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Jacobs Douwe Egberts DK ApS
CVR No. 36473959

Nyvang 16
5500 Middelfart

Annual report 2021

The Annual General Meeting adopted the Annual Report on 28.06.2022

DocuSigned by:
Joris Knauf
[illegible]

Chairman of the General Meeting

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Entity details

Entity

Jacobs Douwe Egberts DK ApS

Nyvang 16

5500 Middelfart

CVR No.: 36473959

Registered office: Middelfart

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Christian Boas Linde, Chairman

Jan Spenner Carlsson

Janne Paarup

Bjarne Storm Rasmussen

Fredrik Mossberg

Majvi Anja Wulff Christensen

Executive Board

Christian Boas Linde

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

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Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Jacobs Douwe Egberts DK ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021- 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2022

Executive Board

Christian Boas Linde

Board of Directors

Christian Boas Linde
Chairman

Jan Spenner Carlsson

Janne Paarup

Bjarne Storm Rasmussen

Fredrik Mossberg

Majvi Anja Wulff Christensen

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Independent auditor's report

To the shareholder of Jacobs Douwe Egberts DK ApS

Opinion

We have audited the financial statements of Jacobs Douwe Egberts DK ApS for the financial year 01.01.2021-31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021-31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 28.06.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Eskild Nørregaard Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne11681

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Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	802,292	704,111	774,343	816,627	666,356
Gross profit/loss	254,221	253,357	265,114	245,574	138,896
Operating profit/loss	9,154	3,930	14,979	(3,800)	22,353
Net financials	(138)	(7,578)	312	(3,823)	(887)
Profit/loss for the year	3,240	(8,198)	3,267	(9,301)	8,242
Total assets	656,674	729,093	694,723	618,977	249,670
Investments in property, plant and equipment	18,138	21.857	15,778	56,825	15,897
Equity	401,570	398,330	406,529	403,262	36,516
Ratios					
Gross margin (%)	31.69	35.98	34.24	30.07	20.84
EBIT margin (%)	1.14	0.56	1.93	(0.47)	3.35
Net margin (%)	0.4	(1.16)	0.42	(1.14)	1.24
Return on equity (%)	0.81	(2.06)	0.81	(4.23)	25.44
Equity ratio (%)	61.15	54.63	58.52	65.15	14.63

With effect per 01.01.2018 there has been an intra-group merger between Cafax ApS and Jacobs Douwe Egbert ApS according to the "book value" method (ÅRL §123, paragraph 2), why comparative figures for 2017 have not been adjusted.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%)

Gross profit/loss * 100
Revenue

EBIT margin (%)

Operating profit/loss * 100
Revenue

Net margin (%):

Profit/loss for the year * 100
Revenue

Return on equity (%)

Profit/loss for the year * 100
Average equity

Equity ratio (%)

Equity * 100
Total assets

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Primary activities

The primary activities in Jacobs Douwe Egberts DK ApS ("JDE") are sale of coffee, readypacked tea, coffee pads and instant coffee as well as coffee, chocolate and juice concentrates and machinery to the professional market. The products are only sold nationally.

Strategy and objectives

It is the Company's strategy to deliver quality products within the Company's business areas. It is the strategy to follow the consumer demand and trends to fulfil the demand to the benefit of both consumers and the company. It is the Company's strategy currently to support the quality development of the total market and to gain market shares at the same time as the earning capacity is maintained.

Development in activities and finances

The Company's income statement for 2021 shows a profit of 3.2 mio dk., and the Company's balance sheet at 31 December 2021 shows equity of 401.6 mio dk. The future financial development is expected to be stable though likely with a temporary reset in Retail and increase in Professional departments as the society opens again after Covid19. Activities in the past year have been well above expectations in retail due to a combination of Covid19 and strong development in E-commerce while significantly under expectations in our professional segment again driven by Covid19. The company continues to expand into the Single Serve category to cater the individual consumer needs.

The company merged February 2019 with Cafax ApS, a subsidiary in JDE-Group, with accounting retrospectively effect from 1. January 2018. This contributed to significant revenue and balance sheet growth from 2017 to 2018. In 2021 this part was fully integrated in the professional business segment and again underperforming but driven by Covid19.

Outlook

A stable development is expected in the national coffee market value over the next few years. The multiserve segment is declining but replaced by Single serve, which better covers the consumers' individual needs.

For 2021 revenue and Operating profit is expected at same level as in 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

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Particular risks

Operating risks

The Company purchases the main part of its products from group enterprises, which ensures a stable supply and minimize potential operating risks

Market risks

The Company has a material market share in competition with other large suppliers of comparable products. The Retail trade is characterised by few, but large chains which buy a major part of the Company's products. The Professional trade is characterised by a big variety of companies across the country. The company is exposed to fluctuations in raw material price and currency through the purchase of raw materials from an associated company in Netherlands. The raw coffee price is determined through listing on the international raw coffee exchanges and is bound for varying periods of time.

Foreign exchange risks

The Company performs some transactions in foreign currencies, mainly in EUR. Pricing of raw materials, purchased from the associated company performs in EUR, is affected by EUR/USD currency fluctuations. The foreign exchange risks are considered limited.

Interest rate risks

The Company has no material interest-bearing debt where the interest follows the market rate. Therefore, the Company's interest income and interest expenses are independent thereon.

Credit risks

According to the Company's policy for assuming credit risks, all major customers and other business partners are credit-rated regularly. This policy minimizes the credit risk.

Financing and liquidity risk

The company has very limited liquidity risk as it is self-financed and has no external financing. In addition, the company takes part in the cash pool structure under JDE Group.

Intellectual capital resources

As the Company is operating in a very competitive market with all its products, it is of vital importance continuously to be able to recruit and maintain employees with a high professional level within sales and marketing. Through current training and courses the Company ensures that a high level of knowledge is maintained at all times. The Company's support functions should possess the qualifications and show the stability which ensure maintaining competences and the ability to act as a support function. This is ensured through the Company's training and human resource policy and knowledge sharing internally and with group enterprises.

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Corporate Responsibility

The JDE Global corporate responsibility framework is built around the 3 pillars below.



2021 was another landmark for the JDE Global sustainability journey and we made significant progress in each of our three Corporate Responsibility pillars:

- Responsible sourcing, fostering thriving agricultural supply chains
- Minimised Footprint, aimed at reducing our environmental impact and
- Connected People, engaging our employees and our communities.

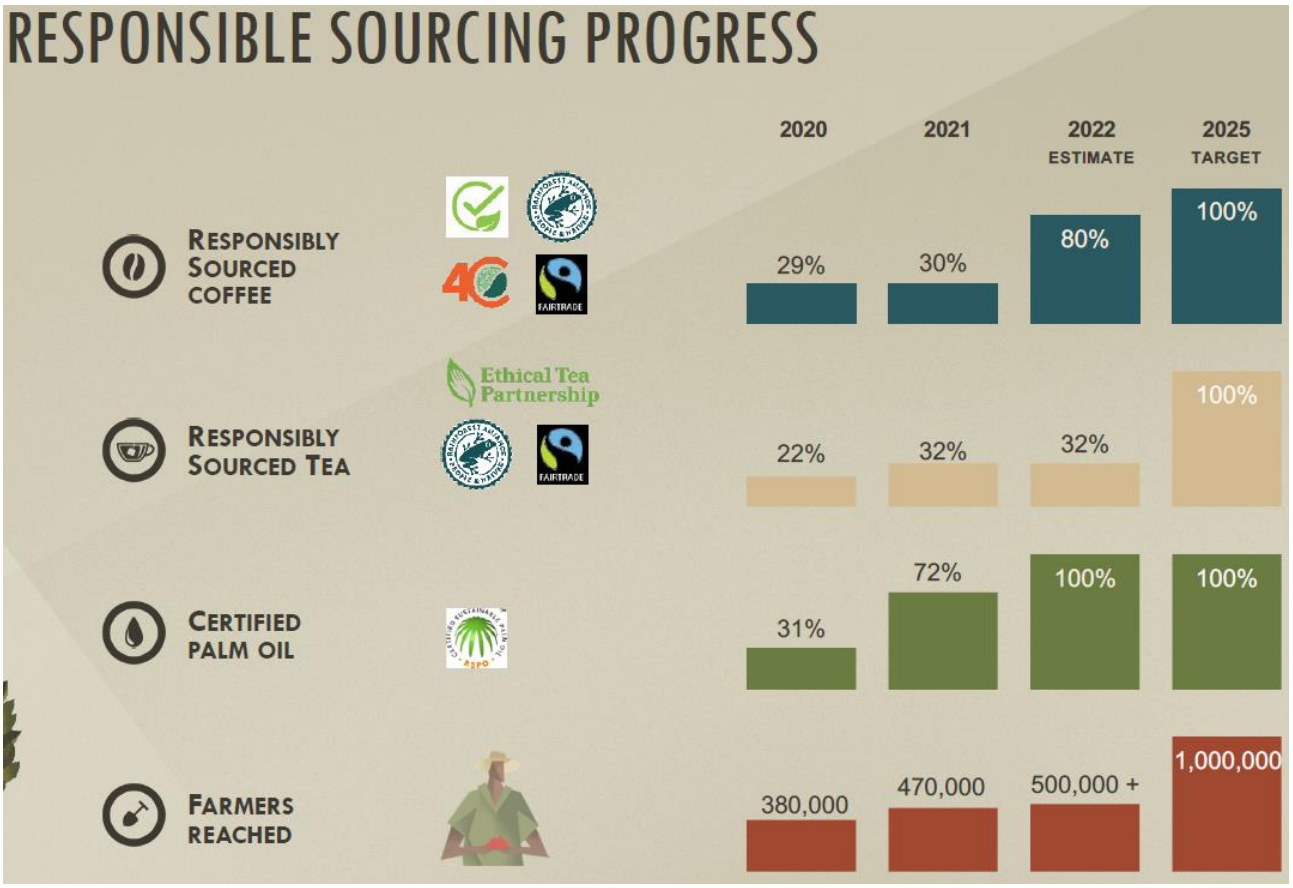
Under Responsible sourcing we are working towards a sustained supply of coffee & tea from a diversity of origins that supports farming communities' vision of prosperity and contributes to healthy ecosystems. Our Responsible sourcing focus areas are:



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We already made significant progress in 2021 on responsible sourcing. The progress and targets are visualised below.



Under the Minimised footprint pillar, we recognise that we have a responsibility to improve our footprint on the environment. We are committed to minimising our environmental footprint while providing quality products that meet the needs and preferences of our customers and consumers.

We are determined to embed a zero-waste culture across our business. We therefore have set a target of reaching zero-waste-to-landfill across all our manufacturing facilities globally by 2025.

During 2021 we made the following progress:

- 21 out of 43 manufacturing facilities reached zero-waste-to-landfill, incl. our entire manufacturing network in the EU.
- Less than 1% of total waste from manufacturing facilities globally went to landfill in 2021.
- Achieved a 15% reduction in our global volume of manufacturing waste versus 2020 and managed to prevent 89% of our total waste going to disposal.

We are planning the following for 2022:

- 24 out of 43 manufacturing facilities reached zero-waste-to-landfill.

And our packaging sustainability commitments are the following:

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Under the Connected People pillar, we are engaging our employees and our communities. Coffee & tea create possibilities for farmers and their families, our suppliers, customers, consumers, communities, and our employees. By working together, we believe that our entire ecosystem can benefit and create a better future for all.

We aim to create a better future where we authentically serve, reflect and embrace everyone. We believe in fostering a more diverse, equitable and inclusive organisation where everyone feels comfortable to be their true selves and can unleash their full potential. By reflecting the world, we live in, it enables us to better serve our increasingly diverse consumer base and deliver on our vision "A coffee and tea for every cup".

We believe JDEs activities are of limited risk in terms of negative impact on health and safety. But we do monitor occupational health and safety and succeeded to bring down the total recordable incidents rate (TRIR) in 2021.

To monitor the engagement level of our employees, JDE runs yearly engagement surveys (Gallup). Based on the results of the surveys, action plans are adjusted yearly to address potential findings. Based on this it is our assessment that JDE have managed to maintain a good workplace environment also in 2021 despite the Covid19 challenges.

When looking at diversity, we aim to reach gender-balanced representation as we believe there should be no barriers for women to grow into leadership positions within the company. We also aim for a mix of nationalities at our head office in Amsterdam, which is representative of our global footprint. In addition, each market is also responsible for defining what diversity looks like in their local context.

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Our share of women can be presented as follows:



Business model
The Company is part of the Jacobs Douwe Egberts group of companies ("JDE Group"). The Company is a local sales and marketing unit ("MSU") operating in the Danish market in accordance with JDE Group policies, including the JDE Groups policies on sustainability. These are available on www.jacobsdouweegberts.com. Risks associated to the points mentioned below in this section are that, the Company may not achieve its ambition due to legal and reputational impact to the Company. This may again impact the financial performance of the Company.

Environment, social conditions, and human rights
The JDE Group's Corporate Responsibility efforts cover all areas including business ethics, people management, human rights, responsible sourcing, community engagement and environmental management. Of particular importance to the JDE Group and its business are three prominent issues: coffee & tea sourcing, environmental footprints, and packaging. JDE recognizes that there can be risks related to social conditions, the environment and human rights as described above and therefore JDE has set out an ambition to mitigate the risks hereunder through responsible sourcing. JDE defines responsible sourcing as certified, verified or sourced from coffee and tea producing origins where JDE jointly addresses priority social and environmental challenges through impactful engagement with our suppliers and farmers by partnering with relevant governments, NGOs, and civil society. Overall, we made good progress in 2021 and were able to reduce our GHG intensity to 7.6 from 8.2 tCO2 e/t of production. Moreover, all suppliers to JDE must sign a code of conduct, which includes JDE's values on social conditions, the environment and human rights. In 2021 no abuse of human right were registered.
We will in the future continue to ensure our suppliers sign JDE supplier code of conduct.

Human resources and statutory statement on the underrepresented gender, cf. section 99b of the Danish Financial Statements Act

JDE Group recognizes the importance of a diverse composition of its Board. The Board aim to achieve a well-balanced composition in the future. While taking this into account, as Board seats become available, the Board of Directors as a whole will have the opportunity, to the extent practicable and appropriate under the circumstances, to target for a diverse composition in line with the global nature and identity of the Group and its business.

At JDE we value and strive for an equal and balanced workplace for men and women, as well as a good workplace environment. Associates are recruited, developed, and rewarded based on qualification and merit without differentiation between gender.

On a yearly basis, JDE runs engagement surveys typically the full Gallup survey. Based on the results of the surveys

action plans are adjusted yearly to address potential findings. Based on this it is our assessment that JDE have

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managed to maintain a good workplace environment also in 2021 despite the Covid19 challenges.

The Board of JDE DK consist of 4 members elected at the general assembly, 3 men and 1 woman.
Among employees are elected 1 man and 1 woman for the board. This is considered equal gender diversification.
The representation at the Company's other management levels in 2020 was 28% women and 72% men, while the gender representation of the total associates of Jacobs Douwe Egberts DK ApS was 33% woman and 67%. There will be continuous focus on this area also in the future.

Anti-corruption
JDE Group is exposed to various risks at strategic, operational, reporting and compliance level. Managing these risks is embedded in the review, monitoring and control processes which JDE Group has in place, allowing to take risks in a well-balanced and controlled manner. Entrepreneurship is a core value of the JDE Group, which implies taking risks. The level of risk the JDE Group is willing to take depends on the nature of the risk. The JDE Group is risk averse regarding risks at reporting and compliance level and consequently avoids taking risks that would jeopardize the reporting integrity and compliance with ethical values, applicable laws, e.g. anti-corruption laws, and regulations and the JDE Group's internal Code of Conduct. The Code of Conduct is available on the JDE Group website. The Company has also deployed reporting tools and policies for employees to raise concerns about compliance matters, hereunder an Alert Line (Whistle Blower Function). The whistle blower line has successfully been tested during the year. To exemplify a risk on the subject; On the selling side, there is a potential risk of bribery. To mitigate this risk, a Gifts, Entertainment and Hospitality policy has been implemented for all JDE employees. JDE DK has not received any reports in 2021, concerning corruption or bribery.

Research and development activities

The Company does not incur any actual research costs; however, together with group enterprises, product development costs are incurred, which are expensed on a current basis, in this way the company benefit from being part of a global Group where R&D can provide the best products and strongest brand development approaches to the market with L'Or capsules as a clear example.

Data ethics

JDE have considered the new rules regarding data ethics. JDE does not use data extensively apart from data and processes required for relevant operational purposes and to comply with relevant legislation. To clarify we do not use complex technology such as machine learning and Artificial Intelligence for significant decision-making processes. Hence, we have determined that no policy for data ethics is currently relevant.

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Income statement for 2021

	Notes	2021 DKK'000	2020 DKK '000
Revenue	1	802,290	704,111
Other operating income	2	82,229	77,861
Cost of sales		(495,320)	(344,680)
Other external expenses	3	(134,978)	(183,935)
Gross profit/loss		**254,221**	**253,357**
Staff costs	4	(193,941)	(198,207)
Depreciation, amortisation and impairment losses	5	(51,126)	(51,219)
Operating profit/loss		**9,154**	**3,930**
Other financial income	6	5,174	3,128
Other financial expenses	7	(5,312)	(10,706)
Profit/loss before tax		**9,016**	**(3,648)**
Tax on profit/loss for the year	8	(5,776)	(4,549)
Profit/loss for the year	9	**3,240**	**(8,198)**

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Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired intangible assets		74,888	87,420
Acquired trademarks		51,521	53,615
Goodwill		109,649	131,260
Intangible assets	10	**236,058**	**272,295**
Plant and machinery		40,782	45,005
Other fixtures and fittings, tools and equipment		3,124	3,608
Leasehold improvements		349	1,141
Property, plant and equipment	11	**44,255**	**49,754**
Deposits		878	963
Other receivables		13,109	8,983
Other financial assets	12	**13,987**	**9,946**
Fixed assets		**294,301**	**331,995**
Manufactured goods and goods for resale		6,587	7,307
Inventories		**6,587**	**7,307**
Trade receivables		103,505	92,168
Receivables from group enterprises	13	196,165	220,184
Other receivables		8,789	6,462
Prepayments	14	15,397	45,439
Receivables		**323,856**	**373,237**
Cash		**32,760**	**25,538**
Current assets		**363,203**	**406,082**
Assets		**657,503**	**729,093**

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Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		51	51
Retained earnings		401,519	398,279
Equity		**401,570**	**398,330**
Deferred tax	15	24,139	27,760
Provisions		**24,139**	**27,760**
Finance lease liabilities		224	255
Non-current liabilities other than provisions	16	**224**	**255**
Current portion of non-current liabilities other than provisions	16	166	166
Trade payables		30,826	31,857
Payables to group enterprises		54,155	52,290
Income tax payable		4,953	3,219
Other payables	17	119,286	130,154
Deferred income	18	22,184	85,063
Current liabilities other than provisions		**231,570**	**302,748**
Liabilities other than provisions		**231,794**	**303,003**
Equity and liabilities		**657,503**	**729,093**
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Non-arm's length related party transactions	21		
Group relations	22		

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Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	51	398,279	398,330
Profit/loss for the year	0	(126,760)	(126,760)
Proposed dividend	0	130,000	130,000
Equity end of year	**51**	**401,519**	**401,570**

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Notes

1 Revenue

	2021 DKK'000	2020 DKK'000
Retail market	429,977	352,973
Professional market	372,315	351,138
Total revenue by activity	**802,292**	**704,111**

Revenue in Jacobs Douwe Egberts ApS relates to sale in Denmark, which in relation to the segment information is the only geographical market.

2 Other operating income

Other operating income contains income related to costs incurred for other group companies.

3 Fees to the auditor appointed by the Annual General Meeting

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96 (3) of the Danish Financial Statements Act. Reference is made to the consolidated Financial Statements of Jacobs Douwe Egbert B.V.

4 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	174,043	176,482
Pension costs	12,496	14,296
Other social security costs	1,665	1,627
Other staff costs	5,737	5,803
	193,941	**198,207**

Average number of full-time employees	**278**	**305**

	Remuneration of management 2021 DKK'000	Remuneration of management 2020 DKK'000
Total amount for management categories	10,614	4,263
	10,614	**4,263**

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5 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	36,647	36,580
Depreciation of property, plant and equipment	14,479	14,639
	51,126	**51,219**

6 Other financial income

	2021 DKK'000	2020 DKK'000
Other interest income	2,181	659
Other financial income	2,993	2,469
	5,174	**3,128**

7 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	877	603
Other interest expenses	2,194	650
Interest regarding tax paid on account	38	181
Other financial expenses	2,203	9,272
	5,312	**10,706**

8 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	9,397	7,939
Change in deferred tax	-3,620	(4,043)
Adjustment concerning previous years	0	654
	5,776	**4,549**

9 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Retained earnings	(126,760)	(8,198)
Proposed dividend	130,000	0
	3,240	**(8,198)**

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10 Intangible assets

	Acquired intangible assets DKK'000	Acquired trademarks DKK'000	Acquired rights DKK'000	Goodwill DKK'000
Cost beginning of year	138,197	61,900	10,597	227,310
Additions	410	0	0	0
Cost end of year	**138,607**	**61,900**	**10,597**	**227,310**
Amortisation and impairment losses beginning of year	(50,777)	(8,285)	(10,597)	(96,050)
Amortisation for the year	(12,942)	(2,094)	(0)	(21,611)
Amortisation and impairment losses end of year	**(63,719)**	**(10,379)**	**(10,597)**	**(117,662)**
Carrying amount end of year	**74,888**	**51,527**	**0**	**109,649**

11 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	101,967	2,717	2,224
Additions	17,007	1,131	0
Disposals	(23,724)	(762)	(1,481)
Cost end of year	**95,250**	**3,086**	**743**
Depreciation and impairment losses beginning of year	(56,962)	891	(1,083)
Depreciation for the year	(12,604)	(1,600)	(346)
Reversal of impairment and depreciation of sold assets	15,098	747	1,035
Depreciation and impairment losses end of year	**(54,468)**	**38**	**(394)**
Carrying amount end of year	**40,782**	**3,124**	**349**

12 Financial assets

	Deposits DKK'000
Cost beginning of year	963
Disposals	(85)
Cost end of year	**878**
Carrying amount end of year	**878**

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13 Receivables from group enterprises

The company participates in a cash pool agreement with other JDE companies internationally. The Company is liable for other companies' usage of credit facilities, however with a maximum of the deposit amount at the balance sheet date of DKK 183m (DKK 129m in 2020).

14 Prepayments

The account relates to prepaid costs for the new fiscal year to come.

15 Deferred tax

	2021 DKK'000	2020 DKK'000
Intangible assets	27.810	30.622
Property, plant and equipment	(2,270)	(1.306)
Receivables	(151)	(1.424)
Provisions	(1,249)	(132)
Deferred tax	**24,139**	**27,760**

Changes during the year	2021 DKK'000	2020 DKK'000
Beginning of year	27,760	31,824
Recognised in the income statement	(3,620)	(4,042)
Changes related to previous years	(1)	(22)
End of year	**24,139**	**27,760**

16 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000
Finance lease liabilities	166	166	224
	166	**166**	**224**

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17 Other payables

	2021 DKK'000	2020 DKK'000
VAT and duties	11,330	7,373
Wages and salaries, personal income taxes, social security costs, etc. payable	26,291	26,895
Holiday pay obligation	8,610	26,968
Other costs payable	73,055	68,817
	119,286	**130,154**

18 Deferred income

Deferred income comprises deferred income from leasing and service contracts regarding coffee machines placed at customers. Furthermore, deferred income contains intercompany charges billed to other group companies but relating to coming years.

19 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	**20,168**	**20,903**

20 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Jacobs Douwe Egberts DK Aps has guaranteed for certain group companies debt to credit institutions. The maximum limit of the guarantee is DKK 22,309. Jacobs Douwe Egberts DK Aps has guaranteed for office facilities. The maximum limit of the guarantee is DKK'000 2,319.

21 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. During the financial year, related party transactions have been conducted on an arm's length basis.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Acorn Holdings B.V., Holland

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Jacobs Douwe Egberts B.V., Holland

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Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Reclassification of some items in the balance sheet and income statement has been made, which has no effect on the result.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and income related to costs incurred for other group companies.

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Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion at tributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity. The Entity is jointly taxed with other Danish group companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed on an annual basis. The amortisation period is 10 years according to Management's specific assessment.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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Intellectual property rights etc
Other intangible assets comprise intangible resources, which as part of the acquisition it has been possible to recognise as separate assets.

Other intangible assets are amortised on a straight-line basis using the estimated residual useful lives of the ssets. Useful lives are reassessed annually.

Acquired intangible assets comprise the recognised value of customer relations and are amortised over a period of 11 years.

Acquired trademarks are amortised over a period of 30 years.

Acquired rights comprise the recognised value of tender contracts, non-compete agreements and soft-ware and are amortised over a period of 2-3 years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-10 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the taxbased value of assets is calculated based on the planned use of each asset. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
According to S. 86(4) of the Danish Financial Statements Act, the Company has chosen not to prepare a cash flow statement as this is included in the consolidated financial statements of Jacobs Douwe Egberts B.V.

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Eskild Nørregaard Jakobsen
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Christian Boas Linde
Adm. direktør
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NEM ID

Christian Boas Linde
Bestyrelsesformand
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Janne Paarup
Bestyrelsesmedlem
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FREDRIK MOSSBERG
Bestyrelsesmedlem
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Bestyrelsesmedlem
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