

**Company Registration No. 10136349**

**FRONERI LIMITED**

**Report and financial statements**

**31 December 2020**

FRIDAY



\*AAASS374\*

A12

13/08/2021

#79

COMPANIES HOUSE

## **Contents**

	<b>Page</b>
<b>Strategic report</b> .....	<b>2</b>
<b>Directors' report</b> .....	<b>7</b>
<b>Independent auditors' report to the members of Froneri Limited</b> .....	<b>9</b>
<b>Income statement for the year ended 31 December 2020</b> .....	<b>13</b>
<b>Statement of financial position as at 31 December 2020</b> .....	<b>14</b>
<b>Statement of changes in equity for the year ended 31 December 2020</b> .....	<b>15</b>
<b>Notes to the financial statements</b> .....	<b>16</b>

## Strategic report

The directors present their strategic report for the year ended 31 December 2020.

### Principal activities

The Company's principal activity during the year was as a holding company for subsidiaries of the Froneri Group. Froneri Limited operated as the ultimate parent of the group until 31 January 2020 when Froneri Lux Topco S.a r.l, a new Luxembourg-domiciled holding company, became the immediate parent of Froneri Limited and became the ultimate parent of the Froneri Group.

### Business review and results

Throughout the year, Froneri has operated in Europe, Egypt, South Africa, Brazil, Argentina, Australia, and the Philippines. During the prior year, the Group also acquired operations in Israel from Nestlé and New Zealand from Fonterra. In 2020, Froneri acquired Dreyer's Grand Ice Cream Holdings, Inc and its subsidiaries (together 'Dreyer's'), Nestlé USA's ice cream business, along with Nestlé Puerto Rico's ice cream business. Froneri is now the second largest manufacturer of ice cream in the world and is the largest manufacturer of private label ice cream globally.

On 31 January 2020, Froneri Lux Topco S.a r.l., became the ultimate parent company of the Group and the immediate parent of Froneri Limited. The capital structure of Froneri Limited was significantly reorganised with the shareholder debt and shareholder equity now being invested through that vehicle rather than through Froneri Limited.

The results of Froneri Limited for the financial year, amounted to a loss of €4.4 million (2019: €122.3 million) with a net asset position of €1,606.4m (2019: €251.2m).

### Key performance indicators

Given the straight-forward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for understanding of the performance or development of the business.

### Principal risks and uncertainties

The principal risks of the Company are in respect of the carrying value of its investments and recoverability of its intercompany balances. The directors consider the potential impact of business risks affecting entities across the Froneri Group regularly at Board meetings.

The Company continuously evaluates the impact of the COVID-19 outbreak on the Company's financial condition, liquidity, assets, and future results of operations. This is constantly being monitored and evaluated within the Company and at group level.

### Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006

The Board's engagement with the Company's stakeholders helps frame the Company's strategic direction, informs the Board's decision making process and overall supports the Board's duty to promote the success of the Company as set out in Section 172 of the Companies Act 2006. The directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The following paragraphs summarise how directors fulfil their duties:

## **Strategic report (continued)**

### **Employees**

In 2020, in all of the markets where we operate, we developed specific strategies aimed at enhancing employee engagement, developing relevant capabilities required to run the business with the vision of being the “best ice cream company in the world”, increasing the depth of talent and the breadth of diversity, and ensuring compliance with local employment laws and regulations.

Froneri operates a framework for employee information and consultation in line with the relevant regulations in each territory. Throughout the period, the Group (from which Froneri Limited as an Intermediate parent and its subsidiaries operate) continued to provide information on its website and through regular employee communications. Over the course of 2020, the Group completed most of its remaining IT integration projects. This further enhances the Group’s ability to communicate vital information to its workforce. In each of the operating countries the Group provides channels through which employees can express views and communicate regularly with senior management of the business.

Feedback is encouraged on any issues that are of concern to employees on an ongoing basis. The Group’s new Integrity Call Policy continued to operate successfully. This policy allows “whistle-blowers” to report matters that they wish to bring to the attention of the business.

This service is provided through a dedicated third-party which operates a 24/7 telephone hotline in all the languages of the Group on an anonymous basis, where that is the caller’s preference.

Froneri operates a framework for employee information and consultation in line with the Information and Consultation of Employees Regulations 2005.

### **Health & Safety matters**

The Froneri Health & Safety (“H&S”) Strategy focuses on targeting risk reduction and performance improvements. Initiatives across the Group continued to deliver exceptional H&S performance with a 21% reduction in high to medium risk-related incidents and a 39% reduction in lost time injuries.

Key initiatives implemented in the year in countries within the Group were:

- A behaviour-based safety programme
- Country-specific risk management and H&S plans.

### **Business ethics and human rights**

Froneri is committed to conducting business in an ethically and socially responsible manner and treating employees, customers, suppliers and shareholders in a fair, open and honest manner. The Group is regularly audited, by both independent auditors and customers.

We have committed to a programme of auditing our top suppliers at a group and country level over the next three years to cover areas like Consumer Safety, compliance to our specification and verification of ethical and environmental commitments. This further helps Froneri ensure that its suppliers operate in an ethically and socially responsible manner. To bring additional rigour to this audit programme the Company recently selected Intertek as our supplier audit partner.

## **Strategic report (continued)**

### **Business ethics and human rights (continued)**

The Group is similarly committed to conducting business in a way that is consistent with universal values on human rights and complying with the Human Rights Act 1998. The Group ensures that appropriate consideration is given to human rights issues in the formulation of its policies and processes. This is most pertinent in the Group's approach to supply chain management (and the consideration of an ethical trading stance in that respect) and overseas employment policies and practices. Where appropriate, this can take the form of charitable donations, supporting employees in fund raising or volunteering for local good causes, and community partnering. In addition, employee welfare measures are monitored in regular KPIs, such as absenteeism, the extent of vacant positions and working hours.

There have been no instances of non-compliance with these policies noted in the year.

### **Diversity; Gender-based reporting and Disability**

Froneri is committed to gender-neutral employment policies, including retention, recruitment and remuneration. In 2020, the six-strong Froneri board was all male.

As of 31 December 2020, the Group had a total of 13,289 permanent and non-permanent employees. This total was made up of 11,735 permanent employees and 1,554 non-permanent employees. Of the overall total, 3,686 were women and 9,603 were men.

In terms of management there are 1,303 employees categorised as managers, of which 421 are women, 28 employees categorised as senior managers, five of whom are women. Of these, three of the top eight markets are led by female Country Heads.

In 2020 Froneri continued its talent and succession planning activity with a continued emphasis on the "top 200" roles across the Group. As part of this activity it aims to ensure that it undertakes the activity mindful of gender considerations. Its aim is to increase the proportion of women in senior roles both for the benefits that this diversity brings and to better reflect the diversity of its consumers. The object of this exercise is to identify its areas of strength and relative weakness from a talent perspective. It is only by undertaking this exercise on a regular basis that the Group can begin to identify the actions we need to take to put the talent in place, which will ensure the success of the business over the medium and long term.

Actions in talent and succession place an emphasis on developing existing talent in the organisation, taking a strategic view of any external hire opportunity and making sure there are measures in place to retain critical people. These actions are a key focus of Group level activity and act as a template for Country Heads to follow.

Froneri is a culturally-diverse company which is determined to develop an inclusive culture respectful of the contribution of all employees regardless of age, country of origin and race, disability, gender/gender identity and sexual orientation, religion, marital status and dependants, political views and social class. It recruits, employs, rewards, trains and promotes employees purely on merit and the specific qualifications and abilities needed for the work to be performed.

## **Strategic report (continued)**

### **Environmental matters**

The Group always aims to operate in an environmentally responsible manner. Compliance with relevant legislation and regulations is regarded as imperative, and the adoption of responsible standards where no legislation exists is an integral part of business strategy. The Group recognises that its activities have an impact on the environment. To reduce this, it sets environmental objectives and targets relating to energy reduction (electricity, gas) and water usage.

The Group also looks to reduce its environmental footprint through minimising waste by prevention, reuse and recycling. These targets are monitored and reviewed through KPIs.

### **Social and community matters**

Froneri aims to be a good corporate citizen recognising its responsibility to work in partnership with the communities in which it operates. The Group encourages active employee support for their local community or chosen charities, in particular those that aid children and young people. The Group's businesses have regularly donated a part of their income to local charities as well as donating products that charities and communities can then sell to raise funds. It is the Group's policy not to make political donations.

Froneri recently launched the indulgent plant-based ice cream with a social conscious: RØAR®. This new brand is about a conscious mindset, social responsibility and caring for animal welfare. The brand will be aimed at an audience who live a balanced lifestyle, those who are looking to indulge whilst still making responsible food choices (the range does not contain palm oil and all cocoa is UTZ Certified). RØAR®'s animal welfare expands beyond ingredients with a long-term partnership with Panthera; Panthera is the only organisation in the world devoted exclusively to the conservation of the world's wild cats, aiming to increase tiger numbers by at least 50% over a ten-year period.

Froneri recognises that obesity, particularly in children, is one of the most significant health issues worldwide – and that as an ice cream company with a vision to be the world's best it has a responsibility to help tackle this.

Over 70% of our children's products by volume sold already meet these commitments and our 'Road to 100%' plan sets out the steps which will enable us to achieve these reductions across all our children's products by 2022.

### **Anti-bribery and Corruption policy**

It is Froneri's policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

The group companies implement their own local Anti-Bribery Policy which incorporates the Group's minimum policy requirements, whilst being sensitive to local customs. All employees are trained on the requirements periodically. Heads of Finance, departments and managers are responsible for implementing their own policies including appropriate practices, processes, controls and training.

Froneri operates in territories which present a higher risk of bribery and corruption than others depending on the particular political and social landscape. Before doing business in any new territory we assess the risks associated with that territory from a bribery and corruption perspective to identify and implement any controls required to manage the risks of operating in that territory proportionate to the bribery and corruption risk.

Each Froneri business must have adequate anti-bribery and corruption procedures and due diligence in place relating to employees, agents and distributors, suppliers, customers and other associated persons. Additional due diligence is performed on those employees who have access to Company funds or hold a position of seniority. The Group also has clear guidelines in place regarding gifts & hospitality and charitable & political donations.

**Strategic report (continued)**

**Anti-bribery and Corruption policy rights (continued)**

All employees are encouraged to raise concerns about suspected bribery or corruption, either through their usual chain of command, through Group legal or through the third-party whistleblowing hotline, as appropriate.

There have been no instances of non-compliance with the policy noted in the year.

The Company has complied with the requirements of s172 of the Companies Act 2006 as evidenced throughout this Strategic Report.

On behalf of the board

A handwritten signature in black ink, appearing to be 'I. Najafi', written over a horizontal line.

I Najafi  
Director  
21 July 2021

## **Directors' report for the year ended 31 December 2020**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

### **Future developments**

The Company will continue to be a holding company.

### **Dividends**

The directors do not recommend the payment of a dividend (2019: €nil).

### **Financial Risk Management Policies and Objectives**

The Company finances its activities with a combination of term loans, cash and equity. Other financial assets and liabilities arise directly from the Company's operating activities.

### **Going concern**

The assessment of going concern has been discussed within the notes to the Financial Statements section 2.2. The Directors have considered the positive net current assets position, and after making appropriate enquiries, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the group going concern basis for the preparation of the financial statements.

The Company continuously evaluates the impact of the COVID-19 outbreak on the Company's financial condition, liquidity, assets, and future results of operations. This is constantly being monitored and evaluated within the Company and at group level.

### **Directors**

The directors of the Company who held office during the year and up to the date of signing the financial statements were as follows:

I Najafi  
P Griffin  
M Mattia (resigned 31 January 2021)  
I Blanken (appointed 16 November 2020)

In accordance with the articles of association, no directors retire by rotation.

As permitted by the Articles of Association, each of the directors has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each director during the year and is currently in force. The Company also maintains directors' and officers' liability insurance in respect of itself and its directors.

### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



## **Directors report for the year ended 31 December 2020 (continued)**

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### **Independent Auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the board

  
I Najafi  
Director

21 July 2021

Richmond House  
Northallerton  
North Yorkshire, DL7 9UL  
United Kingdom

## ***Independent auditors' report to the members of Froneri Limited***

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Froneri Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2020; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## ***Independent auditors' report to the members of Froneri Limited (continued)***

### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## ***Independent auditors' report to the members of Froneri Limited (continued)***

### **Auditors' responsibilities for the audit of the financial statements (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in determining significant estimates. Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- obtaining supporting evidence for the significant assumptions and judgements made by management, particularly in respect of the impairment assessment of amounts owed by group undertakings;
- reviewing financial statements disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

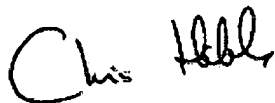
### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

***Independent auditors' report to the members of Froneri Limited (continued)***

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Chris Hibbs', with a large 'C' and a stylized 'H'.

Christopher Hibbs (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

29 July 2021

**Income statement**  
*for the year ended 31 December 2020*

	Note	2020 €'000	2019 €'000
Net impairment losses on financial and contract assets		(477)	-
Other exceptional income		-	705
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(477)</b>	<b>705</b>
Income from Subsidiary		724	-
<b>Profit before interest and taxation</b>		<b>247</b>	<b>705</b>
Interest receivable and similar income	5	59,942	13,043
Interest payable and similar expenses	5	(62,089)	(137,590)
<b>Loss before taxation</b>		<b>(1,900)</b>	<b>(123,842)</b>
Tax on loss	6	(2,463)	1,567
<b>Loss for the financial year</b>		<b>(4,363)</b>	<b>(122,275)</b>

The losses derive from continuing activities.


There is no other comprehensive income for the year.

**Statement of financial position**  
**as at 31 December 2020**

	Note	2020 €'000	2019 €'000
<b>Fixed assets</b>			
Investments	7	1,243,821	1,392,183
		<b>1,243,821</b>	<b>1,392,183</b>
<b>Current assets</b>			
Trade and other receivables (including €1,028.9m (2019: €477.7m) due after more than one year)	8	1,029,176	502,865
Cash at bank and in hand		-	4
		<b>1,029,176</b>	<b>502,869</b>
<b>Creditors: amounts falling due within one year</b>	9	<b>(59,644)</b>	<b>(56,981)</b>
<b>Net current assets</b>		<b>969,532</b>	<b>445,888</b>
<b>Total assets less current liabilities</b>		<b>2,213,353</b>	<b>1,838,071</b>
<b>Creditors: amounts falling due after more than one year</b>	10	<b>(606,920)</b>	<b>(1,586,863)</b>
<b>Net assets</b>		<b>1,606,433</b>	<b>251,208</b>
<b>Equity</b>			
Called up share capital	11	397	15
Share premium account	11	1,670,283	327,270
Merger reserve	11	295,358	295,358
Capital contribution reserve	11	1,580	-
Profit and loss account		(361,185)	(371,435)
<b>Total shareholders' funds</b>		<b>1,606,433</b>	<b>251,208</b>

The notes on pages 16 to 34 are an integral part of these financial statements.

The financial statements on pages 13 to 34 were approved by the board of directors on 21 July 2021 and were signed on its behalf by:



**I Najafi**  
**Director**  
**Company registered number: 10136349**

**Statement of changes in equity for the year ended 31 December 2020**

	Called up Share capital €'000	Share Premium €'000	Merger Reserve €'000	Capital contribution reserve €'000	Accumulated losses €'000	Total shareholders' funds €'000
<b>At 1 January 2019</b>	<b>15</b>	<b>323,300</b>	<b>295,358</b>	<b>-</b>	<b>(249,990)</b>	<b>368,683</b>
<b>Transactions with owners recorded directly in equity</b>						
Shares allotted	-	3,970	-	-	-	3,970
Share-based payment	-	-	-	-	830	830
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>3,970</b>	<b>-</b>	<b>-</b>	<b>830</b>	<b>4,800</b>
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(122,275)	(122,275)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(122,275)</b>	<b>(122,275)</b>
<b>At 31 December 2019</b>	<b>15</b>	<b>327,270</b>	<b>295,358</b>	<b>-</b>	<b>(371,435)</b>	<b>251,208</b>
<b>Transactions with owners recorded directly in equity</b>						
Shares allotted	382	1,343,013	-	-	-	1,343,395
Share-based payment	-	-	-	1,580	14,613	16,193
<b>Total contributions by and distributions to owners</b>	<b>382</b>	<b>1,343,013</b>	<b>-</b>	<b>1,580</b>	<b>14,613</b>	<b>1,359,588</b>
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(4,363)	(4,363)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,363)</b>	<b>(4,363)</b>
<b>At 31 December 2020</b>	<b>397</b>	<b>1,670,283</b>	<b>295,358</b>	<b>1,580</b>	<b>(361,185)</b>	<b>1,606,433</b>



## Notes to the financial statements

### 1. General information

The Company's principal activity during the year was as a holding company.

Froneri Limited is a private company limited by shares and is incorporated and domiciled in England, in the UK. The address of its registered office is Richmond House, Leeming Bar, Northallerton, DL7 9UL.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements are presented in Euro, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the years presented.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101)" and, the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 14 gives details of the Company's ultimate parent and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies (the Company has no other related party transactions);
- IFRS 2 share-based payments; and
- Roll-forward reconciliations in respect of share capital (IAS 1).

The Company is a wholly owned subsidiary of Froneri Limited and is included in the consolidated financial statements of Froneri Lux TopCo S.a r.l., which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

#### 2.1.2 New standards and amendments

There are no new accounting standards or other amendments or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the Company's financial statements.

## **Notes to the financial statements (continued)**

### **2. Summary of significant accounting policies (continued)**

#### **2.2 Going concern**

At 31 December 2020, the company has net assets of €1,606.4 million (2019: €251.21 million).

The Directors have considered this position, together with the company and the Group's budgets and positive net current assets position, and after making appropriate enquiries, the Directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and therefore adopt the going concern basis for the preparation of the financial statements.

Froneri Lux TopCo S.a.r.l, the ultimate parent, have provided a letter of financial support to Froneri Limited which will cover the foreseeable future periods and will not be withdrawn within the next 12 months.

The Company continuously evaluates the impact of the COVID-19 outbreak on the Company's financial condition, liquidity, assets, and future results of operations. This is constantly being monitored and evaluated within the Company and at group level.

#### **2.3 Consolidation**

The Company is a wholly owned subsidiary of Froneri Lux TopCo S.a r.l. and is included in the consolidated financial statements of Froneri Lux TopCo S.a r.l., which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

#### **2.4 Measurement convention**

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

#### **2.5 Foreign currencies**

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### **2.6 Investments**

Investments are stated at cost less provision for impairment losses.

#### **2.7 Trade and other receivables (including loans receivable)**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The effective interest is the rate that exactly discounts estimated future cash receipts (including all fees and premiums/discounts) excluding expected credit losses, through the expected life of the debt instrument. This credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method, adjusted for any loss allowance.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Loans and borrowings payable

All loans and borrowings are initially recognised at fair value of the consideration received net of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective rate method.

#### 2.9 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using the prevailing tax rates. The deferred tax balance has not been discounted.

Current tax is the expected tax payable on the taxable income for the year, using prevailing tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### 2.10 Financial assets

The Company classifies its financial assets in the following categories:

- Amortised cost.
- Fair value through profit or loss (FVTPL)

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Financial assets at amortised cost*

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### Financial assets (continued)

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets.

#### Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' and are categorised as fair value through profit or loss. The assets are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other (expenses)/income in the period they arise. Fair values are determined by reference to active market or using valuation techniques where no active market exists.

The following financial assets are classified at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

#### 2.11 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### 2.12 Share capital

Ordinary shares are classified as equity.

## **Notes to the financial statements (continued)**

### **2. Summary of significant accounting policies (continued)**

#### **2.13 Share-based payments**

The Froneri Group had an equity settled share-based payment scheme, operated by Froneri Limited in January 2020, for the remainder of the year a new scheme was operated for the group by Froneri Lux Topco S.a.r.l with Froneri Limited operating as an intermediate holding company.

Share-based payment arrangements in which the Company receives goods or services as consideration for Froneri Limited's equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding capital contribution to equity, over the period that the employees become unconditionally entitled to the awards. The grant date fair value of share-based payment awards granted to employees of subsidiary companies is recognised as an investment, with a corresponding capital contribution to equity, over the period that the subsidiaries' employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

The amount recognised as an expense or investment is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense or investment is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. As the scheme is operated and settled by Froneri Limited, Froneri International Limited's balance is recognised as a capital contribution.

The Group does not have any cash-settled share-based payment transactions.

#### **2.14 Exceptional Items**

The Company presents as exceptional items on the face of the income statement those material items of income or expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation. This allows users of the financial statements to better understand the elements of financial performance in the year, so as to better assess trends in financial performance.

#### **2.15 Other operating income / (expense)**

Other operating income represents income receivable from other group companies in relation to managing the group's intellectual property, including the external Nestlé and Mondelēz brand licences.

Other operating expense represents costs incurred in relation to managing the group's intellectual property, including the external Nestlé and Mondelēz brand licences.

#### **2.16 Interest income / (expense)**

Interest income / (expense) is recognised using the effective interest rate method. In calculating interest income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### 2.17 Dividend Income

Dividend income is recognised when the right to receive payment is established.

#### 2.18 Rounding of amounts

All amounts in the financial statements and notes have been rounded to the nearest thousand Euro, unless otherwise stated.

#### 2.19 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported values of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and other judgements reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Whilst actual results may differ from those estimates, estimates used at the end of the current financial year are not anticipated to have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. We set out below the significant areas of estimates for the company:

- Valuation of investments and intercompany receivables and the related assessment for impairment. Management reviews the carrying value of its investments and intercompany receivables annually or if a trigger for impairment arises in the period. In making this assessment management takes into account factors including the price of recent acquisitions (in particular the EBITDA multiple for the transaction) and if appropriate performing impairment tests with reference to value in use calculations. This includes the use of the following key assumptions: discount factors, the annual budget and three-year strategic plan, and estimates in respect of growth rates and margins based on past performance and management's experience of growth rates and margins achievable in key markets.
- Measurement and recognition of intercompany balances related to group relief of tax losses within its UK corporation tax group. Significant judgement is required in determining current tax assets and this includes reassessing judgements formed in previous periods when circumstances change, such as changes in legislation, dialogue with tax authorities or other factors. Where this is the case, the judgement exercised in these matters may cause the company to alter balances from the amount initially recognised, and such differences will impact the current tax assets/ liabilities and credit/ charge in the period of determination. In particular judgement is required in respect to the deductibility of finance charges and exceptional costs.

Management does not believe there are any other significant areas of judgement.

## Notes to the financial statements (continued)

### 3. Operating (loss)/profit

Operating (loss)/profit is stated after crediting / (charging):

	2020	2019
IFRS 9 impairment	€000	€000
IFRS 9 impairment	(477)	-
Exceptional items – M&A related transaction costs	-	705

### IFRS 9 impairment

Under IFRS 9 intercompany loan receivables were assessed for lifetime expected credit losses. As the Group would continue to refinance the intercompany receivable balances as necessary, the provision required against these loans has been calculated based on when the aforementioned value-in-use calculations used for the investment impairment assessment. This is based on the provision calculated is the discounting impact of this delayed payment calculated using the rate applicable in the loan agreement. Management has assessed the intercompany balance of €477,122 with Froneri Argentina SA to be fully impaired, this is based on the hyperinflationary economy within Argentina.

### Auditors' remuneration

The audit fees, across the Froneri Group holding company entities (inclusive of Froneri Limited), are borne by Froneri International Limited. Fees paid to PricewaterhouseCoopers LLP and its associates for non-audit services to the Company itself are not disclosed since the consolidated financial statements of the Group are required to disclose non-audit fees on a consolidated basis.

## Notes to the financial statements (continued)

### 4. Employees and directors

#### Employee numbers

The Company did not have any employees at 31 December 2020 (2019: nil).

#### Remuneration of Directors

Director remuneration was €0.06m (2019: €0.34m)

There were no defined benefit schemes operating during the year.

Highest paid director received €0.04m (2019: €0.25m)

### 5. Interest receivable and similar income and interest payable and similar expenses

	2020 €'000	2019 €'000
<b>Interest receivable and similar income</b>		
Intercompany interest income	59,942	9,689
Foreign exchange gains	-	3,353
Other interest receivable	-	1
<b>Total finance income</b>	<b>59,942</b>	<b>13,043</b>
<b>Interest payable and similar expenses</b>		
Intercompany interest expense	(47,236)	-
Shareholder loan notes	(11,762)	(131,677)
Foreign exchange losses	(2,563)	-
Interest on preference shares	(528)	(5,913)
<b>Total finance expense</b>	<b>(62,089)</b>	<b>(137,590)</b>
<b>Net finance costs</b>	<b>(2,147)</b>	<b>(124,547)</b>

### 6. Tax on loss

	2020 €'000	2019 €'000
<b>UK corporation tax:</b>		
Current tax arising in the year	2,463	(3)
Adjustments in respect of prior years	-	(1,564)
<b>Total current tax charge / (credit) for the year</b>	<b>2,463</b>	<b>(1,567)</b>

The tax rate for the current year is the same as the prior year.

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.



**Notes to the financial statements (continued)**

**6. Tax on loss (continued)**

The tax rate for the current year is the same as the prior year.

Subsequent to the year end, on 3 March 2021, it was announced that the main rate of UK corporation tax will be increased to 25% from 1 April 2023.

The standard rate of tax for the year, based on the UK standard rate of corporation is 19% (2019: 19%). The actual tax for the year is higher (2019: higher) than the standard rate for the reasons set out in the following reconciliation:

	2020 €'000	2019 €'000
<b>Loss before taxation</b>	<b>(1,900)</b>	<b>(123,842)</b>
Tax on loss at UK standard rate of 19% (2019: 19%)	(361)	(23,530)
Factors affecting charge for the year:		
Non-deductible impairment charge	91	-
Non-deductible interest	2,871	23,693
Non-taxable income	(138)	(166)
Adjustments in respect of prior years	-	(1,564)
<b>Total tax charge / (credit) for the year</b>	<b>2,463</b>	<b>(1,567)</b>

The UK group has an accounting policy to charge fellow UK undertakings for group relief. The current year tax credit relates to income in respect of this group relief.

The total losses not recognised in the deferred tax provision are €nil (2019: €nil).

**Notes to the financial statements (continued)**

**7. Investments**

	Shares in Group undertakings €'000
<b>Cost</b>	
At 1 January 2019	1,554,290
Additions	860
Disposals	(180)
<b>At 31 December 2019</b>	<b>1,554,970</b>
At 1 January 2020	1,554,970
Additions	63,112
Disposals	(374,261)
<b>At 31 December 2020</b>	<b>1,243,821</b>
<b>Impairments</b>	
At 1 January 2019	162,787
Impairment	-
<b>At 31 December 2019</b>	<b>162,787</b>
At 1 January 2020	162,787
Disposal	(162,787)
<b>At 31 December 2020</b>	<b>-</b>
<b>Net Book Value</b>	
At 31 December 2019	1,392,183
<b>At 31 December 2020</b>	<b>1,243,821</b>

As at 31 January 2020, Froneri Limited operated the group share based payment scheme. Following the acquisition of the Nestlé USA Ice Cream business and the insertion of the new holding company into the Group on 31 January 2020, it was agreed with the shareholders that employees could partly realise their D share holdings. This partial realisation necessitated an acceleration of the share-based payment charge during the year. Froneri Limited recognised €14.6m (2019: €0.8m) which was passed to the relevant employing entities. As part of the new group share based payment scheme Froneri Limited operated as an intermediary holding company and recognised a share based payment of €1.6m (2019: Nil). Froneri Limited also increased its investment in Froneri International Limited by €46.9m on 31 January 2020 as part of the group reorganization and refinancing.

As part of the group simplification process during the year, Riviera Topco limited was liquidated and the corresponding €211m net investment was disposed of.

The directors have assessed whether any impairment is necessary to the investment in Froneri International Limited, given it is in a net liabilities position. An impairment test was performed by comparing the carrying value of the investment with its recoverable amount, based on its value in use, which corresponds to their future projected cash flows discounted at an appropriate pre-tax rate of return. Having performed this exercise, it was determined that no impairment was necessary.

## Notes to the financial statements (continued)

### 7. Investments (continued)

The Company has investments in subsidiaries as set out in the table below. The table is arranged by continent, then alphabetically by country and entity. The functional currency of each subsidiary is shown.

Subsidiaries	Registered address	Activity	Currency	Country of Incorporation	Ownership Interest
<b>Europe:</b>					
Froneri Austria GmbH	Europaplatz 4 4020 Linz	T	EUR	Austria	100%
Froneri Bulgaria EOOD	261 Lomsko shose Blvd. District Vrahnitsa 1220 Sofia	T	BGN	Bulgaria	100%
Froneri Finland Oy	PL 35, 02151 LESPOO Finland	T	EUR	Finland	100%
Froneri Development Center Glaces SAS	Zone Industrielle No2 Rue Charles TELLIER F - 60000 BEAUVAIS	R	EUR	France	100%
Froneri Beauvais SAS	Zone Industrielle No2 Rue Charles TELLIER F - 60000 BEAUVAIS	T	EUR	France	100%
Froneri Dange SAS	La Taille du Moulin à Vent 86220 DANGE SAINT ROMAIN	T	EUR	France	100%
Pilpa SAS *	Kergarnet BP 809 - 29208 Plouédern	D	EUR	France	100%
Froneri Holdings France SAS	Le Labour - B.P. 13, 33870 Vayres	H	EUR	France	100%
Froneri Vayres SAS	Le Labour - B.P. 13, 33870 Vayres	T	EUR	France	100%
Froneri France SAS	Le Labour - B.P. 13, 33870 Vayres	T	EUR	France	100%
Confiserie Backwaren Vertrieb GmbH	Wasserweg 39, 64521 Groß-Gerau	T	EUR	Germany	100%
Durigon Gelato GmbH	Eduard-Pestel Str 15, D 49080 Osnabrück	D	EUR	Germany	100%
Erlenbacher Backwaren GmbH	Wasserweg 39, 64521 Groß-Gerau	T	EUR	Germany	100%
Froneri Deutschland Holding GmbH	Nordwestring 201 D-90419 Nürnberg	H	EUR	Germany	100%
Froneri Erlenbacher Immobilien GmbH & Co OHG	Wasserweg 39, 64521 Groß-Gerau	P	EUR	Germany	100%
Froneri Rus Holding GmbH *	Nordwestring 201 90419 Nürnberg	H	EUR	Germany	100%
Froneri Schöller GmbH	Nordwestring 201 D-90419 Nürnberg	T	EUR	Germany	100%
Froneri Schöller Immobilien GmbH & Co OHG	Nordwestring 201 D-90419 Nürnberg	P	EUR	Germany	100%
Froneri Schöller Produktions GmbH	Nordwestring 201 D-90419 Nürnberg	T	EUR	Germany	100%
Janny's Eis Franchise GmbH	Hilfelder Kirchweg 21, D-21220 Seevetal-Mascheren	T	EUR	Germany	100%
L'Italiano Ice Cream GmbH *	Eduard-Pestel Str 15, D- 49080 Osnabrück	D	EUR	Germany	100%
Nord-Eis-die Eisprofis GmbH *	Eduard-Pestel Str 15, D- 49080 Osnabrück	D	EUR	Germany	100%

## Notes to the financial statements (continued)

### 7. Investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Froneri Ice Cream Deutschland GmbH	Eduard Pestel Str 15, D 49080 Osnabrück	T	EUR	Germany	100%
Froneri Deutschland GmbH	Nordwestring 201 D-90419 Nürnberg	H	EUR	Germany	100%
R&R Holdings Deutschland GmbH	Eduard-Pestel Str 15, D-49080 Osnabrück	H	EUR	Germany	100%
Prima-Eis GmbH *	Eduard-Pestel Str 15, D-49080 Osnabrück	D	EUR	Germany	100%
Weidenglück UG (haftungsbeschränkt) & Co KG	Eduard-Pestel Str 15, D-49080 Osnabrück	H	EUR	Germany	100%
Froneri Hellas Ice-Cream SA	3, Kerkyras str., 17778 Tavros, Attika, Greece	T	EUR	Greece	100%
R&R Ice Cream Ireland Limited	25 - 28 North Wall Quay, Dublin 1. D01 H104	D	EUR	Ireland	100%
Froneri Holding Spa	Corso G. Garibaldi no. 49, 20121 Milan	H	EUR	Italy	100%
Eskigel Srl	Via Augusto Vanzetti no.11, 05100 Terni	T	EUR	Italy	100%
Froneri Italy Srl	Via Asi Consortite 7, n.16 Cap 03013, Ferentino (Fr)	T	EUR	Italy	100%
R&R Ice Cream Jersey Limited	44 Esplanade, St. Helier, Jersey JE4 9WG	H	AUD	Jersey	100%
Froneri Lux Finco S.à r.l.	9, Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	H	EUR	Luxembourg	100%
Froneri Malta Limited *	Pantar Road, Lija, Malta	D	EUR	Malta	100%
Froneri Polska Sp z o.o	Ul. Wojska Polskiego 3, 39-300 Mielec	T	PLN	Poland	100%
Froneri Ice Cream Romania SRL	Bucuresti-Ploiesti 1A, Cladirea II, Parter, Sector 1, Bucuresti, 013681	T	RON	Romania	100%
Froneri Rus LLC	Russian Federation, 115054, Moscow, Kosmodamianskaya naberezhnaya, 52, bld. 1, 4 floor, ap. 2, office 4	T	RUB	Russia	100%
Froneri Adriatic doo Stara Pazova	Stara Pazova, Banovački put bb, 22300, Belgrade, Stara Pazova	T	RSD	Serbia	100%
Froneri Iberia SL	Zona Industrial Araia, C/ Intxerdui, 5, 01250 ARAIA (Álava)	T	EUR	Spain	100%
Froneri Switzerland SA	Blumenfeldstrasse 15, 9403 Goldach, Switzerland	T	CHF	Switzerland	100%

## Notes to the financial statements (continued)

### 7. Investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of Incorporation	Ownership Interest
Froneri International Limited (formerly Froneri International plc)	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	EUR	United Kingdom	100%
Froneri South Africa Holdings Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	ZAR	United Kingdom	100%
Froneri UK Finco (NZD) Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	NZD	United Kingdom	100%
Kelly's of Cornwall Limited	Lucknow Road, Walker Lines Estate, Bodmin, Cornwall, PL31 1EZ	D	GBP	United Kingdom	100%
New R&R Ice Cream Limited *	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	EUR	United Kingdom	100%
Froneri UK Finco Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	USD	United Kingdom	100%
R&R Ice Cream UK Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	T	GBP	United Kingdom	100%
R&R PIK Limited (formerly R&R PIK plc) *	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	EUR	United Kingdom	100%
Richmond Foods Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	GBP	United Kingdom	100%
Richmond Ice Cream Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Riviera Acquisitions Limited *	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	EUR	United Kingdom	100%
Riviera Topco Limited *	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	EUR	United Kingdom	100%
Ruby Acquisitions Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	GBP	United Kingdom	100%
Windsor Creameries Manufacturing Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%

## Notes to the financial statements (continued)

### 7. Investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of Incorporation	Ownership interest
<b>Africa:</b>					
Froneri Ice Cream Egypt SAE	Summit 250, 90 El Shamaly Street, 5th Settlement, New Cairo	T	EGP	Egypt	100%
Froneri South Africa (Pty) Limited	14 Spanner Road, Clayville, Olifantstontein, Gauteng 1665	T	ZAR	South Africa	100%
<b>Rest of the world:</b>					
Froneri Argentina SA	Av. Leandro N. Alem 356, Piso 13º - Buenos Aires, Argentina	T	ARS	Argentina	100%
Australasian Food Group Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	T	AUD	Australia	100%
Mulgrave LeaseCo Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	D	AUD	Australia	100%
New Holdco Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Food MezzCo Pty Limited	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Peters Food Group Pty Limited	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Riviera (Aus) Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Riviera Holdings (Aus) Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Froneri Brasil Distribuidora de Sorvetes e Congelados Ltda	Estrada dos Bandeirantes 4935, Jacarepaguá, CEP 22775-113, Rio de Janeiro	T	BRL	Brazil	100%
Froneri Israel Ltd	Hamelacha 6, Lod, Israel	H	ILS	Israel	100%
Noga Ice Cream Ltd	Hamelacha 6, Lod, Israel	T	ILS	Israel	100%
Noga Ice Creams Limited Partnership	Hamelacha 6, Lod, Israel	H	ILS	Israel	100%
Froneri NZ Ltd	113 Carbine Road, Mount Wellington, Auckland 1060, New Zealand	H	NZD	New Zealand	100%
Tip Top Ice Cream Company Ltd	113 Carbine Road, Mount Wellington, Auckland 1060, New Zealand	T	NZD	New Zealand	100%
Tip Top Investments Ltd	113 Carbine Road, Mount Wellington, Auckland 1060, New Zealand	H	NZD	New Zealand	100%
Froneri Philippines Inc	National Highway, Barangay Tibag, Pulilan, Bulacan, Philippines, 3005	T	PHP	Philippines	99.998%

## Notes to the financial statements (continued)

### 7. Investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Payco Foods Corporation	Carr. #2 km 15.1, Calle C#42 Zona Industrial Corujo Bayamon PR 00961	T	USD	Puerto Rico	100%
Froneri US, Inc.	5929 College Avenue, Oakland, CA 94618	H	USD	United States	100%
Dreyer's Grand Ice Cream Holdings Inc.	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801	H	USD	United States	100%
Dreyer's Grand Ice Cream, Inc.	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801	T	USD	United States	100%
The Haagen Dazs Shoppe Company, Inc.	The Corporation Trust Company, 820 Bear Tavern Road, 3rd Floor West Trenton, NJ 08628	T	USD	United States	100%

H – denotes an intermediate holding or financing company

D – denotes a dormant company

P – denotes a property investment company

R – denotes a research and development company

T – denotes a company with the principal activity of the production, distribution and/or sale of ice cream and/or frozen confectionary and desserts.

\* These entities were dissolved or liquidated in the year. Notice of liquidation was given for the UK entities in December 2020. Froneri Rus Holding GmbH was merged in May 2020 with Froneri Schöller GmbH. L'Italiano Ice Cream GmbH and Prima-Eis GmbH were merged into Froneri Ice Cream Deutschland GmbH during the year. Nord-Eis-die Eisprofis GmbH was merged into R&R Holdings Deutschland GmbH during the year. Pilpa SAS was merged into Froneri Vayres SAS in December 2020.

Activities in the Philippines also include the manufacture and sale of chilled dairy products.

Weidengluck UG (haftungsbeschränkt) & Co KG and Noga Ice Creams Limited Partnership are limited partnerships.

Ownership interest in the above entities are all ordinary shares. Froneri Limited has 100% of the voting rights in all entities presented.

Certain local managers hold 0.002% of the ordinary share capital in Froneri Philippines Inc.

## Notes to the financial statements (continued)

### 8. Loans and other receivables

	2020 €'000	2019 €'000
Amounts owed by Group undertakings	1,029,176	497,584
Other debtors, prepayments and accrued income	-	5,281
	<u>1,029,176</u>	<u>502,865</u>
Due within one year	313	25,211
Due after more than one year	<u>1,028,863</u>	<u>477,654</u>

Amounts due after more than one year are comprised of the below:

Included within the amounts owed from group undertakings is a 9% USD 600m (equivalent to €491.3m) loan due from Froneri International Limited with a maturity date of 31 January 2030. Accrued interest as at 31 December 2020 was USD 50.4m (equivalent €41.3m).

In May 2020 Froneri Limited novated €483.6m (€477.7m as at 31 December 2019) of existing structural and similar intra group receivables. The new intercompany loan agreement accrues interest at 4% per annum and matures on 03 May 2030. As at 31 December the total accrued interest of €12.8m was capitalised generating a closing balance €496.3m.

Amounts owed by Group undertakings are stated after provisions from impairment of €0.5m (2019: €nil), this represents 100% of intercompany balance with Froneri Argentina SA.

Having given regard to the positive net current assets positions of the group counterparties concerned and the discounted future cash flows of those counterparties compared to the repayment terms of the loans, it has not been deemed necessary to provide for any expected credit loss provision against the remaining loans held in Froneri Limited.

### 9. Creditors: amounts falling due within one year

	2020 €'000	2019 €'000
Amounts owed to Group undertakings	57,173	56,981
Corporation tax liability	2,471	-
	<u>59,644</u>	<u>56,981</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.



## Notes to the financial statements (continued)

### 10. Creditors: amounts falling due after more than one year

	2020 €'000	2019 €'000
Shareholder loan notes	-	1,228,984
Preference shares and accrued dividends	-	55,186
Amounts owed to Group undertakings	606,920	302,693
	<b>606,920</b>	<b>1,586,863</b>

As part of the group reorganisation and refinancing the following transactions occurred in January 2020: Shareholder loan notes of €1,192m and accrued interest of €36.5m, and preference shares of €38.2m and accrued interest of €17m, were acquired by Froneri Lux Topco and converted into ordinary equity shares in Froneri Limited in January 2020.

On 31 January 2020 Froneri Limited entered a \$600m USD (equivalent €491.3m) loan, accruing interest at 9% per annum with a maturity date of 31 January 2030. This loan is back to back with Froneri Lux Topco S.a.r.l and Froneri International Limited. The accrued interest at 31 December 2020 was \$50.4m (equivalent €41.2m).

The €302.7m amount owed to group undertakings in 2019 was settled through the group simplification process as New R&R Ice Cream Ltd was liquidated.

On 18 November 2020 Froneri Limited also entered a new intercompany loan agreement with Froneri International Limited. The loan accrues interest at 4% per annum and has a maturity date of 18 November 2030. The closing balance at 31 December 2020 was €74.4m.

### 11. Share capital and reserves

Ordinary shares of €0.01 each:

	No.	Called up share capital €'000	Share premium €'000
Allotted and fully paid shares:			
At 1 January 2020	1,453,369	15	327,270
Issued during the year	38,213,789	382	1,343,013
At 31 December 2020	<b>39,667,158</b>	<b>397</b>	<b>1,670,283</b>

#### Ordinary shares

##### Share re-designation

As part of the group reorganisation Froneri Lux Topco S.a.r.l became the immediate parent of Froneri Limited. All existing A Shares, B Shares, C Shares, D Shares, Deferred Shares and preference shares were converted to ordinary shares with 100% ownership from Froneri Limited.

##### - Lux Topco share acquisition from existing Froneri Limited shareholders

On 27 January 2020, the Froneri Lux Topco S.a.r.l acquired 583,933 B Ordinary shares, 116 Deferred shares and 213,367 Preference shares in Froneri Limited for an amount of €3,893,259.44.

On the same day, Froneri Lux Topco S.a.r.l acquired 583,933 A Ordinary shares and 213,367 Preference shares in Froneri Limited for an amount of €3,893,259.44.

On 29 January 2020, Froneri Lux Topco S.a.r.l acquired 52,381 C Ordinary shares, 105,919 D Ordinary shares, 37,786,983 Preference shares, 127,040 Deferred shares and 1 Ordinary share in Froneri Limited for an amount of €582,625,057.81.

## Notes to the financial statements (continued)

### 11. Share capital and reserves (continued)

#### - Conversion of existing shares to ordinary shares

On 29 January 2020, the total amount of 41,109 C Ordinary shares, 63,244 D Ordinary shares, 29,655,317 Preference shares and 127,040 Deferred shares were converted into Ordinary shares held in Froneri Limited. On the same day, Froneri Lux Topco S.a.r.l subscribed to 116 Deferred shares in Froneri Limited for an amount of €0.00.

On 4 June 2020, the total amount of 583,933 A Ordinary shares, 583,933 B Ordinary shares, 11,272 C Ordinary shares, 42,675 D Ordinary shares, 116 Deferred shares and 8,558,400 Preference shares were converted into Ordinary shares held in Froneri Limited from Froneri Lux Topco S.a.r.l.

#### Share issue during the year

As part of the share redesignation above, a total of 38,217,717 preference shares were converted to ordinary shares with a nominal value of €382,137 and a share premium of €37,831,580, thus increasing ordinary share capital and premium by €38,217,717.

On 21 January 2020, Froneri Lux Topco S.a.r.l subscribed to the following shares in Froneri Limited:

- 21 January 2020, 69 Ordinary shares, with a total nominal value of €0.69 and share premium of 20,699
- 29 January 2020, 1 Ordinary share, with a total nominal value of €0.01 and share premium of €1,240,746,259.57
- 30 January 2020, 1 Ordinary share, with a total nominal value of €0.01 and share premium of €46,914,628.35
- 18 November 2020, 1 Ordinary share, with a total nominal value of €0.01 and share premium of €17,500,597.32

#### Merger reserve

The merger reserve arose on the group reorganisation that took place in 2016.

#### Capital contribution reserve

The capital contribution reserve arises on share based payment charges arising in relation to employees of the company's direct and indirect subsidiary undertakings.

### 12. Commitments and contingent liabilities

The Company has no commitments or contingent liabilities at 31 December 2020 (2019: €nil).

### 13. Related party transactions

Under FRS101 the Company is exempt from disclosures in respect of related party transactions entered into between fellow Froneri Group companies. The Company has no other related party transactions.

**Notes to the financial statements (continued)**

**14. Ultimate parent company**

At 31 December 2019 the Company was the ultimate parent company of the Froneri group of companies. At 31 December 2019 the Froneri Limited group was jointly owned by Nestlé SA, a listed company on the Swiss stock exchange, and funds managed by PAI Partners SAS, a private equity firm based in Paris, France.

On 31 January 2020, Froneri Lux Topco S.a.r.l. became the ultimate parent company of the Group and is the immediate parent undertaking of Froneri Limited.

The largest and smallest group of undertakings for which consolidated financial statements are prepared is Froneri Lux Topco S.a.r.l.. These financial statements are available from Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL.

**15. Events after the reporting period**

There are no significant post balance sheet events.

