



INTERIM REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
AS AT JUNE 30, 2023

Treets

Sperlari

Dallmann's



Theramed



CANDY KITTENS





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# I. INTRODUCTION

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# 1. LETTER FROM MANAGEMENT

Dear investors and business partners; dear employees,

With sales growth of 41.8% to EUR 155.4 million (30 June 2022: EUR 109.6 million), the Katjes International Group has achieved the most successful first half-year in the Company's history.

Overall, in the first half of the year, all companies in the Group increased their sales compared to the previous year, due to a combination of volume growth and price increases. Furthermore, new businesses acquired in 2022 contributed to the growth.

EBITDA amounted to approximately EUR 12.8 million and thus improved significantly compared to the same period of the previous year – by EUR 16.3 million. This significant increase in earnings resulted from both the ongoing business of the subsidiaries and the oral care business acquired from Henkel in December 2022.

We are well positioned as an active consolidator in the branded consumer goods sector. As a result of this, and despite the seasonality of our business - which is concen-

trated in the second half of the year - during the period we maintained Group equity at EUR 159.0 million, with a materially constant equity ratio of 37.2%.

Based on the strong results in the first half of the year, we have a very positive outlook for the full year and are raising our guidance to expected Group sales of EUR 350–375 million and an EBITDA margin of 9–10%.

Finally, we would like to thank our employees at Katjes International and our subsidiaries for their high level of commitment as well as you, our investors and business partners, for your trust in our work.

Best regards,

Tobias Bachmüller - Managing Partner  
Bastian Fassin - Managing Partner  
Stephan Milde - Managing Director (CFO)



## 2. MANAGEMENT TEAM



### **BASTIAN FASSIN**

*Managing Partner of Katjes International*

#### **Career**

- since 2004 – Managing Partner of Katjes International
- until 2003 – Marketing und Vertrieb, Kraft Foods
- until 2000 – Roland Berger Strategy Consultants



### **TOBIAS BACHMÜLLER**

*Managing Partner of Katjes International*

#### **Career**

- since 1996 – Managing Partner of Katjes International
- until 1995 – General Manager, Kraft Foods (Milka)
- until 1992 – Principal, The Boston Consulting Group



### **STEPHAN MILDE**

*Managing Director (CFO) of Katjes International*

#### **Career**

- since 2012 – CFO of Katjes International
- bevor several years in Investment Banking at Deutsche Bank and Citigroup in London



## 3. KATJES INTERNATIONAL

Formed in 2011 from predecessor companies, Katjes International GmbH & Co. KG ('Katjes International'), together with its two independent and legally autonomous sister companies, Katjes Fassin GmbH + Co KG ('Katjes Deutschland') and Katjesgreenfood GmbH & Co. KG ('Katjesgreenfood'), form the Katjes Group. In Katjes International, the Group pools its holdings in established and strong local brands in Europe.

### Clear growth strategy

To achieve its goals, Katjes International relies on the consistent development and expansion of its brands. Further acquisitions are also part of the clearly defined growth strategy. With this strategy in mind, potentially interesting companies from the fast-moving consumer goods (FMCG) sector - with a focus on the confectionery industry as well as personal care products in Europe - are continuously monitored. Katjes International also sees itself as a carve-out investor that acquires divisions of large corporations that no longer form part of their core business.

### Strong brands

Through its investments in strong brands, Katjes International is currently active in Germany, Italy, the Netherlands, the UK and France. Legally and organisationally independent in their markets or segments, the acquired companies and their products are usually consistently focused on one basic characteristic, oriented towards sustainability and continuously strengthened in this regard. The resulting increase in brand value is regularly supported by targeted marketing and advertising measures. This is also reflected in sales and earnings, which also benefit from further synergy effects.

### Sustainable and responsible

For Katjes International, acting in a sustainable way and assuming responsibility for society and employees as well as for the environment is more than just a trend. As part of a group of companies that has been family-owned for over 100 years, sustainable practices are deeply ingrained in the employees of the Katjes Group.



# 4. OUR SUBSIDIARIES AND ASSOCIATES





## 4.1 SPERLARI



**An Italian company with a rich tradition, Sperlari has been successful in Italy as well as in export markets since 1836. Sperlari showcased its traditional brands in a new light with innovative campaigns in the first six months of 2023. In cooperation with its newest subsidiary, Paluani 1921, Sperlari launched its first season range for Easter in Spring 2023.**

Since it was set up almost 187 years ago, the company has established itself as the second largest player in the Italian confectionery market and is the market leader in the segment for seasonal products, sweeteners and sugar-free sweets.

The best-known brands include Sperlari (Italian nougat: 'torrone', sweets, fruit gums), Saila (liquorice) and Diotor.

### Tradition and emotion

The most traditional and popular products are sold under the brand name 'Sperlari', mainly around Christmas time: nougat (torrone) and chocolate in a range of variations, with new innovations enriching the product range year after year.

### Diotor - Simply beautiful

"Sweetness can be sugar-free": DIOTOR, the number one sweetener in Italy, is the solution for those who want to limit their sugar consumption without compromising on sweetness.

As ambassador for the brand, influencer and reality TV celebrity Giulia de Lellis, who has hosted the TV show "Call of Beauty" on Italian TV, has exclusively designed a limited edition Diotor range signed by the influencer. The edition was launched in collaboration with Vanity Fair at a beauty brunch and subsequently presented with a strong digital campaign.



### SPERLARI S.R.L., ITALY

<b>Brand/market position</b>	Sperlari, DIETOR, Saila, Galatine etc., Number 2 -brand in Italy
<b>Markets</b>	Italy and export markets (incl. Spain, China, Germany)
<b>Range</b>	Torrone/nougat, chocolate, candies, jellies, liquorice, sugar-free sweets, milk-based sweets and sweeteners
<b>Headquarters/production</b>	Cremona, Italy and three other production sites in Italy
<b>Participation</b>	100% held indirectly via Katjes 24 GmbH and Katjes Italy GmbH
<b>Consolidation</b>	Fully consolidated





# PALUANI 1921



## Latest acquisition to strengthen the seasonal business in Italy

On 1 August 2022, Sperlari has laid the foundation to further strengthen its leadership position in the seasonal business: The company has acquired the operating business of Paluani S.p.A., based in Verona, and took over the day-to-day business of Paluani, which specialises in Christmas and Easter with its traditional Panettone and Colomba biscuits, among others.

In 2023, Paluani launched its first Easter seasonal range in collaboration with Sperlari, laying the foundation for a promising Christmas range.



### PALUANI S.R.L., ITALY

<b>Brand/market position</b>	Paluani ranks among the four leading Panettone producers
<b>Markets</b>	Italy
<b>Range</b>	Panettone, Colomba
<b>Headquarters/production</b>	Verona, Italy
<b>Participation</b>	100% held indirectly via Katjes 24 GmbH, Katjes Italy GmbH and Sperlari S.R.L.
<b>Consolidation</b>	Fully consolidated






[piasten.de](https://piasten.de)

[treetseu.com](https://treetseu.com)


## 4.2 TREETS PIASTEN



**Since 2017, Treetseu has been part of Piasten GmbH, Bavaria's largest confectionery manufacturer and Germany's largest dragée producer in Forchheim, which celebrates its 100th anniversary in 2023.**

**The Treetseu brand is Piasten's orange flagship and continued to write its success story in the first half of 2023.**

The flashy love brand for dragee junkies with a sense of sustainability is present mainly in European markets with coated chocolate varieties, Peanuts, Peanut Butter Cups and a delicious bar. Treetseu also has breakfast expertise, with Peanut Butter spreads and the successful launch of the award-winning first Choco Peanut cereal.

### ISM 2023: the strong comeback

After a two-year corona-related break, Treetseu returned to ISM with one of its most attention-grabbing booths to date. Sustainable booth construction with recyclable materials and tremendous radiance made the Treetseu stand a striking highlight and center of attention for trade visitors and press at ISM.

The innovative concept was designed around the focus product, the Treetseu Peanuts 185g, in paper packaging. All elements forming the floor and back walls, right down to the printed paper wallpaper, could be disposed of in the recyclable paper bin - just like the packaging for the Peanuts product itself. Oversized packaging on the back wall of the booth flanked by two huge LED panels with animated 3D branded content provided close-up and long-distance impact. The grabber machine delivered gamification and interaction with the brand and brought additional buzz to the booth.



### Treetseu with sustainable success at SWEETIE

And the winner is...Treetseu Peanuts in paper packaging! At this year's ISM, Treetseu was able to win another SWEETIE award, the coveted prize granted by Rundschau für den Lebensmittelhandel, in the chocolate goods category.

The Treetseu-typical orange packaging was supplemented with a paper tear-out with four icons to communicate the product benefits, and on the back, there is a clear recycling notice for the consumer "I may be disposed of in the paper bin".

The crunchy peanuts coated in chocolate and a crunchy sugar layer are made palm oil free and with 100% Fairtrade cocoa. Even the colorful edition contains only natural colors, hence the product is vegetarian. Sustainable shell, natural core!



### „Crunch with us“ – Cornflakes & Peanuts

The new snack superstar was unveiled at this year's ISM and immediately won the SHOW STAR for trade fair innovations. Launched in June, Treet's Cornflakes & Peanuts improves any snacking get together and is the perfect passenger in the center console or energy kick at a festival. The peanut choctail is made with natural ingredients, plant-based colors, Fairtrade cocoa and is palm oil-free and vegetarian. Crunchy orange Treet's Peanuts mixed with chocolate covered cornflakes. This tastes NATURALLY crunchy!



### Crispy, Choco, Malty - concentrated dragee power

Since the beginning of May, you can find three "newbies" on the shelf. Treet's has expanded its popular dragee range with three new varieties in bright orange. The new Treet's CHOCO are vegetable-colored lentils with a choco core, crunchy sugar coating and come in a 300g share size. Absolutely Choco-licious!

And for those who love crunch on the outside and crispyness on the inside, the new Treet's CRISPY 255g come just at the right time: a crunchy core covered in chocolate and a crunchy, colorful sugar coating.



The brown Treet's MALTY balls in 212g stand-up pouches with a crunchy malt core coated in delicious milk chocolate complete the new range.

#### PIASTEN GMBH, GERMANY

<b>Brand/market position</b>	Treet's – THE PEANUT COMPANY, Piasten; largest manufacturer of chocolate buttons in Germany
<b>Markets</b>	Germany and export markets (including Italy and Eastern Europe)
<b>Range</b>	Sugar-coated sweets, chocolates, candies, peanut butter cups, and spreads
<b>Headquarters/production</b>	Forchheim, Germany
<b>Participation</b>	100%, held indirectly via Katjes 24 GmbH and Katjes 21 GmbH
<b>Consolidation</b>	Fully consolidated



## 4.3 DALLMANN'S

[dallmanns-salbei.de](https://dallmanns-salbei.de)

**Dallmann's Salbei-Bonbons remains the undisputed number one sage throat lozenge in German pharmacies. By bundling its distribution forces, which is also reflected in the sales of WICK cough sweets, this traditional company creates considerable added value for Katjes International.**

### Dallmann's: Continuous growth of the traditional brand

The Dallmann's brand stands for tradition and knowledge that has been passed down through the generations. The company, set up in 1889, has been producing Dallmann's sage throat lozenges since the 1950s based on a well-kept secret recipe made from the best ingredients and involving a great deal of craftsmanship. This continuity pays off for the company from Hofheim am Taunus: in addition to a high level of end customer satisfaction, Dallmann's sweets are synonymous with the healing power of nature 'Made in Germany', making them the ideal companion for the cold season.

Following a strong financial year in 2022 Dallmann's was once again able to achieve double-digit sales growth in the first half of 2023, driven in part by a stronger cold season .



DALLMANN'S PHARMA CANDY GMBH, GERMANY	
<b>Brand/market position</b>	Dallmann's sage lozenges; number one in German pharmacies (based on the number of packs sold)
<b>Markets</b>	Germany
<b>Range</b>	Throat and cough sweets/distribution of 'WICK' cough sweets
<b>Headquarters/production</b>	Hofheim am Taunus, Germany
<b>Participation</b>	100%, held indirectly via Pharma Candy GmbH & Co. KG and Candy Pharma GmbH
<b>Consolidation</b>	Fully consolidated







WICK


[wick-hustenbonbons.de](https://www.wick-hustenbonbons.de)

### High-reach TV campaign: WICK brings the cooling air of the Arctic on to the TV

"Feel the Arctic air!" with this promise WICK cough drops aims to strengthen its market leadership in cough drops with menthol. In a high-reach TV campaign, the brand with the polar bear presents its icon prominently. A deep breathing experience, thanks to cooling menthol, is communicated through striking images. For this purpose, WICK dives into the world of the polar bear, but without entering its real habitat for the filming. The brand hero was brought to life with CGI. An important consideration for WICK cough drops, as the brand supports "Polar Bears International", an organisation solely dedicated to the conservation of polar bears. The cooling campaign of the Arctic was on air in Q1 2023.

### Matter of heart: The protection of polar bears

For over 50 years, the polar bear has been an integral part of the WICK cough drop packs and symbolizes what WICK cough drops stand for: cooling moments. Together with Polar Bears International, WICK wants to protect the natural habitat of polar bears and enable their long-term survival on our planet.

At the beginning of the year WICK strengthened the cooperation with Polar Bears International and is supporting a research program by Polar Bears International to collect long-term monitoring data for polar bears. The new WICK homepage (www.wick-hustenbonbons.de) allows WICK and polar bear fans to follow female polar bear VICKY on her journey through the chilly Arctic.



### Cooling online presence: WICK with new homepage

The new WICK homepage is not only a place where consumers suffering from a cough can find effective relief, but also a unique adventure that transports visitors to a fascinating Arctic world. The engaging user interface lets users feel the cooling air of the Arctic while they learn about the range of WICK cough drop products. The website displays the cooling effect of menthol, which is characteristic of WICK cough drops. WICK also uses the online presence to provide information about its partnership with Polar Bears International to help protect these endangered animals.





BÜBCHEN



**In May 2020, Dallmann's acquired the well known Bübchen brand, market leader in the baby and kids care segment**

Thanks to over 60 years of experience and research, the 'Bübchen' brand has become synonymous with gentle body care products for babies and children. The Bübchen range offers a variety of body care products: designed for babies from their very first day of life, Bübchen baby care is the perfect product to meet special skin needs. The fun Bübchen Kids body care and bath products featuring the Bübchen moisturising complex are ideal for children from the age of three.

**"For our baby skin" campaign**

"For our baby skin" is the name of the emotional Bübchen campaign that gets under your skin. In the spin-off in 2023, Bübchen accompanies their protagonist Rola, who was pregnant then and is now mother of little Snow. "Every moment with your baby is unique, and that also applies to daily care. Enjoy your moments together full of love and affection and don't let them become a routine." The online campaign with



influencer extension was seen on the widest-reach social media and video platforms from April to June, reaching 100 million contacts. For more information visit: <https://buebchen.de/pages/kampagne>.

**Monster foam and slime fun in the bathroom**

The Bübchen monster fun goes on because in addition to the colorful bath slime that Bübchen launched in December 2022, the kids product line was expanded by two more monster products in March. The Cookie Monster bubble bath colors the bath water purple with food coloring and smells with its cookie scent is simply delicious. The 2in1 shampoo & shower gel provides great monster fun in the shower. It cleanses gently the delicate children's skin with natural aloe vera. The launch of the four new products was accompanied by an eye-catching display that ensured the visibility of the product launch in over 1,250 dm stores.



**BÜBCHEN-WERK EWALD HERMES PHARMAZEUTISCHE FABRIK GMBH, GERMANY**

<b>Brand/market position</b>	Bübchen is the market leader in the baby and kids care sector in Germany
<b>Markets</b>	Germany, Europe
<b>Range</b>	Personal care products
<b>Headquarters/production</b>	Soest, Germany
<b>Participation</b>	100%, held indirectly via Candy Pharma GmbH
<b>Consolidation</b>	Fully consolidated

**Bübchen x Pokémon success story continues**

To accompany the launch of the four Bübchen x Pokémon shower & bath products in October 2022, Bübchen has launched an exclusive Pokémon child care set in its online store which has quickly become a top seller. The set offers four times hair washing power with Pikachu and Schiggy and colorful foam fun with Pummeluff and Glurak. Due to great demand, the Bübchen Pokémon range was expanded by Glumanda 2in1 shampoo & shower gel with apricot scent, which is available exclusively at dm since May. Further Pokémon products are already planned for fall 2023.





# BÜBCHEN ORAL CARE

**At the beginning of December 2022, Katjes International acquired the entire Oral Care business through its wholly owned subsidiary Bübchen Bodycare from Henkel**

At its core, these are five strong Oral Care brands, each with its own unique brand identity and with a comprehensive product portfolio covering all oral hygiene formats as well as consumer needs.

Following the successful acquisition of Bübchen from Nestlé/Galderma in 2020, this is a further step in the personal care business to acquire well-known, strong brands and grow in Europe.

## Vademecum: The number 1 bio toothpaste in France

Founded in 1892 as a pharmacy brand, Vademecum Laboratoires is now a very well-known natural toothpaste brand in France, made with natural ingredients since its

foundation, it is now the No.1 bio toothpaste in France. Today, all Vademecum toothpastes consist of



at least 97% natural ingredients, with Vademecum organic toothpastes consisting of at least 99% natural ingredients.

## Theramed: Unique 2in1 formulation - toothpaste with mouthwash, main market Germany

Theramed has been providing healthy teeth, gums and comprehensive oral hygiene in Germany and other 14 countries since 1979. This means that Theramed offers the full performance package in unique and practical application forms with three different product lines, which also includes the well-known Theramed dispenser.



## Antica Erboristeria: Herbal body care in Italy

For over 40 years Antica Erboristeria thrives on natural oral and hair care. All ingredients are carefully selected and are at least 97% of natural origin in the toothpastes and the essences of 100% natural ingredients in the shampoos and conditioners. The Antica Erboristeria brand enjoys a great brand awareness of over 85% in Italy and is associated as a brand with natural origin.



*Semplice, come un bel gesto.*

### Licor del Polo: Natural oral care in Spain

The history of Licor del Polo dates back to 1876, when the first Licor del Polo Elixir mouthwash was launched. This was followed in 1930 by the first toothpaste with chlorophyll. Today, almost 150 years later, Licor del Polo combines tradition and experience with advanced technology and innovative products for clean and fresh oral hygiene. The focus is on natural, fresh products and, for some years now, also on bio products.

Licor del Polo is one of the leading oral care brands in the Spanish market.



### Denivit: whitening expert for bright white and shiny teeth

Denivit is the specialist for bright white, shiny and healthy teeth. The special toothpaste for daily use, developed with dentists, is known as whitening expert in more than 20 countries. Denivit formulas contain mild and effective ingredients that do not attack tooth enamel. In addition, it gently removes discoloration without harmful ingredients or chemical whiteners. The top seller Denivit "Anti Stain" is specially formulated to gently restore the whiteness of teeth and promises visibly whiter teeth within 10 days.



### BÜBCHEN BODYCARE GERMANY

<b>Brand/market position</b>	Theramed, Vademecum, Antica Erboristeria, Licor del Polo, Denevit
<b>Markets</b>	Germany, France, Italy, Spain, Europe
<b>Range</b>	Oral care, toothpaste
<b>Headquarters/production</b>	Düsseldorf, Germany
<b>Participation</b>	100% indirectly held by Candy Pharma Candy GmbH, Dallmann's Pharma Candy GmbH and Bübchen Skincare GmbH
<b>Consolidation</b>	Full consolidation

In addition to the brand rights, Bübchen Bodycare has also signed an agreement with Henkel to take over the entire production site in Viersen, Germany. It is planned that the site, including 50 employees, will be transferred to Bübchen at the end of 2023. Until then, Henkel will continue to produce the goods for Bübchen Bodycare.





## 4.4 HARLEKIJNTJES


[harlekijntjes.nl](https://harlekijntjes.nl)


**The Dutch liquorice manufacturer Harlekijntjes remains the market leader and continues to expand the brand, which has been in existence since 2005. The traditional company, which has belonged 100% to Katjes International since 2016, looks back on a history as a confectionery and liquorice manufacturer dating back to the 1930s.**

Harlekijntjes products have been the best-selling liquorice in the Netherlands for years. That in itself is a mark of distinction, because the Dutch are experts in liquorice: with an average consumption of 32 million kilograms nationwide, which corresponds to a per capita consumption of two kilograms a year, they have the highest liquorice consumption worldwide.

### Harlekijntjes - liquorice for everyone

In order to offer all liquorice lovers the right format, Harlekijntjes adapted the product range in the first half of 2023 and is now also offering the popular products in smaller bags in the shops.

The four most popular flavours are available in 300-gram packaging and for the dedicated fans in 1kg bags.

This also applies to the latest flavour "mild-salty", which can already be found in around 20% of Dutch supermarkets.

The soft liquorice honey drops have emerged as a customer favourite and can now be found in around 80% of Dutch supermarkets.

### HARLEKIJNTJES B.V., NETHERLANDS

<b>Brand/market position</b>	Harlekijntjes, the best-selling liquorice product in the Netherlands by volume
<b>Markets</b>	Netherlands and export markets
<b>Range</b>	Liquorice and fruit gums
<b>Headquarters/production</b>	Nijkerk, Netherlands
<b>Participation</b>	100% held indirectly via Katjes 24 GmbH and Katjes Nederland GmbH
<b>Consolidation</b>	Fully consolidated

### Harlekijntjes featuring ClinClowns

Since 2005, Harlekijntjes has supported the non-profit organisation CliniClowns, whose logo is proudly displayed on all packaging (<https://www.cliniclowns.nl/en>). A portion of the sales generated is donated to the organisation.





# 4.5 CANDY KITTENS

## • CANDY KITTENS •

[candykittens.co.uk](https://candykittens.co.uk)



**Candy Kittens is a purpose-led gourmet confectionery brand dedicated to putting people and planet first.**

With a 100% vegan range made with natural flavours and no palm oil, the carbon-neutral brand is now a cult favourite among millennials thanks to its stylised product range that tastes as good as it looks.

### SHOX: The all new Gourmet Sour Sweet

Candy Kittens launched its first ever Gourmet sours sweet, with the launch of Candy Kittens SHOX in March, gaining listings in 5 major UK Grocers and seeing a customer demand that places the new flavour as number 3 in the range! The launch saw Candy Kittens partner with Lime electric bikes, encouraging people to choose the more sustainable option in their day-to-day life, as well as taking to the streets and retailer head offices to get SHOX into customers hands, and they loved it!



### Continuing to SHARE THE LOVE

Candy Kittens partnered with award-winning illustrator Ashton Attzs to continue the success of its Candy Kittens LOVES pack through this second artist collaboration. Using the voices of Ashton and Candy Kittens co-founder Jamie Laing, the marketing campaign has been raising awareness for the LGBTQ+ community, whilst also raising money for youth homelessness charity Albert Kennedy Trust.



### Challenging industry norms through Forest Green Rovers partnership

Candy Kittens prides itself on being the rebel of the sweets world, so it was only natural to join forces with the rebels of football and become the official partner of Forest Green Rovers. As the world's first vegan football

### CANDY KITTENS LTD, UK

<b>Brand/market position</b>	Candy Kittens Gourmet Sweets, founded in 2012 with a fast growing market share
<b>Markets</b>	UK
<b>Range</b>	Innovative Gourmet Sweets
<b>Headquarters/production</b>	London, UK
<b>Participation</b>	56.5% held indirectly via Katjes 24 GmbH and Katjes France GmbH
<b>Consolidation</b>	Fully consolidated

team that's earning a reputation off the pitch as the greenest football club in the world, this partnership enabled Candy Kittens to put its sustainability credentials in the spotlight and engage with consumers in a completely different way.



4.6 CPK



**Carambar & Co, the wholly owned subsidiary of the associated company CPK S.A.S., was founded in 2017 and combines manufacturing expertise with ambitious goals.**

At the end of 2018, Katjes International contributed its French subsidiary Lutti – already the second-largest sugar confectionery brand in France at the time – together with Belgian distribution specialist Continental Sweets Belgium (CSB), creating a new heavyweight in the French confectionery market in which Katjes International now holds a stake of around 23%.

**Carambar & Co**

It all started with a production mistake. In 1954, a Carambar factory produced long caramel candies due to a machine failure. The now famous Carambar caramel bar was born. With jokes printed on the inside of the packaging, it became a cult product in France in the decades that followed.

The group embodies concentrated 'savoir-faire à la française' in the confectionery sector and has made it its mission to put a smile on the face of its fans from morning

to night with its wide range of products.

Carambar & Co puts all its expertise and ambition into bringing back beloved and legendary brands, such as Carambar, Poulain and Kréma, which most customers remember from their childhood.

**Broader horizons**

CPK's products are produced exclusively in France, but are already distributed in a large number of European countries and beyond. At four research and development sites, the team is constantly working to improve recipes and create new flavours.

The focus is not only on taste, but also on sustainability and health. With organic ingredients ('Krema bio', 'Poulain bio'), vegetable dyes, less sugar, and no aspartame, animal gelatine or palm oil, the aim is to appeal to an increasingly broad group of buyers who prioritise healthy and sustainable food.

**CPK S.A.S., FRANCE**

<b>Brand/market position</b>	Leading confectionery brand in France through the contribution of Lutti
<b>Range</b>	Chewy sweets, candies, chocolate, fruit gum and chewing gum
<b>Headquarters/production</b>	Paris, France
<b>Participation</b>	Around 23% held indirectly via Katjes 24 GmbH, Katjes France GmbH and Heel Veel Snoepjes B.V.
<b>Consolidation</b>	At-equity-method

Even after the combination of Lutti to CPK at the end of 2018, the former Katjes International subsidiary continued to develop dynamically and, with double-digit growth in the first half of 2023, remains one of the major suppliers in France.

## II. GROUP INTERIM MANAGEMENT REPORT (TRANSLATION FROM THE GERMAN LANGUAGE)

- 1. Fundamentals of the group**
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# 1. FUNDAMENTALS OF THE GROUP

## 1.1 Business model

Katjes International GmbH & Co. KG (hereinafter also referred to as 'Katjes International', 'the company' or 'the Group') operates as a strategic investor. Together with its sister companies Katjes Fassin GmbH + Co. KG ('Katjes Germany') and Katjesgreenfood GmbH & Co. KG ('Katjesgreenfood'), the company forms the Katjes Group. All three of these companies are legally independent.

Katjes International has a broad portfolio of subsidiaries focused on the European fast-moving consumer goods (FMCG) market. The company targets strong, established brands in its domestic markets.

These consolidated financial statements relate exclusively to Katjes International its subsidiaries and its associated companies.

## 1.2 Strategy and objectives

Katjes International pursues the objective of further expanding its position in Europe with a focus on FMCG (mainly confectionery and body care products). To this

end, the company acquires strong brands, leverages the resulting synergies and aims for further growth. In this context, Katjes International also sees itself as a carve-out investor that acquires divisions of large corporations that no longer form part of their core business, for example the acquisition of Bübchen from Nestlé/Galderma in 2020 and the oral care business from Henkel AG & Co. KGaA ('Henkel') in 2022).

Katjes International generally pursues a long-term investment approach. After the acquisition, the acquired companies remain independent in legal and organisational terms, and the local management is kept in place. This ensures that the necessary expertise and an understanding of the local market conditions are retained.

To make the acquired companies more successful and profitable in the long term, Katjes International supports them with two strategic objectives:

- A (continued) focus on strong brands, brand names and products.
- Alignment of the product portfolios with a sustainable, future-oriented approach.

In addition, i. a. the following synergy effects are created:

- **Purchasing synergies:** The entities of the Katjes Group are mainly active in the European sugar confectionery market. With regional proximity and largely identical raw materials, the Group creates synergy effects in purchasing.
- **Distribution synergies:** Using identical or similar distribution channels for different brands allows to achieve synergies in distribution. Good market positions and long-standing customer relationships support the distribution of the Group's various products and lead to cross-selling effects.

With its extensive experience in acquiring brands and companies, the management team of Katjes International is continuously assessing suitable new acquisition candidates, which should be a good fit for the company in terms of product category, sector and market position.



### 1.3 Organisation

As at June 30, 2023, Katjes International wholly-owns the German companies Piasten, Dallmann's, Bübchen and Bübchen Bodycare (oral care business), as well as Sperlari and Paluani in Italy and Harlekijntjes in the Netherlands, through various intermediate holding companies. Katjes International holds an indirect stake of 56.5% in the UK company Candy Kittens and a 75% stake in Dulcioliva in Italy, with the option to acquire the remaining 25%. In addition, Katjes International holds an indirect stake of around 23% in the French company CPK as at the reporting date. It also holds minority interests of less than 20%.

Internal control and reporting within the Group is carried out through the fast-moving consumer goods segment.

### 1.4 Market positions

In the first half of the 2023 financial year, the market positions of the associated companies generally developed stable to positive.

- With its Dallmann's sage lozenges the Germany-based company Dallmann's Pharma Candy (part of Katjes International since 2012) is the leader in German pharmacies in terms of number of packets sold.
- In Germany, Piasten has been part of Katjes Internatio-

nal's portfolio since 2014. Piasten is one of the largest German producers of chocolate dragees and launched the brand 'Treet's – THE PEANUT COMPANY' on the German market in 2018.

- Since 2016, Katjes International has held all shares in the Dutch company Harlekijntjes, which makes the country's best-selling liquorice product (based on volume).
- In Italy, Sperlari has been part of Katjes International since 2017. Sperlari is the second largest player in the Italian sugar confectionery market, and the market leader in the segment for sugar-free sweets, seasonal products and sweeteners.
- Dulcioliva, new to the Group since June 30, 2021, is the leading producer of 'Cuneesi' chocolates, a chocolate speciality from Piedmont.
- Paluani, a well-known producer of panettone and pandoro in Italy, has been part of Katjes International since 1 August 2022.
- With Candy Kittens, Katjes International holds a majority stake in one of the UK's fastest growing gourmet fruit gum brands.

- Since May 2020 Bübchen, the market leader in the baby & kids care segment in Germany is part of the Group.
- The oral care business acquired from Henkel, which includes the brands Theramed, Vademecum, Licor del Polo, Antica Erboristeria and Denivit, has been part of Katjes International since December 2022. The different brands, which focus on natural ingredients and making organic products, are sold across Europe and in particular in France, Spain, Italy and Germany. For example, Vademecum is the leading organic toothpaste in France.
- In France, CPK, which Katjes International has held around a 23% stake in since 31 December 2018, holds market leading positions with iconic brands such as Carambar, Lutti, Poulain and the British chocolate brand Terry's.



### 1.5 Overall economic development and market environment

Katjes International was primarily active in the German, Italian, UK and Dutch markets as well as in the French markets via CPK in the first half of 2023. The Group's main markets for consumer goods (FMCG) are generally characterised by low sensitivity to business cycles and high economic resilience. This was also observed in the first half of 2023, despite inflationary developments and the economic burden of the Russian war against Ukraine. Sales of confectionery and personal care products in particular have remained largely stable.

The macroeconomic environment, on the other hand, is estimated somewhat more cautiously, especially in the OECD's latest outlook from June 2023.

#### Sugar confectionery market

Confectionery sales in the German retail sector saw double-digit growth in the first half of 2023. In their Confectionery Monitor, market researchers from NIQ (NielsenIQ) report an increase of 12.1% to a total of EUR 8.2 billion.

#### Baby & kids body care market

In Germany, the market for body care products for babies and children is constantly growing. With items such as baby lotions, oils, powders and sun creams for babies and children, sales are increasing year on year.

According to the Nielsen analysis, the total market volume in Germany grew by 8.3% to EUR 531 million in the first half of 2023.

With Bübchen, a household brand for baby and kids body care products and the market leader (in terms of units sold) in the baby and kids care segment in Germany, Katjes International is well represented in this market and can leverage synergy effects in distribution.

#### Oral care market

Dental and oral care products are one of the most important product groups in the consumer goods segment of personal care products in Germany. Sales of products from this segment amounted to around 1.754 billion euros in 2022, showing a slight increase compared to the previous year (+2.5%). For 2023, further growth to around 1.815 billion is forecasted (source: 2023 Mintel Group).



## 2. COMPANY-SPECIFIC EVENTS

### 2.1 Katjes International

As part of its long-term acquisition strategy, Katjes International further developed its portfolio in 2022 by acquiring the operating business of Paluani S.p.A, based in Verona, as well as Henkel's oral care business.

The first half of 2023 was therefore dominated by the integration of both divisions into the Katjes International Group.



## 3. SALES, EARNINGS, FINANCIAL AND ASSET POSITION

### 3.1 Sales and earnings

In the first six months of the 2023 financial year, Katjes International's Group sales were EUR 155.4 million (6M-2022: EUR 109.6 million), an increase of EUR 45.8 million compared to the previous year. The oral care business contributed significantly to the Group's sales growth.

In general, despite the fact that the acquisitions in the personal care sector in recent years somewhat reduce Katjes International's seasonality, the second half of the year continues to be the stronger and more important half of the year due to the (Christmas-related) seasonality of the business.

Katjes International generated 31.6% of sales during the first half of 2023 (6M-2022: 33.8%) in Germany. The second most important single market was Italy with 22.2% (6M-2022: 20.2%), followed by the Netherlands with 5.1% (6M-2022: 4.9%) and the UK with 3.9% (6M-2022: 5.0%). France (6.5%) and Belgium (1.6%) played a minor role, as expected. Other EU member states and Switzerland contributed a total of 25.7% (6M-2022: 28.8%) to the Group's sales. In line with its strategic direction, the Group achieved

only a smaller portion of its sales (3.4%) outside of the EU (6M-2022: 4.8%).

'Confectionery' and 'chocolate' once again proved to be the most important product groups in the first six months of the 2023 financial year. The Company achieved 52.7% of sales with 'confectionery' (6M-2022: 51.3%) and 14.5% with 'chocolate' (6M-2022: 17.0%). The product range portfolio was also continuously optimised during the reporting period and specifically aligned with the positioning in the individual markets. The 'care products' category contributed 28.6% (6M-2022: 23.9%) to the Group's sales.

Cost of sales increased year-on-year to EUR 127.4 million (6M-2022: EUR 93.1 million). At 82.0% (6M-2022: 84.9%), cost of sales as a percentage of revenue was lower than previous year.

Gross profit reached approximately EUR 28.0 million in the first half of 2023 (6M-2022: EUR 16.5 million). Gross margin was 18.0% (6M-2022: 15.1%).

Katjes International's distribution costs of EUR 13.8 million

were lower than in the first half of 2022 (6M-2022: EUR 14.3 million).

At EUR 16.3 million (6M-2022: EUR 12.7 million), administrative expenses were higher than in the first six months of the previous year, which is mainly due to the two companies Paluani and Bübchen Bodycare being consolidated for the first time in August and December 2022 respectively.

Other operating result of EUR 6.6 million (6M-2022: EUR -0.1 million) was above the result of the previous year.

The operating profit was EUR 4.5 million (6M-2022: EUR -10.6 million) an increase above the comparative period. In addition to the acquisitions made in 2022, this increase is also due to price increases implemented in the reporting period to compensate for increases in raw material costs.

Operating profit before interest, taxation, depreciation and amortisation (EBITDA), which is decisive for the Group as a management KPI rose to EUR 12.8 million (6M-2022: EUR -3.5 million). As a result, the EBITDA margin, another key



performance indicator for Katjes International, reached 8.2% (6M-2022: -3.2%).

The financial result was EUR -4.4 million (6M-2022: EUR -3.2 million).

The tax expense of Katjes International amounted to EUR -0.3 million in the reporting period (6M-2022: EUR 1.7 million).

Earnings before taxes amounted to EUR 0.1 million (previous year: EUR -13.8 million). Similarly, earnings after tax increased by EUR 11.9 million in comparison to the previous year to EUR -0.2 million (6M-2022: EUR -12.1 million).

### 3.2 Financial position

In the first half of the 2023 financial year, cash flow from operating activity amounted to EUR 6.2 million (6M-2022: EUR 0.8 million).

Cash flow from investment activities in the first half of 2023 was EUR -2.3 million (6M-2022: EUR -3.7 million). This value exclusively takes into account investments in property, plant and equipment and intangible assets within the framework of the subsidiaries' operating activities during

the reporting period.

Cash flow from financing activities in the first half-year of 2023 was EUR 2.1 million (6M-2022: EUR -22.1 million).

Overall, the developments in the first six months of 2023 led to an increase of EUR 6.0 million in cash and cash equivalents to a total of EUR 41.5 million compared to December 31, 2022. Compared to the first half of the previous year, this is an increase of EUR 15.4 million (6M-2022: EUR 26.1 million).

### 3.3 Asset position

The consolidated balance sheet total of Katjes International as at June 30 2023 remained almost constant at EUR 427.9 million (December 31, 2022: EUR 430.2 million).

On the assets side, non-current assets fell by EUR 4.6 million to EUR 301.8 million (December 31, 2022: EUR 306.4 million). These include in particular land, buildings and machinery, the shareholding in CPK and the capitalised brands of the subsidiaries. Property, plant and equipment reduced by EUR 2.6 million to EUR 112.2 million (December 31, 2022: EUR 114.8 million). The right-of-use assets from leases in accordance with IFRS 16 amounted to

EUR 6.0 million as at June 30, 2023 (December 31, 2022: EUR 6.3 million). Intangible assets as at June 30, 2023 amounted to EUR 108.4 million (December 31, 2022: EUR 109.7 million). Other financial assets amounted to EUR 7.5 million (December 31, 2022: EUR 7.7 million) and thus remained almost constant. Deferred tax assets amounted to EUR 3.6 million (December 31, 2022: EUR 3.5 million).

Current assets increased and amounted to EUR 126.1 million after the first six months of 2023 (December 31, 2022: EUR 123.8 million). The largest change occurred in trade receivables. The Company recorded a seasonal decrease of EUR 15.4 million to EUR 32.1 million (December 31, 2022: EUR 47.5 million).

In contrast, inventories increased by EUR 13.7 million to EUR 49.9 million due to seasonal influences and the inclusion of the oral care business (December 31, 2022: EUR 36.2 million).

Cash and cash equivalents increased by EUR 6.0 million.

On the liabilities side, Group equity remained constant at EUR 159.0 million (December 31, 2022: EUR 159.3 million). The equity ratio also remained constant at 37.2% (December 31, 2022: 37.0%).



Non-current liabilities of EUR 176.3 million (December 31, 2022: EUR 173.2 million) mainly consist of financial liabilities for the corporate bond, deferred tax liabilities and provisions for pensions and similar obligations.

Non-current financial liabilities amounted to EUR 147.3 million (December 31, 2022: EUR 141.6 million).

Deferred tax liabilities decreased to EUR 22.4 million (December 31, 2022): EUR 24.4 million).

As at June 30, 2023, non-current provisions of EUR 0.6 million were almost at the same level as at December 31, 2022 (EUR 0.8 million). Provisions for pensions and similar obligations decreased slightly to EUR 6.0 million as at June 30, 2023 (December 31, 2022: EUR 6.4 million).

Current liabilities fell by EUR 5.1 million to EUR 92.6 million (December 31, 2022: EUR 97.7 million). This was mainly due to a decrease in trade payables and other liabilities. As at June 30, 2023, these amounted to EUR 44.6 million (December 31, 2022: EUR 49.7 million). The utilisation of a portion of the current provisions recognised at the previous

reporting date, which amount to EUR 8.8 million as at June 30, 2023 (December 31, 2022: EUR 12.0 million) also contributed to this decrease. In contrast, current interest-bearing and non-interest-bearing financial liabilities increased by EUR 2.5 million to EUR 37.0 million (December 31, 2022: EUR 34.5 million).

### 3.4 Non-financial performance indicators

Non-financial performance indicators also play a crucial role for Katjes International. In addition to employees, these indicators include brand awareness and sustainability.

In the first half of 2023, the Company employed an average of 964 people (6M-2022: 926). The majority worked in Germany (59.6%), followed by Italy (37.2%), the UK (1.6%) and the Netherlands (1.6%).

Personnel expenses amounted to EUR 29.4 million in the first half of the 2023 financial year (6M-2022: EUR 28.0 million).

The Group attaches great importance to the expertise of its employees in all areas along the value chain, from de-

velopment through to production. By committing itself to training young people, Katjes International secures a continuous stream of skilled workers to meet the current and future needs of the company. In the first half of 2023, Katjes International employed an average of 23 apprentices.

For further information on non-financial performance indicators, please refer to the explanations in the 2022 consolidated financial statements (pages 36 to 37).



## 4. EVENTS AFTER THE BALANCE SHEET DATE

Katjes International's management is not aware of any significant events or any events with significant implications for the company's earnings, financial or assets position which may have occurred after the balance sheet date of June 30, 2023.





## 5. OPPORTUNITIES AND RISKS REPORT

In the first half of the year, there were no significant changes in the opportunities and risks compared to the 2022 consolidated financial statements – neither with regard to the probability of occurrence nor to the possible positive and negative effects on Katjes International and its subsidiaries. For information on the opportunities and risks as well as the risk management and control systems for Katjes International, please see the Company's 2022 consolidated financial statements (pages 39 to 42). From management's point of view, there are no discernible risks at present or in the foreseeable future that could jeopardise the existence of the Company.



## 6. FORECAST REPORT

The overall economic development in the euro area and in the UK continues to be seen as cautiously positive. The development on the labour market is providing positive signs; however, these are weakened by the rising interest rate level.

After a significant recovery in 2022, the current OECD outlook (June 2023) predicts economic output in the euro area to increase by 0.9% in 2023. In the current outlook for 2023, economic output in Germany is expected to stagnate at 0.0%. The previous outlook assumed a 0.3% increase for Germany. Expectations for the Italian economy increased to 1.2%, up from 0.6%.

For the UK, a moderate increase in GDP of 0.3% is forecast for 2023.

In the Netherlands, an upswing of 0.9% is expected in the current year.

For France, the second largest economy in the eurozone, experts predict an upswing of 0.8% in 2023.

Katjes International will continue with its proven strategy in the remaining half of 2023. This includes increasing the organic growth of the Group subsidiaries and further investments with a focus on strong brands in Europe. At the same time, Katjes International also wants to leverage further synergies within the Group. To this end, the company is continuously assessing suitable takeover candidates in the target regions.

The company has identified various business opportunities, especially in connection with succession situations, group spin-offs in the context of portfolio adjustments and the ongoing consolidation of the market. In principle, the Company is therefore constantly reviewing interesting acquisition opportunities and is regularly at different stages of negotiating or closing deals.

Based on the strong performance in the first half of 2023, the Company expects to exceed its previously communicated targets of a total sales of EUR 325 million to

EUR 350 million and an EBITDA margin of around 8% to 10% for the full year 2023. The Company's management is therefore raising its guidance to an expected total sales of EUR 350 million to EUR 375 million and an EBITDA margin of 9%–10%. The Company's target is to sustainably achieve an average EBITDA margin of at least 10%.

# III. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(TRANSLATION FROM THE GERMAN LANGUAGE)

**1. Consolidated income statement**

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**2. Consolidated statement of comprehensive income**

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**3. Consolidated balance sheet**

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**4. Consolidated statement of changes in equity**

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**5. Consolidated statement of cash flows**

# 1. CONSOLIDATED INCOME STATEMENT

(From January 1 to June 30, 2023)

in EUR million	Annex	6M-2022	6M-2023
Revenue	6	109.6	155.4
Cost of sales		93.1	127.4
<b>Gross profit</b>		<b>16.5</b>	<b>28.0</b>
Other operating income		0.9	6.9
Distribution costs		14.3	13.8
Administrative expenses		12.7	16.3
Other operating expenses		1.0	0.3
<b>Operating profit</b>		<b>-10.6</b>	<b>4.5</b>
Financial expenses		3.1	4.2
Financial income		0.2	0.1
Share of profit / loss of associates		-0.3	-0.3
<b>Earnings before income taxes</b>		<b>-13.8</b>	<b>0.1</b>
<b>Income taxes</b>	4.3	1.7	-0.3
<b>Earnings after tax (profit for the period)</b>		<b>-12.1</b>	<b>-0.2</b>
<b>of which non-controlling interests</b>		-0.1	0.0
<b>of which attributable to Katjes International GmbH &amp; Co. KG</b>		<b>-12.0</b>	<b>-0.2</b>

## 2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(From January 1 to June 30, 2023)

in EUR million	6M-2022	6M-2023
<b>Earnings after tax (profit for the period)</b>	<b>-12.1</b>	<b>-0.2</b>
<b>Other comprehensive income</b>		
Change in market values of financial instruments as well as currency effects from the inclusion of fully consolidated subsidiaries	-0.4	0.1
of which income tax effects	0.0	0.0
Items to be reclassified to profit or loss	0.0	0.0
Actuarial gains/losses from the remeasurement of defined benefit pension plans	0.1	-0.2
of which income tax effects	0.0	0.0
not to be reclassified to profit or loss in subsequent periods	0.0	0.0
Other earnings after taxes	-0.3	-0.1
<b>Total comprehensive income</b>	<b>-12.4</b>	<b>-0.3</b>
<b>of which non-controlling interests</b>	<b>-0.2</b>	<b>0.0</b>
<b>of which attributable to Katjes International GmbH &amp; Co. KG</b>	<b>-12.2</b>	<b>-0.3</b>

# 3. CONSOLIDATED BALANCE SHEET

(As at June 30, 2023)

## ASSETS

in EUR million	Annex	Dec 31, 2022	June 30, 2023
<b>Non-current assets</b>			
Property, plant and equipment		114.8	112.2
Intangible assets		109.7	108.4
Right-of-use assets		6.3	6.0
At-equity investments	5.1	64.4	64.1
Other financial assets	5.5	7.7	7.5
Deferred tax assets		3.5	3.6
		<b>306.4</b>	<b>301.8</b>
<b>Current assets</b>			
Inventories	5.2	36.2	49.9
Trade and other receivables	5.5	47.5	32.1
Income tax receivables		4.6	2.6
Cash and cash equivalents	5.3	35.5	41.5
		<b>123.8</b>	<b>126.1</b>
<b>Total assets</b>		<b>430.2</b>	<b>427.9</b>

# 3. CONSOLIDATED BALANCE SHEET

(As at June 30, 2023)

## Liabilities and Equity

in EUR million	Annex	Dec 31, 2022	June 30, 2023
<b>Equity</b>			
Subscribed capital		0.6	0.6
Other reserves		2.0	2.0
Retained earnings		2.0	2.0
Profit carried forward		130.4	145.6
Other comprehensive income		6.2	6.0
Profit for the period		15.2	-0.2
Shareholders' equity		156.4	156.0
Non-controlling interests		2.9	3.0
<b>Total equity</b>		<b>159.3</b>	<b>159.0</b>
<b>Non-current liabilities</b>			
Interest-bearing and non-interest-bearing financial liabilities	5.4/5.5	141.6	147.3
Provisions		0.8	0.6
Provisions for pensions and similar obligations		6.4	6.0
Deferred tax liabilities		24.4	22.4
		<b>173.2</b>	<b>176.3</b>
<b>Current liabilities</b>			
Trade payables and other liabilities		49.7	44.6
Interest-bearing and non-interest-bearing financial liabilities	5.4/5.5	34.5	37.0
Provisions		12.0	8.8
Income tax liabilities		1.4	2.2
		<b>97.7</b>	<b>92.6</b>
<b>Total liabilities</b>		<b>270.9</b>	<b>268.9</b>
<b>Total equity and liabilities</b>		<b>430.2</b>	<b>427.9</b>

# 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(As at June 30, 2023)

Shareholders' equity											
	Subscribed capital	Other reserves	Generated capital			Other comprehensive income			Total		
EUR million	Subscribed capital	Other reserves	Retained earnings	Profit carried forward	Result for the period	Change in market values of financial instruments / Differences from foreign currency translation of consolidated subsidiaries	Actuarial gains/losses from the re-measurement of defined benefit pension plans	Total other comprehensive income		Non-controlling interests	Total Equity
<b>As at Dec 31, 2021 / Jan 1, 2022</b>	<b>0.6</b>	<b>2.0</b>	<b>2.0</b>	<b>129.5</b>	<b>0.9</b>	<b>2.1</b>	<b>0.2</b>	<b>2.3</b>	<b>137.3</b>	<b>4.1</b>	<b>141.4</b>
Earnings after tax	0.0	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	-0.9	-0.3	-1.2
Other earnings after taxes	0.0	0.0	0.0	0.0	0.0	-0.2	4.2	4.0	4.0	-0.4	3.6
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.9</b>	<b>-0.2</b>	<b>4.2</b>	<b>4.0</b>	<b>3.0</b>	<b>-0.7</b>	<b>2.3</b>
Other changes	0.0	0.0	0.0	0.9	15.2	0.0	0.0	0.0	16.1	-0.6	15.5
<b>As at Dec 31, 2022</b>	<b>0.6</b>	<b>2.0</b>	<b>2.0</b>	<b>130.4</b>	<b>15.2</b>	<b>1.9</b>	<b>4.4</b>	<b>6.2</b>	<b>156.4</b>	<b>2.9</b>	<b>159.3</b>
<b>As at Dec 31, 2022 / Jan 1, 2023</b>	<b>0.6</b>	<b>2.0</b>	<b>2.0</b>	<b>130.4</b>	<b>15.2</b>	<b>1.9</b>	<b>4.4</b>	<b>6.2</b>	<b>156.4</b>	<b>2.9</b>	<b>159.3</b>
Earnings after tax	0.0	0.0	0.0	0.0	-15.2	0.0	0.0	0.0	-15.2	0.0	-15.2
Other earnings after taxes	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	0.1	-0.1
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-15.2</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-15.4</b>	<b>0.1</b>	<b>-15.3</b>
Other changes	0.0	0.0	0.0	15.2	-0.2	0.0	0.0	0.0	15.0	0.0	15.0
<b>As at June 30, 2023</b>	<b>0.6</b>	<b>2.0</b>	<b>2.0</b>	<b>145.6</b>	<b>-0.2</b>	<b>1.9</b>	<b>4.2</b>	<b>6.0</b>	<b>156.0</b>	<b>3.0</b>	<b>159.0</b>



# 5. CONSOLIDATED STATEMENT OF CASH FLOWS

(from January 1 to June 30, 2023)

in EUR million	Annex	6M-2022	6M-2023
<b>Operating activities</b>			
<b>Earnings before income taxes</b>		<b>-13.8</b>	<b>0.1</b>
Reconciliation of earnings before income taxes to net cash flows:			
Depreciation of, tangible fixed assets		4.3	5.2
Amortisation of right-of-use assets		1.3	1.2
Amortisation of, intangible assets		1.4	1.9
Income taxes paid		-1.3	-2.7
Financial income		-0.2	-0.1
Interest and dividends received		0.1	0.1
Other non-cash changes (incl. result from at-equity investments)		0.1	0.1
Financial expenses		3.1	4.1
Change in other provisions		-4.3	-3.4
Change in pension liabilities		-0.2	-0.6
Changes in net working capital			
Increase/decrease in trade receivables and other receivables as well as prepayments and other financial assets		22.9	16.4
Increase/decrease in inventories	5.2	-10.7	-13.7
Increase/decrease in trade payables and other liabilities		-2.2	-2.7
Increase/decrease in taxes		0.3	0.3
<b>Cash flow from operating activities</b>		<b>0.8</b>	<b>6.2</b>

in EUR million	Annex	6M-2022	6M-2023
<b>Investing activities</b>			
Acquisition of property, plant and equipment		-3.3	-3.5
Acquisition of intangible assets		-0.1	-0.8
Acquisition and sale of minority interests and financial assets		-0.3	2.0
<b>Cash flow from investing activities</b>		<b>-3.7</b>	<b>-2.3</b>
<b>Financing activities</b>			
Repayments/payments from loans		-15.7	9.3
Payment of leasing installments		-1.3	-1.2
Interest paid		-5.1	-6.0
<b>Cash flow from financing activities</b>		<b>-22.1</b>	<b>2.1</b>
Change in cash and cash equivalents		-25.0	6.0
Cash and cash equivalents as at January 1		51.1	35.5
<b>Cash and cash equivalents as at June 30</b>	<b>5.3</b>	<b>26.1</b>	<b>41.5</b>

# IV. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (TRANSLATION FROM THE GERMAN LANGUAGE)

- 1. Information on the group**

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- 2. Summary of key accounting policies**

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- 3. Business combinations and other transactions**

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- 4. Selected notes to the statement of comprehensive income**

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- 5. Selected notes to the balance sheet**

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- 6. Segment reporting**

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- 7. Commitments to purchase property, plant and equipment**

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- 8. Transactions with related parties**

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- 9. Events after the balance sheet date**



# 1. INFORMATION ON THE GROUP

Katjes International GmbH & Co. KG ('Katjes International') is a limited partnership (Kommanditgesellschaft) established under the laws of the Federal Republic of Germany. It is registered in the Commercial Register of the Kleve Local Court (Amtsgericht) under commercial register number HRA 1076. The registered office is Emmerich am Rhein. The business address is:

Dechant-Sprünken-Str. 53- 57  
46446 Emmerich am Rhein, Germany.



## 2. SUMMARY OF KEY ACCOUNTING POLICIES

### 2.1 Basis of preparation of the financial statements

The interim financial statements were prepared in millions of euros. Unless otherwise stated, all amounts in the Annex are also stated in millions of euros (EUR million). Rounding was based on standard commercial rules. For reasons related to the calculations, rounding differences may occur in tables and in references.

The interim financial statements of Katjes International GmbH & Co. KG and its subsidiaries have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required for annual consolidated financial statements. Therefore, it should be considered in the context of the consolidated financial statements as at December 31, 2022. These interim consolidated financial statements have not been audited or reviewed by an auditor.

The accounting policies applied in the interim financial statements correspond to those applied in the consolidated financial statements as at December 31, 2022. The only exceptions are new and amended standards whose application is mandatory from January 1, 2023.

In the current reporting period, no new standards came into force whose introduction has a material impact on the Group's accounting policies. Amendments to standards already applied (e.g. IAS 1, IAS 12 and IAS 8) also have no material impact as at June 30, 2023.



## 3. BUSINESS COMBINATIONS AND OTHER TRANSACTIONS

No business combinations or other significant transactions took place during the reporting period.

# 4. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 4.1 Personnel expenses

in EUR million	6M-2022	6M-2023
Wages and salaries	21.9	22.7
Social security contribution	5.2	5.6
Expenses for retirement benefits	0.8	0.7
Other personnel expenses	0.1	0.4
<b>Total</b>	<b>28.0</b>	<b>29.4</b>

The average number of employees in the reporting period was:

	6M-2022	6M-2023
Hourly-paid-employees	603	630
Salaried employees	303	311
Other	20	23
<b>Total</b>	<b>926</b>	<b>964</b>

In addition, the Group employed an average of 61 temporary workers (6M-2022: 46).

## 4.2 Auditor's fees

The following fees paid to the auditor of the consolidated financial statements were recognised as expenses incurred by the Group:

in EUR million	6M-2022	6M-2023
Fees for audit services	0.0	0.0
Tax consultancy services	0.1	0.1
Other services	0.0	0.0
<b>Total</b>	<b>0.1</b>	<b>0.1</b>

## 4.3 Taxes on income

in EUR million	6M-2022	6M-2023
<b>Actual tax expense/income:</b>		
Germany	-0.9	-2.4
Other countries	-0.1	-0.0
<b>Deferred tax expense/income:</b>		
Germany	0.5	0.5
Other countries	2.2	1.6
<b>Total</b>	<b>1.7</b>	<b>-0.3</b>

## 5. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

### 5.1 Investments accounted for using the equity method

In the reporting period, the carrying amount of the investment valued at equity changed as follows:

in EUR million	
Carrying amount as at January 1, 2023	64.4
Result for the period	-0.3
<b>Carrying amount as at June 30, 2023</b>	<b>64.1</b>

### 5.2 Inventories

Value adjustments on inventories were recognised in the amount of EUR 0.6 million (6-M 2022: EUR 0.4 million).

### 5.3 Cash and cash equivalents

in EUR million	Dec 31, 2022	June 30, 2023
Balances at banks and cash on hand	35.5	41.5
<b>Total</b>	<b>35.5</b>	<b>41.5</b>

The carrying amount of cash and short-term deposits corresponds to the fair value.

As at June 30, 2023, cash and cash equivalents in a foreign currency with a value of EUR 2.0 million (SEK 23.8 million) are reported. The effects from translation as at the reporting date amount to EUR -0.1 million.

### 5.4 Interest-bearing and non-interest-bearing financial liabilities

Interest-bearing and non-interest-bearing financial liabilities mainly comprised the corporate bond, other interest-bearing loans and liabilities from leases. As at June 30, 2023, the liabilities from leases amounted to a total value of EUR 6.0 million (December 31, 2022: EUR 6.4 million).

## 5.5 Financial instruments by category

June 30, 2023 in EUR million	Carrying amount	Fair value	IFRS 9 measurement
<b>Financial assets:</b>			
Other financial assets <sup>3</sup>	2.6	2.6*	FV OCI
Other financial assets <sup>1</sup>	4.9	4.9**	Amortised cost
Option <sup>3</sup>	0.0	0,0	FV OCI
<b>Total non-current</b>	<b>7.5</b>	<b>7,5</b>	
Trade and other receivables <sup>1</sup>	32.1	32,1*	Amortised cost
<b>Total current</b>	<b>32.1</b>	<b>32.1</b>	
<b>Total</b>	<b>39.6</b>	<b>39.6</b>	
<b>Financial liabilities:</b>			
Interest-bearing loans   Liabilities from leases <sup>2</sup>	36.0	36.0*	Amortised cost
Liabilities from the issuance of a bond <sup>2</sup>	1.2	1.2*	FV PL
Other financial liabilities <sup>3</sup>	110.0	110.0**	Amortised cost
Liabilities arising from derivatives <sup>3</sup>	0,0	0,0**	FV PL
<b>Total non-current</b>	<b>147.2</b>	<b>147.2</b>	
Trade payables and other liabilities <sup>2</sup>	44.6	44.6*	Amortised cost
Interest-bearing loans   Liabilities from leases <sup>2</sup>	35.4	35.4*	Amortised cost
<b>Total current</b>	<b>80.0</b>	<b>80.0</b>	
<b>Total</b>	<b>227.2</b>	<b>227.2</b>	





The group uses the following hierarchy to determine the fair values of financial instruments and for the purpose of disclosures according to the measurement techniques:

\*) Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (level III). Level III parameters for participations in companies are determined with the help of information on economic developments and available industry and company data.

\*\*): Techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (level II). The fair value of debt instruments that are not actively traded, such as loans, borrowings and financial liabilities, as well as shares in unlisted companies, is determined by discounting the future cash flows. If discounting is necessary, this is based on current standard market interest rates over the remaining term of the financial instruments. The market values of the other financial assets and liabilities correspond to the respective carrying amounts.

- 1) 'Loans and receivables' category
- 2) 'Financial liabilities and assets measured at amortised cost' category
- 3) 'Measured at fair value through profit or loss' category

There were no changes between the measurement hierarchies in the reporting year.

### 5.6 Hedging future cash flows

As at June 30, 2023, the Group had three interest rate swaps with volumes of EUR 7.1 million, EUR 0.6 million and EUR 2.5 million (December 31, 2022: with a nominal principal amount of EUR 8.2 million, EUR 0.9 million and EUR 3.3 million, respectively). The interest rate swaps serve to hedge the risk of an increase in the variable interest rate and are structured accordingly.



## 6. SEGMENT REPORTING

The Katjes International Group, through its subsidiaries, is a manufacturer and supplier of confectionery and personal care products, which belong to the Fast Moving Consumer Goods (FMCG). The products are sold primarily through food retailers and drugstores.

The focus is on the distribution of strong and well-known brands – such as Sperlari, Treets – The Peanut Company or Dallmann's and Bübchen, as well as Candy Kittens and brands from the oral care sector – with a focus on the European region. The reporting on operating segments in accordance with IFRS 8 is based on the internal organisational and reporting structure.

The general partner of Katjes International GmbH & Co. KG is the chief operating decision maker throughout the group, allocating resources and evaluating performance at group level. The main indicator for performance measu-

rement and management is the operating result (EBITDA). Internal reporting and management is based on the 'FMCG' segment.

The measurement principles used for segment reporting are based on the International Financial Reporting Standards (IFRS).

Group revenue by region:

in EUR million	6M-2022	6M-2023
Germany	37.1	49.1
Italy	22.2	34.5
Netherlands	5.5	7.9
UK	5.3	6.1
Other EU countries + Switzerland	34.3	52.5
Non-EU countries	5.2	5.3
<b>Total</b>	<b>109.6</b>	<b>155.4</b>



Significant non-current assets of the Group by region:

in EUR million	Dec 31, 2022	June 30, 2023
Germany	121.5	119.2
Italy	97.2	96.5
Netherlands	71.9	71.6
UK	10.6	10.9
<b>Total</b>	<b>301.2</b>	<b>298.2</b>

Non-current assets (Netherlands) include an investment of EUR 64.1 million that is accounted for using the equity method.



## 7. COMMITMENTS TO PURCHASE PROPERTY, PLANT AND EQUIPMENT

As part of the acquisition of the Oral Care business unit, Bübchen Bodycare has contractually agreed to take over the entire production site from Henkel, probably at the end 2023. In this context, a liability of EUR 9.0 million was recognised.

Beyond this, there were no significant payment obligations from the acquisition of property, plant and equipment as at June 30, 2023.



## 8. TRANSACTIONS WITH RELATED PARTIES

Related parties within the meaning of IAS 24 are persons or entities that can be influenced by the reporting entity or that can influence the reporting entity.

The parent company is managed by the general partner Xaver Fassin International GmbH, whose managing directors and shareholders are Mr Bastian Fassin and Mr Tobias Bachmüller. These individuals are also the limited partners of the parent company.

The following transactions were conducted with related parties:

in EUR million	Dec 31, 2022	June 30, 2023
Trade payable for goods and services to Katjes Germany	1.2	2.2
Accounts of the limited partners	0.5	0.5

in EUR million	6M-2022	6M-2023
Sale of goods to Katjes Germany	0.5	0.8
Purchase of goods from Katjes Germany	5.3	5.9
Purchase of services	0.7	0.7
Total remuneration paid to the management*	0.1	0.1

*\*Remuneration paid to the general partner.*

All business relationships are conducted at arm's length and are not collateralised.

The accounts of the limited partners bear interest at a rate of 5.0% (previous year: 5.0%).

With reference to section 286(4) German Commercial Code (HGB) in conjunction with section 315e(1) and (3) HGB, the remuneration paid to the executive bodies beyond the remuneration to the general partner is not disclosed.



## 9. EVENTS AFTER THE BALANCE SHEET DATE

Katjes International's management is not aware of any significant events or any events with significant implications for the company's earnings, financial or assets position which may have occurred after the balance sheet date of June 30, 2023.

These interim consolidated financial statements were approved and authorised for issue by management on August 15, 2023.

Emmerich, August 15, 2023

Katjes International GmbH & Co. KG  
Management

# APPENDICES

## Information on shareholdings

in %	2022		2023	
<b>Germany</b>				
Katjes France GmbH, Emmerich am Rhein	100	A	100	A
Katjes Nederland GmbH, Emmerich am Rhein	100	A	100	A
Katjes 21 GmbH, Emmerich am Rhein	100	A	100	A
Dallmann's Pharma Candy GmbH, Hofheim a.T.	100	A	100	A
Candy Pharma GmbH, Hofheim am Taunus	100	A	100	A
Piasten GmbH, Forchheim	100	A	100	A
Treets GmbH, Forchheim	100	A	100	A
CCV-Vertriebs-GmbH, Forchheim	100	A	100	A
Katjes 24 GmbH, Emmerich am Rhein	100	A	100	A
Katjes Italy GmbH, Emmerich am Rhein	100	A	100	A
Bübchen Skincare GmbH, Hofheim am Taunus	100	A	100	A
Bübchen-Werk E. H. P. F. GmbH, Soest	100	A	100	A
Bübchen Bodycare GmbH, Düsseldorf	100	A	100	A
Candy Kittens EU GmbH, Emmerich am Rhein	100	A	100	A
Pharma Candy Management GmbH, E. a. Rhein	100	A	100	A
Pharma Candy GmbH & Co. KG, Emmerich a. R.	99.9	A	99.9	A
Blaue Helden GmbH, Bad Homburg	16.1	-	16.1	-

in %	2022		2023	
<b>Other countries</b>				
Heel Veel Snoepjes B.V., Nijkerk, Netherlands	100	A	100	A
Harlekijntjes B.V., Nijkerk, Netherlands	100	A	100	A
ÖZW Österreichische Zuckerwaren GmbH, Innsbruck, Austria	100	A	100	A
Sperlari S.r.l., Cremona, Italy	100	A	100	A
Paluani 1921 S.r.l, Dossobuono – Verona, Italy	100	A	100	A
Dulcioliva S.r.l. Borgo San Dalmazzo, Italy	75	A	75	A
Tuckshop Ltd, London, UK	75	A	75	A
Candy Kittens Ltd., London, UK	56.5	A	56.5	A
Longaim Ltd, London, UK	56.5	A	56.5	A
CPK S.A.S., Paris, France	23	B	23	B
Nuud Snacks Ltd, London, UK	10	-	10	-

A: Included in the consolidated financial statements as fully consolidated subsidiaries

B: Included in the consolidated financial statements as an associate accounted for using the equity method



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Katjes International GmbH & Co. KG

All reports are available for download at:

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This report contains forward-looking statements that are based on the current assumptions and estimates of the management of Katjes International GmbH & Co. KG. Forward-looking statements are identified by the use of words such as expect, intend, plan, anticipate, assume, believe, estimate and similar formulations.

These statements are not to be understood as guarantees that these expectations will prove to be correct. The future development and the results actually achieved by Katjes International GmbH & Co. KG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements.

Various of these factors are beyond the company's control and cannot be accurately estimated in advance, such as the future economic environment and the behaviour of competitors and other market participants. The company neither plans nor undertakes to update any forward-looking statements.

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