PRESS RELEASE

Amsterdam, 23 February 2022

JDE Peet's reports full-year results 2021

High-quality growth, elevating the power of the company portfolio

Key items[1]

- FY 21 organic sales up +6.1%, accelerating to +7.9% in H2
- Deliberate increase in investments for growth (>EUR 110 mln), self-funded by gross profit up +5%
- Solid market shares, while leading on price increases in the majority of geographies and categories
- Organic adjusted EBIT up +1.5% to EUR 1,304 million
- Free cash flow increased to EUR 1,368 million and leverage reduced to below 2.7x
- Underlying EPS up +13.7% to EUR 1.79
- Stepping up the progress on sustainability and raising the ambition
- Proposal to pay a cash dividend of EUR 0.70 per share in two equal instalments

A message from Fabien Simon, CEO of JDE Peet's

"I am very pleased with JDE Peet's' performance in 2021. We delivered on all our commitments, in a high-quality way, in another year of unexpected global disruptions. I would like to thank our teams and partners for their resilience and exceptional agility in managing the challenging operating conditions.

2021 marked the year where we refocused on our founding entrepreneurial values. We set out our new strategic framework, re-invested in our powerful portfolio, and reinforced our operational discipline, including taking the lead on pricing in the majority of our markets. As a result, our organic sales growth accelerated, the absolute margin per cup increased, so did the free cash flow generation.

In parallel, we stepped up our commitment to an inclusive growth model, with tracking and tangible progress on sustainability as well as a higher ambition going forward. Finally, we further strengthened our financial position and capital structure.

This year, we became a nimbler global coffee & tea pure player and our brands emerged stronger. This gives me confidence that JDE Peet's can successfully navigate an unprecedented year of inflation in 2022."

[1] *This press release contains certain non-IFRS financial measures and ratios, which are not recognised measures of financial performance or liquidity under IFRS. For a reconciliation of these non-IFRS financial measures to the most directly comparable IFRS financial measures, see page 7 of this press release.*

Advancing on Sustainability

JDE Peet's' sustainability strategy is built on three pillars: **Common Grounds**, to contribute to thriving agricultural supply chains; **Minimised Footprint**, to reduce its environmental impact; and **Connected People**, to engage the company's employees and its communities.

Under its Common Grounds programme, the company increased the number of smallholder farmers that were reached since 2015 to more than 470,000 through more than 50 collaborative projects across 18 countries, despite the pandemic. This also supported the increase in the share of coffee, tea and palm oil that were responsibly sourced in 2021. As such, the company is well on its way to have 100% of the company's coffee, tea and palm oil responsibly sourced by 2025.

JDE Peet's also made good progress in reducing its footprint. The company increased the share of packaging designed to be reusable, recyclable or compostable to 88% and achieved 40% recycled content in packaging, reaching its target ahead of time. In addition, its entire European manufacturing network plus five other manufacturing sites reached zero-waste-to-landfill status and overall manufacturing waste reduced by 15%.

Commitment to SBTi-approved targets to reduce GHG emissions

JDE Peet's has set SBTi-approved targets to reduce GHG emissions in its own operations and across its value chain, in line with the Paris Agreement commitment to limit warming to well-below 2°C. JDE Peet's has committed to reduce absolute GHG emissions for scope 1 & 2 by 25% and for scope 3 by 12.5% by 2030, from its 2020 base year. In 2021, GHG emissions across scope 1, 2 and 3 reduced by 5%.

Outlook 2022

JDE Peet's expects the business environment in 2022 to remain volatile as input cost inflation and some effects of COVID-19 might persist. Within this context, the company expects to deliver double-digit organic sales growth, with disciplined pricing for inflation, while aiming for a stable level of gross profit compared to last year. The company will continue to invest in its people and strategic growth opportunities, while keeping a tight focus on other cost items, and expects to deliver Free Cash Flow of at least EUR 1 bn.

Medium- to Long-Term Targets

For the medium- to long-term, JDE Peet's continues to target organic sales growth of 3 to 5% and mid-single-digit organic adjusted EBIT growth with quality margins, and a free cash flow conversion of approximately 70%.

Dividend

JDE Peet's' Board proposes to pay a dividend of EUR 0.70 per share in cash related to FY 21. The dividend will be paid in two instalments of EUR 0.35 each. The first payment date will be on Friday 15 July 2022, with the ex-dividend date on Monday 11 July 2022 and the record date on Tuesday 12 July 2022. The second payment date will be on Friday 27 January 2023, with the ex-dividend date on Monday 23 January 2023 and the record date on Tuesday 24 January 2023. The dividend proposal is subject to approval by the Annual General Meeting of Shareholders to be held on Wednesday 11 May 2022.

FINANCIAL REVIEW FULL-YEAR 2021

in EUR m (unless otherwise stated)

	FY 2021	FY 2020	Organic change	Reported change
Sales	7,001	6,651	6.1%	5.3%
Adjusted EBIT	1,304	1,278	1.5%	2.0%
Underlying profit for the period	899	787	-	14.2%
Underlying EPS (EUR) [1, 2]	1.79	1.57	-	13.7%
Reported basic EPS (EUR)	1.53	0.80	-	90.6%

[1] *Underlying earnings (per share) exclude all adjusting items (net of tax)*
[2] *Based on 501,951,089 shares outstanding (FY 20: 499,709,030) on 31 December 2021*

In FY 21, total sales increased by 6.1% on an organic basis. The In-Home business continued to deliver strong organic sales growth of 5.0% while sales in Away-from-Home increased by 11.5% as the positive effects of (partial) re-openings in most regions more than offset the negative effects of new waves of lockdown measures, most notably in the second half of the year.

Total organic sales growth reflects a volume/mix effect of 3.5% and 2.5% in price. Changes in scope and other changes increased sales by 0.2% while foreign exchange had a negative impact of 1.0%. Total reported sales increased by 5.3% to EUR 7,001 million.

Adjusted EBIT increased organically by 1.5% to EUR 1,304 million driven by a 5.4% organic increase in adjusted gross profit which was partially offset by reinvestments in marketing, innovations and other strategic growth capabilities which included an organic increase in marketing spend of 27%, or EUR 87 million. Including the effects of foreign exchange and scope changes, adjusted EBIT increased by 2.0%.

Underlying profit - excluding all adjusting items net of tax - increased by 14.2% to EUR 899 million. It includes an underlying tax rate of 25% and was supported by lower interest expenses as a result of deleveraging and lower average cost of debt, as well as a reduction of other finance expenses.

Net leverage improved to 2.67x net debt to adjusted EBITDA from 3.23x at the end of FY 20.

Our liquidity position remains strong, with total liquidity of EUR 2.1 billion consisting of a cash position of EUR 0.6 billion and available committed RCF facilities of EUR 1.5 billion.

FINANCIAL REVIEW FULL-YEAR 2021 - BY SEGMENT

in EUR m (unless otherwise stated)

	Sales FY 2021	Reported change	Organic change	Adj. EBIT FY 2021	Reported change	Organic change
CPG Europe	3,573	2.8%	2.6%	1,089	-0.7%	-0.9%
CPG LARMEA	1,091	10.8%	17.0%	204	-7.0%	-4.7%
Peet's	903	7.8%	12.3%	118	20.3%	20.8%
Out-of-Home [1]	723	15.4%	12.8%	90	>100%	>100%
CPG APAC [1]	684	-2.2%	-5.1%	109	-29.8%	-31.2%
Total JDE Peet's [2]	**7,001**	**5.3%**	**6.1%**	**1,304**	**2.0%**	**1.5%**

[1] *As of 1/1/21, the OOH activities in Australia and New Zealand transferred from Out-of-Home to CPG APAC following a change in the local management structure. The comparative figures were updated, resulting in a reclassification of EUR 40 m in sales and EUR 1 m in adjusted EBIT between the segments Out-of-Home and CPG APAC.*
[2] *Includes EUR 27 m of sales and EUR (306) m adj. EBIT that are not allocated to the segments*

CPG Europe

Organic growth of 2.6% was driven by volume/mix growth of 2.2% and 0.4% price as a result of the continued focus on premium offerings, despite the challenging year-over-year comparisons as lockdown measures gradually eased in many markets. This growth performance was broad-based across countries with particularly strong contribution coming from countries like Germany, France, Poland and Denmark. Reported sales increased by 2.8% to EUR 3,573 million, including a net positive effect of 0.2% from foreign exchange and changes in scope. Adjusted EBIT decreased organically by 0.9% to EUR 1,089 million in FY 21, as operational leverage and efficiencies were partly re-invested in A&P and other growth opportunities. Based on a 2-year CAGR, the organic adjusted EBIT growth was 6.8%.

CPG LARMEA

Organic growth of 17.0% was driven by volume/mix growth of 4.4% and 12.5% price. The positive volume/mix effect was broad-based across geographies and driven by continued growth in Single Serve and Premium Instants offerings. Price was driven by disciplined price increases across virtually all markets. Reported sales increased by 10.8% to EUR 1,091 million, including a foreign exchange impact of (6.0)% mainly driven by the depreciation of the Brazilian real, the Russian ruble and the Turkish lira. Adjusted EBIT decreased organically by (4.7)% to EUR 204 million in FY 21, driven by higher A&P spend and other operating expenses and the timing of price increases related to input cost inflation. Based on a 2-year CAGR, the organic adjusted EBIT growth was 7.7%.

Peet’s

As the U.S. started to re-open in the course of FY 21, consumption patterns started to gradually shift back to the Away-from-Home environment, and the coffee retail stores in particular benefited from increased consumer traffic. Peet’s' CPG business continued to deliver solid single-digit organic sales growth, resulting in a 2-year CAGR of 19%. Peet's' Away-from-Home channels have witnessed a meaningful rebound in FY 21 driven by a mid-twenties growth in same-store-sales in its coffee retail stores as well as in its other Away-from-Home channels. Organic growth was driven by volume/mix growth of 8.9% and 3.4% price. Reported sales increased by 7.8% to EUR 903 million, which included a foreign exchange impact of (4.0)% and a scope effect of (0.6)% related to the divestiture of non-core assets in 2020. Adjusted EBIT increased organically by 20.8% to EUR 118 million in FY 21, including incremental investments to increase household penetration in CPG. Based on a 2-year CAGR, the organic adjusted EBIT growth was 18.9%.

Out-of-Home

The organic sales increase was driven by volume/mix growth of 12.6% and 0.1% price, reflecting the underlying gradual lifting of lockdown measures in the Out-of-Home markets, notably in the second half of the year. Reported sales increased by 15.4% to EUR 723 million, including a foreign exchange impact of 0.9% and a positive effect of 1.8% related to scope and other changes. As a result of the significant pick-up in activity in the course of FY 21, and structural measures taken during the pandemic to improve the cost structure of the business, the Out-of-Home segment witnessed a significant improvement in profitability by generating adjusted EBIT of EUR 90 million, compared to EUR 3 million in FY 20. Based on a 2-year CAGR, the organic adjusted EBIT declined by 29.3%, reflecting the impact of the pandemic.

CPG APAC

Organic sales declined by 5.1%, consisting of volume/mix of (5.3)% and price of +0.2%. The decline in organic sales growth is mainly reflecting a more challenging Away-from-Home environment throughout most of the year, as many markets were confronted with stricter lockdown measures than in the preceding year. As a result, organic sales performance in various markets in South-East Asia were in decline, while China delivered strong double-digit performance. Reported sales decreased by 2.2% to EUR 684 million, which included a positive scope effect of 2.2% and a positive foreign exchange impact of 0.7%. Adjusted EBIT decreased organically by 31.2% to EUR 109 million, driven by lower operational leverage and significantly higher A&P spend and other investments in growth. Based on a 2-year CAGR, the organic adjusted EBIT growth was (4.5%).

OTHER INFORMATION

Underlying profit for the period

in EUR m	FY 2021	FY 2020
Adjusted EBIT	**1,304**	**1,278**
Adjusted net financial income/(expenses)	-97	-246
Adjusted income tax expense	-302	-240
Adjusted for minorities	-6	-5
Underlying profit for the period	**899**	**787**

CONFERENCE CALL & AUDIO WEBCAST

Fabien Simon (CEO) and Scott Gray (CFO) will host a conference call for analysts and institutional investors at 11:00 AM CET today to discuss the full-year 2021 results. A live and on-demand audio webcast of the conference call will be available via JDE Peet's' Investor Relations website.

ENQUIRIES

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About JDE Peet's

JDE Peet's is the world's leading pure-play coffee and tea company, serving approximately 4,500 cups of coffee or tea per second. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 markets with a portfolio of over 50 brands including L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2021, JDE Peet's generated total sales of EUR 7 billion and employed a global workforce of more than 19,000 employees. Read more about our journey towards a coffee and tea for every cup at www.jdepeets.com.

IMPORTANT INFORMATION

Market Abuse Regulation

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Presentation

The condensed consolidated unaudited financial statements of JDE Peet's N.V. (the "Company") and its consolidated subsidiaries (the "Group") are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). In preparing the financial information in these materials, except as otherwise described, the same accounting principles are applied as in the consolidated financial statements of the Group as of, and for, the year ended 31 December 2020 and the related notes thereto. All figures in these materials are unaudited. In preparing the financial information included in these materials, most numerical figures are presented in millions of euro. Certain figures in these materials, including financial data, have been rounded. In tables, negative amounts are shown in parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Forward-looking Statements

These materials contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning the financial condition, results of operations and businesses of the Group. These forward-looking statements and other statements contained in these materials regarding matters that are not historical facts and involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. There are a number of factors that could affect the Group's future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) competitive pressures and changes in consumer trends and preferences as well as consumer perceptions of its brands; (b) fluctuations in the cost of green coffee, including premium Arabica coffee beans, tea or other commodities, and its ability to secure an adequate supply of quality or sustainable coffee and tea; (c) global and regional economic and financial conditions, as well as political and business conditions or other developments; (d) interruption in the Group's manufacturing and distribution facilities; (e) its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products; (f) actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; (g) difficulties associated with successfully completing acquisitions and integrating acquired businesses; (h) the loss of senior management and other key personnel; and (i) changes in applicable environmental laws or regulations. The forward-looking statements contained in these materials speak only as of the date of these materials. The Group is not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of these materials or to reflect the occurrence of unanticipated events. The Group cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Company's public filings with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and other disclosures.

Market and Industry Data

All references to industry forecasts, industry statistics, market data and market share in these materials comprise estimates compiled by analysts, competitors, industry professionals and organisations, of publicly available information or of the Group's own assessment of its markets and sales. Rankings are based on revenue, unless otherwise stated.

NON-IFRS MEASURES

These materials contain non-IFRS financial measures (the Non-IFRS Measures), which are not liquidity or performance measures under IFRS. These Non-IFRS Measures are presented in addition to the figures that are prepared in accordance with IFRS. The Group's use of Non-IFRS Measures may vary significantly from the use of other companies in its industry. The measures used should not be considered as an alternative to profit (loss), revenue or any other performance measure derived in accordance with IFRS or to net cash provided by operating activities as a measure of liquidity. For further information on Non-IFRS Measures, see below the definitions and adjusted EBIT as described in segment information in the condensed consolidated unaudited financial statements.

IFRS RECONCILIATION

in EUR m	Reported sales	Adjusting items	Reported sales	FX impact	Scope & other	Organic sales
Sales	7,001	—	7,001	68	(14)	7,055

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	FX impact	Scope & other	Organic adjusted EBIT
Operating profit to adj. EBIT	1,108	196	1,304	5	-1	1,308

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	Adjusted D&A	Adjusted EBITDA
Operating profit to adj. EBITDA	1,108	196	1,304	287	1,591

in EUR m	FY 2021
Adjusted EBIT	1,304
ERP system implementation	-15
Transformation activities and corporate actions	-40
Share-based payment expense	-32
Mark-to-market results	-5
Amortisation of acquired intangible assets and M&A/Deal costs	-104
Operating profit	**1,108**

Definitions

Adjusted depreciation and amortisation (adjusted D&A)

Adjusted depreciation and amortisation is defined as depreciation and amortisation, adjusted for the depreciation and amortisation already included in the adjusting items as included in adjusted EBIT.

Adjusted EBITDA

Adjusted EBITDA are defined as operating profit before depreciation and amortisation, adjusted for the same factors as listed under adjusted EBIT.

Adjusted EBIT

Adjusted EBIT are defined as profit for the period, adding back finance income, finance expense, share of net profit of associates and income tax expense adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2020 (Note 2.1).

Adjusted income tax expense

Adjusted income tax expense is defined as income tax expense adjusted for the effect of tax rate changes on deferred tax assets/liabilities and the non-recurring items, such as tax reserves and tax audit adjustments.

Adjusted financial income and expenses

Adjusted financial income and expenses is defined as financial income and expense, adjusted for the effect of non-recurring items such as the costs related to refinancing and bond issuance activities in 2021. No adjustments were made in 2020.

Away-from-Home

Coffee & tea products purchased for consumption outside of the home at offices, hotels, bars, restaurants etc. as well as in coffee stores.

In-Home

Packaged coffee & tea products purchased for consumption at home.

Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditure.

Net debt

Net debt is defined as total borrowings less cash and cash equivalents, excluding cash not at the free disposal of the company.

Net leverage ratio

Net leverage ratio is defined as net debt divided by adjusted EBITDA of the last twelve months.

Organic adjusted EBIT

Organic adjusted EBIT is defined as adjusted EBIT translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and other items. To determine organic adjusted EBIT in a given year, adjusted EBIT in that year is translated at the average foreign exchange rate of the comparable year and excludes adjusted EBIT from acquired/divested companies until 12 months following the transaction date. As previously disclosed, in 2020 there was an adjustment of EUR 6 million related to an ERP implementation in the Out-of-Home segment.

Organic sales

Organic sales are defined as revenue translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and other items. To determine organic sales in a given year, revenue in that year is translated at the average foreign exchange rate of the comparable year and excludes revenue from acquired/divested companies until 12 months following the transaction date. As previously disclosed, in 2020 there was an adjustment of EUR 10 million related to an ERP implementation in the Out-of-Home segment.

Organic sales growth

Organic sales growth is defined as the growth in organic sales between the given and comparable year.

Underlying profit

Underlying profit is defined as adjusted EBIT for the period including adjusted financial income and expenses, adjusted income tax expense and adjusted for minority shareholders.

JDE PEET'S N.V.

CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2020

In EUR million, unless stated otherwise

	FY 2021	FY 2020
Revenue	7,001	6,651
Cost of sales	(4,028)	(3,818)
Selling, general and administrative expenses	(1,865)	(1,900)
Operating profit	**1,108**	**933**
Finance income	31	44
Finance expense	(156)	(290)
Share of net loss of associates	(1)	—
Profit before income taxes	**982**	**687**
Income tax expense	(220)	(320)
Profit for the period	**762**	**367**

ATTRIBUTABLE TO:	FY 2021	FY 2020
Owners of the parent	765	308
Non-controlling interest	(3)	59
Profit for the period	**762**	**367**
Earnings per share:		
Basic earnings per share (in EUR)	1.53	0.80
Diluted earnings per share (in EUR)	1.51	0.79

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020

In EUR million

	31 December 2021	31 December 2020
Non-current assets:		
Goodwill and other intangible assets	16,903	16,825
Property, plant and equipment	1,683	1,600
Deferred income tax assets	66	77
Derivative financial instruments	31	4
Retirement benefit asset	498	287
Other non-current assets	129	124
	19,310	**18,917**
Current assets:		
Inventories	872	732
Trade and other receivables	713	646
Derivative financial instruments	57	18
Income tax receivable	9	9
Cash and cash equivalents	662	414
	2,313	**1,819**
Total assets	**21,623**	**20,736**
Equity and liabilities		
Equity:		
Share capital	5	5
Share premium	9,975	9,907
Other reserves/(deficits)	(340)	(694)
Retained earnings	1,383	984
Equity attributable to the owners of the Company	**11,023**	**10,202**
Non-controlling interest	138	129
	11,161	**10,331**
Non-current liabilities:		
Borrowings	4,784	5,405
Retirement benefit liabilities	248	269
Deferred income tax liabilities	1,228	1,086
Derivative financial instruments	32	134
Provisions	25	20
Other non-current liabilities	156	159
	6,473	**7,073**
Current liabilities:		
Borrowings	91	75
Trade and other payables	3,696	2,955
Income tax liability	105	168
Provisions	32	70
Derivative financial instruments	65	64
	3,989	**3,332**
Total equity and liabilities	**21,623**	**20,736**

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2020

In EUR million	FY 2021	FY 2020
Profit for the period	762	367
Adjustments for:		
Depreciation, amortisation and impairments	394	450
Defined benefit pension expense	10	17
Share-based payments	34	46
(Gain) / loss on sale of property, plant and equipment and intangible assets	5	24
(Gain) / loss on disposal of subsidiary	(2)	12
Income tax expense	220	320
Interest income on bank accounts and other	(29)	(43)
Interest expense	141	180
Provision charges	5	44
Derivative financial instruments	(189)	210
Foreign exchange (gains) / losses	129	(114)
Other	(7)	(10)
Changes in operating assets and liabilities:		
Inventories	(139)	(62)
Trade and other receivables	(42)	85
Trade and other payables	520	41
Pension payments	(11)	(13)
Payments of provisions	(41)	(20)
Realised foreign exchange (gains) / losses	(88)	66
Receipts / (payments) of derivative financial instruments	156	(107)
Income tax payments	(205)	(364)
Net cash provided by operating activities	**1,623**	**1,129**
Cash flows from investing activities:		
Purchases of property, plant and equipment	(239)	(229)
Purchases of intangibles	(16)	(23)
Proceeds from sale of property, plant and equipment and intangible assets	7	1
Proceeds from disposal of subsidiary	4	—
Acquisition of businesses, net of cash acquired	(68)	(5)
Loans provided	(1)	(8)
Interest received	22	32
Other investing activities	(2)	2
Net cash used in investing activities	**(293)**	**(230)**
Cash flows from financing activities:		
Additions to borrowings	9,813	677
Repayments from borrowings	(10,613)	(2,456)
Proceeds from / (repayments to) issuing ordinary shares	5	785
Receipts from / (payments to) derivative financial instruments	(19)	(4)
Dividend paid to shareholders	(176)	(89)
Interest paid	(119)	(159)
Investments / (divestments) by non-controlling shareholders	8	39
Other financing activities	(6)	(15)
Net cash used in financing activities	**(1,107)**	**(1,222)**
Effect of exchange rate changes on cash	25	(74)
Net increase/(decrease) in cash and cash equivalents	248	(397)
Cash and cash equivalents – at the start of period	414	811
Cash and cash equivalents — as of 31 December[2]	**662**	**414**

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

[2] *Cash and cash equivalents include restricted cash of EUR 41 million at 31 December 2021 (31 December 2020: EUR 25 million).*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF BUSINESS AND BASIS OF PREPARATION

JDE Peet’s N.V. (the “Company” or together with its subsidiaries “JDE Peet's”) is a public limited liability company under the laws of the Netherlands. The Company was incorporated on 21 November 2018 as a limited liability company (Besloten Vennootschap, B.V.) and converted into a public limited liability company (naamloze vennootschap, N.V.) on 2 June 2020 following the listing on Euronext Amsterdam. The Company is the holding company of JACOBS DOUWE EGBERTS B.V. (“JDE” or “JDE Group”) and Peet’s Coffee & Tea, Inc. (“Peet’s”) through a number of indirect holding companies. As at 31 December 2021, Lucresca SE, Agnaten SE and Mondelēz International, Inc disclosed a capital and/or voting interest of 3 per cent or more to the Netherlands Authority for the Financial Markets ("AFM"). The AFM processes these disclosures in its publicly available register, which can be found at www.afm.nl.

Basis of Preparation

The Company prepared these condensed consolidated unaudited financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and in conformity with the Dutch Civil Code. Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.

For purposes of these condensed consolidated unaudited financial statements, segmentation is based on how the chief operating decision maker ("CODM") reviews the performance of the business and allocates resources.

Use of estimates and judgments

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that effect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

COVID-19 update

The outbreak of the COVID-19 virus continued to impact JDE Peet's. The ongoing pandemic and related restrictions continue to have an impact on the global economic and market conditions as well continued to impact supply chain and commodity prices. JDE Peet's is closely monitoring the developments and containment measures and is constantly assessing the impact for employees in a careful balance with business continuity.

The outlook on COVID-19 started to become more positive as vaccinations started to show their impact on controlling the virus. It is expected that this will continue to support the recovery of the Away-from-Home business. The initial decline of the Out-of-Home segment in 2020 resulted in a continuous detailed assessment of the recoverability of this segment's assets, such as accounts receivable and goodwill. Uncertainty in the recovery remains due to the risk of new outbreaks and different variants of the virus with potential lockdowns impacting the Away-from-Home businesses.

There is continuous focus on forecasting (including liquidity needs) within JDE Peet's, whereby different scenarios and the impact of COVID-19 on its financial estimates and judgements are assessed. JDE Peet's refinanced its borrowings in 2021 and received investment grade ratings from two additional rating agencies. The liquidity position remained strong, with total liquidity of EUR 2.1 billion consisting of a cash position of EUR 0.6 billion (excluding restricted cash) and available committed Revolving Credit Facilities of EUR 1.5 billion.

SEGMENT INFORMATION

As of 1 January 2021, Out-of-Home Australia and New Zealand transferred from Out-of-Home to the CPG APAC segment following a change in the local management structure. The comparative figures were updated resulting in EUR 40 million reclassification in revenue and EUR 1 million in Adjusted EBIT between the segments Out-of-Home and CPG APAC. Furthermore, EUR 58 million of goodwill was reallocated from the Out-of-Home segment to CPG APAC following the change in management structure.

The segment information is presented for the year ended 31 December (all amounts in EUR million, in line with Note 2.1 of the consolidated financial statements as at and for the fiscal year ended 31 December 2020):

Revenue	FY 2021	FY 2020
CPG Europe	3,573	3,475
CPG LARMEA	1,091	985
Peet's	903	838
Out-of-Home	723	626
CPG APAC [1]	684	699
Unallocated	27	28
Total	**7,001**	**6,651**

[1] *CPG APAC includes EUR 16 million of revenue related to the Campos acquisition.*

The CODM reviews segment profitability based on Adjusted EBIT. For further details on Adjusted EBIT, reference is made to Note 2.1 of the consolidated financial statements as of and for the fiscal year ended 31 December 2020.

Adjusted EBIT is reconciled to Operating profit and Profit before income taxes on a consolidated basis in the tables presented below (in EUR million):

	FY 2021	FY 2020
CPG Europe	1,089	1,096
CPG LARMEA	204	219
Peet's	118	98
Out-of-Home	90	3
CPG APAC	109	156
Unallocated	(306)	(294)
Adjusted EBIT	**1,304**	**1,278**
ERP system implementation	(15)	(28)
Transformation activities and corporate actions [1]	(40)	(156)
Share-based payment expense	(32)	(33)
Mark-to-market results	(5)	1
Amortisation acquired intangible assets and M&A/Deal costs [2]	(104)	(129)
Operating profit [3]	**1,108**	**933**
Finance income	31	44
Finance expense	(156)	(290)
Share of net loss of associates	(1)	—
Profit before income taxes	**982**	**687**

[1] *Transformation activities and corporate actions included in 2020 an amount of EUR 59 million of costs related to the IPO and an amount of EUR 35 million of costs related to coffee stores permanently closed (of which impairments of Property, plant and equipment of EUR 33 million). Furthermore, in 2020 an amount of EUR 30 million restructuring expense is included related to the Out-of-Home segment.*

[2] *This consistently includes amortisation related to intangible assets recognised or re-measured as part of purchase price allocations. In 2021 the gain on disposal of businesses (EUR 9 million) is included (2020: loss of EUR 17 million).*

[3] *In 2021 of the adjusting items EUR 199 million (2020: EUR 342 million) was recognised in selling, general and administrative expenses and EUR (3) million (2020: EUR 3 million) in cost of sales.*

Entity-wide disclosures:

The total revenue from external customers, broken down by the location of the selling entity is shown in the following table (in percentages of total revenue):

	FY 2021	FY 2020
United States	13%	13%
Germany	12%	12%
France	12%	12%
Netherlands	9%	10%
Rest of World	54%	53%
Total Revenue	**100%**	**100%**

There are no individual customers that amount to 10% or more of JDE Peet's' revenue.

REVENUE

The total revenue from external customers, broken down by product is shown in the following table (in percentages of total revenue):

	FY 2021	FY 2020
Coffee	85%	85%
Tea	3%	3%
Other food and beverage	10%	10%
Services	2%	2%
Total	**100%**	**100%**

EXPENSES BY NATURE

The aggregate of cost of sales and selling, general and administrative expenses is specified by nature as follows (in EUR million):

	2021	2020
Cost of product (1)	3,267	3,111
Employee benefits expense (2)	1,140	1,138
Other selling, general and administrative expenses (3)	1,088	979
Depreciation, amortisation and impairment	394	450
Restructuring and restructuring related expenses	4	40
Total	**5,893**	**5,718**

(1) Cost of product consists of raw materials, conversion costs and inbound freight costs.

(2) Employee benefit expense consists of wages, salaries, pension costs, share-based payments and related social security charges.

(3) Other selling, general and administrative expenses in the table above include costs for advertising and promotion, distribution, repairs, maintenance and utilities, amongst others. In 2020 costs related to the Initial Public Offering of the Company were included.

EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	FY 2021	FY 2020
Earnings (in EUR million):		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	765	308
Effect of dilutive potential ordinary shares on the earnings		
Effect of Share-based payment plans held at the subsidiary level	—	(1)
Earnings for the purposes of diluted earnings per share	**765**	**307**
Number of shares		
Time-weighted average number of ordinary shares for the purposes of basic earnings per share	501,166,058	384,615,728
Adjustments for calculations of diluted earnings per share		
Share-based payment plans	5,667,626	2,594,843
Time-weighted average number of ordinary shares for the purposes of diluted earnings per share	506,833,684	387,210,571
Basic EPS (in EUR)	1.53	0.80
Diluted EPS (in EUR)	1.51	0.79

The total number of shares outstanding as at 31 December 2021 was 501,951,089 (2020: 499,709,030).

GOODWILL AND OTHER INTANGIBLE ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, such as trademarks and brands, are not subject to amortisation and are tested at least annually for impairment. This test was performed on the last day of the third quarter of the fiscal year and whenever a significant event occurs or circumstances change that might reduce the recoverable amount of the goodwill.

In the consolidated financial statements as at and for the fiscal year ended 31 December 2020 it was disclosed that the Out-of-Home segment was impacted by the COVID-19 outbreak. In 2021, the Out-of-Home segment continued to be impacted by lock-downs and other government measures. As part of the 2021 annual impairment test, significant attention was given to the Out-of-Home segment including different scenarios for recovery rates and market developments. The realisation of goodwill is critically dependent on the (pace of) recovery of the relevant markets, uncertainty of the long-term adverse effects of e.g. working-from-home, hotels, bars, cafés and travel and on effectiveness of management's initiatives. Next to the recoverability, management estimated the value creation from commercial and cost saving initiatives approved as per the measurement date. Given the uncertainty surrounding the cash flow projections, management ensured risk-adjustments were made. The company's annual assessment did not lead to an impairment of the company's goodwill and other intangible assets.

BORROWINGS

The Group's borrowing facilities through the year ended 31 December 2021 are summarised in the following tables (in EUR million):

	Currency	1 January 2021	Unwinding discount	Additions	Repaid	Remeasurement	Amorisation	Recognition of lease liability	Currency translation	31 December 2021
JDE Credit Agreement:										
- Term Loan A	EUR	3,971	—	3,671	(7,642)	—	—	—	—	—
- Term Loan B	EUR	401	—	—	(401)	—	—	—	—	—
- Term Loan B	USD	551	—	—	(569)	—	—	—	18	—
Term facility JDEP	EUR	—	—	1,000	(1,000)	—	—	—	—	—
Backstop JDEP	EUR	—	—	300	(300)	—	—	—	—	—
Unsecured notes - EU	EUR	—	—	3,088	—	—	1	—	—	3,089
Unsecured notes - US	USD	—	—	1,477	—	—	—	—	56	1,533
JDE: Other financing	Various	19	—	19	(3)	—	—	—	(3)	32
Peet's: Senior Credit Facility	USD	317	—	—	(326)	—	—	—	9	—
All: Revolving credit facilities	EUR	—	—	300	(300)	—	—	—	—	—
Leases	Various	228	10	—	(72)	(5)	(3)	82	10	250
Unamortised discounts and costs		(7)	—	(42)	—	—	20	—	—	(29)
Total borrowings		**5,480**	**10**	**9,813**	**(10,613)**	**(5)**	**18**	**82**	**90**	**4,875**
Non-current		5,405								4,784
Current		75								91

On 30 March 2021, the Company entered into a new Facilities Agreement. The Facilities Agreement consists of a Term Facility of EUR 1,000 million, a Backstop Facility of EUR 300 million and a Revolving Credit Facility of EUR 1,500 million under which EUR 200 million was drawn and subsequently fully repaid. All three facilities include extension options. The Term Facility and Revolving Credit Facility also include an option to decrease margin depending on two highest ratings by rating agencies, which was achieved by the end of April 2021. The Facilities Agreement is unsecured and guaranteed by JDE International B.V. and Peet's Coffee Inc. Further, no covenants apply, however certain sustainability targets were agreed as part of the pricing mechanism. Early prepayment of the Term Loans is allowed at par with no breakage costs.

The proceeds of the drawn facilities on 30 March 2021 were used to fully repay the JDE Term Loans B (EUR and USD), the Peet's Senior Credit Facility and EUR 300 million of JDE Term Loan A. Simultaneously, the JDE Revolving Credit Facility was terminated and the interest conditions of the remaining EUR 3,671 million JDE Term Loan A were improved combined with releasing the security package, which was accounted for as a substantive modification resulting in derecognition of the borrowings and the write-off of the related unamortised debt issuance expenses.

The assessment of the interest floors embedded in the newly recognised borrowings did not result in bifurcation of any of these floors from the hosting contract.

In June 2021, EUR 2,000 million Euro Medium Term Notes ("EMTN") were issued by the Company of which the proceeds were used to repay EUR 1,671 million of the JDE Term Loan A and to fully repay the EUR 300 million Backstop Facility.

In September 2021, USD 1,750 million USD notes were issued by the Company of which the proceeds were used to repay EUR 1,500 million of the JDE Term Loan A.

In November 2021, an additional amount of EUR 1,100 million EMTN notes were issued of which the proceeds were used to fully repay the JDE Term loan A of EUR 500 million and to repay EUR 600 million of the Term Facility entered into on 30 March 2021. On 22 December 2021, the remaining EUR 400 million of the Term Facility was repaid from available cash, leaving only the undrawn Revolving Credit Facility in place at 31 December 2021.

Unsecured Notes

In June 2021, the Company announced a multi-tranche guaranteed EMTN programme for a total amount of EUR 5,000 million under which three Euro notes were issued on 16 June 2021 for EUR 2,000 million on the Euro MTF market of the Luxembourg Stock Exchange, with the following conditions:

Facility	Pricing	Maturity	Issued amount	Initial fair value
Note 2026	0.000% interest	4.6 years	EUR 750 million	EUR 746 million
Note 2029	0.500% interest	7.6 years	EUR 750 million	EUR 745 million
Note 2033	1.125% interest	12.0 years	EUR 500 million	EUR 499 million

In November 2021, the Company issued under the same EMTN programme another two notes:

Facility	Pricing	Maturity	Issued amount	Initial fair value
Note 2028	0.625% interest	6.3 years	EUR 600 million	EUR 597 million
Note 2025	0.244% interest	3.2 years	EUR 500 million	EUR 500 million

In September 2021, the Company issued USD 1,750 million aggregate principals of notes under rule 144A and Regulation-S, under the Securities Act of 1933 and as a result are not listed on an exchange and consequently not subject to rules applicable to the exchange, such as Sarbanes-Oxley. The notes comprise of the following three series:

Facility	Pricing	Maturity	Issued amount	Initial fair value
Note 2024	0.800% interest	3.0 years	USD 500 million	USD 499 million
Note 2027	1.375% interest	5.3 years	USD 750 million	USD 745 million
Note 2031	2.250% interest	10.0 years	USD 500 million	USD 498 million

All notes are initially recognised at fair value and subsequently measured at amortised costs, the initial fair value of the notes, except for one Euro tranche, was lower than their nominal value since they were offered at a discount. This discount will be amortised over the lifetime of the notes.

All notes are unsecured and guaranteed by JACOBS DOUWE EGBERTS International B.V. and Peet’s Coffee, Inc.

FINANCE INCOME AND EXPENSE

Finance income and expense consist of the following (in EUR million):

	FY 2021	FY 2020
Interest income	29	43
Interest expense [1]	(141)	(180)
Net financing cost of financial debt	**(112)**	**(137)**
Interest income on plan assets	32	35
Interest expense on defined benefit obligation	(30)	(34)
Total pension finance (expense)/income	**2**	**1**
Foreign exchange gain/(loss)	(129)	114
Change in fair value of derivative financial instruments	116	(210)
Fair value changes financial liabilities	(2)	(14)
Net finance expense	**(125)**	**(246)**

[1] Interest expense primarily includes interest on credit agreements and bank overdrafts (2021: EUR 54 million; 2020: EUR 112 million), interest on unsecured notes (2021: EUR 13 million; 2020: zero), interest rate swaps (2021: EUR 36 million; 2020: EUR 33 million), amortisation expenses (2021: EUR 20 million; 2020: EUR 3 million) and borrowings from related parties (2021: EUR 2 million; 2020: EUR 12 million).

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