27 avenue de l'Opéra
75001 PARIS

In our capacity as Statutory Auditors of Biscuit International and in compliance with your request, we have audited the accompanying "consolidated financial statements", of Biscuit International for the year ended December 31, 2022.

These "consolidated financial statements" were prepared under the responsibility of the President. Our role is to express an opinion on these "financial statements" based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the "consolidated financial statements" are free from material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the "consolidated financial statements". An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the "consolidated financial statements". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the "consolidated financial statements" give a true and fair view of the financial position and assets and liabilities of the group constituted by the persons or entities included in the consolidation as of December 31, 2022, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.

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PricewaterhouseCoopers Audit, Immeuble Le Sully 1, place Occitane, B.P. 28036 31080 Toulouse Cedex 06
Téléphone: +33 (0)5 62 27 57 57, www.pwc.fr

Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles. Société par Actions Simplifiée au capital de 2 510 460 €. Siège social : 63 rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-Sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

BISCUIT INTERNATIONAL

Statutory Auditor's report on the "consolidated financial statements"

Year ended December 31, 2022 - Page 2

This report is governed by French law. French courts have exclusive jurisdiction to judge any dispute, claim or disagreement that may result from our letter of engagement or this report or any related question. Each party irrevocably renounces his or her rights to oppose legal action brought before these courts, to contend that the action was brought before a court that was not competent, or that these courts do not have jurisdiction.

Toulouse, May 19, 2023

The statutory auditor
PricewaterhouseCoopers Audit



Bertrand Cuq
Partner

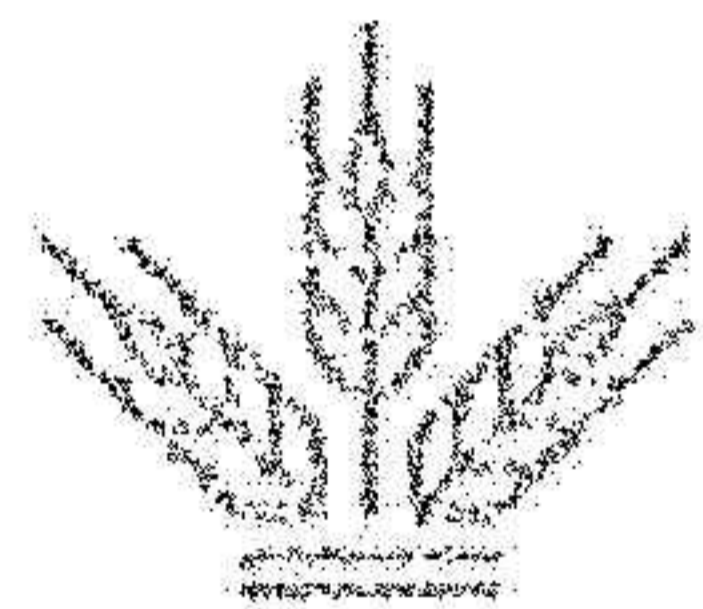
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BISCUIT INTERNATIONAL S.A.S.

(« the Company »)

CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended
31 December 2022**



BISCUIT
INTERNATIONAL

Biscuit International S.A.S.

Simplified joint stock company with share capital of €498 496.07

Paris Companies Register no. 879 975 142

27 Avenue de l'Opéra

75001 PARIS - France

Contents

I.	Responsibility statement	3
II.	Independent statutory auditor's report	4
III.	Consolidated financial statements	5
1.	Consolidated statement of profit and loss	5
2.	Consolidated statement of comprehensive income	5
3.	Consolidated statement of financial position	6
4.	Consolidated statement of changes in equity	7
5.	Consolidated cash-flow statement	8
IV.	Notes to the consolidated financial	9
1.	Corporate information	9
2.	List of consolidated companies	10
3.	Basis of preparation	11
4.	Covid-19 impact assessment	12
5.	Russia/Ukraine	12
6.	Basis of consolidation	12
7.	Summary of accounting policies,	13
8.	Business combinations	19
9.	Goodwill	22
10.	Operating expenses	22
11.	Financial result	23
12.	Income tax	23
13.	Related party transactions	24
14.	Intangible assets	25
15.	Property, Plant & Equipment	26
16.	Leases	26
17.	Other non-current assets	27
18.	Inventories	27
19.	Trade receivables	28
20.	Current tax receivables	28
21.	Other current assets	28
22.	Cash and cash equivalent	29
23.	Issued capital and reserves	29
24.	Borrowings and debt issuance costs	29
25.	Provisions	31
26.	Employee benefit obligations	31
27.	Trade and other payables	33
28.	Share-based payments	33
29.	Financial Risk Management	33
30.	Auditors' services to the Group	35
31.	Commitments and contingencies	35
32.	Significant events after the reporting date	35

I. Responsibility statement

The *Président* is responsible for preparing the attached consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) (as adopted by the European Union).

The *Président* confirms that such consolidated financial statements fairly represent the financial condition and operations of the Company in all material respects as at the date as at which and for the period(s) in relation to which those financial statements are drawn up and are prepared in all material respects in accordance with the accounting principles described above.

Leon Taviansky
Président (CEO) of Biscuit International S.A.S.
17 May 2023

II. Independent statutory auditor's report

[insert here]

2023121804035

III. Consolidated financial statements

All notes presented below form an integral part of these consolidated financial statements.

1. Consolidated statement of profit and loss

€'000	Note	2022	2021
Revenue		927 358	510 726
Purchases consumed and inventory changes		(609 902)	(271 986)
Other expenses (excl taxes & D&A)	[10]	(351 341)	(193 580)
Taxes	[10]	(4 091)	(2 190)
Depreciation and amortization of tangibles and other intangible assets		(40 500)	(23 735)
Amortization of customer relationship		(28 473)	(23 096)
Other operating expenses	[10]	(20 654)	(2 353)
Operating result		(127 603)	(6 214)
Finance income		1 050	660
Finance costs		(58 455)	(36 312)
Financial result	[11]	(57 406)	(35 651)
Profit/(loss) before income tax		(185 009)	(41 865)
Income tax	[12]	9 586	4 878
Net result of the year		(175 423)	(36 987)
Attributable to:			
Non-controlling interests		201	92
Group share		(175 624)	(37 079)

2. Consolidated statement of comprehensive income

€'000	2022	2021
Net Result of the year	(175 423)	(36 987)
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(1 614)	593
<i>Items that will not be reclassified to profit or loss</i>		
Re-measurements of post-employment benefit obligations	1 393	694
Tax relating to components of other comprehensive income	(348)	(173)
Other comprehensive income for the period, net of tax	(569)	1 114
Total comprehensive income / (expense) for the period	(175 992)	(35 874)

3. Consolidated statement of financial position

	Notes	31 December 2022	31 December 2021
Goodwill	[9]	619 796	502 458
Intangible assets	[14]	334 235	262 230
Property, plant & equipment	[15]	242 297	144 641
Right-of-use assets	[16]	58 071	16 454
Other non-current assets	[17]	1 245	1 943
Deferred tax assets	[12]	13 819	1 915
Non-current assets		1 269 463	929 642
Inventories	[18]	106 272	55 000
Trade receivables	[19]	77 364	47 401
Current tax receivables	[20]	13 006	7 153
Other current assets	[21]	13 422	8 683
Cash and cash equivalent	[22]	64 325	27 025
Current assets		274 390	145 262
Total Assets		1 543 853	1 074 905
Share capital and premium	[23]	496 567	316 567
Retained earnings		(242 819)	(69 002)
Other reserves		(1 476)	138
Non-controlling interests		1 324	1 124
Equity		253 596	248 827
Borrowings (non-current)	[24]	901 835	620 941
Borrowings (non-current) - Leases	[24]	49 910	13 636
Deferred tax liabilities	[12]	75 642	56 553
Provisions (non-current)	[25]	147	143
Employee benefit obligations (non-current)	[26]	8 774	6 813
Non-current liabilities		1 036 308	698 086
Borrowings (current)	[24]	16 562	8 645
Borrowings (current) - Leases	[24]	8 746	3 475
Provisions (current)	[25]	4 663	4 800
Employee benefit obligations (current)	[26]	144	219
Trade payables	[27]	164 536	72 798
Current tax payables	[27]	2 106	2 231
Other current liabilities	[27]	57 191	35 823
Current liabilities		253 948	127 991
Total Equity and Liabilities		1 543 853	1 074 905

4. Consolidated statement of changes in equity

€'000	Notes	Share capital	Share premium	Translation reserves	Retained earnings and other reserves	Non-controlling interests	Total
Balance at 1 January 2022		318	316 248	138	(69 002)	1 124	248 827
Net result of the year		-	-	-	(175 624)	201	(175 423)
Share-based compensation	[28]	-	-	-	762	-	762
Other comprehensive income		-	-	(1 614)	1 045	-	(569)
Capital increase		180	179 820	-	-	-	180 000
Other		-	-	-	-	-	-
Balance at 31 December 2022		498	496 068	(1 476)	(242 819)	1 324	253 596

€'000	Notes	Share capital	Share premium	Translation reserves	Retained earnings and other reserves	Non-controlling interests	Total
Balance at 1 January 2021		318	316 250	(455)	(33 410)	1 038	283 741
Net result of the year		-	-	-	(37 079)	92	(36 987)
Share-based compensation	[28]	-	-	-	762	-	762
Other comprehensive income		-	-	593	520	-	1 114
Capital increase		-	-	-	-	-	-
Other		1	(2)	-	205	(6)	198
Balance at 31 December 2021		318	316 248	138	(69 002)	1 124	248 827

5. Consolidated cash-flow statement

€'000	Notes	2022	2021
Net Result of the year		(175 423)	(36 987)
Adjustment of D&A and provisions		68 199	50 420
Adjustment of change in deferred tax assets and liabilities		(13 793)	(6 649)
Adjustment of non-cash financial costs		51 340	33 663
Adjustment of gain on disposal of assets		(1 790)	(203)
Other eliminations		9 816	699
Adjustments		113 772	77 930
Change in inventory		(6 348)	(2 172)
Change in trade and non-trade receivables		42 935	11 864
Change in trade and non-trade payables		15 523	11 142
Change in working capital		52 110	20 834
Cash generated from operations		(9 541)	61 777
Acquisition of property, plant & equipment		(20 449)	(20 159)
Acquisition of intangible assets		(3 186)	(2 912)
Proceeds from sale of property, plant & equipment		2 281	1 364
Acquisition costs		(9 818)	(816)
Acquisition of subsidiaries, (net of debt repayment) net of cash acquired*	[8]	(326 939)	(47 968)
Cash flow used in investing activities		(358 110)	(70 491)
Proceeds from issues of shares and other equity		180 000	
Proceeds from borrowings		311 899	38 820
Payments of interests related to borrowings		(37 158)	(29 999)
Payments related to borrowings		(39 810)	(952)
Payments related to other financial debts, under sale-and-leaseback contracts		(622)	
Payments related to financial lease liabilities		(9 027)	(4 238)
Cash flow generated from financing activities		405 282	3 630
Impact of change in foreign exchange rate		(330)	17
Cash flow		37 300	(5 066)
Cash and cash equivalents - Beginning of the period		27 025	32 092
Change in cash and cash equivalents		37 300	(5 066)
Cash and cash equivalents - End of the period		64 325	27 025

* Cash of CB at 22 March 2022

IV. Notes to the consolidated financial

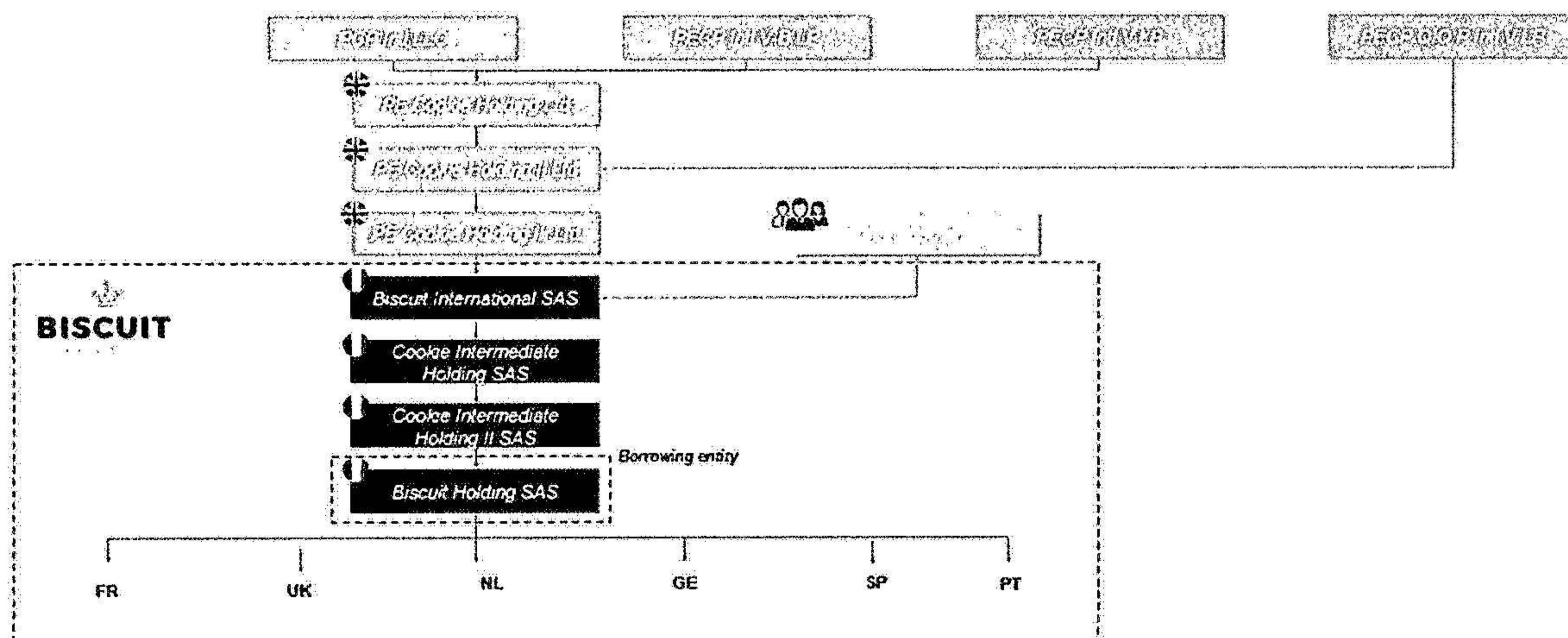
1. Corporate information

Biscuit International S.A.S. (formerly Cookie Holding S.A.S) is a French simplified joint stock company listed in the Paris Companies Register under number 879 975 142. Its registered office is located at 27 avenue de l'Opéra, 75001 Paris, France.

The ultimate parent companies of Biscuit International S.A.S. are Platinum Equity Capital Partners International V (Cayman) L.P., a Cayman Islands limited partnership, Platinum Equity Capital Partners International V-B (Cayman) L.P., a Cayman Islands limited partnership, Platinum Cookie Principals International (Cayman) L.L.C., a Cayman Islands limited liability company, and Platinum Equity Capital QIQ Partners International V (Cayman) L.P., a Cayman Islands limited partnership.

On 14 February 2020 (the "Acquisition Date"), Cookie Holding S.A.S. (now Biscuit International S.A.S.), indirectly controlled by certain investments vehicles advised by Platinum Equity Advisors, LLC (a Delaware (USA) limited liability company), acquired all the shares and voting rights of the former Biscuit International S.A.S. (now merged into Biscuit Holding S.A.S.) under the terms of a Securities Purchase Agreement signed on 23 December 2019 ("the Transaction").

Several legal restructuring operations subsequently took place (in particular, the former Biscuit Holding S.A.S. and Biscuit International S.A.S. merged into the former Cookie Acquisition S.A.S. and the latter was subsequently renamed into Biscuit Holding S.A.S. while Cookie Holding S.A.S. was renamed into Biscuit International S.A.S.) as a result of which the group's structure is simplified as follows at 31 December 2021:



2. List of consolidated companies

At 31 December 2022

	Company	Registered office	Consolidation rate	Interest rate	Control rate	Consolidation method
SAS	BISCUIT INTERNATIONAL	75 - Paris	100%	100%	100 %	FC
SAS	COOKIE INTERMEDIATE I	75 - Paris	100%	100%	100 %	FC
SAS	COOKIE INTERMEDIATE II	75 - Paris	100%	100%	100 %	FC
SAS	BISCUIT HOLDING	75 - Paris	100%	100%	100 %	FC
SAS	BISCUITS POULT	82 - Montauban	100%	100%	100 %	FC
SAS	PANIER	29 - Briec	100%	100%	100 %	FC
SAS	BISC.FOUESNANTAISE	29 - Fouesnant	100%	100%	100 %	FC
SAS	BISC.ROUGIER	45 - Sully sur Loire	100%	100%	100 %	FC
SAS	BISCUIT INTERNATIONAL (FRANCE)	82 - Montauban	100%	100%	100 %	FC
BV	BANKETGROEP HOLDING INTERNATIONAL BV	Langedijk (NLD)	100%	100%	100 %	FC
BV	BANKETGROEP HOLDING BV	Langedijk (NLD)	100%	100%	100 %	FC
BV	BANKETGROEP BEHEER BV	Langedijk (NLD)	100%	100%	100 %	FC
BV	NEERLANDIA BANKET BV	Langedijk (NLD)	100%	100%	100 %	FC
BV	BANKETGROEP BV	Langedijk (NLD)	100%	100%	100 %	FC
BV	WAFEL JANSSEN BV	Langedijk (NLD)	100%	100%	100 %	FC
GMBH	AW.FENBACKWAREN	Eschweiler (DE)	100%	100%	100 %	FC
GMBH	BISCUIT INTERNATIONAL (GERMANY)	Eschweiler (DE)	100%	100%	100 %	FC
BV	STROOPWAFEL & CO	Zuid-Beijerland(NLD)	100%	100%	100 %	FC
LTD	NORTHUMBRIAN FINE FOODS LIMITED	Gateshead (UK)	100%	100%	100 %	FC
LTD	BISCUIT INTERNATIONAL (UK)	Gateshead (UK)	100%	100%	100 %	FC
SLU	BISCUIT INTERNATIONAL (IBERICA)	Madrid (SPA)	100%	100%	100 %	FC
SLU	ARLUY	Arrubal (SPA)	100%	100%	100 %	FC
SLU	GLOBAL BISCUITS	Arrubal (SPA)	100%	100%	100 %	FC
SA	DAN CAKE	Póvoa de Santa Iria (POR)	100%	100%	100 %	FC
IN	DANESITA PHADNIS FOOD IND.	Pune (IND)	0%	0%	0%	AHFS
BV	NIEUWKO HOLDING	Langedijk (NLD)	100%	100%	100 %	FC
BV	BAKKERIJ BOL	Langedijk (NLD)	100%	100%	100 %	FC
BV	DE AVIATEUR BEHEER	Langedijk (NLD)	100%	100%	100 %	FC
BV	PRODUKTIEMAATSCHAPPIJ DE AVIATEUR	Langedijk (NLD)	100%	100%	100 %	FC
BV	DE AVIATEUR BANKETBAKKERIJEN	Langedijk (NLD)	100%	100%	100 %	FC
BV	DRIEHOEK HOLDING	Alkmaar (NLD)	100%	100%	100 %	FC
BV	FRULING	Dalfsen (NLD)	100%	100%	100 %	FC
BV	VAST HOLDING	Langedijk (NLD)	100%	100%	100 %	FC
BV	GROOTENDORST BANKET	Ochten (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES HOLDING	Dordrecht (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES	Dordrecht (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES (HAUST)	Dordrecht (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES (DORDRECHT)	Dordrecht (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES (GOIRLE)	Goirle (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES (RUCPHEN)	Rucphen (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES (DEVENTER)	Deventer (NLD)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES (KIEL)	Kielwindeweer (NLD)	100%	100%	100 %	FC
GMBH	CONTINENTAL BAKERIES DEUTSCHLAND	Gronau (DE)	100%	100%	100 %	FC
SPRL	CONTINENTAL BAKERIES BELGIUM	Ghislenghien (BE)	100%	100%	100 %	FC
SARL	HAUST FRANCE	Boulogne Billancourt (FR)	100%	100%	100 %	FC
GMBH	STIEFFENHOFER VERWALTUNGSGESELLSCHAFT	Gronau (DE)	100%	100%	100 %	FC
GMBH	CONTINENTAL BAKERIES HOLDING & SERVICES	Gronau (DE)	100%	100%	100 %	FC
AB	CONTINENTAL BAKERIES SWEDEN HOLDING	Örkelljunga (SWE)	100%	100%	100 %	FC
AB	CONTINENTAL BAKERIES NORTH EUROPE	Örkelljunga (SWE)	100%	100%	100 %	FC
GMBH	GRABOWER SÜSSWAREN	Grabow (DE)	100%	100%	100 %	FC
SPRL	GRANCO	Enghien (BE)	100%	100%	100 %	FC
SPZOQ	DELICPOL	Kamyk (POL)	100%	100%	100 %	FC
BV	CONTINENTAL BAKERIES REAL ESTATE DORDRECHT	Dordrecht (NLD)	100%	100%	100 %	FC
BV	JORRITSMA HOLDING	Dokkum (NLD)	100%	52%	52 %	FC
BV	BAKKERIJ JORRITSMA	Dokkum (NLD)	100%	52%	52 %	FC
BV	JORRITSMA VASTGOED	Dokkum (NLD)	100%	52%	52 %	FC

3. Basis of preparation

The attached consolidated financial statements for the years ended have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted in the European Union as of 31 December 2022.

They were drawn up based on the accounting records converted into IFRS of the subsidiaries of Biscuit International S.A.S. (together with the Company: "the Group").

All group companies have a fiscal year ending on 31 December.

The financial statements are presented in Euro and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

3.1. Change of control in February 2020

The Transaction is deemed to be a change of control under the terms of (i) the bond indenture concluded by Biscuit International S.A.S. (now merged to Biscuit Holding S.A.S.) relating to the bond issues on 28 July 2017, 15 March 2018, and 5 June 2018, and (ii) the Senior Facilities Agreement concluded by Biscuit Holding S.A.S. on 28 July 2016 and amended on 15 December 2017, 3 July 2018, and 5 June 2019. This change of control resulted in all bonds and sums loaned to become due and repayable in principal and interest as of 14 February 2020, and the credit lines granted were terminated and all corresponding financial securities were released.

The new financial facilities consisting of Senior Facilities and a Second Lien Facility are detailed in note 24 hereafter.

3.2. Comparative periods

Prior to the Acquisition Date of 14th February 2020, Biscuit International S.A.S. (the former Cookie Holding S.A.S.) had no substance, no activity and no subsidiary. Result of this period does not include any transactions resulting from the Transaction.

On 30 April 2021, Biscuit Holding S.A.S. acquired all the shares of Dan Cake S.A. (Portugal). The actual 2021 results presented here in the consolidated financial statements are with the inclusion of the results of Dan Cake (Portugal) from that date onwards.

On 22 March 2022, Biscuit Holding S.A.S. acquired all the shares of Continental Bakeries Holding B.V. (Netherlands) (this is detailed in note 8 below). Continental Bakeries is a leading European manufacturer of private label sweet biscuits, bread replacements and toast. It employs more than 1800 people, and its manufacturing operations consist of 13 production facilities in the Netherlands, Belgium, Germany, Poland, and Sweden.

3.3. Purchase price allocation

As a result of the Transaction, the Company is deemed to be the acquirer for accounting purposes. The Transaction was accounted for using the acquisition method of accounting.

The Purchase Price Allocation (PPA) exercise has been prepared in accordance with International Financial Reporting Standards (IFRS) and is reflected in the consolidated financial statements of Biscuit International S.A.S. for the years ended 31 December 2021 and 31 December 2022. See note 8 for details.

3.4. Going concern

The Group meets its day-to-day working capital requirements through its available cash at bank and several standard factoring facilities. In addition, the group has a committed revolving credit facility ("RCF") of €85m, available until 14 August 2026. At 31 December 2022, €84.0m are drawn.

The Group's forecasts and projections, taking account of reasonably possible changes in trading and taking into account 2023 new secured first lien note received from shareholder, show that the Group should be able to continue operate within the level of its current facilities. Further information on the Group's borrowings is given in note 24.

The special purpose consolidated financial statements were prepared on a going concern basis. The Group performs regular cash forecasts which have not revealed any liquidity issue.

The Company is not aware of any material uncertainties that would question its ability to continue as a going concern or the accounting estimates of the assets and liabilities recorded as at 31 December 2022.

4. Covid-19 impact assessment

The outbreak of Covid-19 began to affect the Group's operations in March 2020. Impact on our business, financial condition, and results of operations is limited in 2022. It has now become materially impossible to disentangle its effects from "standard performance" of operations. Additionally, the out-of-home and travel retail businesses, our highest margins channels, have been bouncing back after two years of nearly total interruption.

The non-recurring costs relate to absenteeism or sickness costs, productivity losses and inventory write-offs. Absenteeism for sickness in the Netherlands are not covered by national insurance schemes – unlike the other countries in which we operate).

The non-recurring costs related to absenteeism or sickness costs, productivity losses and inventory write-offs amounted to €1.1m for the year 2022, compared to the €4.5m for the year 2021.

5. Russia/Ukraine

Food commodity and Energy inflation

In 2021, supply constraints and increasing demand caused food raw material and packaging prices to increase significantly.

In the fourth quarter of 2021, prices for several commodities were significantly above historical norms and the market experienced extended delivery lead times and supply shortages across a variety of packaging formats.

The easing of these constraints anticipated by market commentators for 2022 did not materialise. Instead, the war in Ukraine and the disruption it caused to Food commodities and Energy supplies for Europe, accelerated the increases of food raw materials, packaging and energy costs.

Direct impact

Biscuit International does not have any local sales or manufacturing operations in Russia or Ukraine: total sales to these regions amount to 0.1% of turnover and we do not source any ingredients from Russian or Ukrainian producers directly. We do not have any relationships with Russian or Ukrainian financial institutions, or with any politically exposed persons.

Indirect impact

Biscuit International is significantly impacted by the increasing prices and supply security challenges described above. All raw material costs have inflated, in some cases by as much as 50%, as well as Energy. We have also seen suppliers renege on existing supply agreements and fail to make contracted deliveries.

In 2022, we actively engaged in several rounds of price renegotiations with our customers and have agreed substantial increases versus the prices originally contracted for the year. However, the unexpected exceptional circumstances mean that, in 2022, such pass-through is subject to some lag and consequently our margins are reduced. This pressure on margins should start easing in the coming months thanks to successful price increases with customers.

6. Basis of consolidation

A subsidiary is an entity controlled, directly or indirectly, by Biscuit International S.A.S.. Control is deemed if the Company has the power to govern, directly or indirectly, the financial and operating policies of the entity so as to obtain benefits from its activities.

The list of entities included in the scope of the consolidation is detailed in note 2.

Full consolidation consists in:

- Incorporating into the accounts of the consolidating entity the items in the accounts of the consolidated entities, after any restatements;

- Allocating the shareholders' equity and net income between the interests of the consolidating entity, known as "Group Share", and the interests of other shareholders or partners referred to as "Non-controlling interests";
- Eliminating transactions and accounts between the fully consolidated entity and the other consolidated entities.

In the consolidated financial statements, the following items are eliminated:

- Reciprocal accounts of receivables and payables;
- Internal Group transactions (purchases, sales, dividends, and internal margins, etc.);
- Provisions, if any, established in respect of consolidated entities;
- Any other transaction involving two or more Group entities.

7. Summary of accounting policies,

7.1. Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the application of accounting methods and the reported amounts of assets and liabilities, income and expenses, and the disclosure of contingent assets and liabilities.

The estimates and underlying assumptions are established on the basis of the information available at the time of their preparation. These estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual future results may differ from these estimates. Management is required to revise these estimates based on past experience and its view of the market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Goodwill depreciation and recoverability

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

The Group performs an impairment test at least once a year, or when there is any indication that goodwill may have lost significant value. On a yearly basis or if there is an indication of a loss in value, an impairment test is carried out on the basis of medium-term assumptions adopted by the Group, mainly using the discounted future cash flow method. An exceptional depreciation is recorded if the recoverable value of goodwill falls below its net book value.

The goodwill on the closing balance sheet date is the gross goodwill arising from the purchase price allocation. A comprehensive purchase price allocation exercise has been prepared in accordance with IFRS 3 and its conclusions have been reflected in these consolidated financial statements – Refer to dedicated note 8.

For sales, production and internal reporting, the Group is organised into geographic regions comprising legal entities regrouped into Business Units, whose cash inflows is a combination of sales from own manufactured products and sales from products manufactured in other Business Units ("cross-selling") for the same customer groups. Due to the European nature of our customer base, the importance of cross-selling into the Group's activity and development (>35%), the inter-dependency between Business Units on a number of internal shared resources (purchasing, marketing, strategy etc.) and the practical difficulties of disentangling independent cash inflows generated by the manufacturing group of assets or by changes in working capital, at a lower level than the Group's, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets (ie the Cash Generating Units) is the whole group itself. Accordingly, goodwill is monitored at group level only.

Fixed assets depreciation and amortisation

Amortisation is determined on the basis of the expected rate of consumption of the economic benefits per asset item on the basis of the acquisition cost, according to their probable use. The depreciation periods are reviewed annually and are modified if the expectations differ from the previous estimates. These changes in estimates are recognised prospectively.

Depreciation of intangible and amortisation of tangible assets are recorded if, as a result of events or circumstances occurring during the period, their recoverable amount appears to be permanently lower than their net book value. Impairment tests may be performed by comparing the recoverable value with their net book value. If an impairment loss appears necessary, the amount recorded is equal to the difference between the net book value and the recoverable amount. The recoverable amount is the higher of fair value less disposal costs and value in use.

Pensions and other post-employment benefits

Long-term commitments relating to long-service awards (in France and to some extent in the Netherlands) as well as lump-sum indemnities due upon retirement (in France) are recognised as liabilities in the statement of financial positions. The valuation of the liability is dependent on assumptions made regarding discount rates, long-term inflation rates, mortality tables, as well as assumptions for salary increases and departures.

Due to the complexity of these actuarial valuations, the underlying assumptions and the long-term nature of these commitments, such estimates are subject to uncertainty. Further details are given in note 0.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has some lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made concerning the amount of the obligation.

The Group measures its provisions based on facts and circumstances relating to present obligations at the end of the reporting period, its experience in this area and the best of its knowledge available at the reporting date.

If the expected outflow of resources is offset by income, an asset is recognised when this income is virtually certain. Contingent assets are not recognised.

6.2. Other accounting policies

Revenue

Revenues are included in the statement of profit and loss when it is probable that the Group will receive economic benefits from the transaction and the revenues can be measured reliably.

Sale of goods and delivery of services: Revenue is deemed to have been earned when control of the product is transferred to the purchaser and any uncertainty has been removed in terms of the collection of the agreed amount, transaction costs and any return of the goods.

Other income

Financial income (interests, dividends, royalties, etc.) are considered realised once it is probable that the Group will receive the economic benefits from the transaction and the revenues can be measured reliably.

Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the local taxation authorities. The tax rates used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred taxes are calculated using the balance sheet method and result mainly from temporary differences between the carrying amount of both assets and liabilities in the balance sheet and their respective taxable base. Deferred taxes are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date. Deferred taxes are recognised at their nominal value and are not discounted.

The tax rates currently used are: 25% in France, 25.8% in the Netherlands, 25% in Spain, 19% in the UK, 21% in Portugal, 29.8% in Germany, 25% in Belgium, 20.6% in Sweden and 19% in Poland.

Deferred tax assets from deductible temporary differences and unused tax loss carry forwards are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reassessed at each reporting date and reduced when it is no longer probable that the related tax savings can be generated. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future taxable profits allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Business combinations

When a company is acquired, the acquisition cost is allocated, on the basis of their fair value, to the identifiable assets and liabilities of the acquired company. The fair value of identifiable intangible assets, such as trademarks and licences, is determined by reference to the generally accepted methods, such as those based on revenue, costs, or market value.

The difference between the Group interests in the fair value of the identifiable assets and liabilities of the acquired company is recorded as an asset in the statement of financial position under the heading "Goodwill" if it is positive, and as a gain in P&L if it is negative.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current and non-current classification.

An asset is deemed current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is presented as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are converted into functional currency at the exchange rate on the dates of the transactions or, in practice, at a rate that approximates the exchange rate on the trade date.

Conversion of financial statements drawn up in foreign currencies

The financial statements of the consolidated entities are prepared in the entity's functional currency which is the entity's local currency unless specified otherwise

Financial statements prepared in foreign currencies are converted using the closing rate method:

- Assets and liabilities are converted into euros at the closing exchange rate of the reporting date;
- Equity items are converted at the historical exchange rate;
- Income statement items and cash flow are converted into euros at the average rate for the year;
- The resulting conversion difference is recorded in the equity a separate component called "Conversion reserve" and the distinction is made between the "Group Share" and the share of "Non-controlling interests". The change of this conversion reserve over a period is recorded under equity.

This applies only to Northumbrian Fine Foods Ltd and Biscuit International (UK) Ltd, whose financial statements are prepared in Pounds Sterling.

Foreign currencies conversion difference

The unrealized conversion differences on assets and liabilities recorded on receivables and payables in foreign currencies are recorded in the consolidated statement of profit and loss as financial result.

Share-based payments

Certain employees of the Group receive remuneration in the form of equity-settled share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The (non-cash) cost of these transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and /or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent of fulfilment of the vesting period and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in "other non-current expenses".

Investment subsidies

Subsidies are considered as income to be applied against the results of future fiscal years. Accordingly, subsidies are recorded as deferred income and the part which is booked in the profit and loss account in the individual financial statements is retained in the consolidated profit and loss.

Intangible assets and properties, plants and equipment

The gross value of fixed assets corresponds to their historical acquisition or production cost.

Where applicable, the total cost of the tangible asset is allocated among its various components, each item being accounted for separately. This is the case if the various components of an asset have different useful lives or if they provide benefits to the company at a different pace, requiring the use of different depreciation rates and methods.

The Group opted for the preferred method of capitalising development costs.

After initial recognition, these fixed assets are accrued at cost less accumulated amortisation, depreciation and impairment loss.

Depreciation and amortisation were determined on the basis of the expected rate of consumption of the economic benefits per asset item on the basis of the acquisition cost, according to their probable use.

As such, the following useful lives are generally used:

- Software	1 to 5 years
- Client relationship	13 years
- Brands	20 years
- Constructions	6 to 50 years
- Plant, property and equipment	2 to 20 years
- Furniture, office, and computer equipment	2 to 10 years
- Transport equipment	4 to 8 years

These depreciation periods are reviewed annually and are modified if the expectations differ from the previous estimates. These changes in estimates are recognised prospectively.

Impairment loss on intangible and tangible assets is recorded if, as a result of events or circumstances occurring during the reporting period, their recoverable amount appears to be permanently lower than their net book value. Impairment tests may be performed by comparing the recoverable value with their net book value. If an impairment loss appears necessary, the amount recorded is equal to the difference between the net book value and the recoverable amount. The recoverable amount is the higher of fair value less disposal costs and value in use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Constructions: 32 years, relating to the warehouse rent;
- Plant, property & equipment: 5 years on average, ranging from 1 year to 7 years;
- Other: 1 year to 5 years, relating to vehicles and office rents.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price

of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Other non-current assets – Financial assets

Financial assets consist of loans, deposits, and sureties. They are measured at carrying value based on the amounts paid.

Inventories

Goods and supplies are valued at the purchase price plus ancillary costs.

Raw material and packaging are valued at their weighted average cost price.

Spare parts, defined as inventory, are valued at their weighted average cost.

Products manufactured and work in progress are valued at their production cost, which includes consumption and direct and indirect production costs.

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Write-down of inventory and work-in-progress is recorded, where necessary, in order to reflect their current value at the reporting date.

No financial expenses are included in the cost price of the inventory.

Trade receivables

Receivables

Receivables are measured at their carrying value.

The company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Where appropriate, impairment of receivables is recorded to reflect a lower recoverable value. The need of impairment is determined on a customer-by-customer basis.

Assignment of trade receivables

Short-term trade receivables assigned in a factoring arrangement with recourse are not derecognised in the balance sheet unless the risks and rewards from holding the asset are transferred to the factor.

Cash and cash equivalents

Cash includes liquidity in bank current accounts.

Marketable securities and cash instruments are recorded as assets at their acquisition cost, with any unrealised losses depreciated.

Financial liabilities

Financial liabilities are initially recognised at fair value, less transaction fees and are subsequently measured at amortised cost at each balance sheet date. Thus, transaction fees, issuance premiums, redemption premiums and any other difference between the net proceeds from the issuance and the final redemption value are amortised over the duration of the debt instrument using the effective interest rate method. The effective interest rate is the rate that discounts exactly the future cash flows (principal and interest) over the term of the instrument, to an amount that is equal to the initial carrying value of the instrument.

Interest expenses are recorded based on the effective interest rate, not the nominal interest rate.

Provisions

Provisions are recognised when:

- the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- and a reliable estimate can be made of the amount of the obligation.

Pensions and other post-employment benefits

Long-term commitments relating to long-service awards (in France and to some extent in the Netherlands) as well as lump-sum indemnities due upon retirement (in France) are defined benefits obligations and recognised as liabilities in the statement of financial position.

The liability or asset recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of any plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The valuation of the liability is dependent on assumptions made regarding discount rates, long-term inflation rates, mortality tables, as well as assumptions for salary increases and departures.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Pension schemes in the countries in which the Group operates are administered through such defined contributions schemes. Accordingly, there are no liability recognised in the statement of financial position in this respect.

Derivative financial instruments

The Group may use derivative financial instruments to manage its exposure to some transactions in foreign exchange, and never for trading purposes.

In applicable, such derivative financial instruments are initially recognised at their fair value and are subsequently measured to their fair value through profit or loss.

New IFRS standards applied in advance for the year ended 31 December 2022

None.

8. Business combinations

Acquisition of Dan Cake (Portugal) in April 2021

On 30 April 2021, Biscuit Holding S.A.S. acquired all the shares of Dan Cake S.A. (Portugal). That transaction qualifies as business combination in the scope of IFRS 3.

A Purchase Price Allocation (PPA) exercise has been prepared in accordance with IFRS 3. The consideration transferred corresponds to €51.4m (of which €51.4m in cash).

The calculated goodwill is presented as follows :

Fair value of assets acquired and liabilities assumed in the acquired entity	€'000
Intangible assets	29
Tangible assets	26 435
Deferred tax assets & other non-current assets	146
Trade Working Capital	4 367
Non-trade working capital	(3 709)
Borrowings including Leases	(210)
Cash	3 396
Provisions & Employee benefit obligations	-
Deferred tax liabilities	(4 038)
Net identifiable assets acquired	26 416
Goodwill at acquisition	24 948
Consideration transferred	51 364
of which:	
- cash paid	51 364
Analysis of cash flow at acquisition	€'000
Net cash acquired with the subsidiary	3 396
Cash paid	(51 364)
Net cash outflow	(47 968)

The purchase price for 100% of the shares has been allocated as follows:

- Property & Plants have been revalued at their fair market value (gross impact at 30 April 2021: +€14.2m) based on a comprehensive independent real estate appraisal;
- Net (remaining) preliminary Goodwill arising from the Purchase Price Allocation exercise amounts to €24.9m.

No asset or liability has been recognised in relation to the arbitration proceeding before the International Centre for Settlement of International Disputes between Dan Cake (Portugal) and the Hungarian State, as this has resulted in a corresponding adjustment of the purchase price paid to the sellers, in accordance with the SPA.

Similarly, Danesita Phadnis Food Ind. Ltd, incorporated in India, a 67%-owned dormant subsidiary of Dan Cake (Portugal) is not consolidated at 31 December 2022 as a liquidation or carve-out process has been initiated and against which the previous owners of Dan Cake (Portugal) have committed to hold Biscuit International harmless of any adverse consequences.

No step-up of the inventory has been reflected on the acquisition date as this was deemed immaterial by Management.

Acquisition of Continental Bakeries in March 2022

On 22 March 2022, Biscuit Holding S.A.S. acquired all the shares of Continental Bakeries Holding B.V. That transaction qualifies as business combination in the scope of IFRS 3.

A Purchase Price Allocation (PPA) exercise has been prepared in accordance with IFRS 3. The consideration transferred corresponds to €335.3 m (of which €335.3m in cash, including repayment of predecessor external debt for an amount of €191.5m).

The table below summarises the consideration paid together with the provisional fair values of assets acquired and liabilities assumed. Work to establish the fair values was performed by the Management, who are deemed to be sufficiently expert in the field and are well positioned within the business to be able to perform the valuation. The valuation of Property and Plants was performed by an independent real estate appraiser.

The calculated preliminary goodwill is presented as follows :

Fair value of assets acquired and liabilities assumed in the acquired entity	€'000
Intangible assets	97 404
Tangible assets	111 904
Deferred tax assets & other non-current assets	11 704
Trade Working Capital	67 330
Non-trade working capital	(34 117)
Borrowings including Leases	(12 269)
Cash	8 368
Provisions & Employee benefit obligations	(3 913)
Deferred tax liabilities	(28 922)
Net identifiable assets acquired	217 488
Goodwill at acquisition	117 818
Consideration transferred	335 307
of which:	
- cash paid	335 307
Analysis of cash flow at acquisition	€'000
Net cash acquired with the subsidiary	8 368
Cash paid	(335 307)
Net cash outflow	(326 939)

The purchase price for 100% of the shares has been allocated as follows:

- Customer relationship: The Management has identified a "Customer Relationship" intangible asset corresponding to the fair value of the long-term commercial relationship with its client groups (over 20 to 30 years with some major players). This intangible asset is amortized over 13 years;
- Brands: the value of the "Gille" brand, distributed in Sweden, has been recognised based on its pricing power over similar products sold with private labels. This brand is amortized over 20 years;
- Properties & Plants have been revalued at their fair market value based on a comprehensive independent real estate appraisal;
- Other liabilities are related to pension liabilities (€-2.7m) and tax liabilities (€-0.6);
- Net (remaining) preliminary Goodwill arising from the Purchase Price Allocation exercise, which amounts to €117.8m.

No step-up of the inventory has been reflected on the acquisition date as this was deemed immaterial by Management.

Disposal of Tincidunt B.V. in September 2022

A Purchase Option (dated 14 July 2017) for the sale of Tincidunt B.V. (a non-operating entity acquired as part of the Aviateur group in October 2019) was notified on 11 May 2022. An agreement was found on 8 July 2022 with the buyers and Tincidunt B.V. was disposed on 12 September 2022 for a total cash consideration of €0.4m.

9. Goodwill

The carrying value of goodwill at 31 December 2022 is €619.8m, as determined below.

€'000	31 December 2021	Acquisition	Adjustment	Impairment	31 December 2022
Gross goodwill	502 458	117 818	(480)	-	619 796
Net value	502 458				619 796

€'000	1 January 2021	Acquisition	Adjustment	Impairment	31 December 2021
Gross goodwill	477 030	25 428	-	-	502 458
Depreciation and amortisation of goodwill	-	-	-	-	-
Net value	477 030				502 458

At 31 December 2022, we compared the carrying value of the goodwill with its recoverable amount, based on the present value of the expected future cashflows (arising from the most recent 5-year business plan and extrapolated by applying a 2.0% long-term growth rate and applying a WACC of 9.8%), and did not identify that the carrying value of the goodwill should be impaired.

The Group additionally performed a sensitivity analysis and concluded that a 0.5% increase in the discount rate, or a 0.5% decrease in the growth rate, would not generate recoverable amounts for capital employed below net book value for the groups of CGUs tested.

10. Operating expenses

Other expenses (excl. taxes and D&A)

Other operating expenses amounted to €351.3m for the year ended 31 December 2022 and include:

€'000	2022	2021
Employee benefit expenses	(170 126)	(98 231)
Transport	(54 492)	(21 909)
Third-party services	(94 798)	(54 832)
Maintenance and repairs	(12 085)	(7 148)
Other	(19 840)	(11 460)
Other operating expenses (excl taxes & D&A)	(351 341)	(193 580)

The Group entered in an emphyteutic lease for the building of Aire-Sur-l'Adour with a positive result of €1.8m€.

The Group personnel expenses are mainly employee remuneration and social security charges.

€'000	2022	2021
Employee remuneration	(136 123)	(79 480)
Social security charges	(30 561)	(16 480)
Other personnel expenses	(3 443)	(1 575)
Employee profit-sharing	0	(695)
Employee benefit expenses	(170 126)	(98 231)

External and internal costs of research and development are expensed to the profit and loss statement during the year in which they are incurred when they do not meet the criteria for capitalisation.

Average workforce breakdown (Full Time Equivalent)	31 December 2022 (FTE)	31 December 2021 (FTE)
Executives and supervisors	199	120
Employees	331	183
Workers	3 652	1 872
Total FTE	4 182	2 175

The acquisition of Continental Bakeries added 1887 FTEs to the Group total at 22 March 2022.

Taxes (other than corporate income taxes)

Taxes include taxes on remuneration, property taxes, tax on oils and sales taxes. They are primarily incurred by the French subsidiaries.

€'000	2022	2021
Taxes on remuneration	(383)	(682)
Other taxes	(3 708)	(1 508)
Taxes	(4 091)	(2 190)

Other operating expenses

For the year ended 31 December 2022, other operating expenses mainly consist of acquisition costs, share-base payment expenses and costs of pension plan indexation in the Netherlands, respectively for €12.6m, €0.8m and €7.1m.

11. Financial result

€'000	2022	2021
Interests on borrowings	(44 570)	(30 396)
Interests on borrowings - lease liabilities	(943)	(488)
Currency exchange gains and losses	(1 883)	325
Other financial expenses	(4 057)	(2 144)
Amortization of loan issuance costs	(5 952)	(2 948)
Financial result	(57 406)	(35 651)

For the year ended 31 December 2022, the Group reported a net financial expense of €57.4m, which mainly consists in:

- €44.6m interests on borrowings and €6.0m amortisation of new debt issuance costs (out of a total of €40.6m, of which €23.5m capitalised in 2020 and €17.1m in 2022).
- €1.9m net foreign exchange losses;
- Other financial expenses for a total of €4.1m (including Agents fees and RCF commitment fees for a total of €0.7m);

12. Income tax

Income tax

Income tax booked in the profit and loss account for the year ended 31 December 2022 breaks down as follows:

€'000	2022	2021
Income tax due	(1 214)	(1 602)
Deferred tax	10 800	6 480
Income tax	9 586	4 878

Reconciliation between statutory income tax applicable in France and actual income tax expense

The major components of income tax for the period ended 31 December 2022 year are:

€'000	2022	2021
Net income / (loss) for the consolidated group before tax	(185 009)	(41 865)
Theoretical tax rate applicable	25,0 %	27,5 %
Theoretical tax credit / (expense)	46 252	11 513
Tax credit / (expense) recorded	9 586	4 878
Tax difference	(36 666)	(6 635)

Reconciling items

Permanent differences	(30 077)	226
Non-deductible financial expenses on tax consolidation	(6 215)	(4 584)
Finalization of deferred tax on 2020 PPA	-	(588)
Effect of change in tax rate	(449)	(1 675)
Foreign tax rate effect	341	(88)
Tax impact of CVAE	(300)	(372)
Miscellaneous	34	445
Total	(36 666)	(6 635)

Tax consolidation regimes

The Group benefits from tax consolidation regimes in France (comprising all the French entities), in the Netherlands (comprising all the Dutch entities in two groups: legacy Biscuit International and legacy Continental Bakeries) and in Germany (for the legacy Continental Bakeries entities), whereby the local taxable income is determined *as if* the local entities were one from an income tax standpoint.

Deferred tax

Deferred taxes relate to the following items:

€'000	31 December 2021	P&L	Other	Acquisition	31 December 2022	France	Netherlands	Spain	UK	Portugal	Continental Bakeries
Deferred tax assets items											
Fiscal deficits	11 677	2 431	(63)	10 467	24 512	-	7 257	3 373	1 214	1 394	11 275
Pensions & employee benefits	2 124	(108)	(348)	-	1 668	1 668	-	-	-	-	-
Acquisition and finance costs	2 473	1 508	0	-	3 981	4 036	(55)	-	-	-	-
Other	1 882	(486)	(22)	618	1 992	375	60	392	190	(13)	989
Deferred tax liabilities items											
PPA	(69 619)	7 334	53	(26 823)	(89 055)	(57 586)	(2 241)	(655)	-	(3 316)	(25 257)
Accelerated depreciation for tax purposes	(3 176)	121	190	(2 055)	(4 921)	(1 847)	(252)	(11)	(846)	-	(1 964)
Pensions & employee benefits	-	-	-	-	-	-	-	-	-	-	-
Acquisition and finance costs	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets	1 915				13 819		4 922	3 099	557		5 241
Deferred Tax Liabilities	(68 553)				(75 642)	(53 354)	(154)			(1 936)	(20 198)
Total Deferred tax	(54 639)	10 800	(191)	(17 793)	(61 823)	(53 354)	4 768	3 099	557	(1 936)	(14 957)

13. Related party transactions

Related parties include those relevant to all periods presented in the special purpose consolidated financial statements, they are individuals or entities:

- under the control, joint control or significant influence of the Company;
- which control or exercise joint control or significant influence over Company, or
- which are under the common control, joint control or significant influence of Company.

In addition, certain key management personnel of the Company are related parties for the special purpose consolidated financial statements.

Transactions with Platinum Equity

The Group receives regular corporate and advisory services from Platinum Equity Advisors, LLC which amounted to €6.4m for the year ended 31 December 2022, including €2.1m of acquisition fees and €0.9m of financing fees incurred in connection with the acquisition of Continental Bakeries, and €4.9m of regular monitoring fees.

Transactions with key management personnel

There were no transactions with key management personnel other than standard compensations contracted at arm's length.

Compensation and key employment terms of employees, directors, or officers with gross annual compensation of at least €200,000 require the approval of the Group's Supervisory Committee.

14. Intangible assets

The Group's intangible assets amounted to €334.2m as at 31 December 2022 and are mainly composed of a Customer Relationship intangible asset, research costs, concessions, patents and similar rights.

€'000	Research costs	Patents and similar	Customer relationship	Brands	Intangible assets in progress	Other intangible assets	Total
Gross value							
At 31 December 2021	15 007	7 775	299 495	-	2 078	-	324 355
Continental Bakeries acquisition at 31 Mar 2022	207	4 531	94 200	2 416	314	-	101 668
Increase	11	1 587	-	-	1 584	4	3 186
Write-offs	-	-	-	-	-	-	-
Internal transfers	12	2 673	-	-	(752)	-	1 933
Disposals	-	-	-	-	-	-	-
Exchange differences	(1)	(55)	-	(171)	(5)	-	(231)
At 31 December 2022	15 238	16 511	393 695	2 245	3 219	4	430 912
Depreciation and impairment							
At 31 December 2021	(14 275)	(4 589)	(43 260)	-	-	-	(62 125)
Continental Bakeries acquisition at 31 Mar 2022	(207)	(4 057)	-	-	-	-	(4 264)
Increase	(309)	(1 462)	(28 473)	(88)	-	(1)	(30 332)
Write-offs	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Exchange differences	1	39	-	4	-	-	44
At 31 December 2022	(14 791)	(10 068)	(71 733)	(84)	-	(1)	(96 677)
Net book value at 31 December 2022	447	6 443	321 962	2 161	3 219	3	334 235

€'000	Research costs	Patents and similar	Customer relationship	Intangible assets in progress	Other intangible assets	Total
Gross value						
At 31 December 2020	9 295	7 411	299 495	784	19	317 004
Dan Cake (Portugal) acquisition at 30 Apr 2021	5 383	-	-	-	-	5 383
Increase	313	976	-	1 623	-	2 912
Write-offs	-	-	-	-	-	-
Internal transfers	17	(662)	-	(330)	-	(975)
Disposals	-	-	-	-	(19)	(19)
At 31 December 2021	15 007	7 775	299 495	2 078	-	324 355
Depreciation and impairment						
At 31 December 2020	(8 617)	(4 108)	(20 164)	-	(32)	(32 921)
Dan Cake (Portugal) acquisition at 30 Apr 2021	(5 355)	-	-	-	-	(5 355)
Increase	(357)	(1 330)	(23 096)	-	-	(24 783)
Write-offs	-	-	-	-	-	-
Internal transfers	53	882	-	-	13	948
Disposals	-	-	-	-	19	19
Exchange differences	-	(33)	-	-	-	(33)
At 31 December 2021	(14 275)	(4 589)	(43 260)	-	-	(62 125)
Net book value at 31 December 2021	732	3 186	256 234	2 078	-	262 230

15. Property, Plant & Equipment

The Property, Plant & Equipment's net value amounted to €242.3m as at 31 December 2022. They are mainly composed of property, plant, equipment and construction.

€'000	Land	Buildings	Plant & equipment	Other tangible assets	Tangible assets in progress	Advances on tangible assets	Total
Gross value							
At 31 December 2021	13 580	93 644	297 497	34 839	8 012	944	448 516
Continental Bakeries acquisition at 31 Mar 2022	5 860	41 380	234 276	9 930	25 841	-	317 287
Increase	-	1 494	6 318	1 156	11 220	170	20 357
Decrease	(7)	(287)	(5 181)	(1 480)	-	(77)	(7 032)
Internal transfers	2	(23)	8 899	5 677	(18 853)	(996)	(5 294)
Exchange differences	(22)	(791)	(2 599)	(169)	(10)	-	(3 591)
At 31 December 2022	19 412	135 416	539 210	49 953	26 211	41	770 243
Depreciation and impairment							
At 31 December 2021	(456)	(41 318)	(233 203)	(28 899)	-	-	(303 875)
Continental Bakeries acquisition at 31 Mar 2022	(36)	(16 427)	(180 197)	(8 723)	-	-	(205 383)
Increase	(20)	(5 232)	(21 699)	(3 258)	(283)	-	(30 493)
Decrease	-	205	5 062	1 274	-	-	6 541
Internal transfers	-	725	1 969	(70)	-	-	2 624
Exchange differences	0	476	2 018	146	-	-	2 640
At 31 December 2022	(511)	(61 570)	(426 051)	(39 531)	(283)	-	(527 946)
Net book value at 31 December 2021	18 901	73 846	113 159	10 422	25 927	41	242 297

€'000	Land	Buildings	Plant & equipment	Other tangible assets	Tangible assets in progress	Advances on tangible assets	Total
Gross value							
At 31 December 2020	10 186	68 254	241 511	27 698	6 563	562	354 774
Dan Cake (Portugal) acquisition at 30 Apr 2021	3 740	27 347	48 996	6 884	287	-	87 254
Increase	-	951	7 925	651	9 029	944	19 500
Decrease	(348)	(3 121)	(8 811)	(1 247)	-	-	(13 526)
Internal transfers	2	168	7 372	805	(7 867)	(562)	(82)
Exchange differences	-	45	503	49	-	-	597
At 31 December 2021	13 580	93 644	297 497	34 839	8 012	944	448 516
Depreciation and impairment							
At 31 December 2020	(431)	(28 866)	(185 080)	(22 392)	-	-	(236 770)
Dan Cake (Portugal) acquisition at 30 Apr 2021	-	(11 168)	(43 921)	(6 154)	-	-	(61 242)
Increase	(24)	(3 740)	(12 822)	(1 516)	-	-	(18 102)
Decrease	-	2 464	8 732	1 201	-	-	12 397
Internal transfers	(1)	(2)	89	(4)	-	-	82
Exchange differences	-	(6)	(201)	(34)	-	-	(242)
At 31 December 2021	(456)	(41 318)	(233 203)	(28 899)	-	-	(303 875)
Net book value at 31 December 2021	13 124	52 326	64 294	5 940	8 012	944	144 641

16. Leases

The Group has lease contracts for various items of property and equipment used in its operations. Leases of land and buildings generally have lease terms of up to circa 30 years, while leases of other equipment generally have lease terms between 3 and 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period.

€'000	Constructions	Plant, property & equipment	Other tangible assets	Right-of-use assets	Deferred tax assets	Borrowings - Lease
At 31 December 2021	13 905	1 620	929	16 454	110	17 111
Continental Bakeries acquisition at 31 Mar 2022	38 667	2 490	1 812	42 969	-	42 631
Additions	5 617	477	1 456	7 550	85	7 550
Cessions	(9)	(64)	(101)	(174)	-	(176)
Depreciation expense	(5 497)	(1 465)	(1 180)	(8 142)	-	-
Payments	-	-	-	-	-	(9 027)
Transfers	-	-	(249)	(249)	-	-
Interest expense	-	-	-	-	-	917
Exchange differences	(302)	(25)	(9)	(336)	-	(348)
At 31 December 2022	52 381	3 032	2 657	58 071	195	58 657

€'000	Constructions	Plant, property & equipment	Other tangible assets	Right-of-use assets	Deferred tax assets	Borrowings - Lease
At 31 December 2020	15 564	1 240	-	16 804	65	17 077
Dan Cake (Portugal) acquisition	-	-	-	-	-	210
Additions	802	1 800	873	3 475	45	3 475
Cessions	(179)	(23)	(24)	(226)	-	(229)
Depreciation expense	(2 622)	(829)	(494)	(3 945)	-	-
Payments	-	-	-	-	-	(4 238)
Transfers	(1)	(572)	574	2	-	-
Interest expense	-	-	-	-	-	463
Exchange differences	340	4	-	344	-	353
At 31 December 2021	13 905	1 620	929	16 454	110	17 111

The corresponding amounts recognised in profit and loss are as follows:

€'000	2022	2021
Depreciation expense of right-of-use assets	(8 021)	(3 945)
Interest expense on lease liabilities	(943)	(488)
Deferred tax impact	85	45
Expenses relating to short-term leases	(525)	(105)
Expenses relating to leases of low-value assets	(236)	(143)
Expenses relating to variable lease payments and others	(697)	(135)
Total recognised in P&L	(10 338)	(4 771)

The Group had total cash outflows for leases of €9.0m.

17. Other non-current assets

Other non-current assets correspond to financial assets, including various loans to employees and deposits (for leased sites).

€'000	2022	2021
Loans	582	1 579
Sureties	801	498
Other financial assets	26	0
Gross value	1 409	2 077
Impairment on financial assets	(163)	(133)
Net value	1 245	1 943

18. Inventories

The Group's inventories and work-in progress mainly include raw materials, finished goods and intermediate products, amounting to €106.3m at 31 December 2022.

Valuation allowance of € 3.1m mainly relates to slow moving raw materials, suppliers, consumables, and finished goods.

€'000	31 December 2022			31 December 2021		
	Gross value	Allowance	Net value	Gross value	Allowance	Net value
Stock of raw material, supplies and consumables	60 114	(1 438)	58 676	30 547	(354)	30 193
Inventory-finished and intermediate products	45 866	(1 651)	44 215	21 377	(90)	21 287
Inventory-work in progress	2 393	-	2 393	1 437	(0)	1 436
Inventory of goods	987	-	987	2 128	(44)	2 084
Inventories	109 360	(3 089)	106 272	55 488	(488)	55 000

Set out below is the movement in the allowance for inventory between 31 December 2021 and 31 December 2022:

€'000	31 December 2021	Continental Bakeries acquisition	Allocations for the fiscal year	Reversals	Translation and Restat.	31 December 2022
Stock of raw material, supplies and consumables	(354)	(399)	(1 093)	393	15	(1 438)
Inventory-finished and intermediate products	(90)	(409)	(3 850)	2 683	15	(1 651)
Inventory-work in progress	(0)	-	-	0	-	-
Inventory of goods	(44)	-	-	44	-	-
Allowance on inventory	(488)	(809)	(4 943)	3 121	30	(3 089)

19. Trade receivables

The trade receivables net value amounted to €77.4m at 31 December 2022.

The maturity of receivables is less than 12 months after the reporting date.

€'000	2022	2021
Trade receivables and related accounts	79 709	47 498
Finifac - Factor receivables		
Factor receivables	328	328
Trade receivables and related accounts	80 037	47 826
Doubtful debtors	(2 673)	(426)
Net trade receivables	77 364	47 401

In accordance with IFRS 9, the Group has reviewed its account receivables depreciation over the last five years, which resulted in a non-significant impact.

20. Current tax receivables

Set out below is the detail of current tax receivables:

€'000	2022	2021
Corporate income tax receivables	-	1
Tax receivables - excluding corporate tax	10 434	4 532
Government receivables - CIR & CICE	2 573	2 619
Current tax receivables	13 006	7 153

The maturity of receivables is within 12 months after the reporting date.

21. Other current assets

Set out below is the detail of other current assets:

€'000	2022	2021
Other receivables - current	7 045	4 388
Suppliers - advances and prepayments	151	57
Deferred charges and accrued income	5 810	3 977
Receivables on personnel & social org.	417	252
Receivables on asset disposals - current	-	10
Other current assets	13 422	8 683

The maturity of receivables is less than 12 months after the reporting date.

22. Cash and cash equivalent

Cash and cash equivalent formed of cash at bank amounted to €64.3m at 31 December 2022.

The cash at bank is mostly held in Euros, with approx. €6.9m equivalent held in other currencies in particular in Pounds Sterling, Polish Zlotys, Swedish Kronas, American dollars, Canadian dollars, Danish Crowns and Czech Crowns.

23. Issued capital and reserves

As of 31 December 2022, the share capital of Biscuit International S.A.S. (formerly Cookie Holding S.A.S.) was composed of 498 496 069 shares with a nominal value of €0,001.

24. Borrowings and debt issuance costs

€'000	31 December 2021	Increase	Continental Bakeries acquisition	Repaid	Accrued interests	Amortization	Exchange rate changes	31 December 2022
Bank borrowings	628 371	311 899	191 471	(266 941)	44 403	5 952	-	915 154
Other financial debts	1 209	-	146	(990)	37	-	-	402
Other financial debts, under sale-and-leaseback contracts	-	-	3 420	(622)	34	-	-	2 831
Non-recourse factoring that does not qualify for derecognition	-	-	8 248	(8 248)	-	-	-	-
Accrued interest not yet due - Bank overdrafts	5	-	-	(5)	9	-	-	9
Lease liabilities	17 111	7 373	42 631	(9 027)	917	-	(348)	58 657
Non-current borrowings	646 696	319 272	245 916	(285 834)	45 399	5 952	(348)	977 053
<i>o/w Non-current Borrowings</i>	<i>634 577</i>							<i>951 745</i>
<i>o/w Current Borrowings</i>	<i>12 119</i>							<i>25 308</i>

€'000	31 December 2020	Increase	Dan Cake (Portugal) acquisition	Repaid	Accrued interests	Amortization	Exchange rate changes	31 December 2021
Bank borrowings	586 379	38 820	-	(29 999)	30 223	2 948	-	628 371
Other financial debts	2 141	-	-	(952)	20	-	-	1 209
Factoring (with recourse)*	10 247	7 189	-	(17 436)	-	-	-	-
Accrued interest not yet due - Bank overdrafts	6	-	-	(6)	5	-	-	5
Lease liabilities	17 077	3 246	210	(4 238)	463	-	353	17 111
Non-current borrowings	615 850	49 254	210	(52 631)	30 711	2 948	353	646 696
<i>o/w Non-current Borrowings</i>	<i>594 257</i>							<i>634 577</i>
<i>o/w Current Borrowings</i>	<i>21 593</i>							<i>12 119</i>

Note: (*) Factoring cash movements are shown under "Change in working capital" in the consolidated cash-flow statement.

Other financial debts

The Group has various local bank (amortising) loans remaining facilities in Spain and in Belgium for a total of €0.4m at 31 December 2022. The current part amounts to €0.3m and the non-current part to €0.1m.

Other financial debts, under sale-and-leaseback contracts

The Group has outstanding sale-and-leaseback contracts in the Netherlands, Belgium, and Germany.

In accordance with IFRS 16 and IFRS 9, the Group recorded the cash received under such contracts as financial liabilities for an amount of €2.8m as at 31 December 2022, of which €0.8m of current liabilities and €2.0m of non-current liabilities.

Lease liabilities

In accordance with IFRS 16, the Group recorded lease liabilities amount to €58.7m as at 31 December 2022, of which €8.7m of current liabilities and €49.9m of non-current liabilities.

Non-current borrowings

The Transaction constituted a change of control in 2020 under the terms of (i) the bond issues concluded by Biscuit International S.A.S. on 28 July 2017, 15 March 2018, and 5 June 2018, and (ii) the Senior Facilities Agreement concluded by Biscuit Holding S.A.S. on 28 July 2016 and amended on 15 December 2017, 3 July 2018, and 5 June 2019.

This change of control resulted in all bonds and sums loaned to become due and repayable in principal and interest as at 14 February 2020, and the credit lines granted were terminated and all corresponding financial securities were released.

The facilities of the Group consist of:

- A Senior Facilities Agreement comprising
 - o A term-loan B for €695m (out of which €490m were drawn in full on the Acquisition Date (by Biscuit Holding SAS for €289m and by its wholly owned Dutch subsidiary De Banketgroep Holding International BV for €201m) and an incremental facility of €205m drawn in full on 22 March 2022) and repayable in full on 14 February 2027; this loan has a EURIBOR (floored at 0) + 4.0% annual interest rate;
 - o A committed revolving credit facility ("RCF") of €85m, available until 14 August 2026. On 23 April 2021 €38.8m were drawn in relation to the acquisition of Dan Cake (Portugal) and were repaid on 22 March 2022. At 31 December 2022, €84.0m have been drawn from this line.
- A Second Lien Facility Agreement with a total loan of €150m (out of which €110m drawn in full on the Acquisition Date and an incremental facility of €40m drawn in full on 22 March 2022) and repayable in full on 14 February 2028; this loan has a EURIBOR (floored at 0) + 8.63% annual interest rate.

The former financial facilities of Continental Bakeries were repaid in full (in principal, interest and breakup costs) on the acquisition date (except for a 2010 loan (amortisable until 2025) for an outstanding balance of €0.2m and the lease liabilities described above).

Debt issuance costs

Debt issuance costs in relation to the Senior Facilities and Second Lien Facility amount to €40.6m (gross), including €17.1m for the incremental facilities drawn in March 2022, and are amortised over the durations of the facilities.

Financial covenants

The First and Second Lien term loans do not have any financial covenants.

The sole springing financial covenant is in connection with the RCF and requires testing at each quarter-end only in the event the RCF (net of the cash at bank) is drawn over 50%, and which then requires the Consolidated First Lien Net Leverage Ratio (i.e. the ratio of Consolidated First Lien Secured Debt to Consolidated EBITDA) not to exceed 8.5x.

There is no testing required at 31 December 2022.

Gross and net debt

The Group's net debt is presented in the table below:

€m	31 December 2022
Facility B - First Lien Secured Debt	(695,0)
Second Lien	(150,0)
Loan Facilities	(845,0)
Revolving Credit Facility	(84,0)
First and Second Lien and Revolving Credit Accrued interests	(15,5)
Current debt and other non-current	(0,4)
Other financial debt, under sale-and-leaseback contracts	(2,8)
Other Bank Debt	(102,7)
Total Financial Debt	(947,7)
Cash and cash equivalent	64,3
IFRS 16 - Lease liability adjustment	(58,7)
IFRS 9 - Debt Issuance Costs adjustment	29,3
Net Financial Debt	(912,7)

25. Provisions

Provisions amounted to €4.8m at 31 December 2022 and mainly related to provisions for restructuring and tax-related risks.

€'000	31 December 2021	Continental Bakeries acquisition	Allocations for the fiscal year	Use of provision	Reversal of provision	Exchange rate changes	31 December 2022
Provisions for risks	143	622	657	-	-	-	1 422
Provisions for restructuring	4 800	8 142	932	(8 557)	(1 929)	-	3 388
Provisions	4 943	8 764	1 589	(8 557)	(1 929)	-	4 810
o/w Non-current provisions	143	-	-	-	-	-	147
o/w Current provisions	4 800	-	-	-	-	-	4 663

€'000	31 December 2020	Dan Cake (Portugal) acquisition	Allocations for the fiscal year	Reversal for the year	Exchange rate changes	Restat.	31 December 2021
Provisions for risks	229	-	-	(85)	-	(1)	143
Provisions for restructuring	857	-	4 800	(857)	-	-	4 800
Provisions	1 086	-	4 800	(942)	-	(1)	4 943
o/w Non-current provisions	229	-	-	-	-	-	143
o/w Current provisions	857	-	-	-	-	-	4 800

The Aire-sur-l'Adour factory (in the southwest of France) was closed at the end of January 2022 in accordance with the announcement made to the relevant Works Council on 10 September 2021. Approximately 50 FTE were concerned. Another project aiming at reorganizing sales, supply and admin back offices in France was also presented on the same day ; approximately 30 FTE could be impacted in the next 3 years. Remaining provisions of respectively €1.8m and €1.0m are accrued at 31 December 2022 in respect of these on-going restructuring plans, mostly relating to the severance costs to come.

In the Netherlands, following the acquisition of Continental Bakeries, a new organization was announced and presented to the relevant Works Council on 22 September 2022. Approximately 25 FTE are concerned. The related provision for restructuring amounts to €1.1m at 31 December 2022.

In addition, other liabilities related to tax liabilities (€0.6) have been recognised in connection with the acquisition of Continental Bakeries.

During the year, restructuring expenses were spent as part of French projects presented above (€2.5m) and of integration of Continental Bakeries (€6.1m).

26. Employee benefit obligations

Long-term commitments relating to long-service awards (in France and to some extent in the Netherlands) as well as lump-sum indemnities due upon retirement (in France) are defined benefits obligations and recognised as liabilities in the statement of financial position.

The corresponding amounts recognised in the balance sheet as of 31 December 2022 and 31 December 2021 are as follows:

€'000	31 December 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
Defined pension benefits	119	8 110	8 229	191	6 544	6 735
Jubilee premiums	25	664	689	29	269	297
Total employee benefit obligations	144	8 774	8 918	219	6 813	7 032

Changes in the defined benefits obligations and fair value of plan assets are presented below:

€'000	Defined Fair value		Total
	benefit obligation	of plan asset	
31 December 2021	7 194	(162)	7 032
Continental Bakeries acquisition	3 178	-	3 178
Service cost	257	-	257
Net interest expense	66	(1)	65
Total amount recognised in profit or loss	323	(1)	322
Return on plan assets, excluding amounts included in net interest expense	-	(13)	(13)
Actuarial changes arising from changes in demographic assumptions	7	-	7
Actuarial changes arising from changes in financial assumptions	(1 451)	-	(1 451)
Experience adjustments	(9)	-	(9)
Total amount recognised in other comprehensive income	(1 453)	(13)	(1 467)
Contributions by employers	-	-	-
Benefits paid	(177)	30	(147)
31 December 2022	9 064	(146)	8 918

€'000	Defined Fair value		Total
	benefit obligation	of plan asset	
31 December 2020	8 595	(159)	8 436
Service cost	(291)	-	(291)
Net interest expense	20	(0)	20
Total amount recognised in profit or loss	(270)	(0)	(271)
Return on plan assets, excluding amounts included in net interest expense	-	(2)	(2)
Actuarial changes arising from changes in demographic assumptions	(19)	-	(19)
Actuarial changes arising from changes in financial assumptions	(618)	-	(618)
Experience adjustments	(54)	-	(54)
Total amount recognised in other comprehensive income	(692)	(2)	(694)
Total amount recognised in Equity other than OCI*	(439)	-	(439)
Contributions by employers	-	-	-
Benefits paid	-	-	-
31 December 2021	7 194	(162)	7 032

* Following new interpretation of IFRIC on attribution of benefits to periods of services.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The main assumptions used for the valuation of retirement benefits in France were:

	France	
	31 December 2022	31 December 2021
Discount rate	3,75%	1,00%
Long-term inflation rate	2,20%	1,90%
Assumption of wage growth rates	2,75%	2,25%
Mortality table	INSEE TD / TV16-18	INSEE TD / TV15-17

The sensitivity of the defined benefit obligation to changes in significant assumptions is presented below:

€'000	Impact on defined benefit obligation	
	2022	2021
Discount rate:		
0,5% decrease	279	409
0,5% increase	(259)	(375)
Future salary:		
0,5% decrease	(255)	(362)
0,5% increase	272	389
Index rate:		
0,5% decrease	(8)	(12)
0,5% increase	8	12

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Pension schemes in the countries in which the Group operates are administered through such defined contributions schemes. Accordingly, there are no liability recognised in the statement of financial position nor contingent liabilities in this respect.

As an exception to the above, Continental Bakeries operated a former defined-benefits pensions scheme in the Netherlands which was closed in 2019. The beneficiaries have stopped accruing new benefits since that date. The present value of the future liability which will be settled through annual compulsory cash contribution to this scheme amounts to €2.8m which are accrued at 31 December 2022.

27. Trade and other payables

Set out below is the detail for trade payables, current tax payables and other current liabilities at 31 December 2022 and 31 December 2021.

Maturity of liabilities is less than 12 months after the closing date.

€'000	31 December 2022	31 December 2021
Trade payables	164 536	72 798
Taxes on profits payables	1 545	2 231
Other tax liabilities	561	-
Current tax payables	2 106	2 231
Employee benefit expenses and social security	41 388	20 883
Other current liabilities	10 836	8 994
Clients - Advances and prepayments received	81	72
Accrued charges and deferred income	1 010	1 494
Debts from the acquisition of assets - current	3 876	4 380
Debts from the acquisition of securities	-	-
Group current accounts liabilities - current	-	-
Other current liabilities	57 191	35 823
Trade & other payables	223 833	110 852

28. Share-based payments

A Management Incentive Plan was implemented on the Acquisition Date as part of the Transaction. Under the plan, free shares of Biscuit International S.A.S. are issued by PE Cookie Holding III Ltd to a number of eligible employees.

The fair value of the free shares granted has been independently assessed by an independent appraising firm to amount to €3.8m on the grant date. The valuation is based, in particular, on the share price on the grant date, taking into account the absence of dividends during the vesting period. This value has been recognised in the accounts over the vesting period of 5 years, starting 14 February 2020 i.e. for an amount of €0.7m in 2020, €0.8m in the year ended 31 December 2021 and €0.8m in the year ended 31 December 2022.

This non-cash expense is presented in other operating expenses in the statement of profit and loss.

29. Financial Risk Management

The Group is exposed notably to the following risks. The Group's senior management oversees the management of these risks and its *Président* reviews and agrees policies for managing each of these risks.

Product liability risks

The production, packaging and sale of food products may give rise to product liability risks. The Group applies the highest product safety standards to the entire production and distribution process, from purchase of raw materials through the distribution of the final product, supported and guaranteed by structured procedures and systematic internal and external quality audits.

Raw material and packaging costs

The risk of negative consequences of fluctuations in raw material prices on the results is mitigated by forward purchase commitments and increase of prices to retailers.

Foreign currency

Most of the Group's operational activities (mainly sales and purchases) are made in euros, which is the reporting currency. The main foreign currency operational transactions take place in GBP, USD, PLN and SEK.

The main foreign exchange transactions risk relates to USD. During the year 2022 this risk was covered with exchange rate forward contracts. At 31 December 2022 all these contracts were settled.

No other financial instruments are used within the Group.

Interests rate risk

The Group's main interest rate risk arise from long-term borrowings which have a EURIBOR component. No interest rate swaps instruments are used by the Group.

€'000	Impact on profit before tax	
		2022
EURIBOR Interest rate decrease	-25 bps	546
EURIBOR Interest rate increase	+25 bps	(546)

Liquidity risk

The Group is not facing any liquidity risk given its economic performance, its financial management and its current cash and liquidities.

The maturity of financial liabilities is presented as follow:

€'000	CURRENT		NON CURRENT			Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years		
Trade and other payables	223 833	-	-	-	-	223 833
Lease liabilities	9 490	8 384	19 010	27 862	-	64 746
Senior loans facilities	15 456	-	779 000	150 000	-	944 456
Other debts from credit institutions	308	94	-	-	-	402
Other financial debt, under sale-and-leaseback contracts	830	830	1 172	-	-	2 831
Factoring and debt bankoverdraft	9	-	-	-	-	9
Total at 31 December 2022	249 926	9 307	799 182	177 862	-	1 236 277

The above table is based on contractual undiscounted payments.

The Company has an available commitment of €85.0m on the Revolving Credit Facility at 31 December 2022 out of which €84.0m are drawn at that date.

Credit risk

The Group's customer portfolio consists of major accounts in the distribution sector with sufficient creditworthiness to ensure the collection of trade receivables. No customer represents more than 10% Group revenue and the first 10 customers combined represent 65% of Group revenue.

The Group have various credit insurance in place and have credit management teams monitoring credit exposure.

Ageing of receivables is as follows at 31 December 2022:

As at 31 December 2022					
%	Current	< 30 days	30 - 60 days	60 - 90 days	> 90 days
Net trade receivables	77,4%	15,1%	2,3%	1,6%	3,6%

Set out below is the movement in the depreciation of client deposits and related accounts between 31 December 2021 and 31 December 2022:

€'000	2022	2021
At 1 January	(426)	(501)
Increase through Business Combination	(1 659)	(16)
Allocations for the fiscal year	(1 895)	(208)
Reversal	1 293	301
Restatement and translation	14	(1)
At 31 December	(2 673)	(426)

30. Auditors' services to the Group

During the year, auditors were appointed for following services: audit of parent company and consolidated financial statements and audit of the financial statements of the Group's subsidiaries.

No other services were provided by Group auditors.

€'000	2022
Audit fees for the Group audit	116
Audit fees for subsidiaries	781
Audit fees	897
Other audit-related fees	168
Tax fees	-
Group's auditor fees for additional services rendered	168

31. Commitments and contingencies

Set out below is detail of off-balance sheet commitments and contingencies as at 31 December 2022:

Raw material purchase commitment

The Group has contracted to acquire certain volumes of raw material at agreed prices on a recurring basis. These commitments amounted to about €30m as at 31 December 2022.

Guarantees given

The shares of the following companies are pledged in accordance with the Senior Facilities Agreement: Cookie Intermediate Holding II SAS, Biscuit Holding SAS, Biscuit Poult SAS, Biscuiterie Fouesnantaïse SAS, Biscuits Panier SAS, De Banketgroep Holding International BV, Bakkerij Bol BV, De Aviateur Banketbakkerijen BV, De Banketgroep BV, De Banketgroep Beheer BV, Wafel Janssen BV, Northumbrian Fine Foods Limited, Arluy SLU, Biscuit International (Iberica) SLU, Continental Bakeries Deutschland GmbH, Continental Bakeries Holding & Service GmbH & Co. KG, Continental Bakeries North Europe AB and Continental Bakeries Sweden Holding AB.

32. Significant events after the reporting date

Portugal Sale and lease back

In March 2023, Dan Cake (SA) entered into a sale and purchase agreement for buildings located in Lisboa and Coimbra. A first tranche of funds was received in March 2023 (€10.2m). The remainder (€9.4m) will be received following completion of registration. This lease agreement is executed for an initial term of fifteen years.

Pari Passu Note

On March 21st 2023, Biscuit Holding SAS issued a secured first lien Note for a principal amount of €50.0m at an interest annum rate equal of 18%. Principal and interests are payable solely on the maturity date (2027) (subject to any prior optional or mandatory redemption of the Note, which will be accompanied by the payment of all accrued interest thereon).

An incremental Note for a principal amount of €30.0m is under discussion for issuance in Q2.2023, under the same terms and conditions.
